



CONFIDENTIAL OFFERING MEMORANDUM

Date: February 18, 2017
The Issuer: The Vineyards Community Kelowna Trust (the "Trust" or "Issuer")
Records/Registered Office: 1000-840 Howe Street, Vancouver, B.C. V6Z 2M1
Mailing Address: c/o Sussex Retirement Living (2015) Inc. (the "Administrator")
 1101 Prince of Wales Drive, Ottawa, ON K2C 3W7
Phone: 613-739-8538 Toll Free: 888-244-1557
Email: asimourd@sussexrl.com or jcathrae@sussexrl.com
Currently listed or quoted: No. **These securities do not trade on any exchange or market.**
Reporting Issuer/ SEDAR filer: No. The Issuer is not a reporting issuer or equivalent in any jurisdiction.

The Offering:

Securities Offered:	Class A mutual fund trust units of the Issuer (referred to herein as the "Units" or the "Securities"). See Item 5.1 – "Terms of Securities".
Price per security:	\$100.00 per Unit.
Minimum Offering:	There is no minimum. You may be the only purchaser.
Maximum Offering:	The Maximum Offering is \$10,750,000.00 (107,500 Units). The Maximum Offering are subject to reduction by an amount equal to any proceeds received from the Concurrent Institutional/Permitted Investor Offering (defined in the Offering Memorandum). Funds available under the Offering may not be sufficient to accomplish our proposed objectives.
Minimum subscription Per Investor/Increments:	\$10,000 (100 Units), or such lower amount approved in writing by the Trustees.
Payment terms:	Payment in full by certified cheque, bank draft, wire transfer or other form of guaranteed funds which may be acceptable to the Trust, payable to "Miller Thomson LLP, In Trust", with the delivery of a duly executed and completed Subscription Agreement. See Item 5.2 – "Subscription Procedure".
Proposed Closing Date(s):	The Trust intends to complete and close the sale of the Units from time to time as subscriptions are received and as determined by the Trustees in their sole discretion, with the initial closing expected to occur on February 28, 2017, but may occur at such other earlier or later date as determined by the Trust in its sole discretion.

Tax Consequences: There are important tax consequences to these securities. **See Item 6 – "Income Tax Consequences and Deferred Plan Eligibility".**

Selling Agent: Yes. The Trust will engage one or more non-exclusive registered exempt market dealers to effect the sale of the Units. The Trust will pay a commission to registered dealers or a referral fee to finders in those jurisdictions where permitted by applicable securities legislation of up to a maximum of eight percent (8%) of the aggregate purchase price of the Units sold to Subscribers referred by registered dealers or finders in each jurisdiction as allowed by the applicable securities legislation. In addition, if permitted by applicable securities legislation, 5% of the profits of the General Partner shall be allocated and offered to the exempt market dealers that are retained to effect the sale of the Units. **See Item 7 – "Compensation Paid to Sellers and Finders".**

Resale Restrictions: The Units are subject to restrictions on resale. There is no market for the Units and none is expected to develop and, therefore, it may be difficult or impossible for you to sell the Units. You will be restricted from selling your Units for an indefinite period. **See Item 10 – "Resale Restrictions".**

Purchaser's Rights: You have 2 business days to cancel your agreement to purchase these Securities. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the agreement. **See Item 11 – "Purchaser's Rights".**

The Units are offered for sale pursuant to exemption from prospectus requirements contained in NI 45-106 and may be sold pursuant to exemptions from the registration requirements contained in NI 31-103. No securities regulatory authority has assessed the merits of these securities or reviewed this Offering Memorandum. Any misrepresentation 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".** Furthermore, any OM Marketing Materials prepared by the Issuer are deemed to be incorporated by reference into the Offering Memorandum.

This Offering Memorandum is for the confidential use of only those persons to whom it is transmitted in connection with this Offering for the purpose of evaluating the securities offered hereby. By their acceptance of this Offering Memorandum, recipients agree that they will not transmit, reproduce or make available to anyone, other than their professional advisors, this Offering Memorandum or any information herein. No person has been authorized to give any information or to make any representations not contained in this Offering Memorandum. Any such information or representation which is given or received must not be relied upon.

NOTE REGARDING FORWARD LOOKING STATEMENTS

THIS OFFERING MEMORANDUM AND ANY OM MARKETING MATERIALS MAY CONTAIN FORWARD-LOOKING STATEMENTS. THESE STATEMENTS RELATE TO FUTURE EVENTS OR THE CORPORATION'S FUTURE PERFORMANCE. ALL STATEMENTS OTHER THAN STATEMENTS OF HISTORICAL FACT ARE FORWARD-LOOKING STATEMENTS. FORWARD LOOKING STATEMENTS ARE OFTEN, BUT NOT ALWAYS, IDENTIFIED BY THE USE OF WORDS SUCH AS "MAY", "WILL", "SHOULD", "EXPECT", "PLAN", "ANTICIPATE", "BELIEVE", "ESTIMATE", "PREDICT", "POTENTIAL", "TARGETING", "INTEND", "COULD", "MIGHT", "CONTINUE", OR THE NEGATIVE OF THESE TERMS OR OTHER COMPARABLE TERMINOLOGY. THESE STATEMENTS ARE ONLY PREDICTIONS. IN ADDITION, THIS OFFERING MEMORANDUM AND ANY OM MARKETING MATERIALS MAY CONTAIN FORWARD-LOOKING STATEMENTS ATTRIBUTED TO THIRD PARTY INDUSTRY SOURCES. UNDUE RELIANCE SHOULD NOT BE PLACED ON THESE FORWARD-LOOKING STATEMENTS AS THERE CAN BE NO ASSURANCE THAT THE PLANS, INTENTIONS OR EXPECTATIONS UPON WHICH THEY ARE BASED WILL OCCUR. BY ITS NATURE, FORWARD-LOOKING INFORMATION INVOLVES NUMEROUS ASSUMPTIONS, KNOWN AND UNKNOWN RISKS AND UNCERTAINTIES, BOTH GENERAL AND SPECIFIC, THAT CONTRIBUTE TO THE POSSIBILITY THAT THE PREDICTIONS, FORECASTS, PROJECTIONS AND OTHER FORWARD-LOOKING STATEMENTS WILL NOT OCCUR AND MAY CAUSE ACTUAL RESULTS OR EVENTS TO DIFFER MATERIALLY FROM THOSE ANTICIPATED IN SUCH FORWARD-LOOKING STATEMENTS. THE FORWARD-LOOKING STATEMENTS CONTAINED IN THIS OFFERING MEMORANDUM OR IN ANY OM MARKETING MATERIALS ARE EXPRESSLY QUALIFIED BY THIS CAUTIONARY STATEMENT. THESE FORWARD-LOOKING STATEMENTS SPEAK ONLY AS OF THE DATE OF THIS OFFERING MEMORANDUM. THE CORPORATION IS NOT UNDER ANY DUTY TO UPDATE ANY OF THE FORWARD-LOOKING STATEMENTS AFTER THE DATE OF THIS OFFERING MEMORANDUM TO CONFORM SUCH STATEMENTS TO ACTUAL RESULTS OR TO CHANGES IN THE CORPORATION'S EXPECTATIONS EXCEPT AS OTHERWISE REQUIRED BY APPLICABLE LEGISLATION. THE RISKS AND UNCERTAINTIES ATTRIBUTABLE TO THESE FORWARD-LOOKING STATEMENTS MAY ADVERSELY AFFECT THE DISTRIBUTIONS TO BE MADE ON, OR THE RATE OF RETURN ON, THE TRUST UNITS. SOME OF THESE ARE DISCUSSED IN ITEM 8 – RISK FACTORS. YOU SHOULD CAREFULLY CONSIDER THE RISK FACTORS, IN ADDITION TO THE OTHER INFORMATION PROVIDED HEREIN, BY THE CORPORATION OR IN ANY OM MARKETING MATERIALS.

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GLOSSARY OF TERMS

In this Offering Memorandum, unless the context otherwise requires, the following words and terms have the meaning set forth below:

“Accredited Investor(s)”	has the meaning defined in NI 45-106;
“Administration Agreement”	means the agreement dated February 8, 2017 between the Trust and Administrator in respect of the administration of the Trust. Item 2.7 – “Material Agreements – Administration Agreement” ;
“Administration Fee”	means the fee payable to the Administrator by the Trust pursuant to the Administration Agreement, as described in Item 2.7 – “Material Agreements – Administration Agreement” ;
“Administrator”	means Sussex Retirement Living (2015) Inc., a corporation validly existing under the laws of Canada;
“Affiliate”	has the meaning ascribed to it by the BCBCA;
“Applicable Laws”	means all applicable provisions of law, domestic or foreign, including, without limitation, the Securities Policies;
“Asset Management Fee”	means has the meaning ascribed thereto in Item 2.2 – “Our Business” ;
“Bank Financing”	has the meaning ascribed thereto in Item 2.2 – “Our Business” ;
“Bare Trustee”	means The Vineyards Community Land Holdings Inc., appointed as bare trustee of the Lands pursuant to the Bare Trust Agreement;
“Bare Trust Agreement”	means that certain bare trust agreement dated February 10, 2017 between the Limited Partnership and the Bare Trustee;
“BCBCA”	means the <i>Business Corporations Act</i> (B.C.) and the regulations promulgated thereunder, as amended from time to time;
“Business Day”	means a day other than a Saturday, a Sunday or a statutory holiday in the Province of British Columbia;
“Capital Contribution”	means, an amount contributed to the Limited Partnership by a Partner as a contribution of capital, including the amount per LP Unit paid (either in cash or by way of contribution of property) to the Partnership by each Partner in respect of the subscription for such Unit as set forth in the respective Subscription and Power of Attorney or otherwise, and any other amounts contributed as contributions of capital, whether or not LP Units are issued in consideration therefor, all as set forth in the LP Agreement;
“Class A LP Units”	means an ownership interest in the Limited Partnership designated as Class A Limited Partnership Units, owned or held by the Trust, or subsequent Limited Partners, and having the rights set out in the LP Agreement;
“Class B LP Units”	means an ownership interest in the Limited Partnership designated as Class B Limited Partnership Units, having the rights set out in the LP Agreement;
“Class C LP Units”	means an ownership interest in the Limited Partnership designated as Class C Limited Partnership Units, having the rights set out in the LP Agreement;
“Class A Units”	means the Class A Units of the Trust to be issued to Subscribers under this Offering;

“Class B Units”	means the Class B Units of the Trust that have been issued to Institutional/Permitted Investors, as further described below;
“Class C Units”	means the Class C Units of the Trust that have been issued to an arm’s length third party institutional investor/portfolio manager, as further described below;
“Class D Units”	means the Class D Units of the Trust, initially held by the Founders;
“Closing”	means the day or days upon which Units are issued to the Subscribers pursuant to this Offering;
“Closing Date”	means the Closing of the Offering, which will take place periodically at the sole discretion of the Trustee of the Trust, with the Initial Closing scheduled to occur on February 28, 2017 (or such earlier or later date as may be approved by the Trustee of the Trust in their sole discretion);
“Commissions”	means the dealing commissions payable by the Trust to a registered Exempt Market Dealer retained by the Trust or a referral fee to finders where permitted by applicable securities legislation. See Item 7 – “Compensation Paid to Sellers”;
“Concurrent Institutional/Permitted Investor Offering”	means a separate but concurrent offering by the Trust of Class B Units to institutional or permitted investors of not less than \$250,000 and the offering of by the Trust of Class C Units to the institutional investor/portfolio manager that is set to close on or before the first Closing under this Offering. See Item 2.1 – “Structure”;
“Construction Management Agreement”	means the construction management agreement that will be entered into between the General Partner, on behalf of the Limited Partnership, and the Construction Manager. See Item 2.7 – “Material Agreements”;
“Construction Management Fee”	means the fee payable to the Construction Manager. See Item 2.2 – “Our Business”;
“Construction Manager”	means the arms-length third party that will be retained to complete the Construction of the Memory Care Facility;
“CRA”	means the Canada Revenue Agency;
“Declaration of Trust”	means the Declaration of Trust dated February 8, 2017 between Scott Morrison, as Settlor, and the Founders as the Initial Trustees, pursuant to which the Trust was established, as the same may be amended, supplemented or restated from time to time;
“Development Fees”	has the meaning ascribed thereto in Item 2.2 – “Our Business”;
“Development Manager”	means Connecting Care (2000) Inc., a non-arm’s length Ontario company wholly owned by Points West Living Limited Partnership, a non-arm’s length Ontario Limited Partnership;
“Development Management Agreement”	means the development management agreement between the General Partner, on behalf of the Limited Partnership, and the Development Manager, dated February 8, 2017. See Item 2.7 – “Material Agreements – Development Management Agreement”;
“Distributable Cash”	means the balance of cash on hand of the Limited Partnership after provisions for reserves and to comply with limits or restrictions of the Limited Partnership’s lenders, payment of expenses and allowances for contingencies, working capital, capital expenditures, acquisitions and repayments of borrowed funds, all as determined by the General Partner in its sole discretion;

“Distributable Cash Flow”	shall have the meaning ascribed thereto in Item 2.7 – “Material Agreements – Declaration of Trust” ;
“EMD”	means a registered Exempt Market Dealer, as such term is defined in NI 31-103;
“Exempt Plans”	means collectively RRSPs, RRIFs, RESPs, RDSPs and TFSA’s;
“Extraordinary Resolution”	means a resolution passed by either the Unitholders of the Trust or the Limited Partners of the Limited Partnership that is either: <ul style="list-style-type: none"> (i) a resolution passed by not less than eighty (80%) percent of the votes cast by those entitled to do so in person or by proxy at a duly convened meeting of either the Unitholders of the Trust or the Limited Partners of the Limited Partnership, or any adjournment thereof, called for the purpose of considering such resolution; or (ii) a resolution in writing in one or more counterparts approved by either the Unitholders of the Trust or the Limited Partners of the Limited Partnership entitled to vote at a meeting of either the Unitholders of the Trust or the Limited Partners of the Limited Partnership holding not less than eighty (80%) percent of the Units;
“Gross Subscription Amount”	means the aggregate of the total gross subscription amounts (\$100.00 per Unit, excluding any additional Units allocated to subscribers of the Class B or Class C Units, multiplied by the number of Units subscribed for) made by Unitholders of the Trust whose subscription amounts, after payment of expenses of the Trust and provision of reserves, were or will be contributed as a Capital Contribution to the Limited Partnership, less the gross subscription amounts of all Redeemed Unitholders;
“General Partner”	means The Vineyards Community GP Inc., a private corporation incorporated pursuant to the laws of the Province of B.C., and the general partner of the Limited Partnership;
“GP LP Unit”	means an ownership interest in the Limited Partnership designated as a GP LP Unit owned or held by the General Partner;
“IFRS”	means the International Financial Reporting Standards, the standards and interpretations adopted by the International Accounting Standards Board;
“including”	means including without limiting the generality of the foregoing, unless otherwise expressly stated such as “including only” , and “includes” shall have a corresponding meaning;
“Institutional/Permitted Investor”	means an Accredited Investor, as defined in NI 45-106, that qualifies and subscribes for not less than \$250,000;
“Initial Fund Return Amount”	equals the Gross Subscription Amount plus a 10% simple (non-compounding) annual rate of return on the Gross Subscription Amount;
“Initial Trustees” or “Founders”	means Aurele Simourd, John Cathrae, and Ken Craig;
“Issuer” or “Trust”	means The Vineyards Community Kelowna Trust, a trust constituted by the Declaration of Trust, as the same may be amended, supplemented or restated from time to time;
“Lands”	means the lands consisting of approximately 3.51 acres, that will be subdivided into the Residence Lands and the Multifamily Lands, as described in Item 2.2 – “Our Business” ;

“Lands Purchase Contract”	means that certain purchase and sale agreement dated November 24, 2016 between the Vendor and Sussex Retirement Kelowna Inc., and the right to acquire the Residence Lands was assigned to the Bare Trustee by way of an assignment agreement dated February 10, 2017, and includes all amendments and addendums thereto;
“Lender”	means the institution lending the Bank Financing to the Limited Partnership for the purposes of funding the construction of the Residence;
“Limited Partner”	means the holders from time to time of the Class A, Class B or Class C LP Units of the Limited Partnership, and “Limited Partner” means any one of them;
“Limited Partnership”	means The Vineyards Community Limited Partnership, a limited partnership formed pursuant to the laws of the Province of British Columbia;
“LP Agreement”	means the limited partnership agreement of the Limited Partnership dated February 8, 2017 between the Trust and the General Partner, together with any and all amendments thereto. See Item 2.7 – “Material Agreements” ;
“LP Units”	means an undivided interest in the Limited Partnership entitling the holder of record thereof to the rights provided the LP Agreement;
“Material Agreements”	means the material agreements of the Trust and the Limited Partnership, as further set forth in Item 2.7 – “Material Agreements” ;
“Maximum Offering”	means the sale pursuant to this Offering of 107,500 Units, for gross aggregate subscription proceeds of Ten Million Seven Hundred and Fifty Thousand (\$10,750,000) Dollars, less an amount equal to the number of any Class B and C Units sold and any proceeds received from the Concurrent Institutional/Permitted Investor Offering;
“Memory Care”	means the specialized services provided to seniors suffering from one of the many forms of dementia, as further described in Item 2.2 – “Our Business – Limited Partnership Business – Memory Care” ;
“Minimum Subscription”	means \$10,000 (100 Units);
“Multifamily Lands”	means the portion of the Lands, being approximately 1.68 acres, that is not part of the Offering, the intention of which is to build multifamily units on the parcel, with an emphasis on an independent senior apartment building;
“Net Proceeds”	means, at any time, the gross proceeds of the Offering less any selling commissions and fees and the expenses of the Offering, all as more particularly described in the table under Item 1.1 – “Available Funds” ;
“NI 31-103”	means National Instrument 31-103 – <i>Registration Requirements and Exemptions</i> ;
“NI 45-102”	means National Instrument 45-102 – <i>Resale of Securities</i> ;
“NI 45-106”	means National Instrument 45-106 – <i>Prospectus and Registration Exemptions</i> ;
“Non-Arm’s Length Party”	means related person within the meaning of and pursuant to the Tax Act;
“Offering”	means the distribution of Units pursuant to this Offering Memorandum;
“Offering Memorandum”	means this confidential offering memorandum dated February 18, 2017 that is to be delivered to potential Subscribers of Units, as same may be amended from time to time;

“OM Marketing Materials”	means any marketing materials or other written communication, other than an OM standard term sheet, intended for prospective investors regarding the Offering that contains material facts, relating to the Issuer, Securities or the Offering;
“Operations Manager”	means the operation manager of the Residence, which will initially be Points West Living and its management company, Connecting Care, as further described in Item 2.2 – “Our Business – Limited Partnership – Operations” ;
“Project”	means the development of a Memory Care and Assisted Living specialized retirement facility by the Limited Partnership as described in Item 2.2 – “Our Business” ;
“Points West Living”	means Points West Living Limited Partnership, an Alberta based limited partnership;
“RDSP”	means Registered Disability Savings Plan, as defined under the Tax Act;
“Redeemed Unitholders”	means those Unitholders of the Trust who have exercised the redemption rights granted pursuant to the Declaration of Trust;
“Redemption Amount”	means the aggregate of the Redemption Price paid or payable to all Redeemed Unitholders arising from a redemption of Units of the Trust;
“Redemption Date”	means the date that the Trust has, to the satisfaction of the Trustees, received notice of the exercise of the redemption right and all other documents or evidence of authority as may be required by the Trustees;
“Residence”	shall have the meaning ascribed thereto in Item 2.2 – “Our Business” ;
“Residence Lands”	means that portion of the Lands, being approximately 1.83 acres or such other amount required by local authorities, to be used for the Residence;
“Resident”	means a person (other than a partnership) who is a resident in Canada for the purposes of the Tax Act;
“RESP”	means Registered Education Savings Plan, as defined under the Tax Act;
“RRIF”	means Registered Retirement Income Fund, as defined under the Tax Act;
“RRSP”	means Registered Retirement Savings Plan, as defined under the Tax Act;
“Securities Act”	means the <i>Security Act</i> (Alberta), including the rules and regulations promulgated thereunder, as may be amended from time to time;
“Securities Policies”	means the <i>Securities Act</i> and all applicable securities policies;
“Selling Expenses”	means normal and customary selling expenses incurred in relation to the sale of the Residence, including legal fees and real estate commissions, all as determined by the General Partner in its sole discretion;
“Subscriber” or “Unitholder”	means a subscriber for Units pursuant to this Offering;
“Subscription Agreement”	means the form of subscription agreement (and all exhibits and appendices) attached to this Offering Memorandum as Schedule “B”;
“Subscription Price”	means \$100.00 per Unit;
“Tax Act”	means the <i>Income Tax Act</i> (Canada), including the regulations thereto, as amended from time to time;
“TFSA”	means Tax-Free Savings Account, as defined under the Tax Act;
“Transfer Agent”	means Miller Thomson LLP, or such other transfer agent designated by the Trust from time to time;

“Trustees”	means the trustees of the Trust, as appointed pursuant to the Declaration of Trust;
“Trust Funds”	means the funds raised pursuant to this Offering;
“Trust Note”	means an unsecured promissory note of the Trust tendered as payment for the redemption price of Units tendered for redemption;
“Unitholder” or “Unitholders”	means at any time the persons who are the holders of record at that time of one or more Class A, Class B and Class C Units of the Trust, as shown on the registers of such holders maintained by the Trust or by the Transfer Agent, but it does not include the holders of the Class D Units, unless otherwise disclosed; and
“Units” or “Trust Units”	means ownership interests in the Trust designated as the Class A Units that will be issued to subscribers under this Offering, or the Class B Units that will be offered to Institutional/Permitted Investors pursuant to the Concurrent Institutional/Permitted Investor Offering, or the Class C Units that was issued to the institutional investor/portfolio manager, having the rights set forth in the Declaration of Trust and authorized and issued thereunder as such and for the time being outstanding and entitled to the benefits thereof and which shall represent beneficial interest in the assets of the Trust. All references to “Units” or “Trust Units” herein shall mean the Class A, Class B and Class C Units, but does not include the Class D Units unless the context otherwise specifies;
“Vendor of the Lands”	means Valley Land Subdivision Ltd., an arm’s length 3 rd party and vendor of the Lands.
“\$”	means Canadian dollars, unless otherwise specified.

The foregoing is not an exhaustive list of the defined terms and expressions used in this Offering Memorandum and additional capitalized terms and expressions may be defined throughout this Offering Memorandum.

ITEM 1 – USE OF AVAILABLE FUNDS

1.1 Funds

The following table sets out the funds available to the Trust upon the completion of the Offering and the principal uses of the Net Proceeds of the Offering:

	Funds Available to the Trust	Assuming Minimum Offering	Assuming Maximum Offering⁽¹⁾
A	Amount to be raised by this Offering	- nil	\$10,750,000
B	Selling commissions and fees ⁽²⁾	- nil	\$844,0000
C	Estimated Offering costs (e.g., legal, accounting, audit, marketing.)	\$407,000	\$407,000
D	Available funds: $D = A - (B+C)$	(\$407,000)	\$9,499,000
E	Additional sources of funding required	- nil	- nil
F	Working capital deficiency	- nil	- nil
G	Total: $G = (D+E) - F$	(\$407,000)	\$9,499,000 ⁽³⁾

Notes:

- (1) The Maximum Offering are subject to reduction by an amount equal to any proceeds received from the Concurrent Institutional/Permitted Investor Offering.

- (2) The Trust will pay a commission to registered dealers or a referral fee to finders in those jurisdictions where permitted by applicable securities legislation of up to a maximum of eight (8%) percent of the aggregate purchase price of the Units sold to subscribers referred by the registered dealers or finders in each jurisdiction. **See Article 7 – “Compensation Paid to Sellers and Finders”.**
- (3) On or before the first closing date of the Class A Units under this Offering, the Trust will issue up to 11,500 Class C Units to an arm's length third party institutional investor/portfolio manager at the subscription price of up to \$1,000,000. The amount raised by issuing the Class C Units will reduce the total amount raised under this Offering. These funds are to be used to ensure that the initial funds required for the initial set up and planning costs are covered as the remainder of the funds are raised under this Offering.

1.2 Use of Available Funds

Description of intended use of available funds listed in order of priority	Assuming Minimum Offering ⁽¹⁾	Assuming Maximum Offering
Reserve for payment of expenses of the Trust and potential redemptions. See Item 2.2 – “Our Business”.	- nil	\$100,000
Capital contribution to the Limited Partnership as described in Item 2.2 – “Our Business” . If the Trust is unable to generate significant subscriptions, there is a risk that a significant portion of the subscription proceeds will be applied to pay fees and expenses of the Trust. See Item 8 – “Risk Factors”.	- nil	\$9,399,000
Total: Equal to G in the table under Item 1.1 above	(\$407,000)	\$9,499,000 ⁽²⁾

Notes:

- (1) Since there is no minimum offering, the Trust will not have any funds to use.
- (2) **Please refer to page 20 for a breakdown of the use of Available Funds by the Limited Partnership.**

1.3 Reallocation

The Trust intends to spend the available funds as stated. It will reallocate funds only for sound business reasons.

ITEM 2 – BUSINESS OF THE ISSUER

2.1 Structure

For disclosure purposes, Subscribers should note that the Trustees, the Trust, the Limited Partnership, the General Partner, the Limited Partnership and the Bare Trustee are not arm's length, as that term is defined in the *Income Tax Act* (Canada).

The Trust

The Trust is an unincorporated open-ended limited purpose trust established under the laws of the Province of British Columbia and the Income Tax Act by the Declaration of Trust dated February 8, 2017 (the “**Declaration of Trust**”) between the Founders, as the Initial Trustee and Scott Morrison, as the Settlor, and will qualify as a “mutual fund trust” under the provisions of the Tax Act upon obtaining a minimum of one hundred and fifty (150) Unitholders.

The Trust should qualify as a “mutual fund trust” under the provisions of the Tax Act upon obtaining a minimum of one hundred and fifty (150) Unitholders and will elect to be a mutual fund trust from the commencement of its first taxation year. The Trust must obtain the minimum number of Subscribers before the 91st day after the end of its taxation year.

Prospective Subscribers are encouraged to obtain a copy of the Declaration of Trust and to review its contents prior to subscribing. The Trustees are responsible for the general control and direction of the Trust. See Item 3 – “Interest of Trustees, Management, Promoters and Principal Holders” and Item 5.1 – “Terms of Securities”.

The Trust is not a trust company and does not carry on business as a trust company and, accordingly, the Trust is not registered under applicable legislation governing trust companies in any jurisdiction. The Units are not “deposits” within the meaning of the *Canada Deposit Insurance Trust Act* (Canada) and are not insured under that Act or any other legislation. The price of the Units offered hereby was established arbitrarily by the Trustees. There are certain risk factors inherent in an investment in the Units and in the activities of the Trust, including the possibility of Unitholder liability. **See Item 8 – “Risk Factors”.**

The Trust was established for the purposes of conducting the Offering to raise funds. The Trust intends to advance the Net Proceeds of the Offering (including any Net Proceeds of the Concurrent Institutional/Permitted Investor Offering) to contribute capital to the Limited Partnership. The Limited Partnership will in turn use such funds to close the Offer to Purchase (thereby acquiring the Land).

On or before the first closing date of the Class A Units under this Offering, the Trust will issue up to 11,500 Class C Units to an arm’s length third party institutional investor/portfolio manager at the subscription price of up to \$1,000,000. These funds are to be used to cover the initial funds required for the initial set up and planning costs. These initial funds will be used by the Trust and Limited Partnership to cover the initial funds required for the initial set up and planning costs including, without limitation, marketing, deposits and planning.

The principal and head office of the Trust is located at Suite 115 – 1101 Prince of Wales Drive, Ottawa, ON K2C 3W7, and the registered and records office of the Trust is located at 1000-840 Howe Street, Vancouver, B.C. V6Z 2M1.

The Limited Partnership

As of the date of this Offering Memorandum, the Trust is the registered owner of 5,000 LP Units for an initial Capital Contribution of \$1,000.00. As and when the Trust receives Trust Funds, the Trust intends to advance the net proceeds of the Offering from the Trust to the Limited Partnership by way of an additional Capital Contribution, but will not receive additional LP Units. The Limited Partnership will subsequently use the net proceeds to develop the Project. **See Item 2.2 – “Our Business”.**

The Vineyards Community Limited Partnership is a limited partnership formed on February 8, 2017 under the laws of the Province of British Columbia and pursuant to the *Partnership Act* of British Columbia, upon the execution of the LP Agreement, and by the registration of the Certificate of Limited Partnership on February 8, 2017. The General Partner is responsible for the management and administration business and affairs of the Limited Partnership, including the collection of all amounts owing to, and the payment of all debts and liabilities for, the Limited Partnership, but may delegate such duties to a manager. Under the laws of the Province of British Columbia, a Limited Partner is not liable for the debts and liabilities of the Limited Partnership beyond the amount that Limited Partner has contributed or has agreed to contribute to the Limited Partnership provided that Limited Partner does not, directly or indirectly, take part in the business, affairs or management of the Limited Partnership. The Limited Partnership was created to receive funds from the Trust and subsequently develop the Project. **A copy of the LP Agreement is available for Subscribers to review upon request. See Item 2.7 – “Material Agreements – LP Agreement”.**

The administration office of the Limited Partnership and General Partner are located at Suite 115, Prince of Wales Drive, Ottawa, ON K2C 3W7, and the registered and records office of the Limited Partnership and General Partner are located at Miller Thomson LLP, Robson Court, 1000 – 840 Howe Street, Vancouver, B.C. V6Z 2M1.

Sale of LP Units

In addition to the sale of the Units under this Offering, the General partner may look at selling LP Units directly to Accredited Investors. As of the date of this Offering Memorandum the General Partner has not made a determination that it will sell LP Units, but wants to keep this as an option to raise capital for the Project.

The LP Units are divisible into Class A, Class B and Class C LP Units. The Class A LP Units will be issued to the Trust and the gross proceeds will be advanced to the Limited Partnership as a Capital Contribution.

Administration of the Trust

The Administrator of the Trust is Sussex Retirement Living (2015) Inc. The Administrator was incorporated under the laws of Canada. The principal place of business for the Administrator is located at Suite 115 – 1101 Prince of Wales Drive, Ottawa, ON K2C 3W7.

Administrator's Duties

The Administrator is the administrator of the Trust and, pursuant to the terms of the Administration Agreement, has the sole responsibility to administer and regulate the Trust's day-to-day operations. The duties of the Administrator include, without limitation, arranging for the distribution of the Units, preparing and filing all documents and reports as required under applicable securities legislation, arranging for the keeping of records and accounts, calculating fees payable, reporting to Unitholders, establishing procedures for purchases and redemptions of Units of the Trust, conducting or arranging for the valuation of the assets of the Trust, and authorizing all contractual arrangements, including the appointment, with the consent of the Trustees, of the registrar and transfer agent and the appointment of the brokers, distributors and the initial accountants. Under the Administration Agreement, the Administrator has the power and authority to act for, and to approve and sign on behalf of the Trust, all documents, forms, agreements, and other instruments in writing.

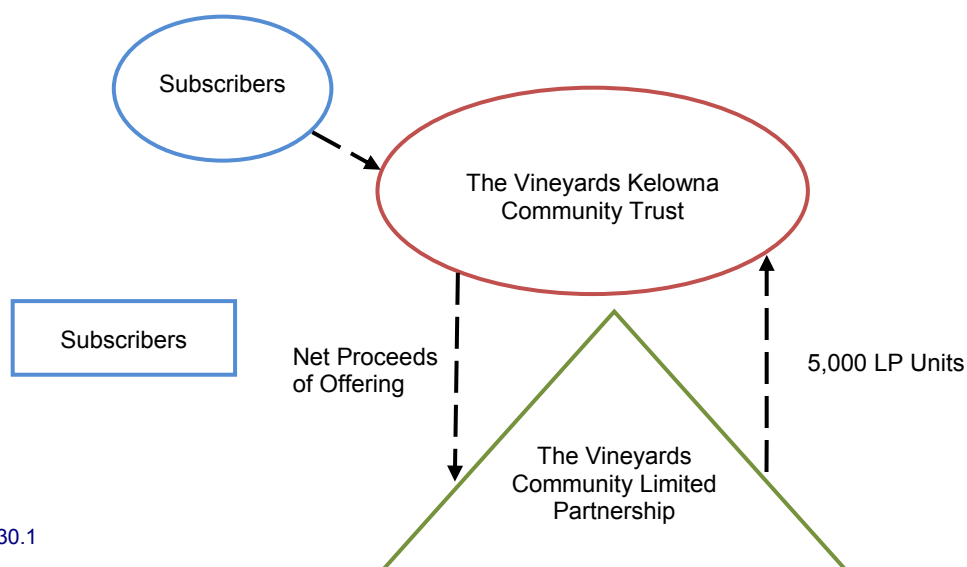
The Administrator is paid the Administration Fee and is reimbursed by the Trust for certain expenses. The Administrator is owned by a company controlled by the Trustees who and are a beneficial owner of the General Partner. See Item 2.7 – “Material Agreements – Administration Agreement”.

2.2 Our Business

The Trust was established with the principal purpose of issuing Units and to advance the net proceeds raised under this Offering, and any subsequent offerings, to the Limited Partnership to carry out the Project. As of the date of this Offering Memorandum, the Trust is a Limited Partner and the legal and beneficial owner of 5,000 LP Units of the Limited Partnership having the characteristics set forth in the LP Agreement. **See Item 2.7 – “Material Agreements – LP Agreement”.** As funds are raised pursuant to this Offering, the net proceeds will be advanced by the Trust to the Limited Partnership by way of Capital Contribution.

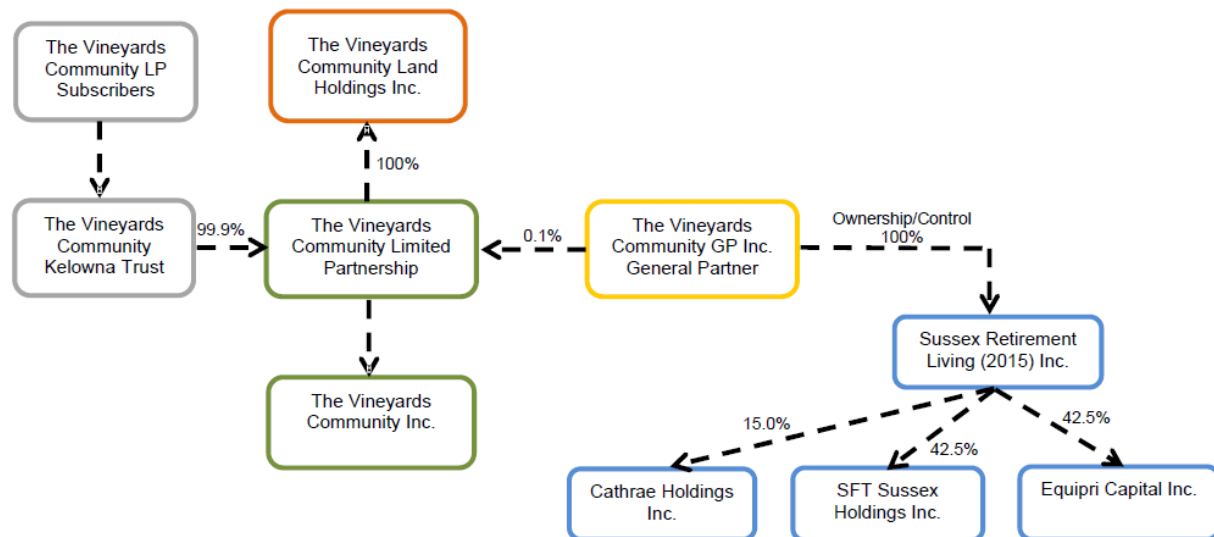
Flow of Funds

The flow of funds from this Offering is depicted by the following diagram:



The Vineyards Community Group

The Trust and the Limited Partnership are related entities comprising part of the Vineyards Community group. The organizational structure of the Vineyards Community group is as follows:



The relationship between the Limited Partners of the Limited Partnership is governed by the LP Agreement – **See Item 2.7 – “Material Agreements – LP Agreement”**. The Bare Trustee is 100% beneficially owned by the Limited Partnership and will hold legal title to the Residence Lands as bare trustee pursuant to the Bare Trust Agreement – **See Item 2.7 – “Material Agreements – Bare Trust Agreement”**.

2. Limited Partnership Business

The Vineyards Community Limited Partnership

The Vineyards Community Limited Partnership has been formed with the intent of developing a state-of-the-art Assisted Living and Memory Care Residence within the seniors living market in Kelowna, British Columbia.

A) Assisted Living (“Heavy Care”)

According to the Assisted Living Registrar of British Columbia, “Assisted Living Services” include housing, hospitality services and one or two personal assistance services, such as regular assistance with activities of daily living, medication services or psychosocial supports, as a long-term care option that combines housing, support services and health care, as needed. Seniors in assisted living typically have the option of a private room, or shared space depending on their preference and budget.

CMHC’s Annual Seniors’ Housing Report documents the ongoing and growing need for Assisted Living Services:

“Heavy care spaces are classified as units in senior’s residences where the resident is paying an extra amount to receive high-level care (more than 1.5 hours of care per day). A relatively low vacancy rate compared to that of independent living spaces suggests that demand for heavy care spaces in British Columbia remains strong... The vacancy rate in the Okanagan/Thompson/Shuswap region declined from 3.5 per cent to 1.8 per cent. Strong demand for heavy care spaces is consistent with the growth observed in British Columbia’s senior’s population. The need for assistance with day-to-day activities and

medical assistance generally increases with age. The population of those who were 75 years of age or older increased by close to 1,000 people compared to the previous year. [Source: CMHC Seniors' Housing Report BC – 2015]"

The CMHC document further reports:

"In 2015, in terms of heavy care spaces, which includes persons needing Alzheimer's and dementia care, the highest average rents are in the Province of British Columbia at \$6,011 per month while they simultaneously have the lowest vacancy rates for heavy care in the Country. [Source: CMHC Seniors' Housing Report BC 2015]"

B) Memory Care

"Memory Care" is used in this Offering Memorandum to refer to the provision of specialized services to seniors suffering from one of the many forms of dementia. Memory Care is a distinct form of long term care skilled nursing and care services, that specifically cater to residents with Alzheimer's disease, dementia and other forms of memory impairment. A combination of building design features, unique training for staff and an individually designed services approach for each resident, (the "Eden Model") makes the Vineyards Community a great alternative for those suffering from dementia to enjoy life to the maximum. Areas of the community are set up for safe engagement in activities such as gardening, kitchen work and other life skills that provide purposeful and meaningful, experiences for the resident.

As with assisted living, if the resident is no longer able to care for him or herself due to progressive impairment, memory care offers a residential rather than institutional solution. In addition to providing assistance with activities of daily living, the staff in memory care are specially trained to assist residents with dementia or impaired cognition. Also, the physical layout and security of memory care residences is designed to better suit cognitive impaired and dementia residents, so that wandering behavior is minimized and the environment is pleasant, home-like and easy to navigate. Although assisted living communities may have memory care units on the premises, the two types of care are not necessarily synonymous.

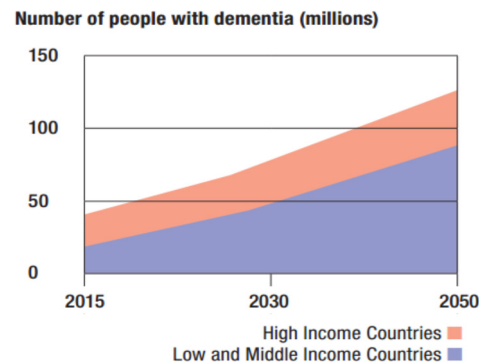
Dementia – A Global Perspective

As per the World Alzheimer Report 2015 presented by Alzheimer's Disease International, it is estimated that 46.8 million people worldwide are living with dementia in 2015. This number will almost double every 20 years, reaching 74.7 million in 2030 and 131.5 million in 2050. These new estimates are 12-13% higher than those made for the World Alzheimer Report 2009.

For 2015, the report further estimates over 9.9 million new cases of dementia each year worldwide, implying one new case every 3.2 seconds. The distribution of new dementia cases in the Americas is 1.7 million annually.

The incidence of dementia increases exponentially with increasing age, doubling with every 6.3 year increase in age, from 3.9 per 1000 person-years at age 60-64, to 104.8 per 1000 person-years at age 90+.

Global Growth of Alzheimer's Incidence
World Alzheimer Report 2015



The Limited Partnership intends to respond to a growing need in seniors' housing for memory care and assisted living. For Assisted Living, the services will be attractive to those seniors and their families who desire an alternative to the institutional care settings in government subsidized long term care residences. Memory Care services will be attractive to those suffering from dementia to a degree sufficient to interfere with the activities of daily life.

Fact sheet: A new way of looking at the impact of dementia in Canada¹

- In 2011, 747,000 Canadians were living with Alzheimer's disease and other dementias. This number will increase to 1.4 million by 2031.¹
- Today, the combined annual direct (medical) and indirect (lost earnings) cost of dementia in Canada is \$33 billion. This number will skyrocket to \$293 billion a year by 2040.¹
- In 2011, family caregivers spent 444 million unpaid hours a year looking after someone with dementia. This represents \$11 billion in lost income and 227,760 full time jobs. By 2040, caregivers will be devoting 1.2 billion unpaid hours a year.¹

¹ Source – A new way of looking at the impact of dementia in Canada. Alzheimer Society, 2012.

According to the National Alzheimer's Association (US) report the rate of occurrence of the Alzheimer's increase with age, as set out in the table following:

Incidence of Alzheimer's Disease

- 1.88% of persons under the age of 65
- 5% of persons 65-74
- 9.68% of persons 75-84
- 50% of persons 85+

² Source – National Alzheimer's Association report "2010 Alzheimer's Disease Facts & Figures"

Alzheimer's accounts for up to 80% of dementia and is a terminal illness. Alzheimer's disease organizations have estimated that over 11-13% of seniors over the age of 65 suffer from Alzheimer's. The growth rate of the number of people suffering from all forms of dementia is estimated to increase by 60% over the next 10 years, primarily due to the increase in the seniors' population.

Alzheimer's disease has 7 stages. Those individuals suffering from the earliest forms of the disease can be cared for at home, however, once an individual needs assistance with the activities of daily living, or begins to suffer disruptive behaviours, or wanders, the need for care services within a secure facility becomes self-evident. The rate of incidence of this level of dementia grows exponentially for each 5-year age cohort over the age of 75. According to the US General Accounting Office study of 1998, the need for Memory Care services grows from a rate of 2.5% of those aged 75-79 to over 14% for those over the age of 85.

C) Operations – Corporate Philosophy and Partner

It is the intention of the Limited Partnership that Points West Living, and its management arm Connecting Care, shall be retained as the operations manager for the Vineyards Community. The Founders have a significant ownership interest in Points West Living. The Founders collectively own 24.5% of the issued and outstanding share of the general partner of Points West Living. **See Item 8 – "Risk Factors – Conflicts of Interest"**.

As a premier Alberta based limited partnership, Points West Living manages approx. 2,500 senior resident suites and directly owns 460 suites comprised of seven residences in various locations. They are actively growing their business by co-developing, managing and purchasing new retirement properties. Presently, Points West Living is focusing on British Columbia as a target market for growth of their portfolio. Points West Living, in conjunction with the Administrator, has chosen Kelowna as a focus for entering the British Columbia interior market.

Points West Living has been committed to implementing the Eden model of care in their residences, and have been very successful in implementing this high standard, most recently having been awarded staff is experienced and have won several awards in providing excellent care to all residents. Most recently, at the 2016 International Eden Alternative Awards Ceremony, two Points West Living residences won the Eden Seedling Award for success in implementing the Eden model.

The Eden model of care follows principles that aim to reduce feelings of loneliness, helplessness, and boredom of senior residents. These three factors are the common reasons for the decline in the quality of life of seniors. Eden residences focus on establishing Elder-centered communities that encourage and foster daily interactions and companionship, thus reducing levels of loneliness. To reduce feelings of helplessness, the Eden Model advocates that medical treatment remain subordinate to providing genuine human care to residents. Eden stresses addressing ailments of seniors according to their needs and not pushing potentially unnecessary, cumbersome and regimented medical treatments. The Eden model combats boredom by encouraging daily life activities with variety and spontaneity in an environment that is filled with unexpected and interesting interactions.

For over 16 years, the senior management team has been working together, first as Connecting Care (2000) Inc. and then as partners in the development many Alberta retirement residences. Points West Living is a leader in both independent, supportive and assisted living care, as well as memory care. Since the construction of their first residence in Lloydminster, there has been a significant focus on the development of programs and architectural design supports for those residents with dementia. Points West Living has 1,200 employees and has specialized training for all levels of senior care. Points West Living has developed a Health Care Aid certificate program in conjunction with the University of Alberta. New Health Care Aid employees all are enrolled in this program with financial assistance from the company.

Market

The population of seniors over 75 years old is growing exponentially; however, the number of long term care beds ("**LTC beds**") has not been keeping pace. According to the CMHC 2015 Senior Housing Report – BC, demand for subsidized assisted living units in British Columbia is 21% over the number of units available. Also, according to the report, the number of residential care beds in the province has increased by 3.5% since 2012, but the population aged 75 and over has increased by 10% during that time. As a result, private retirement homes have started building or converting a portion of their residences to Memory Care use, designating a section as a secure unit with separate staff, lounges and dining areas.

The Administrator, on behalf of the Limited Partnership, retained CBRE Limited Valuation and Advisory Services ("**CBRE**"), an industry leader in senior housing market feasibility studies and appraisals to prepare a feasibility study for the Project. According to the CBRE preliminary study, dated August 26, 2015 and updated in November 2016 (the "**Feasibility Study**"), the memory care and assisted living care market for seniors is underserved in the Kelowna area. According to the Feasibility Study, the number of qualified clients requiring memory care services exceeds the availability of proposed memory care suites in the Primary Market Area by over 4 to 1, in 2015 growing to 4.4 to 1 in 2018 when this project is scheduled to open. There are a number of Independent Seniors Facilities who will act as "feeders" to the proposed residence. For these reasons the Limited Partnership has chosen the Kelowna market to implement this innovative spectrum of care project.

Development of the Project

The Limited Partnership intends to use the funds raised pursuant to this Offering, after payment of expenses and contribution by the Trust to the Limited Partnership, to develop a specialized retirement facility (the "**Residence**") in Kelowna, British Columbia. The Residence will provide residential and care services for adults requiring assisted living services as well as adults suffering from dementia and other memory related diseases.

The Limited Partnership will carry out the Project in multiple stages, including planning, land development, construction, operation and disposition. As of the date of this Offering Memorandum, the

Project is in its early stages. The Limited Partnership estimates the following timelines for completion of the various stages of the Project:

Milestone	Date
Subdivide the Lands into 2 titles carving out the Residence Lands and the Multifamily Lands	Pre-closing of the Land purchase
Closing on the Lands	June 2017
Apply for building permit	July 2017
Construction start	August 2017
Occupancy permit	1 st Quarter of 2019
First resident move-in	1 st Quarter of 2019
Stabilization and disposition (92.5% occupancy)	1 st Quarter of 2021

All aspects of the development of the Project will be carried out by the General Partner in accordance with the terms of the Limited Partnership Agreement, which, *inter alia*, allows for the General Partner to subcontract certain of its rights and obligations to other persons. **See Item 2.7 – “Limited Partnership Agreement”**. The General Partner is controlled by the Founders.

Planning

The Limited Partnership has completed preliminary architectural designs, and, as of the date of this Offering Memorandum, is completing site plan approvals and continuing with the completion of structural, electrical, mechanical and all other design requirements for building permit approvals to commence construction of the Project. A copy of the proposal site plan is attached hereto as Schedule “A”.

Land Development

The General Partner, on behalf of the Limited Partnership has entered into a purchase agreement in respect of the purchase of the lands for the Project (the “**Residence Lands**”) – **See Item 2.7 – “Material Agreements – Lands Purchase Contract”**. The Residence Lands consist of 1.83 acres and are located at 720 Valley Road, which is about 5 km southwest of the centre of Kelowna. The area includes a number of amenities including a new plaza immediately adjacent, numerous strip malls within 2 km and major retail (Orchard Park Shopping Centre) within 7 minutes of the Lands. It is easily accessible from the airport (13 minutes). Kelowna General Hospital is also southwest of the subject and 10 minutes away. The Residence will have mountain views and views of the Kelowna Golf and Country Club lands directly south of the Residence. All utility services are available to the Lands.

Area Map Showing Project and Location in Kelowna



The Lands are part of an overall parcel of development lands owned by Valley Land Subdivision Inc. consisting of 10.72 acres in total. The Lands are designated on the Official City Plan for CD27 – Valley Lands Comprehensive Development Zone, adopted by the municipal council on the 5th of December 2016. We further have an opinion provided by City Staff that the use for the property as a care residence fits within the definitions of uses in the Zone. The Vendor of the lands, Valley Land Subdivision Ltd., has also applied for a plan of subdivision and expects the plan to be completed in the first quarter, but no later than the second quarter of 2017. The Purchase and Sale Agreement stipulates that the risk regarding municipal commitments for additional infrastructure, connections, roads, traffic lights or public road works remains with the Vendor. As of the date of this Offering Memorandum, the Limited Partnership has begun the process of obtaining site plan approval. The land purchase closing is scheduled for the June 30, 2017 or within 30 days of the municipal approval of the plan of subdivision. Management is proceeding with site plan approvals and complete architectural and professional drawings to facilitate an early municipal approval date for the site plan of the Project.

After the Lands have been purchased and a development permit is obtained from the local municipality, the site can be cleared, leveled and prepared for construction. **There can be no assurances that all necessary permits and other regulatory consents will be obtained in a form that permits the Limited Partnership's intended use of the Lands. See Item 8 – "Risk Factors".**

There exists the potential for the development of an independent senior apartment building on the adjacent property, to be developed by a future Sussex Retirement Living (2015) Inc. venture. The properties have the potential to be connected by a pedestrian link, either above or below ground. This link would be created to the benefit of both properties as each property may utilize parts of the other property and/or purchase services. **There are no specific plans to proceed at the time of issuance of this Offering Memorandum.**

It is anticipated that the Residence will require approximately 1.83 acres of the Lands. In order to secure the Lands necessary for the Residence, Sussex Retirement Kelowna Inc. entered into a purchase agreement with the Vendor of the Lands for the entire parcel (3.51 acres) making up the Lands. It is intended that the Lands will be subdivided into 2 titles carving out the Residence Lands and the Multifamily Lands prior to closing on the Lands. The Limited Partnership will only be acquiring the Residence Lands to be developed as set forth in this Offering. The Multifamily Land will either be

developed into multifamily units, with an emphasis on an independent senior apartment building, or sold to a 3rd party purchaser.

Construction and Financing

The preliminary design of the Residence is planned as a four storey non-combustible B2 building with approx. 41 parking spaces, three of which will be handicapped accessible. The building will be a slab on grade construction, non-combustible structure built using a combination of steel and concrete.

The Limited Partnership has retained a Development Manager to provide overall oversight and construction management, in exchange for the payment of the Development Management Fee. At the time of the issuance of this OM we have had ongoing discussions with three reputable and experienced construction management groups. The Development Manager is Connecting Care (2000) Inc. ("Connecting Care") which is owned by Points West Living. The Development Manager has the authority to negotiate and finalize contracts for the construction of the Residence. Connecting Care has developed nine retirement home projects in the last ten years and has another three under development other than The Vineyards Community. Connecting Care is a leader in the development of Seniors Housing Projects in Western Canada. **See Item 2.7 – "Material Agreements – Development Management Agreement".**

Prior to construction, the Limited Partnership will have to obtain a construction permit from the local municipality approving the construction plans of the Residence. Given the stage of development of the Project, the Limited Partnership has not yet obtained a construction permit. **There can be no assurances that all necessary permits and other regulatory consents will be obtained in a form that permits the Limited Partnership's intended use of the Lands. See Item 8 – "Risk Factors".**

Once appropriate permits necessary to begin construction are obtained, the Trust intends to advance the remaining Trust Funds to support the construction phase of the Project.

In order to fund the remaining costs of the Project, the Limited Partnership intends to borrow approximately \$20,470,000 or 70% of the construction budget approved by the Lender, whichever is lower (the "**Bank Financing**"). A letter of intent dated February 2, 2017 has been issued by Capital West Mortgage Inc. ("**Letter of Intent**"). **See Item 2.7 – "Material Agreements – Letter of Intent".**

Notwithstanding that the Letter of Intent has been issued, potential Subscribers should note that, as of the date of this Offering Memorandum, a binding commitment letter has not been provided or executed. In addition, there are many conditions that must be met prior to funding. There can be no guarantees that the Limited Partnership will be able to obtain the Bank Financing on the terms contained in the Letter of Intent, or at all. See Item 8 – "Risk Factors".

PROPOSED MORTGAGE FINANCING DETAILS

Loan Amount:	\$20,470,000
Loan to Project Costs:	Up to 70% of Value or 75% of Costs (project costs includes the Development Fees)
Borrowers:	Bare Trustee and General Partner
Guarantors:	Corporate guarantees of: SFT Sussex Holdings Inc., Equipri Capital Inc., Cathrae Holdings Inc. Personal Covenants of: Aurele Simourd, Ken Craig and John Cathrae
Term:	48 months.
Interest Rate:	3.7% based on current spreads, subject to change
Payments:	Monthly payments of interest paid monthly on the 1 st of each month based on the total amounts advanced on a daily interest basis
Funding Date:	First funding date – as soon as completion of all documentation after approval, with the intention of funding no later than December 21, 2017.

For any reason determined necessary by the General Partner, including to cover cost overruns with respect to the construction of the Residence or operations expenses of the Residence prior to disposition, the General Partner may borrow such additional funds from any person, including persons who do not act at arm's length with the General Partner, in such amounts and on such terms as it sees fit. If the funds are borrowed from a Non-Arm's Length Party, the terms must be reasonable in the circumstances and carry an interest rate of not more than twenty (20%) percent.

Use of Funds by the Limited Partnership

The Limited Partnership estimates that it will require approximately \$30,970,000 to complete the Project and expects to generate sufficient funds from the proceeds this Offering and Bank Financing to carry out the Project. **There can be no guarantees that the Limited Partnership will be able to raise the appropriate funds or obtain appropriate financing to complete the Project, or that the costs of the Project will not exceed the estimated amounts. See Item 8 – “Risk Factors”.**

The below table represents the Limited Partnership's estimated budget for the development and construction of the Project:

	ESTIMATED	BUDGET
Land Costs		
Purchase:	\$2,214,000	
Closing Costs:	\$77,000	
Subtotal:		\$2,291,000
Hard Costs		
Construction:	\$17,529,000	
Contingency:	\$1,300,000	
Subtotal:		\$18,829,000
Soft Costs		
Architect and Professional Fees:	\$1,010,000	
Furniture Fixtures Equipment:	\$1,130,000	
Carrying and Other:	\$1,897,000	
Asset Management Fee:	\$ 422,000	
Financing Costs:	\$ 729,000	
Raise and Fund Costs:	\$1,455,000	
Other Soft Costs/Contingency	\$ 400,000	
Development Fees	\$1,000,000	
Trust Cost/Redemption Reserve	\$ 100,000	
Net GST and PST	\$1,957,000	
Subtotal:		\$10,100,000
GRAND TOTAL:		\$31,220,000
SOURCE OF FUNDS		
Lender:		\$20,470,000
Capital Contributions from the Limited Partnership (Trust)		\$10,750,000
GRAND TOTAL:		\$31,220,000

The foregoing budget is formed based on the prior history and expertise of the Trustees, the General Partner and the Development Manager. However, since there are no construction contracts in place and some of the estimates are based upon certain objectives being met within certain time frames which are in themselves estimates, these numbers are strictly estimates and **there can be no assurances that the costs of the Project will not exceed these estimates. See Item 8 – “Risk Factors”.**

The Residence

As of the date of this Offering Memorandum, the Limited Partnership has obtained preliminary drawings and architectural plans for the Residence. It is intended that the Residence will have a footprint of 23,602 square feet, with a gross floor area of 91,186 square feet on 4 floors. The Limited Partnership expects the Residence will contain a total of 112 suites including 64 Assisted Living Suites and 48 Memory Care Suites. In order to have more operational flexibility, the room and floor designs for Memory Care suites and Assisted Living are of similar design to allow for either Memory Care or Assisted Living use as market demand requires. Attached as Schedule "A" are the preliminary concepts sketches.

Design Concept

The Residence will have seven distinct neighbourhoods, with each neighbourhood housing about 16 residents. The Residence is designed for both Memory Care and Assisted Living. The Memory Care neighbourhoods will have secured access and will have additional design features such as memory boxes and colour prompts to assist residents in navigating their home. Flooring choices, shower and other bathroom features are designed to prevent falls or tripping. Doors are wider, furniture, fixtures and equipment are designed for durability in a heavy use environment. Lighting choices, both natural and electric reduce shadows and reduce depth perception issues as well as colour choices and decorative pattern choices for curtains, flooring and furnishings. Flooring choices include impermeable carpet and hard flooring materials, which have chemical seams to eliminate penetration of fluids which might otherwise cause lingering odours.

One of the noticeable differences between the Residence and other retirement residences is the "cottage system" wherein residents are grouped according to their cognitive ability. Conventionally, a neighbourhood is representative of a community of two "cottages" on one floor. A neighbourhood may share some staff services.

Each "cottage" is designed to encourage the resident's participation in common area activities. The open design concept is evidenced by the construction of the shared areas, including dining, kitchen, living and activity areas in the central portion of each wing. Although the resident rooms are 50% larger than typical public long-term care resident rooms, the residents are encouraged to spend their days outside of their rooms in shared activities. This contrasts with the "independent living" model, where the residents share meals in a large common dining room. In the "cottage" model, there is a continuum of care provided by the same care givers, which alleviates the stress of some of the symptoms of dementia.

Within the suites, there are a number of enhanced value features. These include handicapped access for all areas within the suite, in suite laundry, scooter or wheelchair park and charging areas, entry closet, built in wardrobe, handicapped accessible washroom, low threshold shower and other features as outlined in the drawing below.

Floor Design

Each cottage is designed to be able to operate either as a Memory Care secure unit, or Assisted Living Plus (heavy care) unit. Each cottage will have the electrical mechanical infrastructure in place to have controls that can ensure the residents remain within the neighbourhood unless accompanied by a responsible individual. The Assisted Living Plus cottages will have the design features of control in place but will not have restrictive access. The overall feel of each neighbourhood is more like a large bungalow with many bedrooms off of the main living areas, including a large functional kitchen with island, fridge, stove and cupboards, like a familiar home for the residents.

Room Size and Features – Memory Care

The Memory Care suites in The Vineyards Community are intended to have single occupants with an average size of about 350 square feet. The size reflects the level of care to be provided and the greater emphasis of recreational activities in the common areas. There will be a limited number of larger suites in the design. Due to the cognitive abilities of the resident, it is considered beneficial for the resident to come out of individual rooms into the common areas to reduce isolation and to feel more “at home”. Each room will have a private washroom, individual heating and cooling controls.

Room Size and Features – Assisted Living Plus

The Assisted Living Plus suites in The Vineyards Community will have the same principal design as the Memory Care suites. These suites will be occupied by individuals requiring a higher level of care services, however the cognitive functions of the resident will not require a secure access cottage. There will be a limited number of larger suites in the design. Each room will have a private washroom, individual heating and cooling controls.

General Features

There will be a secure outdoor amenity area and garden. There will be a designated multi-purpose room that will permit special activities for residents, and will permit community resources to hold events within the facility. The residence will have a four storey “open air” entry lobby with a water feature and living wall. The entry area is designed to have activity areas for use of visiting families. The entry area faces southeast and the natural light and activities will encourage resident participation in activities.

Operation

During the construction phase, marketing activities will be undertaken in order to capitalize on demand for the opening of the Residence. Marketing efforts are diverse, and will involve presentations to retirement homes, hospitals, police services, fire department and emergency (ambulance) services.

Upon completion of construction, the Limited Partnership will need to obtain an occupancy permit for the Residence. In addition, prior to operations commencing, the Residence will need a license to operate a long-term care facility in British Columbia. As of the date of this Offering Memorandum, the Limited Partnership is working with the Interior Health Authority to start this process and minimize the length of the post-construction application process. **The Limited Partnership is optimistic that the necessary approvals will be granted, however, there are no guarantees that the occupancy permit, operating license, or any other required approval, permit or license, will be obtained. See Item 8 – “Risk Factors”.**

Once construction is completed, the Limited Partnership has retained the services of Connecting Care (2000) Inc. to operate and manage the day to day operation of the Residence (“**Operations Services**”). Connecting Care, in addition to being an experienced development manager is a premier operator in Senior Care services in Western Canada, with over 2,500 residents under care in owned and managed residences.

The Limited Partnership intends to operate the Residence until occupancy stabilizes at a rate of 92.5%, after which time, the intention is to sell the Residence. The Limited Partnership estimates that it may take up to 3 years for a Project of this size to achieve stabilization.

Disposition

Upon achievement of a stabilized occupancy, the Limited Partnership intends to sell the Residence. Points West Living has provided a Letter of Intent to purchase the Residence upon occupancy achievement. Further to this, the Limited Partnership believes there a number of publicly-traded seniors housing operators who are eager to acquire new, state-of-the-art product after a facility reaches stabilized occupancy. **Notwithstanding the foregoing, the General Partner has the ability to either (a) dispose of the Residence prior to reaching stabilization; or (b) delay the disposition of the Residence, in the event it determines, in its sole discretion, that it is in the best interests of the Limited Partnership. See Item 8 – “Risk Factors”.**

It is agreed that the non-arm’s length party Points West Living or its nominee, (“Non-Arm’s Length Party”) shall have the option to purchase either the Residence or the Multifamily Land, or both. The Multifamily Land can be purchased at any time and the Residence can only be purchased after stabilization has occurred.

If deemed advisable by the General Partner, the General Partner may dispose of the Residence, or any other asset of the Limited Partnership, to a party who does not deal at arm’s length with the General Partner or the Limited Partnership (“Non-Arm’s Length Party”). If the disposition is to occur to a Non-Arm’s Length Party, the purchase price and sale shall be determined and approved in accordance with the following process:

- (a) the General Partner shall, at the expense of the Limited Partnership, obtain two independent third party appraisals of the fair market value of the assets to be sold (“**Identified Assets**”);
- (b) the minimum purchase price for the Identified Assets shall be no less than:
 - (i) if the appraisals of fair market value are within five (5%) percent, then the minimum purchase price shall be the average of the two appraisals; or
 - (ii) if the appraisals of fair market value are not within five (5%) percent, then the General Partner shall, at the expense of the Limited Partnership, obtain a third appraisal of the Identified Assets and the minimum purchase price shall be the average of the three appraisals.

See Item 2.7 – “Material Agreements – LP Agreement” and Item 2.7 – “Material Agreements – Declaration of Trust”.

There can be no guarantee that the purchase price obtainable on the sale of the Residence will be sufficient to cover the costs of the Project, or to provide any return to Unitholders. See Item 8 – “Risk Factors”.

Fees and Expenses

Asset Management Fee

The Administrator will be paid an asset management fee (the “**Asset Management Fee**”) equal to two (2.00%) percent of the gross funds raised in support of the project (“**Project Cost**”) of the Project, per year commencing on the date of the first securities closing on a pro-rata basis per annum and continuing until the Residence is sold. The Asset Management Fee for year 3 and beyond, until the Residence is disposed of, will be paid in monthly installments, in advance, to the extent cash flow from operations of the Limited Partnership is available. In addition, the Administrator shall be reimbursed for all costs and expenses reasonably incurred in carrying out the management.

The first two years of the Asset Management Fee have been accounted for in the budget of the Limited Partnership and will be paid, when due, out of the Capital Contributions made to the Limited Partnership or, if applicable, the Bank Financing. In subsequent years, the Asset Management Fee will be paid out of operating revenues, to the extent available, as determined by the General Partner. In the event operating revenues are insufficient to cover the Asset Management Fee, the fee will be deferred and shall be payable only after certain preferred payments are made to the Trust in accordance with the provisions of LP Agreement described below under the subheading *Distributions* and in **Item 2.7 – “Material Agreements – Asset Management Fee Agreement”**. No interest shall be payable on any deferred payment of the Asset Management Fee.

Development Fees

The Development Fees for the Project shall be in a fixed amount equal to \$1,000,000, which represents approximately three (3%) percent of the Project Costs. It is the intention of the Limited Partnership that this fee shall be considered an allowable construction expense and shall be included as a project cost and will be financed from both the equity raised under this Offering and from the Construction Financing. The Development Fees shall be paid as follows:

a) The Development Manager:

- Two (2%) shall be paid on a month basis to the Development Manager, on the first day of each month, over an 18 month term, which is estimated to be the time it will take to complete the development of the Project; and
- In addition, there will be a bonus fee of up to one (1%) percent of the Project Costs that will be paid to the Development Manager upon the successful completion of the Project.
- Based upon the above, the Development Fees that will be paid to the Development Manager will range from \$560,000 to \$820,000.

b) The Administrator:

- In addition to the amounts set forth above, the Administrator shall also be paid the amount of \$10,000 per month on the first day of each month, over an 18 month term, for general project oversight and supervision.
- In the event that additional services are required to be performed by the Administrator, any reduction in bonus fees payable to the Development Manager will be earned by and paid to the Administrator.

Construction Management Fee

It is the intention of the Issuer that the Construction Manager is to be paid a construction management fee (“**Construction Management Fee**”) in the amount of 3% of the Construction Costs for a budgeted cost of Five Hundred and Fifty Thousand (\$550,000) Dollars payable in twelve equal monthly installments beginning on the commencement of construction activities which is estimated to begin in Q3 of 2017. **See Item 2.7 – “Material Agreements – LP Agreement” and Item 2.7 – “Material Agreements – Draft Construction Management Agreement”**. As of the date of this Offering Memorandum, the Construction Manager has not been finalized.

Day to Day Management Fee

The Limited Partnership has contracted the Development Manager for the initial set up and initial operations of the day to day management of the Residence. The day to day management shall commence 6 months prior to the opening of the Residence and shall include such tasks as site and Residence inspection, hiring staff, setting up the Residence, setting up the Initial operations, advertising, etc. This fee shall be \$75,000 in total, which is \$12,500 per month for a period of 6 months. After the Opening of the Residence an arm's length 3rd party operator will be retained to operate the Residence.

The standard fee payable after the opening of the Residence to the operator is 4% of the gross operations of the Residence.

Sales Tax

All applicable sales taxes, including GST and, where applicable, PST, are payable in addition to the fees payable by the Limited Partnership.

Expenses

The General Partner has very wide discretion to enter into contracts, incur expenses and authorize expenditures in connection with the business of the Limited Partnership. The Limited Partnership will reimburse the General Partner for all reasonable costs incurred by the General Partner, its designees or subcontractors in connection with the Limited Partnership's business or the General Partner acting as general partner pursuant to the LP Agreement, including the Fees discussed above. **See Item 2.7 – “Material Agreements – Limited Partnership Agreement”.** **These expenses may be greater than the cash flow generated by the Project.**

Distributions

The LP Agreement governs distributions of income and cash flow from the Limited Partnership. These are summarized as follows:

Distributable Cash

All distributions of Distributable Cash shall be distributed at the discretion of the General Partner in accordance with the following priority:

- (a) First, to the Limited Partners, until the total Distributable Cash distributed to the Limited Partners over the duration of the Limited Partnership, is equal to the Initial Fund Return Amount plus the Redemption Amount;
- (b) The remainder, as follows:
 - (i) 50% to the Limited Partners; and
 - (ii) 50% to the General Partner as the holder of the GP LP Unit.

Liquidation, Dissolution or Winding-Up

In the event of the liquidation, dissolution or winding-up of the Limited Partnership or other distribution of the assets of the Limited Partnership for the purpose of winding-up its affairs or upon a return of capital, all accrued and unpaid distributions of cash, if any, and distributions of the property or assets of the Limited Partnership shall be allocated as follows:

- (a) First, to pay or provide for the payment of the debts and liabilities of the Limited Partnership, including reimbursement of expenses of the Limited Partnership incurred by the General Partner and liquidation expenses, including any outstanding fees; and
- (b) Second, to the Limited Partners, until the total Distributable Cash distributed to the Limited Partners over the duration of the Limited Partnership, is equal to the Initial Fund Return Amount plus the Redemption Amount;
- (c) The remainder, as follows:
 - (i) 50% to the Limited Partners; and
 - (ii) 50% to the General Partner as the holder of the GP LP Unit.

Subscribers should note that the distributions to the Class A LP Unitholders described above are payable to the Trust. The actual amounts received by Subscribers may vary depending on the expenses and other amounts payable by the Trust. See Item 2.7 – “Material Agreements- LP Agreement”.

There are no guarantees that the Project will produce positive cash flow and, thus, no guarantees that the Trust will receive Distributable Cash Flow from the Limited Partnership. See Item 8 – “Risk Factors”.

2.3 Development of Business

The Issuer and the Limited Partnership was formed on February 8, 2017 in order to acquire the Land and to carry out the Project. Given its recent formation and the fact that this Offering is its first undertaking, there have been no major events that have influenced the development of the Issuer.

2.4 Long Term Objectives

The Trust seeks to raise funds pursuant to this Offering and subsequent offerings and to subsequently invest such funds in the Limited Partnership. The long-term objective of the Trust with respect to this Offering is to raise sufficient funds to allow the Limited Partnership to purchase the Lands, develop the Project and eventually sell the Residence. It is the ultimate goal of the Trust to, following the sale of the Residence, earn a return on the LP Units pursuant to the terms of the LP Agreement – **See Item 2.7 – “Material Agreements – LP Agreement”**.

It is the Trust’s intention to raise up to Ten Million Seven Hundred and Fifty Thousand (\$10,750,000) Dollars pursuant to this Offering and to invest the net proceeds of the Offering, less applicable reserves, in the Limited Partnership.

2.5 Short Term Objectives and How We Intend to Achieve Them

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
Obtain a minimum of 150 Subscribers ¹	December 31, 2017	nil ²
Advance net proceeds of this Offering to the Limited Partnership	December 31, 2017	variable ³
Raise the Maximum Offering	December 31, 2017	\$1,616,000 ⁴

Notes:

- (1) Must be completed on or before March 30, 2018 in order for the Trust to qualify as a “mutual fund trust” under the Tax Act. **See Item 6 – “Income Tax Consequences and RRSP Eligibility” and Item 8 – “Risk Factors”**.
- (2) Costs included in the cost to raise the Maximum Offering. See Note 4 below.
- (3) The cost to complete will equal the net proceeds advanced from time to time.
- (4) Represents the Estimated Offering Costs and the Commissions payable to the Issuer’s dealer, payable out of the gross proceeds of this Offering. **See Item 7 – “Compensation Paid to Sellers”**.

2.6 Insufficient Funds

The funds available as a result of this Offering, after payment of expenses of the Trust, including Commissions, and provisions for appropriate reserves as determined by the Trustees in their sole discretion, will be advanced to the Limited Partnership. The Limited Partnership intends to use the proceeds received from the Limited Partnership to further the development of the Project. **Even if the Maximum Offering is achieved, there is no assurance that additional financing will be available to complete the Project. See Item 8 – “Risk Factors”**.

The Trust does not intend to hold any significant cash reserves, other than those amounts necessary to pay for all management, administration and operating expenses incurred by the Trust in the conduct of its

business. Subscribers will not be required to contribute any additional funds over and above their initial subscription amount.

2.7 Material Agreements

The following is a summary of certain material provisions of the agreements with respect to either the Trust or the Limited Partnership. Prospective Subscribers should review the complete text of the agreements. The summary does not purport to be complete and is subject to the full text of the applicable agreement, copies of which will be provided upon request of the Administrator. Capitalized terms used in this section but not otherwise defined shall have the meaning ascribed to them in the applicable material agreement.

DECLARATION OF TRUST

The Trust was settled on February 8, 2017 following the execution of the Declaration of Trust and the Initial Trustees Subscribing for three (3) Class D Units for a total subscription price of \$1,000.

Class A, B and C Units of The Trust

The rights that are attached to all of the Class A, B and C Units are equal. The only difference is that for large purchases of Class B and Class C Units there will be an allotment of additional units:

- **Class B Units - The maximum offering shall be \$3,000,000. The subscription amount for the Class B Units shall be not less than \$250,000 (2,500 Units) per subscriber. There will be an additional 5% of a Unit for each Class B Unit that is subscribed for. For example, there will be additional 125 Units for subscription of \$250,000 (2,500 Units); and**
- **Class C – The closing is set to on or before the first Closing under this Offering to the institutional investor/portfolio manager. There will be an additional 15% of a Unit for each Class C Unit that is subscribed for. For example, there will be additional 1,500 Units that will be issued for a subscription of \$1,000,000 (11,500 Units). These funds are to be used to ensure that the initial funds required for the initial set up and planning costs are covered as the remainder of the funds are raised under this Offering.**

Purpose and Powers of the Trust

The Trust is a limited purpose trust and its operations and activities shall be investing its funds in Securities of the Limited Partnership, including but not limited to, the Class A LP Units and any other purpose reasonably related, ancillary or incidental thereto. Subject to and in accordance with the foregoing purpose:

- (a) the Trust may acquire, invest and reinvest, or loan, indirectly through subsidiaries, in interests (including fee ownership and leasehold interests) in Trust Assets, including the LP Units;
- (b) investing and reinvesting, indirectly through subsidiaries, in raw land for development or other development projects for the purpose of renovating or expanding existing facilities;
- (c) notwithstanding paragraph (d) below, the Trust may invest and reinvest, indirectly through subsidiaries, in mortgages and mortgage bonds (including, with the consent of a majority of the Trustees, a participating or convertible mortgage) where: (i) the security therefor is income producing real property which otherwise complies with purpose of the Trust; and (ii) the amount of the mortgage loan is not in excess of seventy five (75%) percent of the market value of the property securing the mortgage;
- (d) notwithstanding paragraph (c) above, the Trust may invest and reinvest, indirectly through subsidiaries, in mortgages if the Trust intends to use the acquisition of the

mortgage as a method of acquiring control of an income producing real property which would otherwise comply with the purpose of the Trust;

- (e) the Trust may invest in a joint venture arrangement only if:
 - (i) the arrangement is formed and operated solely for the purpose of acquiring, owning, maintaining, improving, leasing or managing a particular real property or interests therein in common with others ("**joint venturers**") either directly or through the ownership of Securities of a corporation or other entity (a "**joint venture entity**") as co-owners; and
 - (ii) the Trust has received a legal opinion to the effect that the investment (A) would not disqualify the Trust as a "mutual fund trust" within the meaning of the Tax Act; and (B) would not result in the Trust losing any status under the Tax Act that is otherwise beneficial to the Trust and its Unitholders;
- (f) lending funds to arm's length parties in activities which accord with the purposes of the Trust, as well as activities ancillary or incidental thereto;
- (g) acquiring, investing and reinvesting in, holding, transferring, disposing of and investing the proceeds thereof in, and otherwise dealing with, directly or indirectly, securities of corporations, partnerships, trusts or other Persons engaged, directly or indirectly, in activities which accord with the purposes of the Trust, as well as activities ancillary or incidental thereto;
- (h) holding cash in interest bearing accounts, short-term government debt or short-term investment grade corporate debt, denominated in either U.S. or Canadian dollars, for the purposes of paying the expenses and liabilities of the Trust and its subsidiaries, paying amounts owing by the Trust in connection with the redemption of any securities of the Trust and making distributions to the Unitholders;
- (i) issuing Units and other securities of the Trust (including promissory notes, securities under a trust indenture, warrants, options or other rights to acquire Units or other securities of the Trust), for any proper purposes, including:
 - (i) obtaining funds to conduct the activities of the Trust, including raising funds for further acquisitions, investments or development (including investments that are not identical to those the Trust already owns);
 - (ii) repayment of any indebtedness or borrowings of the Trust, including Trust Notes; and
 - (iii) making non-cash distributions to Unitholders;
- (j) issuing debt securities or otherwise borrowing and mortgaging, pledging, charging, granting a security interest in or otherwise encumbering any of the Trust's assets as security, including for purposes of obtaining funds to conduct the activities of the Trust, including raising funds for further acquisitions, investments or development;
- (k) guaranteeing (as guarantor, surety or co-principal obligor) the payment of any indebtedness, liability or obligation of any affiliate of the Trust pursuant to any good faith debt on borrowed money incurred by such affiliate, and mortgaging, pledging, charging, granting a security interest in or otherwise encumbering all or any part of the Trust's assets, as security for such guarantee;
- (l) disposing of all or any part of the Trust's assets and reinvesting the proceeds thereof in new investments (including new investments that are not identical to those the Trust already owns);

- (m) repurchasing or redeeming Units or other securities of the Trust, subject to the provisions of the Declaration of Trust and applicable law;
- (n) satisfying the obligations, liabilities or indebtedness of the Trust;
- (o) undertaking such other activities, or taking such actions, as shall be ancillary or incidental to the foregoing and approved by the Trustees from time to time;
- (p) entering into and performing its obligations under any agreements and instruments as the Trust may be required to enter into from time to time in connection with the acquisition of real property by the Trust and its subsidiaries; and
- (q) undertaking all other usual and customary actions for the conduct of the activities of the Trust in the ordinary course as are approved by the Trustees from time to time, or as are contemplated by the Declaration of Trust.

provided, however, that the Trust shall not undertake any activity, take any action or make or retain any investment which would result (or fail to take any action where such failure would result) in (i) the Trust ceasing to qualify as a “mutual fund trust” for the purposes of the Tax Act; or (ii) the Trust not being treated as a “unit trust” for purposes of paragraph 108(2)(a) of the Tax Act.

Trustees

The Declaration of Trust provides that the assets and operations of the Trust are subject to the control and direction of a minimum of three (3) and a maximum of ten (10) Trustees. The number of Trustees of the Trust is currently three (3). Notwithstanding the foregoing, between annual meetings of Unitholders, the Trustees may appoint one (1) or more additional Trustees to serve until the next annual meeting of Unitholders. The Trustees may also fill any vacancies that occur during the year as set out in the Declaration of Trust.

The Declaration of Trust provides that, subject to certain terms and conditions, the Trustees will have full, absolute and exclusive power, control and authority over the assets of the Trust and over, and management of, the affairs of the Trust to the same extent as if the Trustees were the sole and absolute beneficial owners of the assets of the Trust in their own right, to do all acts and things, as in the sole discretion and judgment of the Trustees are necessary or incidental to, or desirable for, carrying out the Trust. Subject to the purposes of the Trust and the limitations contained in the Declaration of Trust, the Trustees shall have, among other things, the following powers and authorities:

- (a) to supervise the activities and manage the Trust Assets and affairs of the Trust;
- (b) maintain records and provide reports to the Unitholders;
- (c) collect, sue for and receive all sums of money due to the Trust;
- (d) effect payment of distributions to the Unitholders as provided in the Trust;
- (e) invest the funds of the Trust pursuant to the provision of the Declaration of Trust;
- (f) to act for, vote on behalf of and represent the Trust as a holder of units of the Commercial Trust or any other securities included in the assets of the Trust from time to time;
- (g) to give a guarantee on behalf of the Trust to secure performance of an obligation of a subsidiary or other affiliate of the Trust;
- (h) if the Trustee becomes aware by written notice that the beneficial owners or forty-five (45%) percent or more of the Units then outstanding are, or may be, Non-Residents or

that such situation is imminent, the Trustee shall ensure that the limitation on Non-Resident ownership as provided in the Declaration of Trust are met;

- (i) possess and exercise all the rights, powers and privileges pertaining to the ownership of Securities, to the same extent that an individual might, unless otherwise limited herein, and, without limited the generality of the foregoing, to vote or give any consent, request or notice, to waive any notice, either in person or by proxy or power of attorney, with or without power of substitution, to one or more persons, which proxies and powers of attorney may be for meetings or actions generally or for any particular meeting or action and may include the exercise of discretionary power;
- (j) where reasonably required, to engage or employ on behalf of the Trust any person as agents, representatives, employees or independent contractors including, without limitation, investment advisors, registrars, underwriters, accountants, lawyers, appraisers, brokers or others, in one or more capacities;
- (k) except as provided by law, but subject to the provisions of the Declaration of Trust, to delegate any of the powers and duties of the Trustee to any one or more agents, representatives, officers, employees, administrators, independent contractors or other person without liability to the Trustee;
- (l) engage in, intervene in, prosecute, join, defend, compromise, abandon or adjust by arbitration or otherwise, any actions, suites disputes, claims, demands or other litigation or proceedings, regulatory or judicial, relating to the Trust, the Trust Assets or the Trust's affairs, to enter into agreements therefore, whether or not any suit or proceeding is commenced or claim asserted and, in advance of any controversy, to enter into agreements regarding the arbitration, adjudication or settlement thereof;
- (m) arrange for insurance contracts and policies insuring the Trust, its assets and any or all of the Trustee or the Unitholders, including against any and all claims and liabilities of any nature asserted by any person arising by reason of any action alleged to have been take or omitted by the Trust, the Trustee or Unitholders;
- (n) cause legal title to any of the assets of the Trust to be held by and in the name of the Trustee, or except as prohibited by law, by and in the name of the Trust or any other Person, on such terms, in such manner, with such powers in such Person as the Trustee may determine and with our without disclosure that the Trust is or the Trustee is interested therein; provided, however, that should legal title to any of the Trust's property be held by and in the name of any Person other than the Trustee or the Trust, the Trustee shall require such Person to execute a trust agreement acknowledging that legal title to such assets is held in trust for the benefit of the Trust;
- (o) issue Units for such consideration as the Trustee may deem appropriate, such issuance to be subject to the terms and conditions of the Declaration of Trust;
- (p) in addition to the mandatory indemnification provided in the Declaration of Trust, to the extent permitted by law, to indemnify, or enter into agreements with respect to the indemnification of, any person with whom the Trust has dealings including to such extent as the Trustee shall determine;
- (q) without limit as to amount, to issue any type of debt securities or convertible debt securities and to borrow money or incur any other form of indebtedness for the purpose of carrying out the purpose of the Trust or for other expenses incurred in connection with the Trust and for such purposes may draw, make, execute and issue promissory notes and other negotiable and non-negotiable instruments or securities and evidences of indebtedness, secure the payment of sums so borrowed or indebtedness incurred and mortgage, pledge, assign or grant a security interest in any money owing to the Trust or its property or engage in any other means of financing the Trust;

- (r) pay all taxes or assessments, of whatever kind or nature, whether within or outside Canada, impose upon or against the Trustee in connection with the Trust Assets or the undertaking of income of the Trust, or imposed upon or against the Trust Assets or the undertaking or income of the Trust, or imposed upon or against the Trust Assets or income of the Trust, or any part thereof and to settle or compromise disputed tax liabilities and for the foregoing purposes to make such returns, take such deductions and make such designations, elections, estimation and determinations in respect of all matters as shall be permitted under the Tax Act (provided that to the extent necessary the Trustee will seek the advice of the Trust's counsel and auditors), and to do all such other acts and things as may be deemed by the Trustee in its sole discretion to be necessary, desirable or convenient; and
- (s) to exercise all powers which are necessary or useful to carry on the purpose and activities of the Trust, to promote or advance any of the purposes for which the Trust is formed and to carry out the provisions of the Declaration of Trust.

Unless otherwise required by law, the Trustees are not required to give bond, surety or security in any jurisdiction for the performance of any duties or obligations under the Declaration of Trust nor are the Trustees required to devote their entire time to the investments, purpose or affairs of the Trust. The Declaration of Trust limits the liability of the Trustees to the Trust and the Unitholders, restricting liability to gross negligence, willful misconduct or actual fraud by a Trustee. The Declaration of Trust further provides an indemnity for each Trustee and officer of the Trust by the Trust and states that, in the exercise of the powers, authorities or discretion conferred upon the Trustees by the Declaration of Trust or any other agreement, the Trustees are conclusively deemed to be acting as trustees of the assets of the Trust and will not be subject to any personal liability for any debts, liabilities, obligations, claims, demands, judgments, costs, charges, damages, penalties or expenses against or with respect to the Trust or the assets or property of the Trust and, without limiting the generality of the foregoing, the Trust is solely liable therefore and resort will be had solely to the Trust assets for payment or performance thereof.

The Trustees have the ability to amend the Declaration of Trust at any time and in any manner as determined by the Trustees in their sole and unfettered discretion. The Declaration of Trust stipulates, amongst other things (i) that only the Class A, Class B and Class C Unitholders will share in the distribution of Distributable Cash Flow (See **Item 5.1 – "Terms of Securities"**); (ii) that Class A, Class B and Class C Unitholders will only be entitled to share in Distributable Cash Flow and no other revenue, if any, received by the Trust; (iii) the valuation procedure for Units in the event of redemption by the Unitholder; and (iv) the redemption rights of the Trustees.

The Trustees will be entitled to receive such reasonable compensation, if any, as the Trustees may determine from time to time for their services as Trustees, including compensation for attending board or committee meetings. Trustees will also be entitled to reimbursement of their reasonable out-of-pocket expenses incurred in acting as a Trustee and to receive remuneration, as determined by the Trustees, for services rendered to the Trust in any other capacity, either directly or indirectly. Such services may include, without limitation, services as an officer of the Trust, legal, accounting or other professional services or services as a broker or underwriter, whether performed by a Trustee or any person affiliated or associated with a Trustee.

Replacing the Trustees by Extraordinary Resolution

In the event that the Unitholders determine that the Trustees (or any one of them) is in default of any obligations or duties under the Declaration of Trust, and such default is not rectified by the Trustees within sixty (60) days of receipt of a written notice of the default from the Unitholders, the Trustees (or any one of them) may be removed by way of Extraordinary Resolution and a successor named as the Trustees (or any one of them) of the Trust, to be effective on the date specified in the Extraordinary Resolution.

Conflicts of Interest

Pursuant to the Declaration of Trust, the Unitholders acknowledge that the Trustee and/or his affiliates and associates and their respective directors and officers may be and are permitted to be engaged in and intend to continue to operate other businesses which the Trust will not have an interest and which may be competitive with the activities of the Trust and, without limitation, the Trustee and/or his affiliates and associates and their respective directors and officers 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 and may be in competition with the Trust. The Trustee may enter into material contracts and material transactions with the Trust and the Trust's associates and affiliates, as well as the Trustee's associates and affiliates. As a result of the foregoing, a possibility exists for the Trustee and its associates and affiliates to be in a conflict of interest as it relates to the Trust. Similarly, the Trust may enter into material contracts and material transactions with the Trustee and its associates and affiliates, as well as the Trust's associates and affiliates. As a result of the foregoing, a possibility exists for the Trust and its associates and affiliates to be in a conflict of interest.

Pursuant to the Declaration of Trust, the Unitholders further agree that the activities and facts as set forth in the previous paragraph shall not constitute a conflict of interest or breach of fiduciary duty to the Trust or the Unitholders, and, pursuant to the Declaration of Trust, the 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 Unitholders agree that none of the Trustee and/or his affiliates and associates and their respective directors and officers will be required to account to the Trust or any Unitholder for any benefit or profit derived from any such activities or from any similar or competing activity or any transaction relating thereto by reason of any conflict of interest or the fiduciary relationship created by virtue of the position of the Trustee.

Rights Attaching to Units

Subject to amendment to the Declaration of Trust, each Unit confers the following rights and holds the following attributes:

- (a) Each Unit shall be without nominal or par value and shall be issued as fully paid and non-assessable;
- (b) Each Unit shall entitle the holder thereof to one vote at all meetings of the Class A, Class B and Class C Unitholders of the Trust, if any. **Although the Units carry the right to vote, the number of matters on which the Unitholders are authorized to vote is very limited.** The Unitholders may vote to approve a disposition of assets of the Limited Partnership to a Non-Arm's Length Party. **The Trustees have wide discretion to carry out the business of the Trust and only the Class D Units (held by the Trustees) carry the right to appoint or elect Trustees. See Item 8 – "Risk Factors";**
- (c) Each Unit shall entitle the holder thereof to participate pro rata amongst all Units in allocations and distributions of cash flow, net realized capital gains and other allocations and distributions pursuant to the Declaration of Trust. **See *Allocations and Distributions below***; and
- (d) No person is entitled, as a matter of right, to subscribe for or purchase any Unit. There are no conversion, retraction, redemption or pre-emptive rights attaching to the Units other than as specifically set out in the Declaration of Trust and described below in this Offering Memorandum.

The legal ownership of the assets of the Trust and the right to conduct the affairs of the Trust are vested exclusively in the Trustees and the Unitholders will have no interest therein other than as described in the Declaration of Trust. Unitholders will have no right to compel any partition, division or distribution of the Trust or any of the assets of the Fund. The Units are personal property and confer upon the holders thereof only the interest and rights specifically set forth in the Declaration of Trust.

A Unit may be transferred by a Unitholder or his agent duly authorized in writing, to any other person, to the transferor and one or more other persons jointly, or by two or more joint holders to one or some of them, in very limited circumstances and only to the extent permitted under the Declaration of Trust and only in compliance with all applicable securities and other laws.

The Trust's ability to make distributions is dependent upon the Limited Partnership generating sufficient cash flow to cover expenses (including Project Costs, the Asset Management Fee and other amounts payable entities related to the Trust) and distributing such positive cash flow, indirectly through the Limited Partnership, to the Trust. **See Item 8 – “Risk Factors”.**

The Units have very few rights to vote on or direct actions of the Trust. The Units do carry the right to vote to approve a potential disposition of the Limited Partnership's assets to a Non-Arm's Length Party. The Class D Unitholders have the sole right to elect Trustees and appoint or remove auditors of the Trust. Notwithstanding the foregoing, Unitholders may replace the Trustees by passing an Extraordinary Resolution of the Unitholders. See Item 5.1 – “Terms of Securities” and Item 8 – “Risk Factors”.

Allocations and Distributions

Cash flow (the “**Cash Flow**”) of the Trust for any Distribution Period shall include amounts received by the Trust, including, without limitation, amounts received from the Limited Partnership plus any other revenues (except proceeds from the issuance of Securities) received by the Trust in the Distribution Period, or otherwise, to the extent not previously distributed, **less all costs and expenses of the Trust that accrued or became owing in the Distribution Period**, amounts relating to the redemption of Units which have been paid or become payable in cash in the Distribution Period, including amounts owing pursuant to the terms of any outstanding Trust Notes, interest, expenses or other amounts relating to the payment of amounts borrowed by the Trust, and any other amount the Trustees may from time to time reasonably consider to be necessary to provide for the payment of any costs that have been or are reasonably expected to be incurred by the Trust, including any tax liabilities of the Trust.

The distributable Cash Flow (“**Distributable Cash Flow**”), which shall be allocated entirely to the Units, shall be the Cash Flow for a given Distribution Period, **less estimated cash amounts which the Trustees reasonably consider to be necessary to provide for the payment of any costs which have been or will be incurred in the activities and operations of the Trust (including any reserves to account for redemptions of Units)**, to provide for any contemplated investments in accordance with the purposes of the Trust, and to provide for the payments of any tax liability of the Trust (but excluding such amounts previously deducted in the determination of Cash Flow).

In the event of a sale or refinancing of any Trust Assets and a subsequent receipt by the Trust of Cash Flow as a result of such sale or refinancing (as determined by the Trustees in their sole and unfettered discretion), the resulting Distributable Cash Flow shall be allocated as follows: (i) payment of the operating expenses of the Trust, including any Administration Fees payable to the Administrator under the Administration Agreement, accounting for future operating expenses of the Trust and the establishment of any other reserves as determined by the Trustees from time to time; (ii) payment of any amounts related to the redemption of Units including any amounts owing pursuant to the terms of any outstanding Trust Notes, as well as accounting for future redemptions of Units; and (iii) any excess Cash Flow shall be allocated pro rata amongst the Unitholders.

The Trust may declare and make other distributions to Unitholders, from time to time, out of the Income of the Trust, Net Realized Capital Gains of the Trust, the Capital of the Trust, or otherwise, in such amount or amounts, to the Unitholders on a pro rata basis.

Where the Trustees determine that the Trust does not have available cash, taking into account other obligations of the Trust, in an amount sufficient to make payment of the full amount of any distribution which has been declared to be payable pursuant to the Declaration of Trust on the due date for such payment, the payment may, at the option of the Trustees in their sole discretion, include the pro rata issuance of additional Units to Unitholders of the applicable class of Units, or fractions of Units, if necessary, having a value equal to the difference between the amount of such distribution and the

amount of cash which has been determined by the Trustees to be available for the payment of such distribution.

The Trustees may deduct and/or withhold from any distribution payable to any Unitholder all amounts required by law to be deducted and withheld. All withheld amounts shall be remitted to the appropriate Government Authority. If the amount required to be deducted or withheld exceeds the cash, if any, payable to the Unitholder, the Trustees may sell property that is transferrable to the Unitholder, or deduct or withhold from any other amount payable to the Unitholder to obtain the funds to pay the amount required to be deducted or withheld and to pay all of the Trustees' reasonable expenses with regard thereto and the Trustees shall have the power of attorney of such Unitholder to do so. No liability shall accrue to the Trust or the Trustees if property disposed of in accordance with the above described provision is sold at a loss to such affected Unitholder or sold for less than what might otherwise have been obtained if sold at a different time or in different circumstances.

Each Unitholder indemnifies the Trust and the Limited Partnership for any amount required to be deducted and/or withheld and agrees that the Trust may deduct and/or withhold any required amounts from any distribution, including distributions subsequent to the distribution requiring amounts to be withheld.

In addition to the distributions which are made payable to Unitholders, the Trustees may allocate and designate as payable any income or capital gain realized by the Trust as a result of the redemption of Trust Units pursuant to the redeeming Unitholders. Any such allocations and designations will reduce the payments otherwise due to such Unitholders for the redemption of their Trust Units, but, for the avoidance of doubt, shall not affect the calculation of the Redemption Price payable.

Unitholder Redemptions

To exercise a Unitholder's right to require redemption, a duly completed and properly executed notice requiring the Trust to redeem Units must be sent by the redeeming Unitholder. The notice and all other supporting documentation or evidence must be received by the Trust, to the satisfaction of the Trustees. Unitholders should review the redemption provisions set out in the Declaration of Trust to ensure that all redemption processes are properly carried out by the Unitholder in respect of any redemption.

Upon delivery of the redemption notice, the Unitholder shall cease to have any rights with respect to the Trust Units tendered for redemption (other than to receive payment of the redemption price), including the right to receive any distributions declared payable to Unitholders of record on a date that is subsequent to the Redemption Date.

The redemption price per Unit ("**Redemption Price**") shall be equal to:

- (a) if the Redemption Date is on or before the date that is 365 days from the date such Trust Units were issued to the Unitholder (the "**First Redemption Period**"), an amount that is eighty-five (85%) percent of the subscription price paid in respect of the Trust Unit redeemed;
- (b) if the Redemption Date is on or before the date that is 365 days from the last day of the First Redemption Period (the "**Second Redemption Period**"), an amount that is equal to ninety (90%) percent of the subscription price paid in respect of the Trust Unit redeemed; or
- (c) if the Redemption Date is any time after the end of the Second Redemption Period, an amount that is the fair market value of the Trust Unit redeemed;

plus any Distributable Cash Flow per Unit declared payable, but undistributed at the Redemption Date.

The Redemption Price for Trust Units shall be paid no later than thirty (30) days following the last day of the calendar month in which the Trust Units were surrendered for redemption.

The Redemption Price may be paid by the Trust in cash or, where the total amount payable by the Trust pursuant to redemptions tendered in any given calendar month exceeds Ten Thousand (\$10,000.00) Dollars, by distributing or issuing any combination of cash and/or Trust Notes payable by the Trust, having an aggregate fair market value equal to the aggregate fair market value of the Units tendered for redemption.

Terms of the Trust Notes shall be determined by the Trustees in their sole and unfettered discretion. **There is no guarantee of repayment of Trust Notes. See Item 8 – “Risk Factors”. Trust Notes will not qualify as a “qualified investment” for Exempt Plans. See Item 6.2 – “Income Tax Consequences” and Item 8 – “Risk Factors”.**

The fair market value of each Unit for the purposes of determining the Redemption Price above shall be the fair market value of the Trust as a whole (“**Fair Market Value**”) divided by the number of issued and outstanding Units on the applicable Redemption Date. **The fair market value of each Class A, Class B and Class C Unit shall be deemed to be the subscription price thereof.**

Fair Market Value will be determined as of a Redemption Date by an independent third party valuator with experience and expertise in the subject matter of the valuation (“**Valuator**”) retained by the Trustees on behalf of the Trust. All costs and expenses of the determination of Fair Market Value shall be borne by the Trust. The determination of Fair Market Value by a Valuator shall be final and binding upon the Trustees, the Trust and all Unitholders. **See Item 8 – “Risk Factors”.**

If Fair Market Value has been determined by a Valuator at any time (the “**Determination**”), the Determination shall be deemed to be the Fair Market Value of the Trust for a period of one (1) year following the Redemption Date which is the subject of the Determination (“**FMV Period**”) and shall apply to redemptions for which the Redemption Date falls within the FMV Period. Notwithstanding the foregoing sentence, if there is a subsequent redemption (“**Subsequent Redemption**”) and the Trustees determine, acting reasonably and in good faith, that Fair Market Value is likely to have been materially changed since the Determination, the Trustees may require that Fair Market Value be determined as at the Redemption Date in respect of the Subsequent Redemption. **See Item 8 – “Risk Factors”.**

Trustee Redemption

The Trustees may redeem all of the Units in the event that the Limited Partnership disposes of the property or assets purchased with funds obtained from the Trust and upon the Trustees concluding that no further Cash Flow is due and owing from the Limited Partnership (or such other third parties, as applicable) to the Trust. In such an event, the redemption price for each Trust Unit shall be one tenth of one cent (\$0.001) and such funds shall be payable within sixty (60) days from the date of the redemption notice provided by the Trustees to the Unitholders. The Trustees shall have the power of attorney of each Unitholder to execute any documentation or perform any acts with respect to such redemption.

Limitation 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 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 Units. The Trustee will require declarations in the Subscription Agreement as to the jurisdictions in which beneficial owners of Units are resident. If the Trustee becomes aware that the beneficial owners of 45% of the Units then outstanding are, or may be, Non-Residents or that such a situation is imminent, the Trustee may notify the Unitholders thereof and shall not accept a subscription for Units from, or issue or register a transfer of Units to, a Person unless the Person provides a declaration that the Person is not a Non-Resident and does not hold the Units for the benefit of Non-Residents.

If, notwithstanding the foregoing, if the Trustee determines that 45% or more of all Trust Units are held by Non-Residents, the Trustees may send a notice to such Non-Resident holders of Units, chosen in inverse order to the order of acquisition or registration or in such manner as the Trustees may consider equitable

and practicable, requiring them to sell or tender their Units (or a portion thereof) for redemption within a required period of not less than 30 days, and if the Unitholders receiving such notice have not, within the required period, sold or tendered their Units to the Trust, or otherwise provided satisfactory evidence that the beneficial owners of such Units are not Non-Residents, the Trustee may, as agent and attorney acting on behalf of such Unitholders and/or such beneficial owners, sell or redeem the Units at the Cash Redemption Price, as contemplated by the Declaration of Trust.

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

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 Unitholders or any other Person in certain instances. The amendments will only be made if it is determined by the Trustees, in their sole discretion and acting reasonably, that a particular amendment is required for the overall benefit of the Mutual Trust and not making the change would be a greater detriment to the Unitholder than making the amendment. For instance, the Trustees 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. Reference should be made to the Declaration of Trust for specific authorities or limitations that apply to amendments to the Declaration of Trust.

Term of the Trust

Subject to the other provisions of this Declaration of Trust, the Trust shall continue for a term ending 21 years after the date of death of the last surviving issue of Her Majesty, Queen Elizabeth II, alive on January 1, 2017. For the purpose of terminating the Trust by such date, the Trustee shall commence to wind-up the affairs of the Trust on such date as may be determined by the Trustee, being not more than two (2) years prior to the end of the term of the Trust. At any time prior to the expiry of the term of the Trust, the Trustee may, in his sole discretion, terminate the Trust. The Trustee is empowered to take all steps necessary to effect such termination.

Also, the Unitholders may vote by Special Resolution to terminate the Trust at any meeting of Unitholders duly called by the Trustee for the purpose of considering termination of the Trust, following which the Trustee shall commence to wind-up the affairs of the Trust.

Transfer of Units

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

As the Trust is not currently a reporting issuer in any jurisdiction, the Units are subject to resale restrictions pursuant to applicable securities laws. **See Item 10 – "Resale Restrictions".**

Power of Attorney

The Declaration of Trust includes an irrevocable power of attorney authorizing the Trustee on behalf of the 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 this 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 sale or disposition of Units required therein; (iii) all conveyances and other documents required in connection with 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 other jurisdiction in respect of the affairs of the Trust or of a 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 under the Declaration of Trust; and (vi) all transfers, conveyances and other documents required to facilitate the acquisition of Units pursuant to any take-over bids.

Financial Year End

The fiscal year end of the Trust is December 31.

ADMINISTRATION AGREEMENT

The Trust has entered into an Administration Agreement with the Administrator to handle the day to day activities of the Trust. The Administrator will be paid the Administration Fee by the Trust for its services in an amount equal to \$20,000.00 per annum, payable in quarterly installments. The Administrator will also be reimbursed for all costs and expenses incurred on behalf of the Trust. Any amount payable to the Administrator that remains unpaid when so due shall remain due (whether on demand or otherwise) and bear interest (both before and after judgment), at a rate per annum equal to the prime rate charged by the Trust's banker plus 5% per annum from the date payment is due until the date payment is made.

In the event the Trust is unable to pay amounts owing to the Administrator when due, with the consent of the Administrator, the Trust may pay such amounts owing by the issuance of promissory notes, bearing interest as stated in the above paragraph, and payable in preference to any distributions to Unitholders of the Trust.

Pursuant to the terms of the Administration Agreement, amongst other things, the Administrator is responsible for all matters relating to: (i) any offering of securities to the public; (ii) ensuring compliance with applicable law, including in relating to an offering of securities to the public; (iii) all matters relating to the content of any securities offering documents, the accuracy of the disclosure contained therein and the certification thereof; and (iv) all matters concerning any subscription agreements. Under the provisions of the Administration Agreement, a Trustee who is also a director, officer or employee of the Administrator may also be paid compensation by the Administrator. The Trustees of the Trust may be directors, officers or employees of the Administrator and may be paid compensation as a result of their positions with the Administrator.

The Administrator is a related party of the Trust. The Administrator is beneficially owned by the Trustees of the Trust.

LP AGREEMENT

The Limited Partnership is governed by the terms of the LP Agreement entered into between the General Partner, as general partner, and the Trust. As of the date of this Offering Memorandum, the issued and outstanding LP Units are as follows:

Partner	Type of Partner	Number and Class of LP Units	Capital Contribution
Kelowna Memory Care GP ¹ Inc.	General Partner	1 GP LP Unit	\$1.00
The Vineyards Community Kelowna Trust	Limited Partner	5,000 Class A LP Units	\$1,000.00

Note:

- (1) 100% of the issued and outstanding voting securities of the General Partner are beneficially owned by the Trustees.

The Limited Partnership was formed for the purpose of using the Trust Funds, after payment of expenses and contribution by the Trust, to develop the Project. The General Partner will carry on the business of the Limited Partnership and may hold legal title to the assets of the Limited Partnership, as nominee, and for the use and benefit of and on behalf of the Limited Partnership. The Lands will be legally owned by the Bare Trustee but held for the use and benefit of the Limited Partnership pursuant to the Bare Trust Agreement. **See Item 2.7 – “Material Agreements – Bare Trust Agreement”.**

As a Limited Partner, the Trust’s liability for the debts of the Limited Partnership is limited to its aggregate Capital Contribution, which, as of the date of this Offering Memorandum is the \$1,000.00 subscription price of the LP Units, plus its pro rata share of undistributed income. Net proceeds of this Offering which are contributed to the Limited Partnership will increase the Capital Contribution of the Trust to the Limited Partnership. In order to maintain its status as a limited partner, the Trust must not partake in the management of the Limited Partnership.

Powers, Costs, Expenses and Indemnities

The LP Agreement grants the General Partner wide powers to carry out the business of the Limited Partnership, all of which are specified in the LP Agreement, and grants the General Partner the authority to delegate certain responsibilities to third parties. Notwithstanding the general grant of authority to the General Partner, there are certain powers that may only be exercised by Extraordinary Resolution of the Partners, including removing the General Partner, amending, altering or repealing a previously passed Extraordinary Resolution, amending the LP Agreement, requiring the General Partner to enforce any obligation or covenant of a Limited Partner and, subject to certain restrictions, dissolving the Limited Partnership. Potential Subscribers should review these powers granted to the General Partner. In addition, the Limited Partners have the ability to approve a sale of Limited Partnership assets to a Non-Arm’s Length Party. **See “Non-Arm’s Length Disposition” below.**

The General Partner will be reimbursed for all reasonable costs incurred acting as general partner of the Limited Partnership.

The General Partner (not including its affiliates or their respective shareholders, directors, officers or employees) will indemnify and hold harmless the Trust for costs, expenses, damages or liabilities suffered or incurred by the Limited Partners if the limited liability of the Trust is lost for or by reason of the fraudulent, bad faith, reckless or willful misconduct of General Partner in performing its duties and obligations as set forth in the LP Agreement.

The Limited Partnership (only to the extent of the assets of the Partnership, including Capital Contributions and undistributed income) but, for clarity, not the Partners themselves, will indemnify the General Partner, its directors, shareholders, officers, employees or agents from and against all costs, expenses, damages or liabilities suffered or incurred by reason of the acts, omissions or alleged acts or omissions arising out of the activities of the General Partner on behalf of the Partnership under this Agreement or in furtherance of the interests of the Partnership, unless the acts, omissions or the alleged acts or omissions on which the actual or threatened action, proceeding or claim are based were not believed in good faith by the General Partner to be within the scope of the authority conferred by this Agreement or otherwise by law, or were performed or omitted fraudulently or in bad faith or constituted negligence or willful or reckless disregard of the obligations of the General Partner under this Agreement or applicable law.

The General Partner will indemnify the Partnership from and against all costs, expenses, damages or liabilities suffered or incurred by the Partnership by reason of any act or omission not believed by the General Partner in good faith to be within the scope of the authority conferred on the General Partner by this Agreement or otherwise by law or any act or omission performed or omitted constituting negligence or willful or reckless disregard of the General Partner’s obligations under this Agreement or applicable law.

The General Partner may be removed by way of Extraordinary Resolution in the event the General Partner is in default of any of its obligations under the LP Agreement, and such default is not rectified within sixty (60) days of receipt of written notice of the default from the Limited Partners.

The General Partner may employ or retain affiliates, associates or other related parties of the General Partner on behalf of the Limited Partnership to provide goods or services to the Limited Partnership, provided that the costs of such goods or services are reasonable and competitive with the costs of similar goods and services provided by independent third parties.

Non-Arm's Length Disposition

The General Partner may procure a sale of any or all of the Limited Partnership's assets, including the Residence, the Residence Lands, and/or any part or combination thereof, to a Non-Arm's Length Party provided that certain conditions are complied with, including:

- (a) The General Partner, at the expense of the Limited Partnership, obtains two appraisals of the fair market value of the assets to be sold.
- (b) The purchase price for the assets to be sold shall be no less than:
 - (i) if the appraisals are within five (5%) percent of each other, the greater of the two appraisals; or
 - (ii) if the appraisals are not within five (5%) percent of each other, then the General Partner shall, at the expense of the Limited Partnership, obtain a third appraisal and the purchase price shall be no less than the average of the three appraisals.
- (c) The General Partner shall submit the proposed sale to the Unitholders for approval. If the Unitholders approve, the General Partner may complete such proposed sale.

Subscribers should note that the Declaration of Trust provides the Class A, Class B and Class C Unitholders with the right to vote their Units at a meeting of the Unitholders to approve a non-arm's length disposition as contemplated above. **See Item 2.7 – “Material Contracts – Declaration of Trust.”**

Allocations and Distributions

- (a) 0.01% to the General Partner as the holder of the GP LP Unit;
- (b) The remainder as follows:
 - (i) First, to Limited Partners, until the total Income allocated to the Limited Partners over the duration of the Limited Partnership, is equal to the Initial Fund Return Amount plus the Redemption Amount;
 - (ii) The remainder, as follows:
 - (A) 50% to the Unitholders; and
 - (B) 50% to the General Partner as the holder of the GP LP Unit.

Liquidation, Dissolution or Winding-Up

In the event of the liquidation, dissolution or winding-up of the Limited Partnership or other distribution of the assets of the Limited Partnership for the purpose of winding-up its affairs or upon a return of capital, all accrued and unpaid distributions of cash, if any, and distributions of the property or assets of the Limited Partnership shall be allocated as follows:

- (c) First, to pay or provide for the payment of the debts and liabilities of the Limited Partnership, including reimbursement of expenses of the Partnership incurred by the General Partner and liquidation expenses, including any outstanding fees;
- (d) Second, to the Limited Partners, until the total Distributable Cash distributed to the Limited Partners over the duration of the Limited Partnership, is equal to the Initial Fund Return Amount plus the Redemption Amount;
- (e) The remainder, as follows:
 - (i) 50% to the Limited Partners; and
 - (ii) 50% to the General Partner as the holder of the GP LP Unit.

Allocation of Tax Income

All allocations of Tax Income shall be allocated at the discretion of the General Partner in accordance with the following priority:

- (a) 0.01% to the General Partner as the holder of the GP LP Unit;
- (b) The remainder as follows:
 - (i) First, to the Limited Partners, until the total Tax Income allocated to the Limited Partners over the duration of the Limited Partnership is equal to the Initial Fund Return Amount less the Gross Subscription Amount;
 - (ii) Second,
 - (A) 50% to the Limited Partners; and
 - (B) 50% to the General Partner as the holder of the GP LP Unit.

Allocations of Loss and Tax Loss

All allocations of Loss and Tax Loss shall be allocated at the discretion of the General Partner amongst all Partners in proportion to the Partners' Capital Account balances.

Allocations and Distributions Generally

Any amount allocated or distributed to a class of Limited Partners shall be allocated or distributed, as applicable, amongst the Limited Partners of such class on the applicable date for distribution or allocation, on a pro rata basis, according to the ratio the number of LP Units of such class owned by a Limited Partner bears to the total LP Units of such class that are issued and outstanding as of a relevant date.

Restrictions on Transfer

No partner may transfer its LP Units except with the prior consent of the General Partner and otherwise in accordance with the LP Agreement.

Meetings of the Partners

The General Partner may call meetings of the Partners as it considers appropriate. Limited Partners holding, in the aggregate, not less than fifteen (15%) percent of the outstanding LP Units may require the General Partner to call a meeting of Partners. Quorum at any meeting of the Partners shall consist of a majority of the Partners entitled to vote at such meeting holding a majority of the LP Units entitled to be voted at such meeting.

Replace of the General Partner

In the event that the General Partner is in default of any obligations or duties, and such default is not rectified by the General Partner within sixty (60) days of receipt of a written notice of the default from the Limited Partners, the General Partner may be removed by way of Extraordinary Resolution and a successor named as the new general partner of the Partnership, to be effective on the date specified in the Extraordinary Resolution.

Dissolution/Termination

The Limited Partnership shall dissolve upon the occurrence of any of the following events or dates:

- (a) the acquisition of all LP Units by one Partner;
- (b) the passage of an Extraordinary Resolution approving the dissolution of the Partnership;
- (c) the sale of all or substantially all of the assets of the Limited Partnership;
- (d) the removal or resignation of the General Partner unless the General Partner is replaced as provided herein or in the resolution removing the General Partner; or
- (e) September 1, 2075, unless the Partners unanimously consent to another date.

Upon dissolution, the General Partner shall liquidate the assets of the Limited Partnership and use the proceeds to pay all debts and liabilities of the Limited Partnership, including reimbursement of expenses incurred by the Limited Partnership, and, following satisfaction of the debts and liabilities, any remaining assets shall be distributed to the Limited Partners in accordance with the LP Agreement.

Related Parties

The Limited Partnership and General Partner are each related parties of the Trust. The General Partner is beneficially owned by the Trustees and each of Aurele Simourd, Ken Craig and John Cathrae are its directors.

Amendment

No amendment may be made to the LP Agreement which would have the effect of reducing a Limited Partner's share of income, reducing a Limited Partner's interest, changing the liability of a Limited Partner, allowing a Limited Partner to exercise control over or manage the business of the Limited Partnership, changing the voting rights of Partners, without the unanimous consent of the Partners.

The General Partner may amend any provision of the LP Agreement from time to time for the purpose of adding, amending, or deleting provisions, in the opinion of the General Partner, acting reasonably, are for the protection or benefit of the Limited Partners, to cure an ambiguity provided the cure does not materially adversely affect the Limited Partners, to make such other provisions in regard to such matters or questions arising under the LP Agreement which, in the opinion of the General Partner, acting reasonably, do not and will not materially and adversely affect the interests of the Limited Partners, or to make such amendments or deletions to take into account the effect of any change in, amendment of or repeal of any applicable legislation, which amendments, in the opinion of the General Partner, acting reasonably, do not and will not materially and adversely affect the interests of any Limited Partner.

LANDS PURCHASE CONTRACT AND ASSIGNMENT AGREEMENT

Sussex Retirement Kelowna Inc. entered into a purchase and sale agreement dated November 24, 2016 with Valley Land Subdivision Ltd. for the Lands. The lands comprise of approximately 3.51 acres, which is to be created from the subdivision of the parent property civically known as 720 Valley Road, Kelowna, British Columbia and legally known and described as PID: 029-767-547, Lot A, Sections 32 and 29, Osoyoos Division Yale District, Plan EPP54061. The Purchase Price for the Lands is \$4,738,500.00. The purchase price is to be allocated between the two land parcels is as follows: Residence Lands is

\$2,214,000 and Multifamily Lands is \$2,524,500. The initial Deposit of \$250,000 was paid within 7 days of the execution of the agreement and the Second Deposit of \$488,500 is due within 3 days of the waiver or satisfaction of the purchasers due diligence with regards to the rezoning and subdivision of the Lands. The Vendor is to have the Lands rezoned and subdivided on or before June 30, 2017, but can be extended to September 30, 2017. The Closing Date is to be the earlier of the following: i) the date which the Purchaser provides notice of its intention to close; or ii) September 30, 2017.

The Bare Trustee and Sussex Retirement Kelowna Inc. entered into partial assignment agreement dated February 10, 2017 to the acquire the Residence Lands for the same purchase price and conditions.

BARE TRUST AGREEMENT

The Bare Trust Agreement governs the relationship between the Bare Trustee, as the legal and registered owner of the Lands, and the General Partner in its capacity as general partner of the Limited Partnership ("**Owner**"), as the beneficial owner of the Lands. Pursuant to the Bare Trust Agreement, the parties thereto acknowledge and agree that the Bare Trustee holds legal and registered title to the Lands as bare trustee and mere nominee of the Owner. The Bare Trustee covenants and agrees to, among other things:

- (a) transfer legal and registered title to the Lands to the Owner, or such other person as the Owner;
- (b) hold all rents and profits from the Lands, if any, as bare trustee and mere nominee of the Owner; and
- (c) execute a blank freehold transfer in favour of the Owner sufficient to transfer the legal title to the Lands to the Owner which the Owner will hold, and the Owner shall be at liberty to register in the land title office at any time.

The Bare Trustee, General Partner, Limited Partnership and the Trust are all related parties.

LETTER OF INTENT

The Letter of Intent is an indication of interest given by Capital West Mortgage Inc. (the "**Lender**") to provide the Bank Financing for the construction of the project. **However, it is not, as of the date of this Offering Memorandum, a firm commitment to provide the Bank Financing. There can be no assurances that the Lender will provide the Bank Financing on the same terms and conditions set forth in the Letter of Intent. See Item 8 – "Risk Factors".**

The Lender has indicated it is interested in providing the Bank Financing, in an amount equal to \$20,470,000 or up to 75% of approved constructions costs (the "**Loan Amount**"). The final amount is subject to approval by the Lender.

Interest shall be payable on any outstanding principal amount at a rate of 3.7%, based on current rates, calculated daily and payable monthly in arrears on the first day of each month. The final rate shall be determined as of the date of the first advance. The entire principal amount shall be repaid on or before 48 months after the date of first advance, unless otherwise demanded by the Lender prior thereto.

The Limited Partnership is required to pay certain fees, including:

- (a) a lenders fee in the amount of 0.5%; and
- (b) a broker fee in the amount of 0.6%.

The Bank Financing will be a secured demand credit facility. **See Item 8 – "Risk Factors"**. Security will include, but is not limited to:

- (a) First Ranking Collateral Mortgage over the Lands;

- (b) General Security Agreement of the Limited Partnership;
- (c) General Assignment of Leases and Rents;
- (d) Guarantees of the Guarantors; and
- (e) Assignment of Rights and Interests in Construction Contracts.

The Bank Financing will be subject to a number of conditions precedent in favour of the Lender, including, but not limited to:

- (a) Due diligence review of the Project by the Lender, including review of permits, environmental, budget and appraisals; and
- (b) Fixed price contracts are obtained by major contractors and suppliers for the construction of the Residence.

The Limited Partnership will be responsible for all costs and expenses of the Lender, including legal and due diligence.

CONSTRUCTION MANAGEMENT AGREEMENT

The Limited Partnership will enter into a Construction Management Agreement with an arm's length 3rd party Construction Manager to oversee all aspects of the construction of the Residence, in exchange for the Construction Management Fee. The duties and responsibilities of the Construction Manager will be as follows:

- (a) Provide administrative services to the General Partner, including establishing a preliminary budget and, once bids are received for the construction of the Residence, establish a final budget to be approved by the General Partner;
- (b) Coordinate all contract work with the help of consultants;
- (c) Obtain bids from subcontractors and suppliers of materials and equipment for the Project;
- (d) Ensure subcontractors and suppliers comply with the general terms of any contracts entered into with such parties;
- (e) Prepare draw requests to be submitted by the General Partner to the Lender with respect to advances under the Bank Financing;
- (f) Liaise with the General Partner and subcontractors and suppliers regarding the payment of invoices;
- (g) Obtain a certificate of substantial completion;
- (h) Provide general supervision throughout the construction of the Residence;
- (i) Create final plans and specifications in compliance with applicable laws, rules and standards;
- (j) Select materials, building systems and equipment;
- (k) Establish a construction schedule;
- (l) Coordinate inspections and obtain approvals from applicable building authorities;
- (m) Submit to the General Partner for approval any change order that is not less than \$50,000.00;

- (n) Provide assistance to the General Partner with respect to any disputes arising out of work performed by a contractor or subcontractor; and
- (o) Provide design management services including the selection of finishing, furniture, fixtures and other related items.

In exchange for the services to be provided, the Construction Manager will receive the Construction Management Fee and be reimbursed for expenses incurred in relation to the Project.

The Construction Manager shall covenants, among other things, to carry out its duties and responsibilities in a competent, efficient and diligent manner, in accordance with the standards of a first class construction manager and in the best interests of the General Partner, to keep and maintain accurate books and records of the Project, and to provide access to such books, records and other construction information and documents as requested by the General Partner.

The General Partner will be required to indemnify and hold the Construction Manager and its construction consultant harmless from and against all loss, damage, liability or expense suffered or incurred by, or claim made against the Construction Manager or its construction consultant in connection with the Project, unless due to the negligence, breach of contract or misconduct of the Construction Manager or its construction consultant.

The General Partner shall be entitled to terminate the Construction Management Agreement upon the occurrence of an event of default (as defined in the Construction Management Agreement), including where the Construction Manager fails to remedy or proceed diligently to remedy a breach by the Construction Manager within 30 days following receipt of written notice from the General Partner

ASSET MANAGEMENT FEE AGREEMENT

The Asset Management Fee Agreement provides for the payment of the Asset Management Fee by the Limited Partnership to the Administrator in return for high level guidance provided by the aforementioned entities. The Asset Management Fee Agreement terminates on the winding up or dissolution of the Limited Partnership. Termination shall not alleviate the Limited Partnership's obligations to pay any fees due and owing as of the date of termination.

The Administrator is a Canadian corporation controlled by the Trustees. As a result of the foregoing situations could arise that create a conflict of interest between the parties to the Asset Management Fee Agreement because the General Partner is beneficially controlled or directed by the Trustees.

DEVELOPER AGREEMENT AND THIRD PARTY DEVELOPMENT MANAGER

The Developer Agreement provides for the payment of the Development Fee by the Limited Partnership to the Administrator in return for co-ordinating and acting as liaison between the owner, consultants, construction manager and other professionals. During the Design Phase services include representation of the Limited Partnership as part of the design team, ensure Limited Partnership's needs are met in a timely and cost effective manner, ensure adequate project communication flow and distribution of information. Technical oversight in reviewing and commenting on all project documentation including change orders and review of progress claims. During construction, represent Limited Partnership as part of the Construction Team, attend construction meetings, liaise between Prime Consultant(s), Construction Manager and the Limited Partnership. During Post Construction, the Developer will co-ordinate the post construction occupancy review and arrange for inspections by the appropriate governing authorities.

The Administrator has entered into a Development Management Agreement with Connecting Care (2015) Inc. to take primary responsibility for the performance of the duties described in the Developer Agreement, under the direction and supervision of the Administrator. Collectively, Aurele Simourd and John Cathrae have decades of experience in development management and will ensure all activities of the Development Manager and all contractor and consultants are in the best interests of the Limited Partnership.

ITEM 3 – INTERESTS OF DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

3.1 Compensation and Securities Held

Name and municipality of principal residence	Positions held (e.g., director, officer, promoter and/or principal holder) 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, type and percentage of securities of the issuer held after completion of min. offering	Number, type and percentage of securities of the issuer held after completion of max. offering
Aurele Simourd, Ottawa, Ontario	Trustee, Principal Holder and Promoter of the Fund	Mr. Simourd is a beneficial owner of the Administrator. To the extent the Administrator earns the Administration Fee, Mr. Simourd will benefit. He will not be directly paid.	1 Class D Unit, representing 33% of the Class D Units Outstanding	1 Class D Unit, representing 33% of the Class D Units Outstanding
Ken Craig, Nepean, Ontario	Trustee, Principal Holder and Promoter of the Fund	Mr. Craig is a beneficial owner of the Administrator. To the extent the Administrator earns the Administration Fee, Mr. Craig will benefit. He will not be directly paid.	1 Class D Unit, representing 33% of the Class D Units Outstanding	1 Class D Unit, representing 33% of the Class D Units Outstanding
John Cathrae, Ottawa, Ontario	Trustee, Principal Holder and Promoter of the Fund	Mr. Cathrae is a beneficial owner of the Administrator. To the extent the Administrator earns the Administration Fee, Mr. Cathrae will benefit. He will not be directly paid.	1 Class D Unit, representing 33% of the Class D Units Outstanding	1 Class D Unit, representing 33% of the Class D Units Outstanding

Notes:

- (1) in addition to the disclosure above, the above persons are beneficial owners of various entities related to the Trust and Limited Partnership, and will receive compensation indirectly through the payment of management fees by, and equity interests in, the Limited Partnership, but not specifically to benefit the Trust.
- (2) SFT Sussex Holdings Limited is owned and controlled by Aurele Simourd, one of the Trustees and Founders.

3.2 Management Experience

Name	Principal Occupation and Related Experience
Aurele Simourd	Aurele is the CEO of Sussex Retirement living. Aurele brings over 40 years of experience in commercial lending, consulting, real estate development and ownership. Aurele has loaned over \$2 billion for commercial real estate projects across a variety of industries, including healthcare. On a personal note, Aurele's mother passed away from a form of dementia in 2015. This firsthand understanding of the disease and current care options fuel his passion to develop person-centered Memory Care facilities. The Vineyards Community is the 13th retirement project in the history of Sussex Retirement Living. Aurele has been overseeing the project development or acquisition. Aurele also leads in the exit strategy with institutional relationships and public companies.
Ken Craig	Ken is the President of Sussex Retirement Living. He is the former Founding Partner of Altaview Financial Group. He is also the Co-Founder of Lonsdale Private Wealth, a discretionary money management service used by financial advisors across Canada. Prior to Sussex and Altaview, Ken spent 5 years at an internationally recognized land-based investment and development group that manages over \$3 billion in assets. Ken has co-ordinated the team in moving the agendas forward. Ken facilitates communications with external and internal development partners and key stakeholders, ensuring that Sussex meets its projected targets.

John Cathrae	John Cathrae is the CFO of Sussex Retirement Living. His daily responsibilities include financial modelling, underwriting, review of financial performance, strategy for growth as well as arranging and negotiating finance terms. John also accepted the job of being the CFO for the Points West Living Limited Partnership for its first year of operations. Before Sussex John spent 16 years as the Vice-President of Mask Management Consultants Limited, a company that has provided services for financial institutions such as banks, life insurance companies, pension funds and the Canadian Mortgage Housing Trust.
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3.3 Penalties, Sanctions and Bankruptcy

To the best of our knowledge, no trustee, senior officer or control person of the Trust or Trustees, nor any issuer of which those persons were a director, trustee, senior officer or control person, have been subject to any penalty or sanction or any proceedings under any bankruptcy or insolvency legislation or compromise with creditors or the appointment of a receiver during the preceding ten (10) years.

3.4 Loans

As of the date of this Offering Memorandum, there are no debentures or loans due to or from any of the directors, management, promoters or principal holders of the Trust or Trustees.

ITEM 4 – CAPITAL STRUCTURE

4.1 Unit Capital

Description of Security	Number Authorized to be Issued	Price per Security (Block of 10 Units)	Number of Units outstanding as at the date of this Offering Memorandum	Number of Units outstanding after Maximum Offering
Class A Units ⁽¹⁾	Unlimited	\$100.00	0	Between 67,500 and 107,500 Units ⁽²⁾
Class B Units	Unlimited	\$95.24	0	Between 0 and 30,000 plus an additional 1,500 Units ⁽³⁾
Class C Units	Unlimited	\$86.96	0	Up to 10,000 plus an additional 1,500 Units ⁽⁴⁾
Class D Units	3	\$300.00	3	3

Notes:

- (1) The Trust should qualify as a “mutual fund trust” under the provisions of the Tax Act upon obtaining a minimum of one hundred and fifty (150) Unitholders and will elect to be deemed to be a mutual fund trust from the commencement of its taxation year. The Trust must obtain the minimum number of subscribers before the 91st day after the end of its first taxation year.
- (2) The range between 67,500 and 107,500 is a result of the fact that the amount issued under this Offering may be reduced by the Concurrent Institutional/Permitted Investor Offering.
- (3) Up to \$3,000,000 will be raised from the Concurrent Institutional/Permitted Investor Offering for subscriptions amounts of not less than \$250,000 per subscriber. There will be an additional 5% of a Unit for each Class B Unit that is subscribed for.
- (4) The closing is set to occur on or before the first Closing under this Offering to the institutional investor/portfolio manager of up to \$1,000,000. There will be an additional 15% of a Unit for each Class C Unit that is subscribed for. These funds are to be used to ensure that the initial funds required for the initial set up and planning costs are covered as the remainder of the funds are raised under this Offering.

4.2 Long Term Debt Securities

As of the date of this Offering Memorandum, the Trust has no long term debt.

ITEM 5 – SECURITIES OFFERED

5.1 Terms of Securities

The intended material terms of the Units being offered include:

Rights Attaching to Units

Units will be subject to the terms and conditions of the Declaration of Trust. The statements in this Offering Memorandum concerning the Declaration of Trust are intended to be only a summary of the provisions of the Declaration of Trust and do not purport to be complete. A copy of the Declaration of Trust will be provided to each prospective Subscriber on request in writing to the Trust. Following receipt of the Offering Memorandum, each prospective Subscriber should review with his, her or its advisors the provisions of the Declaration of Trust for the complete details of these provisions and all other provisions thereof. All capitalized terms in this section not otherwise defined herein shall have the meaning set out in the Declaration of Trust.

Units

The beneficial interests in the Trust are divided into classes of interests, described and designated as “Units”, and which are entitled to the rights and subject to the limitations, restrictions and conditions set out in the Declaration of Trust, as amended from time to time. The Trustees of the Trust are authorized to create an unlimited number of classes of Units. The Trust may issue an unlimited number of Units of each class of Units. Each Unitholder’s interest in the Trust is determined by the rights and obligations as set out in the Declaration of Trust and the number of Units held. Units may be issued by the Trust at the times, to the persons, for the consideration and on the terms and conditions that the Trustees determine in their sole discretion and, without limiting the generality of the foregoing and subject to applicable securities law, the Trustees may authorize the payment of a commission or other fee to any person in consideration of such person purchasing or agreeing to purchase Units from the Trust or for finding, procuring or agreeing to find or procure purchasers of Units. The Trustees may also authorize and allow commercially reasonable discounts to persons in consideration of their subscribing or agreeing to subscribe for Units, or agreeing to produce subscriptions therefor, whether absolute or conditional. Upon any issue of Units, the name of the Subscriber will promptly be recorded in the Unit register as the owner of the number of Units issued to such Subscriber, or if the Subscriber is already a Unitholder, the register will be amended to include such additional Units.

The Trustees may in their sole discretion without Unitholder approval, create one or more additional classes of Units of the Trust, as and when they see fit, with each such class of Units being comprised of such number of Units and having such rights and being subject to such limitations, restrictions and conditions as the Trustees deem advisable notwithstanding that such rights may be more favourable or rank in priority to any one or more classes of the Units including, without limitation, the Class A, Class B and Class C Units then in existence or may have limitations, restrictions and conditions less onerous than those of any one or more classes of the Units including, without limitation, the Class A, Class B and Class C Units then in existence. Subject to the provisions of the Declaration of Trust, the Trustees may also amend, in their sole discretion, the rights and characteristics of any Units in existence, without Unitholder approval.

Rights and Characteristics of the Units

Each Unit confers the right to one vote on any resolution of Unitholders, whether conducted at a meeting of Unitholders or in writing; **however, it should be noted that Unitholders owning Class A, Class B and Class C Units are very limited in the matters that they may vote upon as, pursuant to the terms of the Declaration of Trust, the Trustees and the Class D Unitholders determine the vast majority of the matters respecting the Trust.** Class A, Class B and Class C Unitholders do have a right to instruct the Trustees to exercise the right to vote LP Units owned by the Trust in respect of a proposed sale of assets by the Limited Partnership to a Non-Arm’s Length Party.

All Class A, Class B and Class C Units outstanding from time to time will participate pro rata in any distributions from the Trust to the Class A, Class B and Class C Unitholders. No person is entitled, as a matter of right, to subscribe for or purchase any Unit. There are no conversion, retraction, redemption or pre-emptive rights attaching to the Units other than as specifically set out in the Declaration of Trust and described below in this Offering Memorandum.

The legal ownership of the assets of the Trust and the right to conduct the affairs of the Trust are vested exclusively in the Trustees, and the Unitholders will have no interest therein other than as described in the Declaration of Trust. Unitholders will have no right to compel any partition, division or distribution of the Trust or any of the assets of the Trust. The Units are personal property and confer upon the holders thereof only the interest and rights specifically set forth in the Declaration of Trust. A Unit may be transferred by a Unitholder or his agent duly authorized in writing, to any other person, to the transferor and one or more other persons jointly, or by two or more joint holders to one or some of them, in very limited circumstances and **only to the extent permitted under the Declaration of Trust and only in compliance with all applicable securities and other laws.**

Allocation of Distributable Cash Amongst Units

It is the Trust's current intention to distribute one hundred (100%) percent of any distributable cash received by it from the Limited Partnership, on an on-going basis, less a reasonable amount that will be set aside by the Trustees to deal with redemption of Units, including any amounts owing pursuant to outstanding Trust Notes, and additional potential costs of the Trust.

Subscribers who subscribe for Units shall be entitled to income received by the Trust in relation to its investment in the Limited Partnership. The Declaration of Trust sets out a detailed explanation of the calculation and allocation of distributable cash, but, in general terms, it allows for any revenue received by the Trust from its investment in the Limited Partnership to be allocated in the following order:

- (a) payment of the operating expenses of the Trust, including any amounts owed to the Administrator under the Administration Agreement, as well as accounting for future operating expenses of the Trust;
- (b) payment of any amounts related to the redemption of Class A, Class B and Class C Units, as well as accounting for future redemptions of Class A, Class B and Class C Units; and
- (c) after payment of the operating expenses and amounts owed pursuant to redemption of Class A, Class B and Class C Units as outlined in (i) and (ii) above, the Unitholders shall share (on a *pro rata* basis based on their proportionate ownership of the Class A, Class B and Class C Units) in the distributable cash received by the Trust in respect of its indirect investment in the Limited Partnership.

Given the nature of the Project, it is not expected that the Trust will receive any distributions from its investment in the Limited Partnership until the development and construction phases of the Project have been completed. Subject to any requirements of the Limited Partnership's lenders and the performance of the Project, the Trust may not receive any distributions until the Residence is sold, or at all. **Subscribers should note that there is no certainty that the Project will achieve positive cash flow and even if it does, there is no guarantee that any cash will be available for distribution to Unitholders after the Trust pays its expenses. See Item 8 – "Risk Factors" which describes the risk associated with an investment in Units and the factors that could cause the Trust to fail to achieve its objectives.**

Unitholder Redemption Rights

An investment in Class A, Class B and Class C Units is intended to be a long-term investment. Each Unitholder is entitled to require the Trust to redeem at any time and from time to time at the demand of the Unitholder all or any part of the Units registered in the name of the Unitholder at the prices determined and payable and in accordance with the conditions set forth in the Declaration of Trust. Subject to the provisions set forth below, the redemption price payable by the Trust in respect of the Units surrendered

for redemption during any month shall be satisfied no later than thirty (30) days after the last day of the calendar month in which the Units were surrendered for redemption. **See “Redemption Provisions Applicable to Units of the Trust” below for further information related to the redemption of Units.** In order to exercise this right, a Unitholder must comply with the steps and provide the documentation set out in the

Declaration of Trust. Upon the Units being tendered for redemption and the Trust receiving the proper notice pursuant to the Declaration of Trust, the Unitholder will cease to have any rights with respect to the Units tendered for redemption.

Redemption Provisions Applicable to Units of the Trust

Subject to the provisions set out in the following paragraphs under this heading, the Unit redemption price payable in respect of Units tendered for redemption (“**Redemption Price**”) will be paid in cash by direct deposit or cheque, drawn on a Canadian chartered bank or trust company in lawful money of Canada, payable to, or deposited to the account of the registered Unitholder of the Unit tendered for redemption, or payable or deposited as otherwise instructed in writing by such registered Unitholder. The Redemption Price shall be determined as follows:

- (a) if the Redemption Date is on or before the date that is 365 days from the date such Trust Units were issued to the Unitholder (the “**First Redemption Period**”), an amount that is eighty-five (85%) percent of the subscription price paid in respect of the Trust Unit redeemed;
- (b) if the Redemption Date is on or before the date that is 365 days from the last day of the First Redemption Period (the “**Second Redemption Period**”), an amount that is equal to ninety (90%) percent of the subscription price paid in respect of the Trust Unit redeemed; or
- (c) if the Redemption Date is any time after the end of the Second Redemption Period, an amount that is the fair market value of the Trust Unit redeemed;

plus any Distributable Cash Flow per Unit declared payable, but undistributed at the Redemption Date.

The fair market value of each Class A, Class B and Class C Unit for the purposes of the determination of the Redemption Price above shall be the fair market value of the Trust as a whole (“**Fair Market Value**”) divided by the number of issued and outstanding Class A, Class B and Class C Units on the applicable Redemption Date. The fair market value of each Class D Unit shall be deemed to be the subscription price thereof.

Fair Market Value will be determined as of a Redemption Date by an independent third party valuator with experience and expertise in the subject matter of the valuation (“**Valuator**”) retained by the Trustees on behalf of the Trust. All costs and expenses of the determination of Fair Market Value shall be borne by the Trust. The determination of Fair Market Value by a Valuator shall be final and binding upon the Trustees, the Trust and all Unitholders. **See Item 8 – “Risk Factors”.**

If Fair Market Value has been determined by a Valuator at any time (the “**Determination**”), the Determination shall be deemed to be the Fair Market Value of the Trust for a period of one (1) year following the Redemption Date which is the subject of the Determination (“**FMV Period**”) and shall apply to redemptions for which the Redemption Date falls within the FMV Period. Notwithstanding the foregoing sentence, if there is a subsequent redemption (“**Subsequent Redemption**”) and the Trustees determine, acting reasonably and in good faith, that Fair Market Value is likely to have been materially changed since the Determination, the Trustees may require that Fair Market Value be determined as at the Redemption Date of the Subsequent Redemption. **See Item 8 – “Risk Factors”.**

Cash payments of the Redemption Price made by the Trust are conclusively deemed to have been made when deposited by direct deposit or upon the mailing of a cheque in a postage pre-paid envelope

addressed to the payee unless such cheque is dishonoured upon presentment. Upon such payment as set out in accordance with the Declaration of Trust, the Trustees and the Trust will be discharged from all liability to the former registered Unitholder in respect of the Units so redeemed.

Trustees shall be entitled in their sole discretion to extend the time for payment of any Redemption Prices, if in the reasonable opinion of the Trustees such payment would be materially prejudicial to the interests of the remaining Unitholders in the Trust.

The Declaration of Trust stipulates that the entitlement of Unitholders, as a group, to receive cash upon the redemption of their Units is subject to the limitation that the total amount payable by the Trust in respect of such Units and all other Units tendered for redemption in the same calendar month shall not exceed Ten Thousand (\$10,000.00) Dollars. In the event that Units having an aggregate Redemption Price in excess of Ten Thousand (\$10,000.00) Dollars are tendered for redemption in any given month, the Ten Thousand (\$10,000.00) Dollars (or such other amount) shall be divided amongst all tendering Unitholders on a pro rata basis (provided that such limitation may be waived at the discretion of the Trustees).

If a Unitholder is not entitled to receive cash upon the redemption as a result of the foregoing limitation, each Unit tendered for redemption shall, subject to any applicable regulatory approvals, be redeemed by way of a distribution *in specie* of Trust Notes. In the event of redemption by way of distribution *in specie* of Trust Notes, the Trust Notes shall have a principal amount equal to the Redemption Price minus any cash payments made on the redemption. Otherwise, the terms of the Trust Notes shall be determined by the Trustees in their sole discretion. Subscribers should note that the term of such Trust Notes may be as long as twenty-five (25) years from the date of issuance. The Limited Partnership reserves the right to repay without penalty, at its sole discretion, such Trust Notes in full prior to the expiry of their term.

The Trust may, in its sole discretion, refuse to make a redemption payment in cash (the “**Cash Redemption Proceeds**”) to a Unitholder if the Administrator suspects or is advised that the payment to such Unitholder may result in a breach or violation of any applicable laws or regulations (including, without limitation, any anti-money laundering or anti-terrorism laws and regulations) by the Trust or any other person in any relevant jurisdiction, or such refusal is necessary to ensure compliance by the Trust, the Administrator or any authorized agent with any such applicable laws or regulation in any relevant jurisdiction. In such circumstances, and until otherwise instructed by the relevant authority, the Administrator may deposit such Cash Redemption Proceeds in a separate bank account. If the Administrator is given permission to pay out such Cash Redemption Proceeds to the relevant Unitholder, such Unitholder's only right against the Trust shall be the right to receive the moneys so deposited (without interest).

An investment in Units is intended to be a long term investment and the redemption right described above will be the primary mechanism for Unitholders to dispose of their Units. There is no market through which the Units may be sold and none is expected to develop. Units are subject to restrictions on resale under applicable securities legislation, rules and regulations, unless a further statutory exemption may be relied upon by the investor or an appropriate discretionary order is obtained from the appropriate securities regulatory authorities pursuant to applicable securities laws.

The terms of the Trust Notes will be determined by the Trustees at the time of redemption, in their sole and unfettered discretion, and Subscribers should note that the terms of such Trust Notes may be as long as twenty-five (25) years from the date of issuance. The principal amount of such Trust Notes and the interest accrued thereon, if any, may not be repaid until the expiry of their term. Trust Notes which may be distributed *in specie* to Unitholders in connection with redemption will not be listed on any stock exchange, and no market is expected to develop in such Trust Notes, and they may be subject to resale restrictions under applicable securities laws. Trust Notes so distributed will not be qualified investments for Exempt Plans. The Trustees may designate any income or capital gain for tax purposes realized by the Trust as a result of the *in specie* redemption of Units to the redeeming Unitholder.

Subscribers should note that Unitholders may suffer adverse tax consequences should they redeem their Units. Subscribers should also note that should the Trust not receive any revenue from its investment in the Limited Partnership, nor be able to liquidate its investment in The Limited Partnership, the Trust may not have sufficient funds to pay the redemption price for Unitholders who redeem their Units, or to satisfy any outstanding Trust Notes. See Item 8 – “Risk Factors”. Subscribers should consult their legal and tax advisors for further information regarding the redemption of Units.

Redemption by Trustees

The Trustees may redeem all of the Class A, Class B and Class C Units in the event that the Limited Partnership disposes of the property or assets purchased with funds obtained from the Limited Partnership, and upon the Trustees concluding that no further distributions are due and owing from the Limited Partnership to the Limited Partnership. In such an event, the redemption price of each Class A, Class B and Class C Unit shall be one tenth of one cent (\$0.001) and such funds shall be payable within sixty (60) days from the date of the redemption notice provided by the Trustees to the Unitholders.

Unitholder Liability

The Declaration of Trust provides that no Unitholder will be held to have any personal liability as such, and no resort will be had to, nor will recourse or satisfaction be sought from, the private property of any Unitholder for any liability whatsoever, in tort, contract or otherwise, to any person in connection with the assets or the affairs of the Fund, including, without limitation, for satisfaction of any obligation or claim arising out of or in connection with any contract or obligation of the Trust or of the Trustees or any obligation which a Unitholder would otherwise have to indemnify a Trustee for any personal liability incurred by the Trustee as such, but rather the assets of the Trust only are intended to be liable and subject to levy or execution for satisfaction of such liability.

THE ABOVE DESCRIPTION OF UNIT RIGHTS IS QUALIFIED IN ITS ENTIRETY BY THE SPECIFIC LANGUAGE OF THE RIGHTS CONTAINED IN THE DECLARATION OF TRUST. UPON REQUEST, THE FUND WILL PROVIDE A COMPLETE COPY OF THE DECLARATION OF TRUST. SUBSCRIBERS ARE ENCOURAGED TO REVIEW THE DOCUMENT IN ITS ENTIRETY BEFORE INVESTING.

Constraints on Transferability

As the Trust is not currently a reporting issuer in any jurisdiction, the Units are subject to resale restrictions pursuant to applicable securities laws. See Item 10 – “Resale Restrictions”.

5.2 Subscription Procedure

Subscribers wishing to subscribe for Units will be required to enter into a Subscription Agreement with the Trust which will contain, among other things, representations, warranties and covenants by the Subscriber that it is duly authorized to purchase the Units, that it is purchasing the Units as principal and for investment and not with a view to resale and as to its corporate or other status to purchase the Units and that the Trust is relying on an exemption from the requirements to provide the Subscriber with a prospectus and as a consequence of acquiring the securities pursuant to this exemption, certain protections, rights and remedies, provided by applicable securities laws, including statutory rights of rescission or damages, will not be available to the Subscriber.

Reference is made to the Subscription Agreement attached as Schedule “B” to this Offering Memorandum for the terms of these representations, warranties and covenants.

In order to subscribe for Units, a purchaser must complete, execute and deliver the following documentation to Miller Thomson LLP at 3000, 700 9th Avenue S.W., Calgary, Alberta T2P 3V4:

- (a) one (1) signed copy of the Subscription Agreement attached as Schedule “B” to the Offering Memorandum;

- (b) a certified cheque or bank draft in an amount equal to the Aggregate Subscription Amount, payable to: **"Miller Thomson LLP, in Trust"**;
- (c) if the Subscriber is purchasing the Securities as principal and the Subscriber is a resident of British Columbia or Newfoundland and Labrador, then the Subscriber must execute the Risk Acknowledgement in the form attached as Schedule "B" to the Subscription Agreement;
- (d) if the Subscriber is purchasing the Securities as principal and the Subscriber is a resident of Manitoba, Northwest Territories, Nunavut, Prince Edward Island or Yukon then:
 - (i) in the case of a Subscriber that is not an Eligible Investor the following shall apply:
 - (ii) the acquisition cost of the Securities shall not exceed \$10,000; and
 - (iii) the Subscriber must execute the Risk Acknowledgement in the form attached as Schedule "B" to the Subscription Agreement;
- (e) in the case of a Subscriber that is an Eligible Investor the following shall be completed by the Subscriber:
 - (i) an Eligible Investor Status Certificate attached as Schedule "A" to the Subscription Agreement;
 - (ii) an Eligible Investor Representation Letter in the form attached as Appendix 1 to Schedule "A" to the Subscription Agreement (please initial as indicated); and
 - (iii) the Risk Acknowledgement in the form attached as Schedule "B" to the Subscription Agreement.
- (f) if the Subscriber is purchasing the Securities as principal and the Subscriber is a resident in Alberta, New Brunswick, Nova Scotia, Ontario, Quebec or Saskatchewan then the following shall apply:
 - (i) if the Subscriber is an individual, the acquisition cost of all securities acquired upon reliance on Section 2.9 of NI 45-106 by the Subscriber in the preceding twelve (12) months shall not exceed the following amounts:
 - (A) in the case of a Subscriber that is not an Eligible Investor, \$10,000;
 - (B) in the case of a Subscriber that is an Eligible Investor, \$30,000; or
 - (C) in the case of a Subscriber that is an Eligible Investor and that received advice from a portfolio manager, investment dealer or exempt market dealer that the investment is suitable, \$100,000;
 - (ii) if the Subscriber is an Eligible Investor, the Subscriber must complete an Eligible Investor Status Certificate attached as Schedule "A" to the Subscription Agreement;
 - (iii) if the Subscriber is an Eligible Investor, the Subscriber must complete the Eligible Investor Representation Letter in the form attached as Appendix 1 to Schedule "A" to the Subscription Agreement (please initial as indicated)
 - (iv) the Subscriber must execute the Risk Acknowledgement in the form attached as Schedule "B" to the Subscription Agreement; and

- (v) if the Subscriber is an individual, the Subscriber must execute Schedule 1 and Schedule 2 to the Risk Acknowledgement in the form attached Schedule “B” to the Subscription Agreement.

Subject to applicable securities laws and the Purchaser’s two-day cancellation right, a subscription for Units, evidenced by a duly completed Subscription Agreement delivered to the Trust shall be irrevocable by the Subscriber. **See Article 11 - Purchaser’s Rights.**

Subscriptions for Units will be received, subject to rejection and allotment, in whole or in part, and subject to the right of the Trust to close the subscription books at any time, without notice. If a subscription for Units is not accepted, all subscription proceeds will be promptly returned to the Subscriber without interest.

It is expected that certificates representing the Units, or certified copies of the certificates representing the Units, will be available for delivery within a reasonable period of time after the relevant closing date(s). The subscription funds will be held until midnight of the second Business Day subsequent to the date that each Subscription Agreement is signed by a Subscriber.

You should carefully review the terms of the Subscription Agreement accompanying this Offering Memorandum for more detailed information concerning the rights and obligations of you and the Trust. Execution and delivery of the subscription agreement will bind you to the terms thereof, whether executed by you or by an agent on your behalf. You should consult with your own professional advisors. See Article 8 - Risk Factors.

ITEM 6 – INCOME TAX CONSEQUENCES AND RRSP ELIGIBILITY

6.1 General

You should consult your own professional advisers to obtain advice on the tax considerations that apply to you.

The comments set forth below are of a general nature only and are not intended to be, nor should they be construed to be, legal or tax advice to any particular Subscriber and no representations are being made with respect to the income tax consequences to any particular Subscriber. Further, the comments below are limited to only certain tax considerations and do not address other tax considerations which may be relevant to a Subscriber. Each prospective Subscriber should obtain independent tax advice regarding income tax consequences of investing in the Units of the Trust based on the prospective Subscriber’s own particular circumstances.

Certain Canadian Federal Income Tax Considerations

In the opinion of Miller Thomson LLP, Canadian tax counsel to the Trust (“**Tax Counsel**”), the following is, as of the date hereof, a fair and adequate summary of the principal Canadian federal income tax considerations under the Tax Act to a Subscriber that is an individual or an Registered Plan of acquiring, holding and disposing of Units acquired pursuant to the Offering generally applicable to such a Subscriber who is a resident of Canada, who will hold the Units as capital property for purposes of the Tax Act, and who, at all material times, deals at arm’s length with, and is not affiliated with the Trust for purposes of the Tax Act. Generally, Units will be considered to be capital property to a Unitholder thereof unless they are held in the course of carrying on a business or in connection with an adventure in the nature of trade. Certain Unitholders resident in Canada who’s Units might not otherwise qualify as capital property may, in certain circumstances, be entitled to make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have their Units and all other “Canadian securities” owned or subsequently owned by such Unitholder treated as capital property. Unitholders considering making such an election should consult their own tax advisors. This summary is not applicable to a Unitholder that is a “specified financial institution” under the Tax Act or a “financial institution” as defined in the Tax Act for purposes of the mark-to-market rules, nor is it applicable to a Unitholder of an interest which would be a “tax shelter investment” under the Tax Act.

The summary is based upon the provisions of the Tax Act and the regulations thereunder in force as of the date hereof, all specific proposals to amend the Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Proposed Amendments**”), Tax Counsel’s understanding of the current published administrative practices of the CRA and a certificate of an officer of the Administrator as to certain factual matters.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to the acquisition, holding or disposition of Units and, except for the Proposed Amendments, does not take into account or anticipate any changes in the law, whether by legislative, administrative or judicial decision or action. This summary does not take into account any provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein.

This summary does not address any Canadian federal income tax considerations applicable to Non-Residents. Non-Residents should consult their own tax advisors regarding the tax consequences of acquiring and holding Units. All distributions to Non-Residents, whether payable in cash or additional Units, will be net of any applicable withholding taxes.

6.2 Eligibility For Investment

Provided the Trust is, at all relevant times, a “**mutual fund trust**” for the purposes of the Tax Act, the Units will be qualified investments under the Tax Act for trusts governed by Exempt Plans. However, the holder of a TFSA, RRSP, or RRIF will be subject to a penalty tax on the Units if the holder does not deal at arm’s length with the Trust or if the holder alone or together with non-arm’s length persons and partnerships has a significant interest (within the meaning of the Tax Act) in the Trust (or a corporation, partnership or trust with which the Trust does not deal at arm’s length). If the Trust ceases to qualify as a mutual fund trust, the Units will cease to be qualified investments for Exempt Plans.

This summary is not applicable to a Unitholder of Units that is a “financial institution” (as defined in the Tax Act for purposes of the mark-to-market rules), a “specified financial institution” or a Unitholder an interest in which is a “tax shelter investment” (all as defined in the Tax Act). Any such Unitholders should consult their own tax advisors with respect to an investment in the Units.

6.3 Status of the Trust

Mutual Fund Trust

This summary is based on the assumption that the Trust will qualify as a “mutual fund trust” as defined in the Tax Act, will elect to be deemed to have been a mutual fund trust from the date it was established and thereafter will continuously qualify as a mutual fund trust at all relevant times. If the Trust were not to qualify as a mutual fund trust, the federal income tax considerations described below would, in some respects, be materially and adversely different.

In order for the Trust to qualify as a mutual fund trust, it must satisfy certain requirements including that, at all times after this Offering, it is a “unit trust” as defined in the Tax Act, it has at least 150 Unitholders each of whom holds not less than one “block” of units, as defined in the Tax Act (namely 10 Units if \$1,000 per Unit as set out in this Offering), and it has not been established or maintained primarily for the benefit of Non-Residents. This summary assumes that these requirements have been satisfied and will continue at all times to be satisfied.

SIFT Rules

In 2007, the Tax Act was amended to change the manner in which specified investment flow through entities (“**SIFTs**”) and the distributions from such entities are taxed (the “**SIFT Rules**”). SIFTs include most publicly traded flow-through entities such as income trusts (“**SIFT Trusts**”). Specifically, the SIFT Rules apply an entity level tax on certain income (other than taxable dividends) earned by a SIFT Trust and treat the distributions of such income received by unitholders of a SIFT Trust as taxable dividends received from a taxable Canadian corporation. Additionally, the SIFT Rules provide that a SIFT Trust

paying a distribution from income remaining after such entity level tax will not be entitled to deduct that distribution when calculating its income.

The SIFT Rules do not apply to an entity if no investments in that entity are listed or traded on a stock exchange or other public market. The Trust does not expect the Units or any interest in the Trust or the Limited Partnership to be so listed or traded. Consequently, the SIFT Rules should not be applicable to the Trust or the Limited Partnership. The remainder of this summary assumes that the SIFT Rules do not apply to the Trust or the Limited Partnership.

Based upon representations made by the Trust, in the opinion of Miller Thomson LLP, the Trust is a private mutual fund trust and will not be subject to the SIFT Rules provided that at no time will any Units or other investments in the Trust be listed or traded on a stock exchange or other public market.

6.4 Taxation of the Trust

The taxation year of the Trust is the calendar year, and therefore the taxable year end of the Trust will end on December 31st of each year. In each taxation year, the Trust will be subject to tax under Part I of the Tax Act on its income for the year determined under the Tax Act, including net realizable taxable capital gains, less the portion thereof that it deducts in respect of the amounts paid or payable (whether in cash, additional Units or otherwise) in the year to Unitholders. An amount will be considered to be payable to a Unitholder in a taxation year if it is paid to the Unitholder in the year by the Trust or if the Unitholder is entitled in that year to enforce payment of the amount.

A distribution by the Trust of Trust Notes upon a redemption of Units may be treated as a disposition by the Trust of the Trust Notes so distributed for proceeds of disposition equal to their fair market value. The Trust will realize a capital gain (or a capital loss) to the extent that the proceeds from the disposition exceed (or are less than) the adjusted cost base of the relevant property and any reasonable costs of disposition.

In computing its income, the Trust may deduct reasonable administrative costs, interest and other expenses incurred by it for the purpose of earning income. The Trust may also deduct from its income for the year a portion of the expenses incurred by the Trust to issue Units pursuant to this Offering. The portion of such issue expenses deductible by the Trust in a taxation year is 20% of such issue expenses, pro-rated where the Trust's taxation year is less than 365 days.

Under the Declaration of Trust, an amount equal to all of the income of the Trust, together with the non-taxable portion of any net capital gain realized by the Trust (other than capital gains arising on or in connection with a distribution in specie on a redemption of Units which are designated by the Trust to redeeming Unitholders and capital gains the tax on which may be offset by capital losses carried forward from prior years or is otherwise recoverable by the Trust) will be payable in the year to the Unitholders by way of cash distributions, subject to the exceptions described below. Income of the Trust which is applied to fund redemptions of Units for cash or is otherwise unavailable for cash distributions will be distributed to Unitholders in the form of additional Units. In the event that all or a portion of a distribution is made via *pro rata* distribution of Units, the number of Units outstanding immediately thereafter may be consolidated such that each Unitholder will hold, after the consolidation, the same number of Units as the Unitholder held before the distribution of Units. In this case, each certificate representing a number of Units prior to the distribution of Units is deemed to represent the same number of Units after the distribution of Units and the consolidation.

The Declaration of Trust provides that where Unitholders elect to have their Units redeemed by the Trust in a particular year, the taxable portion of any capital gain realized in that year by the Trust as a result of such redemptions may, at the discretion of the Trustees, be treated as income paid to, and designated as a taxable capital gain of, the redeeming Unitholders. Any amount so designated must be included in the income of the redeeming Unitholders and will be deductible by the Trust.

The Trust will be entitled for each taxation year to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized taxable capital gains by an amount determined under the Tax Act based on the redemption of Units during the year. In certain circumstances, a refund so arising in a particular

taxation year may not completely offset the Trust's tax liability for such taxation year arising as a result of a disposition of property in connection with the redemption of Units.

Under the Declaration of Trust, all of the income of the Trust for each year, together with the taxable and non-taxable portion of any capital gains realized by the Trust in the year, will generally be payable in the year to the Unitholders and will generally be deductible by the Trust in computing its taxable income. The Trust does not expect to be liable for any material amount of tax under Part I of the Tax Act for any particular year.

6.5 Taxation of the Limited Partnership

The Limited Partnership is not itself subject to tax under the Tax Act. Each partner of the Limited Partnership, including the Trust, is required to include, in computing its income for a particular taxation year, the partner's share of the income or loss of the Limited Partnership, as the case may be, for its fiscal year ending in, or concurrently with, the partner's taxation year, whether or not any of that income is distributed to the partner in the taxation year. For this purpose, the income or loss of the Limited Partnership will be computed for each fiscal year as if it was a separate person resident in Canada. In computing the income or loss of the Limited Partnership, deductions may be claimed in respect of reasonable administrative costs, interest and other expenses incurred by it to earn income from its business or investments. The net income or loss of the Limited Partnership for a fiscal year will be allocated to its partners, in the manner set out in the Limited Partnership Agreement, subject to the detailed rules in the Tax Act.

If the Limited Partnership does incur losses for tax purposes, each partner will be entitled to deduct in the computation of its income for tax purposes its share of any such losses for any fiscal year to the extent that such partner's investment is "at risk" within the meaning of the Tax Act. In general, the amount "at risk" for a partner in a limited partnership for any taxation year will be the adjusted cost base of the partner's partnership interest at the end of the year (such adjusted cost base to be computed excluding any unpaid portion of the acquisition price payable by the partner for such partnership interest), plus any undistributed income allocated to the partner for the year, less any amount owing by the limited partner (or a Person with whom the limited partner does not deal at arm's length) to the Limited Partnership (or a Person with whom it does not deal at arm's length) and less the amount of any benefit that a limited partner (or a Person with whom the limited partner does not deal at arm's length) is entitled to receive or obtain for the purpose of reducing, in whole or in part, any loss of the limited partner from the investment.

6.6 Taxation of Unitholders

Trust Distribution – Income for Units

A 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 part of net realized capital gains, that is paid or payable to the Unitholder in the particular taxation year, whether such amount is received in cash, additional Units or otherwise. Provided that appropriate designations are made by the Trust, such portion of any taxable dividends received from taxable Canadian corporations and net taxable capital gains as is paid or payable or is deemed to be paid or payable to a Unitholder will effectively retain its character and be treated as such in the hands of the Unitholder for purposes of the Tax Act. To the extent that amounts are designated as having been paid out of the net taxable capital gains of the Trust, such designated amounts will be deemed for tax purposes to be received by a Unitholder in the year as a taxable capital gain and will be subject to the general rules relating to the taxation of capital gains. See "*Dispositions of Units*" below. In the case of a Unitholder who is an individual, the dividend gross-up and tax credit treatment normally applicable to taxable dividends (which includes both eligible dividends as defined in the Tax Act and ineligible dividends) paid by a taxable Canadian corporation will apply to amounts so designated as taxable dividends. In the case of a Unitholder that is a corporation, amounts designated as taxable dividends will be included in the corporation's income for purpose of the Tax Act but may also be deductible in computing its taxable income. A private corporation that is entitled to deduct such dividends in computing its taxable income will generally be subject to the refundable tax under Part IV tax of The Act. Certain public corporations that are controlled directly or indirectly by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts) are also subject to the

refundable tax under Part IV of the Tax Act. Depending on the type of corporation and whether such taxable dividends are considered eligible or ineligible, a corporation's general rate income pool or low rate income pool balances could be impacted as applicable.

The non-taxable portion of any net realized capital gains of the Trust that is paid or payable to a Unitholder in a taxation year will not be included in computing the 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 Unitholder in such year (otherwise than as proceeds of disposition of the Units) will not generally be included in the Unitholder's income for the year but will reduce the adjusted cost base of the Units to the Unitholder. To the extent that the adjusted cost base of a Unit would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the Unitholder from the disposition of the Unit and the adjusted cost base of the Unit will be reset to zero.

The cost to a Unitholder of additional Units received in lieu of a cash distribution of income or capital gain will be the amount distributed by the issuance of those Units. For the purposes of determining the adjusted cost base to a holder of Units, when a Unit is acquired, the cost of the newly acquired Unit will be averaged with the adjusted cost base of all of the Units owned by the Unitholder as capital property immediately before that time. A consolidation of Units will not be considered to result in a disposition of Units by Unitholders. The aggregate adjusted cost base to a Unitholder of all the Unitholder's Units of the Trust will not change as a result of the consolidation of Units; however, the adjusted cost base per Unit will increase.

Disposition or Redemption of Units

On the disposition or deemed disposition of a Unit, whether on a redemption or otherwise, the Unitholder will realize a capital gain (or capital loss) equal to the amount by which the Unitholder's proceeds of disposition exceed (or are less than) the aggregate of the adjusted cost base of the Unit and any reasonable costs of disposition. Proceeds of disposition will not include an amount payable by the Trust that is otherwise required to be included in the Unitholder's income.

Where Units are redeemed and the redemption price is paid by the delivery of Trust Notes to the redeeming Unitholder, the proceeds of disposition to the Unitholder will be equal to the fair market value of the Trust Notes so distributed less any capital gain realized by the Trust as a result of or in connection with such redemption which has been designated by the Trust to the Unitholder. Where a capital gain realized by the Trust as a result of the distribution of Trust Notes on the redemption of Units has been designated by the Trust to a redeeming Unitholder, the Unitholder will be required to include in income the taxable portion of the capital gain so designated. The cost to a Unitholder of any Trust Notes distributed by the Trust to the Unitholder upon a redemption of Units will be equal to the fair market value of such property at the time of the distribution. The Unitholder will thereafter be required to include in income interest on such note so distributed in accordance with the provisions of the Tax Act.

Capital Gains and Capital Losses

One-half of any capital gain realized by a Unitholder on a disposition of Units and the amount of any net taxable capital gains designated by the Trust in respect of a Unitholder will be included in the Unitholder's income as a taxable capital gain and one-half of any capital loss realized by a Unitholder on a disposition or deemed disposition of Units may generally be deducted only from taxable capital gains in accordance with the provisions of the Tax Act. A capital loss realized on a disposition of Units by a Unitholder that is a corporation may be reduced by amounts designated as taxable dividends from the Trust in the circumstances and amounts provided for under the Tax Act.

Alternative Minimum Tax

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

6.7 Taxation of Unitholders Not Resident in Canada

Unitholders who, for the purposes of the Tax Act and any relevant tax treaty, are not resident in Canada and are not deemed to be resident in Canada should consult their own tax advisors regarding their particular circumstances.

ITEM 7 – COMPENSATION PAID TO SELLERS AND FINDERS

The Trust has not engaged an exempt market dealer, exempt market dealing representative, financial advisor or sales person to assist in the sale of this Offering, but reserves the right to do so. The Trust will pay a commission to registered dealers or a referral fee to finders in those jurisdictions where permitted by applicable securities legislation of up to a maximum of eight percent (8%) of the aggregate purchase price of the Units sold to Subscribers referred by registered dealers or finders in each jurisdiction as allowed by the applicable security legislation. In addition, if permitted by applicable securities legislation, 5% of the profits of the General Partner shall be allocated and offered to the exempt market dealers that are retained to effect the sale of the Units.

ITEM 8 – RISK FACTORS

In addition to factors set forth elsewhere in this Offering Memorandum, potential Subscribers should carefully consider the following factors, many of which are inherent to ownership of the Units. The following is only a summary of the risk factors involved in an investment in the Units. Subscribers should consult with their own professional advisors to assess the income tax, legal and other aspects of an investment in the Units. The risks discussed in this Offering Memorandum can adversely affect the Trust's operations, operating results, prospects and financial condition. This could cause the value of the Units to decline and cause Subscribers to lose part or all of their investment. In addition to those set out below and elsewhere in this Offering Memorandum, other material risks and uncertainties of which the Trust is not presently aware may also harm the Trust's investment activities.

No Guarantee that Investment in Units will be Successful

There can be no guarantee that the Trust's strategy of investing in the Limited Partnership will be successful or that the objective of earning a profit will be achieved. The success of the Trust and their objectives will depend on the efforts and abilities of the management of the Limited Partnership and on a number of other external factors such as, among other things, the market for Memory Care services, the general political and economic conditions that may prevail from time to time and many others, which factors are out of the control of both the Trust and the Limited Partnership. There are no guarantees that the development plans of the Limited Partnership will be achieved and there are no guarantees that the estimated and budgeted costs, timelines, leasing rates and sale prices will be met.

Price for the Units Determined Arbitrarily

As there is no market for the Units, the Trustees has arbitrarily determined the offering price of the Units pursuant to this Offering. The Trustees makes no representation to prospective Subscribers as to the market value of the Units. All prospective Subscribers are urged to consider the purchase of the Units on its merits as an investment and to consult professional advisors having relevant expertise.

The Trust makes representation to Unitholders or prospective Subscribers as to the market value of the Units. Unitholders are urged to consider the purchase of Units on its merits as an investment and to consult professional advisors having relevant expertise.

No Market for the Units

This Offering Memorandum constitutes a private offering of the Units by the Trust only in those jurisdictions where, and to those persons to whom, they may be lawfully offered for sale under exemptions in applicable securities laws. This Offering Memorandum is not, and under no circumstances is to be construed as a prospectus, advertisement or public offering of these Units. Unitholders to this

Offering Memorandum will not have the benefit of a review of the material by any regulator or regulatory authority.

As the Units are being offered without the benefit of a prospectus, the Units will be subject to a number of resale restrictions, including a restriction on trading. The Units may not be resold or otherwise transferred unless the trading restriction expires or unless the Unitholder complies with very limited exemptions from the prospectus and registration requirements under applicable securities legislation. As the Trust has no intention of becoming a reporting issuer in any jurisdiction in Canada, these restrictions in trading will not expire. Therefore, there is significant risk that Unitholders may be unable to liquidate their investment in the Units in a timely manner, if at all, withdraw their capital, or pledge their Units as collateral, and Unitholders must be prepared to bear the economic risk of investment for an indefinite period. An investment in Units should only be considered by prospective Subscribers who do not require liquidity. **See Item 10 – “Resale Restrictions”.**

In executing the Subscription Agreement, an investor agrees to comply with applicable securities legislation in connection with the purchase, holding and resale of any Units purchased.

Not a Public Mutual Fund

The Trust is not a reporting issuer “mutual fund” for securities laws purposes and is not subject to the restrictions placed on public mutual funds to ensure diversification and liquidity of the Trust’s assets/portfolio. As a result, some of the protections provided to investors in reporting issuer mutual funds under such laws will not be available to investors in the Units and certain restrictions imposed on reporting issuer mutual funds under Canadian securities laws do not apply to the Trust.

Highly Speculative

An investment in the Units is highly speculative. Investors should buy them only if they are able to bear the risk of the entire loss of their investment and have no need for immediate liquidity in their investment. An investment in Units should not constitute a major portion of an investor’s portfolio. Actual returns on the Trust’s investment in the Limited Partnership will depend on, among other factors, construction costs, future operating results of the Limited Partnership, the value of the Project and market conditions at the time of disposition, any related transaction costs and the manner and timing of sale of the Residence, all of which may differ from the assumptions and circumstances on which the Trustees based its investment decision on. Subscribers should be aware that neither the Trust nor the Limited Partnership has a history of earnings, profit or return on investment. There is no assurance that the Limited Partnership or the Trust will earn revenues, operate profitably or provide a return on investment in the future. The nature of the business of the Limited Partnership is such that until such time as the Residence is operational, it is unlikely that the Trust will earn any revenues. **Any investment in Units of the Trust should be considered high risk.**

Market for Residence

A significant portion of the earning potential of the Project is tied to the planned disposition once the Residence achieves stabilization. Although the Trustees are confident a healthy market will exist for the disposition, there are no guarantees that the Limited Partnership will be able to dispose of the Residence for a profit.

Financing

The Limited Partnership will need to secure project financing from a third party lender in order to complete the Project. There can be no assurances that the Limited Partnership will secure financing for the Project. The Limited Partnership’s ability to access capital will depend on its success in its business and the status of the capital markets at the time such capital is sought. Accordingly, there can be no assurance that the capital will be available to the Limited Partnership from any source or that, if available, it will be at prices or on terms acceptable to the Limited Partnership. Any financing obtained by the Limited Partnership will likely include interest and rate(s) of interest that may fluctuate over time and will result in fluctuations in the Limited Partnership’s cost of borrowing.

In addition, the Limited Partnership will require that the operations of the Project be economically viable to service any loans. If the Limited Partnership defaults in the repayment of such loans, its creditors will have recourse against the Project. **There is no assurance that assets will be available to recover any portion of the Trust's investment in the Limited Partnership.**

The Units Are Not Insured

The Units are not "deposits" within the meaning of the *Canada Deposit Insurance Trusts Act* (Canada). The Trust will not be a member institution of the Canada Deposit Insurance Fund and the Units offered pursuant to this Offering Memorandum are not insured against loss through the Canada Deposit Insurance Fund. The Units are redeemable at the option of the holder, but only under certain circumstances. **See Item 5.1 – "Terms of Securities".**

Units are Intended to be Held by Taxable and Tax Exempt Subscribers

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

Legal Liability

The Declaration of Trust limits the liability of Unitholders in respect of the Trust and states that the assets of the Trust only are intended to be liable and subject to levy or execution for satisfaction of Trust liabilities and that no resort is to be had to, nor recourse or satisfaction sought from, the private property of any Unitholder in respect of such liabilities. The Trust will invest in the Limited Partnership, which will carry on the business of developing and operating the Project. As a result of this structure, no business operations will be conducted by the Trust. Notwithstanding the above, to the extent that claims are not satisfied by the Trust, there is a risk that a Unitholder will be held personally liable for obligations of the Trust where the liability is not disclaimed in the contracts or arrangements entered into by the Trust with third parties. Personal liability may also arise in respect of claims against the Trust that do not arise under contracts, including claims in tort, claims for taxes and certain other statutory liabilities. The possibility of any personal liability of this nature arising is considered by the Trust's management to be remote due to the nature of the Trust's activities as a Limited Partner and the Unitholders should not be considered to be in control of the Trust. In the event that payment of a Trust obligation is required to be made by a Unitholder, such Unitholder will be entitled to reimbursement from the available assets of the Trust.

The Trustees intend to cause the Trust's operations to be conducted in such a way as to minimize any risk that Unitholders could be held personally liable for the obligations of the Trust, including by obtaining appropriate insurance and, where feasible, attempting to have every material written contract or commitment of the Trust contain an express disavowal of liability against the Unitholders.

Limited Partner Liability

The LP Agreement and *Partnership Act* (British Columbia) limit the liability of Limited Partners like the Trust to the Capital Contributions made or committed to be made by a Limited Partner, provided the Limited Partner does not partake in the management of the business of the Trust. The Trustees intend to cause the Trust's operations to be conducted in such a way as to minimize any risk that the Trust could be held personally liable for the obligations of the Limited Partnership. Notwithstanding the above, to the extent that claims arise and are not satisfied by the Limited Partnership, there is a risk that the Trust will be held personally liable for obligations of the Limited Partnership.

Dilution

The number of Units that the Trust is authorized to issue is unlimited and the Trustees have the sole discretion to issue additional Units at a subscription price determined at the Trustees' discretion. The

proceeds of the Offering may not be sufficient to accomplish all of the Trust's proposed objectives. In addition to alternate financing sources, the Trust may conduct future offerings of Units in order to raise the funds required which will result in a dilution of the interests of the Unitholders.

Redemption May Force Early Liquidation of Investment Positions

In order to pay the redemption price for Unitholders who redeem their Units, the Trust may be required to liquidate its investment earlier than it might otherwise choose. These liquidations may cause the Trust to incur losses and could substantially reduce the value of the Units if numerous redemptions are made over a short time frame. Such liquidation may also trigger tax consequences, such as the characterization of certain profits as ordinary income or losses rather than as capital gains or capital losses.

It may also be impossible for the Trust to liquidate its investment in the Limited Partnership as a result of its inability to transfer the LP Units. Accordingly, such inability to liquidate its investment will have an adverse effect on the Trust's ability to pay the redemption price for Unitholders who have redeemed their Units.

Fixed Redemption Price

For redemptions occurring prior to the end of the Second Redemption Period, the Redemption Price is fixed at a percentage of the subscription price paid in respect of the Units being redeemed. If the fair market value of the Trust increases, the Redemption Price per Unit may be less than fair market value. If the fair market value of the Trust decreases, the Redemption Price per Unit may be greater than fair market value.

Redemption Price is Determined By Valuator

For redemptions occurring after the end of the Second Redemption Period, the Redemption Price of the Units is based on the fair market value of the Trust on the date of the redemption as determined an independent third party valuator. Subscribers will have no right to choose the valuator and the valuation is final and binding upon all parties, including the Subscribers. Subscribers do not have a right to appeal or contest the valuation determined by the valuator.

Absence of Regulatory Oversight

As the Trust currently intends to offer its Units only by way of private placement, its activities will not be governed by the securities laws applicable to reporting issuers, such as the continuous disclosure rules. Accordingly, Unitholders will not receive the type of continuous disclosure reports that would be received as an investor in a public company.

Limited History of Operation

Both the Trust and the Limited Partnership are recently established entities with no prior operating history. Although the Founders have developed and managed a number of other investments, the historical returns achieved by such prior investments are not necessarily indicative of the future performance of the Trust's investments. As the Trust and the Limited Partnership have limited operating histories, investors must rely on the ability, expertise, judgment, discretion, integrity and good faith of the Trustees and the Founders. There can be no guarantee that the judgment and discretion of the Trustees and Founders will lead to financial success.

Reliance on Trustees

In assessing the risks and rewards of an investment in the Units, potential investors should appreciate that they are relying on the good faith and judgment of the Trustees in administering and managing the Trust. Approval of the Unitholders is only required in very limited circumstances. The Unitholders will not have any right to take part in the management of, or the stated purpose of the Trust and the Trust will be bound by the decisions of the Trustees as provided in the Declaration of Trust. It would be inappropriate for investors who are unwilling to rely on the Trustees to this extent to subscribe for Units. There is no

certainty that the persons who are currently Trustees will continue to be available to the Trust for the entire period during which it requires the provision of their services. **In such case, only the holders of Class D Units will have a say in the election or appointment of new Trustees. Notwithstanding the foregoing, Unitholders may replace the Trustees by passing an Extraordinary Resolution of the Unitholders.**

Reliance on Management of the Limited Partnership

Decisions regarding the management of the Limited Partnership's affairs will be made exclusively by the management of the General Partner, and not by the Trust. The Trust will have very limited input or control over the affairs and management of the Limited Partnership and thus the direction and completion of the Project.

Liquidity of Underlying Investment

The securities in which the Trust is investing (the LP Units) have no trading market and are restricted as to their transferability under applicable securities laws and pursuant to the LP Agreement. It is possible that the Trust may not be able to sell such securities, or any of them, without facing substantially adverse prices, or at all. If the Trust is required to transact in such securities before its intended investment horizon, the performance and value of the Units could suffer.

Illiquidity of Units

Because Units are not generally transferable, an investment in the Trust is a considerably illiquid investment and involves a high degree of risk. The Units are issued pursuant to exemptions from the prospectus and registration requirements under applicable securities laws and any disposition of Units will require compliance with those laws. Subscribers may be able to dispose of their Units only through redemption, and must bear the risk of any decline in the value of their Units. The illiquid nature of the Trust's investments will limit the Trust's ability to respond to changes in economic and other conditions. In addition, the transfer (if permitted by securities laws and the Trustees) or redemption of Units may result in adverse tax consequences to Subscribers. Subscribers should only purchase Units if Subscribers are able to maintain their investment and can afford the risk of loss associated with an investment in the Trust.

No Guaranteed Return

There is no guarantee that an investment in the Units will earn any positive return in the short or long term.

Risks of Real Property Development and Ownership

Investments in real estate markets are affected by general economic conditions, local demand for premises, fluctuation in occupancy rates, operating expenses and various other factors. Investments in real estate markets are relatively illiquid. Investments in any real property investments are subject to elements of risk.

While certain plans and assessments have been submitted in respect of the Project and timelines for development and construction have been estimated, the Limited Partnership will not have all necessary permits in place prior to the date of this Offering Memorandum. As a result, the Project is subject to risks inherent in the development of real estate including: (i) construction and other unforeseen delays; (ii) the inability to secure the appropriate zoning, building permits, operating licenses and other necessary approvals in a timely and cost effective manner; (iii) the incurring of construction and development costs in excess of revenue; (iv) general cost overruns, and (v) the inability to secure adequate financing to complete the Project.

If construction of the Project proceeds as planned, there is no assurance that the Residence will be operated at financially successful levels, or that, upon stabilization, a purchaser will be willing to purchase the Residence for a price that will generate any profit for the Limited Partnership.

Regulatory Approvals

Development of the Project requires zoning, permits and other approvals from local government agencies. The process of obtaining such approvals may take many months and there is no assurance that the necessary approvals will be obtained. Holding costs accrue while regulatory approvals are being sought and significant, unexpected delays could render the completion of the Project uneconomical.

Market Risks

The economic performance and value of the Project will be subject to all of the risks associated with investing in real estate, including (i) changes in the national, regional and local economic climate; (ii) local conditions, including an oversupply of properties like the Residence, or a reduction in demand for properties like the Residence; (iii) competition from other available properties; and (iv) changes in laws and governmental regulations (such as zoning, taxation of property and environmental legislation).

Less than Maximum Offering

There can be no assurance that this Offering will be completely sold out. If less than the Maximum Offering is purchased by investors, then less than the maximum proceeds will be available for the indirect investment in the Limited Partnership, the Limited Partnership's business plans and prospects could be adversely affected, as these are the funds required to fund the development and construction costs of the Project.

Effect of Fees and Expenses on Return

The Limited Partnership will pay the Asset Management Fee, Development Fee, Construction Management Fee, in addition to other expenses of the Limited Partnership and the Trust will pay (i) the Commissions, (ii) the costs associated with the Offering, including legal fees and other organizational expenses; (iii) the Administration Fee; and (iv) operating costs and other expenses of the Trust. Such fees and expenses will reduce actual returns to Unitholders. While these fees may be can be deferred, other fees and expenses will be paid regardless of whether the Limited Partnership, and thus, the Trust, produces positive investment returns. If the Limited Partnership does not produce significant positive investment returns, these fees and expenses could reduce the amount of the investment recovered by the Trust to an amount less than the amount invested in the Trust by the Subscribers or even to none at all.

Not a Public Mutual Trust

The Trust is not a reporting issuer "mutual fund" for securities laws purposes and is not subject to the restrictions placed on public mutual funds to ensure diversification and liquidity of the Trust's assets/portfolio. As a result, some of the protections provided to investors in reporting issuer mutual funds under such laws will not be available to investors in the Units and certain restrictions imposed on reporting issuer mutual funds under Canadian securities laws do not apply to the Trust.

Valuation of the Trust's Investments

Valuation of the Units and other investments will involve uncertainties and judgmental determinations and, if such valuations should prove to be incorrect, the value of the Trust and its various Units could be adversely affected. Valuation determinations will be made in good faith and in accordance with this Offering Memorandum and the Declaration of Trust.

Conflicts and Potential Conflicts of Interest

The directors, officers and trustees (as applicable) of the Trust, General Partner and the Limited Partnership may also hold similar positions in the other entities. Accordingly, there may be conflicts of interest if the interests of these persons or entities are inconsistent. In addition, the Trustees of the Trust and the Directors and Officers of the Limited Partnership are permitted to be, engaged in and continue in other business and projects which the Trust and or the Limited Partnership will not have an interest and

which may be competitive with the activities of the Trust and/or the Limited Partnership and, without limitation, the Trustees and the General Partners and their associates, affiliates, and their respective directors and officers are permitted to act as a partner, shareholder, directors, officer, employees, consultant, joint venture, advisor or in any other capacity or role whatsoever of, with or to other entities, including limited partnerships, which may be engaged in all or some of the aspects of the business of the Trust or Limited Partnership and may be in competition with either the Trust or Limited Partnership.

The Administrator has entered into the Administration Agreement with the Trust and is entitled to earn a fee for providing services to the Trust. The Administrator must render their services honestly and in good faith and must use reasonable commercial efforts to perform its duties and responsibilities in a conscientious, reasonable and competent manner. However, the Administrator, its directors and officers may, at any time, engage in promoting or managing other entities or their investments including real estate investing that may compete directly or indirectly with the Trust and/or the Limited Partnership.

Whenever a conflict of interest arises between the Trust, on the one hand, and the Administrator on the other, the parties involved, in resolving that conflict or determining any action to be taken or not taken, will be entitled to consider the relative interests of all of the parties involved in the conflict or that will be affected by such action, any customary or accepted industry practices, and such other matters as the parties deem appropriate in the circumstances.

The Declaration of Trust contains conflicts of interest provisions requiring the Trustees to disclose material interests in certain material contracts and transactions.

In addition to those discussed above, additional conflicts of interest may arise at the Limited Partnership level. The General Partner, Limited Partnership and many of the entities expected to perform services on behalf of the Limited Partnership may not deal at arm's length.

Also, the Founders have a significant ownership interest in Points West Living. The Founders collectively own 24.5% of the issued and outstanding share of the general partner of Points West Living. Accordingly, the Founders also have an interest in the Development Manager as it is a wholly owned subsidiary of Points West Living. As set forth above, Points West Living has provided a letter of intent to purchase the Residence upon occupancy achievement. The Residence may also be sold to an arm's length party. In the event that Points West Living elects to acquire the Residence, a conflict may arise. The Issuer has tried to minimize the conflict with regards to the purchase price for the Residence by requiring Points West Living to retain not less than 2 arm's length appraisals, but a conflict of interest may still arise with regards to other terms, conditions, representations and warranties and closing conditions that may arise with regards to such purchase and sale of real estate.

No Right to Use of Property

Subscribers for the Units hereunder will have no right to the use of, to occupy, or to seek partition of, any part of the Lands nor may any investor in the Units encumber any part of the Lands.

The Project will be the Only Significant Asset

The Limited Partnership was formed solely for the purpose of the development of the Project. The Project will represent the most significant asset of the Limited Partnership. The Limited Partnership does not have a portfolio of diverse real estate assets and therefore the Limited Partnership's financial performance will be directly tied to the performance of the Project. The investment in the Limited Partnership by the Trust will be the only asset of the Trust. The Limited Partnership may not be profitable and may preclude the Trust from obtaining any Distributable Cash Flow.

Trust Notes

In addition, to the extent Trust Notes are used to pay the redemption price on a redemption of Units, the Trustees have the sole discretion to settle and determine the terms of the Trust Notes, including the interest rate (if any) and the maturity date. There are no guarantees that the Trust Notes will ever be

repaid. The holder of a Trust Note will not be granted a security interest in the property of the Limited Partnership.

Importantly, if Trust Notes are used to pay the redemption price on a redemption of Units, the Trust Notes will not be a qualified investment for an Exempt Plan, which may give rise to adverse consequences to an Exempt Plan or the annuitant, holder or beneficiary thereunder. Potential Subscribers should discuss this with their own advisors.

Unproven Market

The Limited Partnership believes that the anticipated market for the Residence as a memory-care centre does exist, however, these assumptions may prove to be incorrect for a variety of reasons, including competition from other similar entities and from other processes or sources. There can be no assurances that the leasing market will be willing to pay the lease rates, or that a purchaser will be willing to pay a purchase price, that enable the Limited Partnership to generate a profit.

No Independent Counsel for Subscribers

Legal counsel that assisted with the preparation of the documentation in connection with the Offering also acts as legal counsel for the Trust, the General Partnership, the Limited Partnership, the Administrator and other affiliates of the Trust and also acts as the Transfer Agent. No independent counsel was not retained to act on behalf of Subscribers. There has been no review by independent counsel on behalf of the Subscribers of this Offering Memorandum. No due diligence has been conducted on the Limited Partnership or the Project by such counsel.

Competition

The Limited Partnership competes with other investors, developers, and owners of similar properties to the Land. Some of the properties of the competitors of the Limited Partnership may be newer, better located or better capitalized than those acquired by the Limited Partnership. Certain of these competitors may have greater financial and other resources (including management and personnel) and greater operating flexibility than the Limited Partnership. The existence of competing developers and owners could have a material adverse effect on the revenues or profitability of the Limited Partnership and its ability to meet its debt obligations.

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 remediation of hazardous or toxic substances on, under or in such property. Such laws could impose liability whether or not the Limited 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 remediate such substances, if any, could adversely affect the Limited 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 Limited Partnership. In order to obtain any financing(s) for the Project, the General Partner may arrange for an environmental audit to be conducted. Although such an audit provides both the Limited Partnership and its lenders with some assurance, the Limited Partnership may be subject to liability for undetected pollution or other environmental hazards on its properties against which it cannot insure, or against which it may elect not to insure where premium costs are disproportionate to the General Partner's perception of relative risk.

A phase I environmental site assessment has been completed for the Land, but a phase II or III environmental site assessment has not and will not be completed prior to closing on the Offer to Purchase and acquiring the Land. The General Partner is not aware of any material non-compliance with environmental laws with respect to the Land.

Structure of the Trust

The beneficial interests in the Trust are divided into various classes of Units. The Trustees of the Trust are authorized to create an unlimited number of classes of Units, each of which are entitled to the rights and subject to the limitations, restrictions and conditions set out in the Declaration of Trust.

The Trust is structured to delineate the rights, interests, benefits and liabilities between holders of different classes of Units, however, to the extent that the Trust were to incur legal and/or other liabilities, howsoever arising, which resulted in financial losses to the Trust, there is no separation or limitation that would preclude a claimant from pursuing reimbursement from and claiming against any or all of the Trust's assets and investments.

Economic Matters

The economic performance and value of the Limited Partnership's interest in the Land will be subject to all of the risks associated with investing in real estate, including, but not limited to:

- (a) changes in the national, regional and local economic climate;
- (b) local conditions, including a reduction in demand for properties like the Land and/or the Residence;
- (c) the attractiveness of the Residence to prospective purchasers;
- (d) competition arising from the availability of similar type of care facilities; and
- (e) changes in laws and governmental regulations, including those governing usage, zoning, the environment and taxes.

Tax Matters

Canadian federal and provincial tax aspects should be considered prior to investing in the Units. See "Item 6 Income Tax Consequences and RRSP Eligibility". The discussion of income tax considerations in this Offering Memorandum is based upon current Canadian federal income tax laws and regulations. There can be no assurance that:

- (t) applicable tax laws, regulations or judicial, administrative or governmental interpretations will not be changed;
- (u) applicable tax authorities will not take a different view as to the interpretation or the application of applicable tax laws and regulations than the Trust, or than as set out in this Offering Memorandum; or
- (v) the facts upon which the tax discussions set out in this Offering Memorandum are based are materially correct.

The Tax Act prescribes that specified investment flow-through (SIFT) trusts are subject to a tax on their income, before the deduction for distributions to Unitholders, at a rate comparable to public corporations. Currently it is not expected that this provision should apply to the Trust but the Tax Act could be amended such that it does.

It is intended that the Trust qualify at all material times as a "mutual fund trust" for the purposes of the Tax Act. However, there can be no assurance that Canadian federal income tax laws and administrative policies respecting the status or taxation of mutual fund trusts will not be changed in a manner that adversely affects Unitholders. If the Trust ceases to qualify as a mutual fund trust under the Tax Act, certain Canadian federal income tax considerations described in this Offering Memorandum would be materially and adversely different in certain respects for the Trust and Unitholders.

If the Trust fails, or ceases to qualify as a mutual fund trust, the Units may not be or may cease to be qualified investments for Registered Plans which will have adverse consequences for Registered Plans and their annuitants, holders or beneficiaries. If the Units become a “prohibited investment” (as defined in the Tax Act) for a TFSA, RRSP or RIF adverse tax consequences may result to the holder of such TFSA, RRSP or RIF, as the case may be. Promissory notes or assets of the Trust received as a result of an in specie redemption of Units may not be a qualified investment for Registered Plans, which may give rise to adverse consequences to a Registered Plan or the annuitant, holder or beneficiary thereunder.

The designation of income or gains realized by the Trust to Unitholders, including the designation of gains realized on the disposition of investments of the Trust as capital gains will depend largely on factual considerations. The Trust will endeavour to make appropriate characterizations of income or gains realized by the Trust for the purposes of designating such income or gains to Unitholders based on information readily 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 Canada Revenue Agency. If it is subsequently determined that the Trust's characterization of a particular amount was incorrect, Unitholders might suffer material adverse consequences.

The Declaration provides that if, at a particular time, the Trustees determine that the Trust does not have sufficient cash to make the full amount of a distribution that has been declared, the Trustee may pay the distribution by issuing additional Units, or distributing assets of the Trust or unsecured promissory notes, including promissory notes that are exchangeable for Units. In respect of such “in kind” distributions, Unitholders are required to include an amount equal to the fair market value of the Units, assets of the Trust or promissory notes received, as the case may be, in their taxable income in the year declared, notwithstanding that they do not directly receive a cash payment.

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 consequences to the 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 Trust does not currently intend to become a “reporting issuer” in any jurisdiction nor does it currently intend to seek listing on a stock exchange or other public market.

Prospective purchasers should seek independent professional advice regarding the tax consequences of acquiring Units. 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 Units by a Unitholder.

All Unitholders will be responsible for the preparation and filing of their own tax returns in respect of their investment in Units. Prospective Subscribers are urged to consult their own tax advisors prior to investing in the Trust with respect to the specific tax consequences to them from the acquisition of Units.

ITEM 9 – REPORTING OBLIGATIONS

The Trust will not be a reporting issuer and therefore will not be subject to most continuous disclosure requirements imposed by applicable securities legislation. It is currently intended that audited consolidated financial statements of the Trust prepared in accordance with IFRS will be provided to Unitholders at least twenty-one (21) days prior to the date of each annual general meeting, which shall occur on or prior to April 30 each calendar year, or in such time or manner as stipulated in applicable securities legislation. Further, Subscribers will also be given notice of and be entitled to attend any meetings of the Unitholders of the Trust; however, unless otherwise provided by the Declaration of Trust, Subscribers may not be entitled to vote at such meetings **See Item 5.1 – “Terms of Securities”**.

Except as set forth in the Declaration of Trust, **we are not required to send you any documents on an annual or ongoing basis.**

ITEM 10 – RESALE RESTRICTIONS

10.1 General Statement

These securities will be subject to a number of resale restrictions under securities legislation, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the securities unless you comply with an exemption from the prospectus and registration requirements under securities legislation. For information about these resale restrictions you should consult a lawyer.

10.2 Restricted Period

The certificated representing the Units issued pursuant to this Offering will have the following legend inscribed thereon:

Unless permitted under securities legislation, you cannot trade the securities before the date that is 4 months and a day after the date that the Trust becomes a reporting issuer in any province or territory of Canada.

The Trust is not, and currently has no intention of becoming, a reporting issuer in any province or territory of Canada and, as such, the restrictions in trading on the holders of the Units will not expire. There is no market over which any Units can be transferred and it is very unlikely that one will develop. A Subscriber is encouraged to seek independent advice from its legal advisors with respect to these restrictions.

10.3 Manitoba Resale Restrictions

For Manitoba Residents, the following statement applies:

Unless permitted under securities legislation, you must not trade the securities without the prior written consent of the regulator in Manitoba unless

- (a) the Trust has filed a prospectus with the regulator in Manitoba with respect to the securities you have purchased and the regulator in Manitoba has issued a receipt for that prospectus, or
- (b) you have held the securities for at least 12 months.

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

10.4 Other Restrictions

No Units of the Trust may be transferred without the prior consent of the Trustees. Subscribers should review the Declaration of Trust for the applicable sections regarding transferring Units. The Trustees is under no obligation to consent to such a transfer of Unit. **See Item 2.7 – “Material Agreements – Declaration of Trust”**

ITEM 11 – PURCHASERS’ RIGHTS

If you purchase these securities 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 subscription agreement to purchase the Units. To do so, you must send a notice to the Trustees by midnight on the second (2nd) Business Day after the later of the date you sign the Subscription Agreement to buy the Units.

11.2 Additional Rights as a Purchaser

Rights of Action in the Event of a Misrepresentation

Applicable securities laws in the Offering Jurisdictions provide you with a remedy to sue to cancel your agreement to buy these securities or for damages if this Offering Memorandum, or any amendment thereto, or any OM Marketing materials, contains a misrepresentation. Unless otherwise noted, in this section, a “**misrepresentation**” means an untrue statement or omission of a material fact that is required to be stated or that is necessary in order to make a statement in this Offering Memorandum not misleading in light of the circumstances in which it was made.

These remedies are 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. In addition, these remedies, or notice with respect thereto, must be exercised or delivered, as the case may be, by you within the strict time limit prescribed in the applicable securities laws.

The applicable contractual and statutory rights are summarized below and will be embodied in the Subscription Agreement to be executed and delivered by you to the Trust prior to the issuance of the Units. By its execution of the Subscription Agreement, the Trust will be deemed to have granted these rights to you. Subscribers should refer to the applicable securities laws of their respective Offering Jurisdiction for the particulars of these rights or consult with professional advisors.

Rights for Subscribers in the Provinces of Alberta and British Columbia

A Subscriber of Units pursuant to this Offering Memorandum who is a resident in Alberta and British Columbia has, in addition to any other rights the Subscriber may have at law, a right of action for damages or rescission against the Trust if this Offering Memorandum, together with any amendments hereto, or any OM Marketing Materials, contains a misrepresentation. In Alberta and British Columbia, a Subscriber has additional statutory rights of action for damages against every director of the Trust at the date of this Offering Memorandum and every Person or company who signed this Offering Memorandum.

If this Offering Memorandum contains a misrepresentation, which was a misrepresentation at the time the Units were purchased, the Subscriber will be deemed to have relied upon the misrepresentation and will, as provided below, have a right of action against the Trust for damages or alternatively, while still the owner of any of the Units purchased by that Subscriber, for rescission, in which case, if the Subscriber elects to exercise the right of rescission, the Subscriber will have no right of action for damages against the Trust, provided that:

- (a) no Person or company will be liable if it proves that the Subscriber purchased the securities with knowledge of the misrepresentation;
- (b) in the case of an action for damages, the defendant will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation;
- (c) in no case will the amount recoverable in any action exceed the price at which the securities were purchased by the Subscriber under this Offering Memorandum; and
- (d) in the case of a Subscriber resident in Alberta, no Person or company, other than the Trust, will be liable if such Person or company is entitled to rely upon certain statutory provisions set out in subsections 204(3)(a) – (e) of the *Securities Act* (Alberta).

In British Columbia and Alberta, no action may be commenced more than:

- (a) in the case of an action for rescission, more than 180 days after the date of the transaction that gave rise to the cause of action; or

- (b) in the case of any other action, other than an action for rescission, more than the earlier of (i) 180 days after the Subscriber first had knowledge of the facts giving rise to the cause of action; or (ii) three (3) years after the date of the transaction that gave rise to the cause of action.

Subscribers should refer to the applicable provisions of the securities legislation for particulars of the rights or consult with a lawyer.

Statutory Rights of Action for Subscribers in the Province of Manitoba

In the event that this Offering Memorandum (including any amendments hereto) or any OM Marketing Materials delivered to a purchaser of Units resident in Manitoba, contains a misrepresentation and it is a misrepresentation at the time of purchase, the purchaser shall be deemed to have relied upon the misrepresentation and shall have, in addition to any other rights they may have at law: (a) a right of action for damages against (i) the Trust, (ii) every director of the Trust at the date of this Offering Memorandum (collectively, the “**Directors**”), and (iii) every person or company who signed this Offering Memorandum (collectively, the “**Signatories**”); and (b) a right of rescission against the Trust.

If a misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into this Offering Memorandum, the misrepresentation is deemed to be contained in this Offering Memorandum.

A purchaser may elect to exercise a right of rescission against the Trust, in which case the purchaser will have no right of action for damages against the Trust, Directors or Signatories.

The Trust, the Directors and Signatories will not be liable if they prove that the purchaser purchased Units with knowledge of the misrepresentation.

All persons or companies referred to above that are found to be liable or accept liability are jointly and severally liable. A person or company who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person who is jointly and severally liable to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable.

A Director or Signatory will not be liable:

- (a) if they prove this Offering Memorandum was sent or delivered to the purchaser without their knowledge or consent and, on becoming aware of its delivery, gave reasonable notice to the Trust that it was delivered without their knowledge and consent;
- (b) if they prove that, after becoming aware of a misrepresentation in this Offering Memorandum, they withdrew their consent to this Offering Memorandum and gave reasonable notice to the Trust of their withdrawal and the reasons therefore;
- (c) if, with respect to any part of this Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, opinion or statement of an expert (“Expert Opinion”), such person proves they did not have any reasonable grounds to believe and did not believe that there was a misrepresentation or that the relevant part of this Offering Memorandum did not fairly represent the Expert Opinion or was not a fair copy of, or an extract from, such Expert Opinion; or
- (d) with respect to any part of this Offering Memorandum not purporting to be made on an expert’s authority, or not purporting to be a copy of, or an extract from an Expert Opinion, unless the Director or Signatory (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation, or (ii) believed there had been a misrepresentation.

In an action for damages, the Trust, the Directors and Signatories will not be liable for all or any part of the damages that they prove do not represent the depreciation in value of the Units as a result of the misrepresentation relied upon. The amount recoverable under the right of action shall not exceed the price at which the Units were offered for sale.

A purchaser of Units to whom this Offering Memorandum was not delivered prior to such purchase in circumstances where such Offering Memorandum was required to be delivered has a right of rescission or a right of action for damages against the Trust or any dealer who failed to deliver the Offering Memorandum within the prescribed time.

A purchaser of Units to whom the Offering Memorandum is required to be sent may rescind the contract to purchase the Units by sending a written notice of rescission to the Trust not later than midnight on the second day, excluding Saturdays and holidays, after the purchaser signs the agreement to purchase the Units.

Unless otherwise provided under applicable securities legislation, no action shall be commenced to enforce a right of action unless the right is exercised:

- (a) in the case of rescission, not later than 180 days from the day of the transaction that gave rise to the cause of action; or
- (b) in the case of an action, other than an action for rescission, the earlier of (i) 180 days from the day the purchaser first had knowledge of the facts giving rise to the cause of action; or (ii) two years from the day of the transaction that gave rise to the cause of action.

The rights discussed above are in addition to, and without derogation from, any other right or remedy which purchasers may have at law and are intended to correspond to the provisions of the *Securities Act* (Manitoba) and are subject to the defences contained therein.

Statutory Rights of Action for Subscribers in the Province of Saskatchewan

In the event that this Offering Memorandum and any amendments thereto or any OM Marketing Materials including any advertising or sales literature used in connection therewith delivered to a purchaser of the securities resident in Saskatchewan contains an untrue statement of a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of the securities (herein called a “material fact”) or omits 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 (herein called a “misrepresentation”), a purchaser will be deemed to have relied upon that misrepresentation and will have a right of action for damages against the Trust, the promoters and “directors” (as defined in *The Securities Act*, 1988 (Saskatchewan)) of the Trust, every person or company whose consent has been filed with this Offering Memorandum or amendment thereto but only with respect to reports, opinions or statements that have been made by them, every person who signed this Offering Memorandum or any amendment thereto, and every person who or company that sells the securities on behalf of the Trust under this Offering Memorandum or amendment thereto.

Alternatively, where the purchaser purchased the securities from the Trust, the purchaser may elect to exercise a right of rescission against the Trust.

In addition, where an individual makes a verbal statement to a prospective purchaser that contains a misrepresentation relating to the securities and the verbal statement is made either before or contemporaneously with the purchase of the securities, the purchaser has a right of action for damages against the individual who made the verbal statement.

No persons or company is liable, nor does a right of rescission exist, where the persons or company proves that the purchaser purchased the securities with knowledge of the misrepresentation. In an action for damages, no persons or company will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied on.

No action shall be commenced to enforce these rights more than:

- (a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- (b) in the case of any action, other than an action for rescission, the earlier of one year after the purchaser first had knowledge of the facts giving rise to the cause of action or six years after the date of the transaction that gave rise to the cause of action.

These rights are (i) in addition to and do not derogate from any other right the purchaser may have at law; and (ii) subject to certain defences as more particularly described in *The Securities Act*, 1988 (Saskatchewan).

Subscribers should consult their own legal advisers with respect to their rights and the remedies available to them. The rights discussed above are in addition to and without derogation from any other rights or remedies, which subscribers may have at law.

The foregoing rights shall apply to all of the information in any of the OM Marketing Material, which is deemed to be incorporated by reference into the Offering Memorandum.

ITEM 12 – FINANCIAL STATEMENTS

The audited interim financial statements of the Trust for the ten (10) day period ending February 17, 2017 which comprise the statement of financial position as of that date, and the statement of comprehensive income or loss, the statement of changes in equity and statement of cash flows for the period from inception to that date, are attached immediately before the certificate page of this Offering Memorandum.

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The Vineyards Community Kelowna Trust
Financial Statements
February 17, 2017



Independent Auditors' Report

To the Unitholders of
The Vineyards Community Kelowna Trust

We have audited the accompanying financial statements of The Vineyards Community Kelowna Trust, which comprise the statement of financial position as at February 17, 2017, and the statements of comprehensive income, changes in equity and cash flows for the period from settlement on February 8, 2017 to February 17, 2017, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Vineyards Community Kelowna Trust as at February 17, 2017, and its financial performance, changes in equity and cash flows for the period from settlement on February 8, 2017 to February 17, 2017 in accordance with International Financial Reporting Standards.

Emphasis of Matter

We draw attention to Note 11 of the financial statements which outlines the offering that The Vineyards Community Kelowna Trust is undertaking subsequent to period end which, if unsuccessful, could have a material effect on the entity's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Rice & Company L.L.P.

CHARTERED ACCOUNTANTS

Calgary, Canada
February 18, 2017

The Vineyards Community Kelowna Trust
Statement of Financial Position
February 17, 2017

Assets	Notes	
Deferred financing costs	6	\$ 29,925
Investments	7	<u>1,000</u>
Total assets		<u>\$ 30,925</u>
Liabilities		
Due to related party	8	\$ <u>29,925</u>
Current and total liabilities		<u>29,925</u>
Unitholders' Equity		
Unitholders' capital	9	\$ <u>1,000</u>
Total equity attributable to unitholders' of the Fund		<u>1,000</u>
Total liabilities and unitholders' equity		<u>\$ 30,925</u>
Subsequent Events (Note 11)		

See accompanying notes to the financial statements.

These financial statements were approved by the Trustee's of the Fund on February 18, 2017.

(Signed) "Aurele Simourd", Trustee

(Signed) "John Cathrae", Trustee

The Vineyards Community Kelowna Trust
Statement of Comprehensive Income
For the Period from Settlement on February 8, 2017 to February 17, 2017

	Notes	
Total comprehensive income for the period	10	\$ <u><u>-</u></u>

See accompanying notes to the financial statements.

The Vineyards Community Kelowna Trust
Statement of Changes in Unitholders' Equity
For the Period from Settlement on February 8, 2017 to February 17, 2017

	Notes	Number of Trust Units	Trust Capital	Accumulated Earnings	Unitholders' Equity
Issuance of initial trust units	9.2	3	\$ 1,000	\$ -	\$ 1,000
Income for the period		-	-	-	-
Balance at February 17, 2017		3	\$ 1,000	\$ -	\$ 1,000

See accompanying notes to the financial statements.

The Vineyards Community Kelowna Trust
Statement of Cash Flows
For the Period from Settlement on February 8, 2017 to February 17, 2017

Cash provided by (used in):

Cash flows from operating activities

Net income \$ -

Net cash provided by operating activities -

Cash flows from financing activities

Advances from related party 29,925

Proceeds on issue of initial trust units 1,000

Net cash provided by financing activities 30,925

Net cash flows from investing activities

Increase in deferred financing costs (29,925)

Purchase of partnership units (1,000)

Net cash used in investing activities (30,925)

Change in cash, beginning cash, end of period cash \$ -

See accompanying notes to the financial statements.

The Vineyards Community Kelowna Trust
Notes to the Financial Statements
Period from Settlement on February 8, 2017 to February 17, 2017

1. General business description

The Vineyards Community Kelowna Trust (the "Trust") is an unincorporated open-ended trust established by the Trust's Declaration of Trust dated February 8, 2017. The Trust intends to be a "mutual fund trust" for the purposes of the Income Tax Act (Canada).

The Trust was formed to raise funds pursuant to an offering (note 11) for the purposes of acquiring class A units ("Partnership Units") in The Vineyards Community Limited Partnership (the "Partnership"), a Canadian limited partnership. The Partnership is considered a related party due to common officers and directors of the Administrator. The Partnership intends to develop a state-of-the-art Assisted Living and Memory Care Residence within the seniors living market in Kelowna, British Columbia.

The Trustees of the Trust are Aurele Simourd, Ken Craig and John Cathrae (the "Trustee"). The Administrator of the Trust is Sussex Retirement Living (2015) Inc. (the "Administrator").

The proposed business of the Trust involves a high degree of risk and there is no assurance that the Trust will be able to raise the amount of funds to finance its activities as disclosed in note 11.

The head office address of the Trust is 1000-840 Howe Street, Vancouver, BC, V6Z 2M1.

2. Basis of presentation

2.1 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These financial statements were authorized for issue by the Trustee of the Trust on February 18, 2017.

2.2 Basis of measurement

The financial statements have been prepared on historical cost basis except for held for trading financial assets which are measured at fair value with changes in fair value recorded to earnings.

The methods used to measure fair values are discussed in note 4.

The Vineyards Community Kelowna Trust
Notes to the Financial Statements
Period from Settlement on February 8, 2017 to February 17, 2017

2.3 Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Trust's functional currency.

2.4 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 continually 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.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is valuation of financial instruments (note 4).

There were no critical estimates and assumptions in determining the value of assets, liabilities and equity as at February 17, 2017.

3. Significant accounting policies

3.1 Financing costs

Financing costs relating to financing are deferred until the period when the financing transaction is completed.

3.2 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The Vineyards Community Kelowna Trust
Notes to the Financial Statements
Period from Settlement on February 8, 2017 to February 17, 2017

3.2.1 Financial assets

Financial assets include any outstanding accounts receivable and cash and cash equivalents. Purchases and sale of financial assets are recognized on the settlement date, which is the date in which the asset is delivered to or by the Trust. Financial assets are derecognized when the rights to receive cash flows have expired or are transferred and the Trust has transferred substantially all risks and rewards of ownership. Financial assets are classified in the following categories at the time of the initial recognition based on the purpose for which the financial assets were acquired:

Classification

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and its performance is evaluated on a fair value basis, in accordance with the Trust's documented risk management or investment strategy. The Trust has designated cash as held for trading.

Recognition and measurement

Financial assets carried at fair value through profit or loss are initially recognized, and subsequently carried, at fair value, with changes recognized in the income statement. Transaction costs are expensed when incurred.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date, which are classified as non-current assets. Assets in this category include accounts receivable which are classified as current assets in the statement of financial position.

The Trust did not have any accounts receivable at February 17, 2017 and, as a result, has not designated any financial assets as loans and receivables as at February 17, 2017.

The Vineyards Community Kelowna Trust
Notes to the Financial Statements
Period from Settlement on February 8, 2017 to February 17, 2017

Recognition and measurement

Loans and receivables are initially recognized at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment losses. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They consist of investments in equity securities and certain other debt securities. They are included in other non-current financial assets unless management intends to dispose of the investments within 12 months of the balance sheet date. Available-for-sale financial assets are recorded in other comprehensive income until realized, at which time they are recorded through profit or loss. The Trust has designated any financial assets as financial assets available-for-sale.

Reclassification of financial assets

Reclassification is only permitted in rare circumstances and where the asset is no longer held for the purpose of selling in the short term. In all cases, reclassification of financial assets are limited to debt instruments. Reclassifications are accounted for at fair value of the financial asset at the date of reclassification.

3.2.2 Financial liabilities

Financial liabilities primarily consist of accounts payable and accrued liabilities (if any) and due to related party. Financial liabilities are initially measured at fair value and subsequently measured at amortized cost for liabilities that are not hedged, and fair value for liabilities that are hedged. Non-performance risk, including the Trust's own credit risk for financial liabilities, is considered when determining the fair value of financial liabilities.

The Vineyards Community Kelowna Trust
Notes to the Financial Statements
Period from Settlement on February 8, 2017 to February 17, 2017

3.2.3 Trust units

The Trust's units are redeemable at the option of the holder and, therefore, are considered puttable instruments. Puttable instruments are required to be accounted for as financial liabilities, except where certain conditions are met in accordance with IAS 31 *Financial Instruments: Presentations*, in which case, the puttable instrument may be presented as equity. The Trust's units were determined to meet the conditions of IAS 32 and are, therefore classified and accounted for as equity.

3.2.4 Impairment

The Trust addresses at each balance sheet date whether there is objective evidence that a financial asset, other than those at fair value through profit and loss, or a group of financial assets, is impaired. When an impairment has occurred, the cumulative loss is recognized in profit or loss. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. Receivables that are assessed not to be impaired are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables may include the Trust's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 90 days, as well as observable changes in the national or local economic conditions that may default on receivables.

For financial assets carried at amortized cost, the amount of impairment loss recognized is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the financial assets' original effective interest rate.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the period.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of accounts receivable, where the carrying amount is reduced through the use of an allowance account. When an account receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited through the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

The Vineyards Community Kelowna Trust
Notes to the Financial Statements
Period from Settlement on February 8, 2017 to February 17, 2017

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. Any increase in fair value subsequent to an impairment loss with respect to available-for-sale equity instruments is recognized in other comprehensive income.

3.3 Revenue and expense recognition

Revenue and expenses are accounted for on the accrual basis.

3.4 Income taxes

Income tax expense or recovery is comprised of current and deferred tax. Income tax expense or recovery flows through profit and loss except to the extent that it relates to items recognized in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, plus any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences, including carry forward of non-capital losses, can be utilized.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they are related to income taxes levied by the same taxation authority on the same taxable entity, or on different tax entities, where the intention is to settle current tax liabilities and asset on a net basis or their tax assets and liabilities will be realized simultaneously.

The Vineyards Community Kelowna Trust
Notes to the Financial Statements
Period from Settlement on February 8, 2017 to February 17, 2017

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is not probable that the related tax benefit will be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future profit will allow the deferred tax asset to be recovered.

3.5 Provisions and contingent liabilities

Provisions and contingent liabilities are recognized when there is a present legal or constructive obligation arising as a result of a past event for which it is probable that an outflow of economic benefits will be required to settle the obligation and where a reliable estimate can be made of the amount of the obligation. Provisions and contingent liabilities are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

3.6 Related party transactions

All related party transactions must be disclosed in the financial statements which include the amount of the transactions, the amount of outstanding balances, including terms, provisions for doubtful debts related to outstanding balances and the expense recognized during the period in respect of bad or doubtful debts from related parties.

3.7 Property, plant and equipment

Property, plant and equipment will be stated at cost less accumulated depreciation and recognized impairment loss. Amortization will be charged so as to write off the cost of assets, other than land or properties under construction, over the estimated useful lives, using the declining balance method, at rates to be determined.

Assets held under finance leases will be depreciated over the expected lives on the same basis as owned assets or, where shorter, over the term of the relevant lease.

The Vineyards Community Kelowna Trust
Notes to the Financial Statements
Period from Settlement on February 8, 2017 to February 17, 2017

The gain or loss on the disposal or retirement of an asset will be determined as a difference between the sales proceeds and the carrying amount of the asset and is recognized in the income statement.

3.8 New accounting standards and interpretations

In addition to the foregoing accounting policies outlined, the IASB has issued certain new standards, interpretations and amendments to existing standards which are not effective until accounting periods subsequent to February 17, 2017 and which have not yet been adopted by the Trust. These include:

On January 1, 2018, the Trust will be required to adopt IFRS 9 "Financial Instruments", which is the result of the first phase of the International Accounting Standards Board ("IASB") project to replace IAS 39 "Financial Instruments: Recognition and measurement". The new standard replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories: amortized cost and fair value. Portions of the standard remain in development and the full impact of the standard on the Trust's financial statements will not be known until the project is complete.

4. Determination of fair values

Certain of the Trust's accounting policies and disclosures require the determination of fair value for financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The fair value of due to related party approximates its carrying value due to the short term to maturity. The fair value of the investment in the limited partnership units approximates its carrying value due to the timing from the date of purchase to the date of the financial statements.

The significance of inputs used in making fair value measurements for assets and liabilities measured at fair value are examined and classified according to a fair value hierarchy. Fair values of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include valuations using inputs other than quoted prices for which all significant outputs are observable, either directly or indirectly and are based on valuation models and techniques where the inputs are derived from quoted indices. Level 3 valuations are based on inputs that are unobservable and significant to the

Cash is measured at fair value based on a Level 1 designation.

The Vineyards Community Kelowna Trust
Notes to the Financial Statements
Period from Settlement on February 8, 2017 to February 17, 2017

5. Financial risk management

5.1 Overview

The Trust's planned operations will expose it to a variety of financial risks that arise as a result of its operating and financing activities:

- credit risk;
- liquidity risk; and,
- market risk.

This note presents information about the Trust's exposure to each of the above risks, the Trust's objectives, policies and processes for measuring and managing risks, and the Trust's management of capital.

The Trust employs risk management strategies and policies to ensure that any exposure to risk is in compliance with the trust's business objectives and risk tolerance levels. While the Trustees have the overall responsibility for the establishment and oversight of the Trust's risk management framework, management has the responsibility to administer and monitor these risks.

5.2 Credit Risk

Credit risk is the risk of financial loss to the Trust if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The maximum exposure to credit risk at February 17, 2017 is as follows:

	Carrying amount
	February 17, 2017
Cash	\$ -

The Vineyards Community Kelowna Trust
Notes to the Financial Statements
Period from Settlement on February 8, 2017 to February 17, 2017

5.3 Liquidity risk

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations as they are due. The Trust's approach to managing liquidity is to ensure it will have sufficient liquidity to meet its liabilities when due. The Trust's ongoing liquidity will be impacted by various external events and conditions.

The Trust had due to related party as financial liabilities at February 17, 2017.

5.4 Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Trust's net income or the value of financial instruments. The objective of the Trust is to manage and mitigate market risk exposures within acceptable limits, while maximizing returns.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. As the Trust does not currently have any interest bearing debt, the Trust is not exposed to interest rate risk.

The Trust had no interest rate swaps or financial contracts in place as at or during the period ended February 17, 2017.

5.5 Capital management

The Trust's capital management policy is to maintain a strong capital base that optimizes the Trust's ability to grow, maintain investor and creditor confidence and to provide a platform to create value for its unitholders. The Trust intends to maintain a flexible capital structure to maximize its ability to pursue additional investment opportunities, which considers the Trust's early stage of development and the requirement to sustain future development of the business.

The Vineyards Community Kelowna Trust
Notes to the Financial Statements
Period from Settlement on February 8, 2017 to February 17, 2017

The Trust will manage its capital structure and make changes to it in light of changes to economic conditions and the risk characteristics of the nature of the business. The Trust considers its capital structure to include unitholders equity and working capital. In order to maintain or adjust the capital structure, the Trust may from time to time issue shares, seek debt financing and adjust its capital spending to manage its current and projected capital structure.

The Trust currently has no debt outstanding other than due to related party and it monitors capital based on its current working capital, projected cash flow from operations and anticipated capital expenditures.

6. Deferred financing costs

The deferred financing costs are professional fees incurred in relation to the offering (note 11).

7. Investments

The investments are 5,000 Class A limited partnership units purchased at \$0.20 per unit, in relation to the offering (note 11).

8. Related party transactions

During the period, financing fees of \$29,925 were paid on behalf of the Trust by the Administrator. The aforementioned financing fees are included in due to related parties as the fees were advanced in relation to the estimated costs of the offering (note 11).

These transactions are in the normal course of operations and are measured at the exchange amount of consideration established and agreed to by the related parties. The amount due to a related party has no specific terms and is interest free.

9. Trust units

9.1 The Declaration of Trust provides an unlimited number of trust units (the "Units") may be issued. Each Unit is transferrable and represents an equal undivided beneficial interest in any distributions of the Trust and in the net assets of the Trust in the event of termination or winding up of the Trust. Each Unit entitles the holder thereof to participate equally in the distributions and to one vote at all meetings of unitholders for each whole unit held. The issued Units are not subject to future calls or assessments.

The Vineyards Community Kelowna Trust

Notes to the Financial Statements

Period from Settlement on February 8, 2017 to February 17, 2017

Each unitholder shall be entitled to require the Trust to redeem all or any part of their Units. The redemption price shall be valued, as determined by the Administrator or Trust within 30 business days of receipt of the redemption notice, as follows:

- 1) If the redemption date is on or before the date that is 365 days from the date such Trust Units were issued (the "first redemption period"), the redemption price shall be valued at 85% of the original amount paid to acquire the Unit.
- 2) If the redemption date is on or before the date that is 365 days from the last day of the first redemption period (the "second redemption period"), the redemption price shall be valued at 90% of the original amount paid to acquire the Unit.
- 3) If the redemption date is any time after the second redemption period, the redemption price shall be valued at an amount that is fair market value of the Trust Unit.

The Trust may be required to redeem up to \$10,000 of Units in any given calendar month, in the form of cash (the "Monthly Limit"). Subject to regulatory approval, the Trust may redeem Units in excess of the Monthly Limit by distributing non-interest bearing notes ("Redemption Notes"). The Trust will use its commercially reasonable efforts to repay any Redemption Notes as soon as the Trust has funds from its operations available for such purpose, as determined by the Trustee. Additionally, holders of Redemption Notes shall continue to be entitled to receive distributions in respect of the remaining principal amount of such Redemption Notes if such persons hold Redemption Notes as of the date that a record date is declared for distributions payable to the unitholders.

Additionally, at any time after the end of the second redemption period, following the date on which Units are issued to a Unitholder, the Trust is entitled to automatically redeem such Units at a redemption price that is fair market value of the Trust Unit redeemed.

9.2 Issued and outstanding

	2017	
	Number	Amount
Class D Trust Units	3	\$ 1,000

- 9.3 The Trust was formed on February 8, 2017 and currently has 3 Class D trust units issued at \$333.33 per unit.

The Vineyards Community Kelowna Trust
Notes to the Financial Statements
Period from Settlement on February 8, 2017 to February 17, 2017

10. Comprehensive income

No revenue, personnel or general and administrative expenses were incurred during the period ended February 17, 2017.

11. Subsequent events

Offering memorandum

The Trust has prepared an offering memorandum (the "offering"), for the offer of trust units (the "Units") consisting of Class A Units at a price of \$100 per unit, Class B Units at a price of \$95.24 per unit, Class C Units at a price of \$86.96 per unit for a maximum offering of \$10,750,000.

The Trust reserves the right to pay finder's fees in an amount up to 8% of the gross proceeds of the offering provided that sales involving payment of finder's fees are conducted in accordance with applicable securities legislation.

The Trust intends to complete the closing on or about February 28, 2017. If the maximum offering has not yet been reached by February 28, 2017, additional closings may be held until the maximum offering has been reached.

Administration agreement

The Trust and the Administrator entered into an agreement whereby the Administrator will perform management and administrative services on behalf of the Trust. The fee paid to the Administrator will be \$20,000 per annum and the Trust will be required to reimburse the expenses incurred by the Administrator in performing its functions.

Trustee Fees

Trustees will be entitled to receive reasonable compensation for their services for attending board or committee meetings. Trustees will also be entitled to reimbursement of reasonable out-of-pocket expenses in performing its functions.

ITEM 13 – DATE AND CERTIFICATE

Dated: February 18, 2017

This Offering Memorandum does not contain a misrepresentation.

THE VINEYARDS COMMUNITY KELOWNA TRUST, by its Trustees

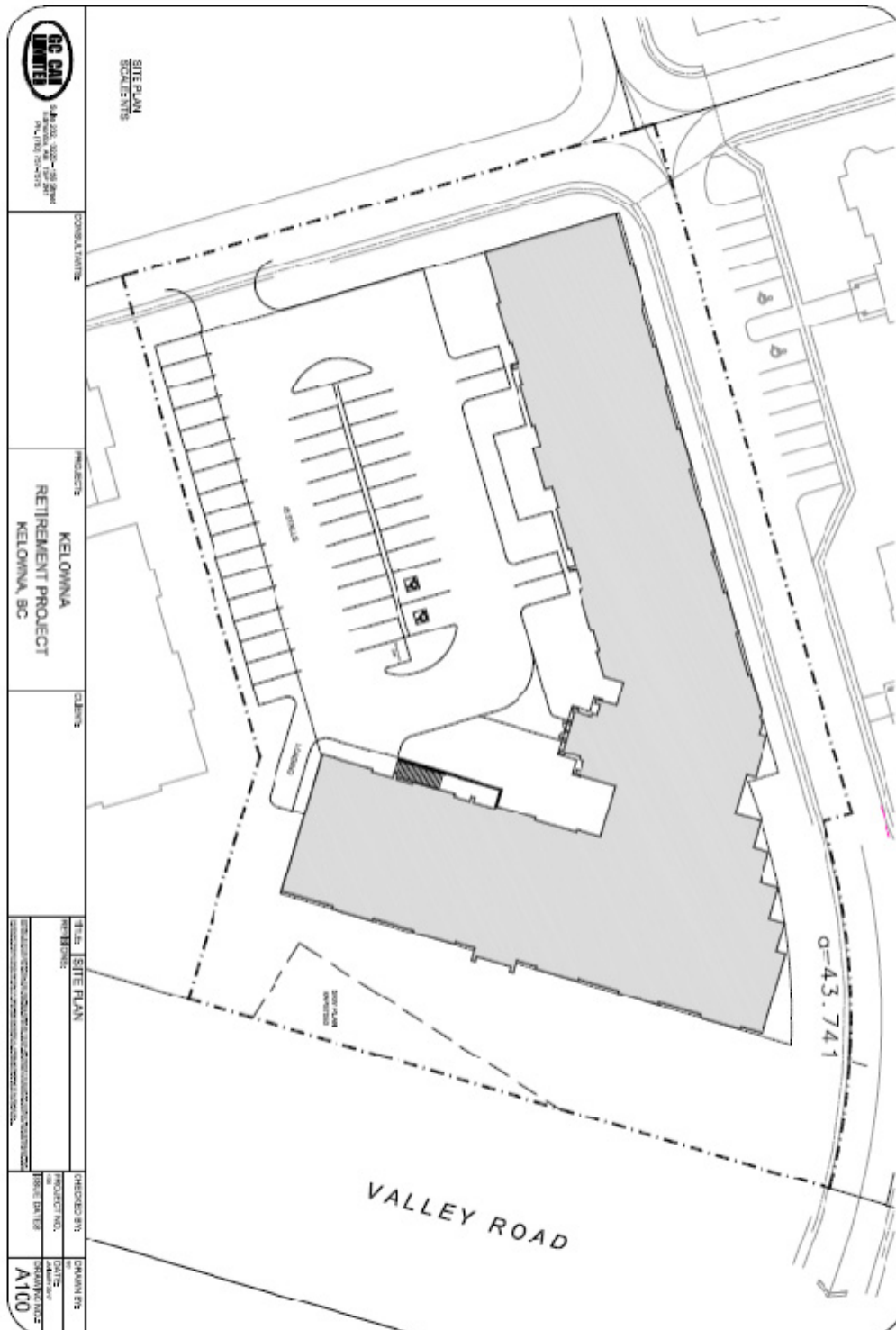
Per:	<u>"Aurele Simourd"</u>
	Aurele Simourd
Per:	<u>"Ken Craig"</u>
	Ken Craig
Per:	<u>"John Cathrae"</u>
	John Cathrae

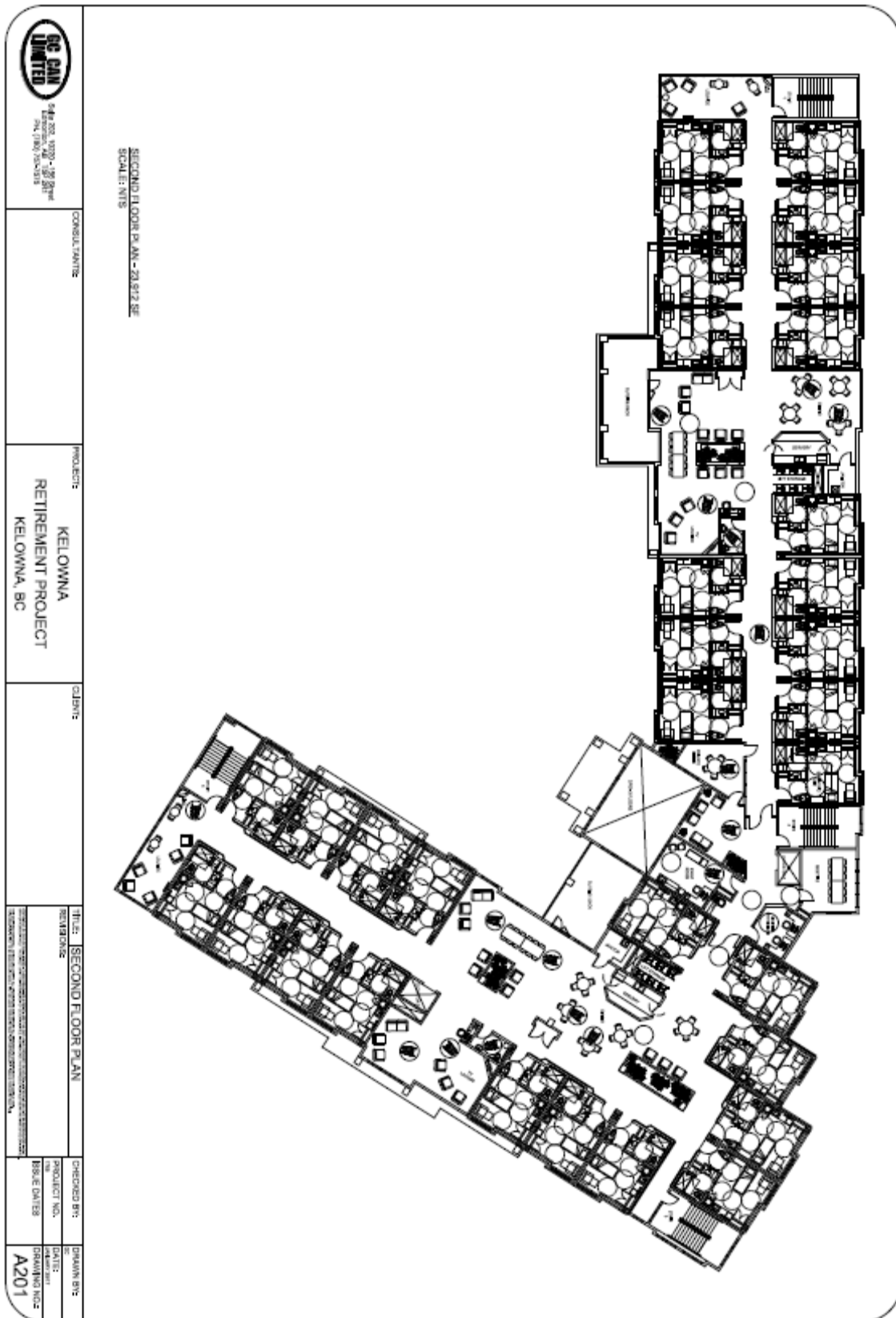
SUSSEX RETIREMENT LIVING (2015) INC., as administrator of the Trust

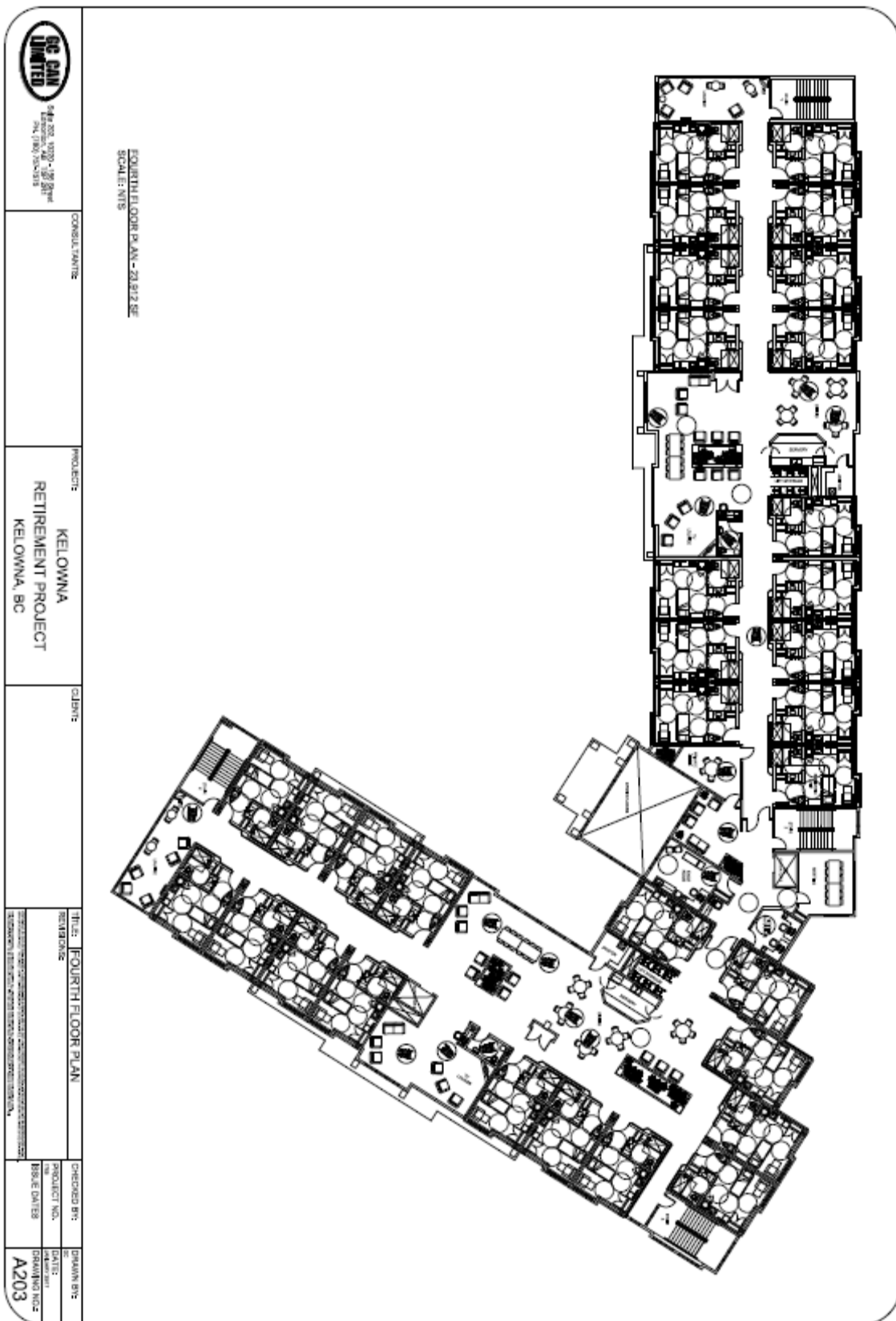
Per:	<u>"Aurele Simourd"</u>
	Title: Director and President
Per:	<u>"Ken Craig"</u>
	Title: Director and CEO
Per:	<u>"John Cathrae"</u>
	Title: Director and CFO

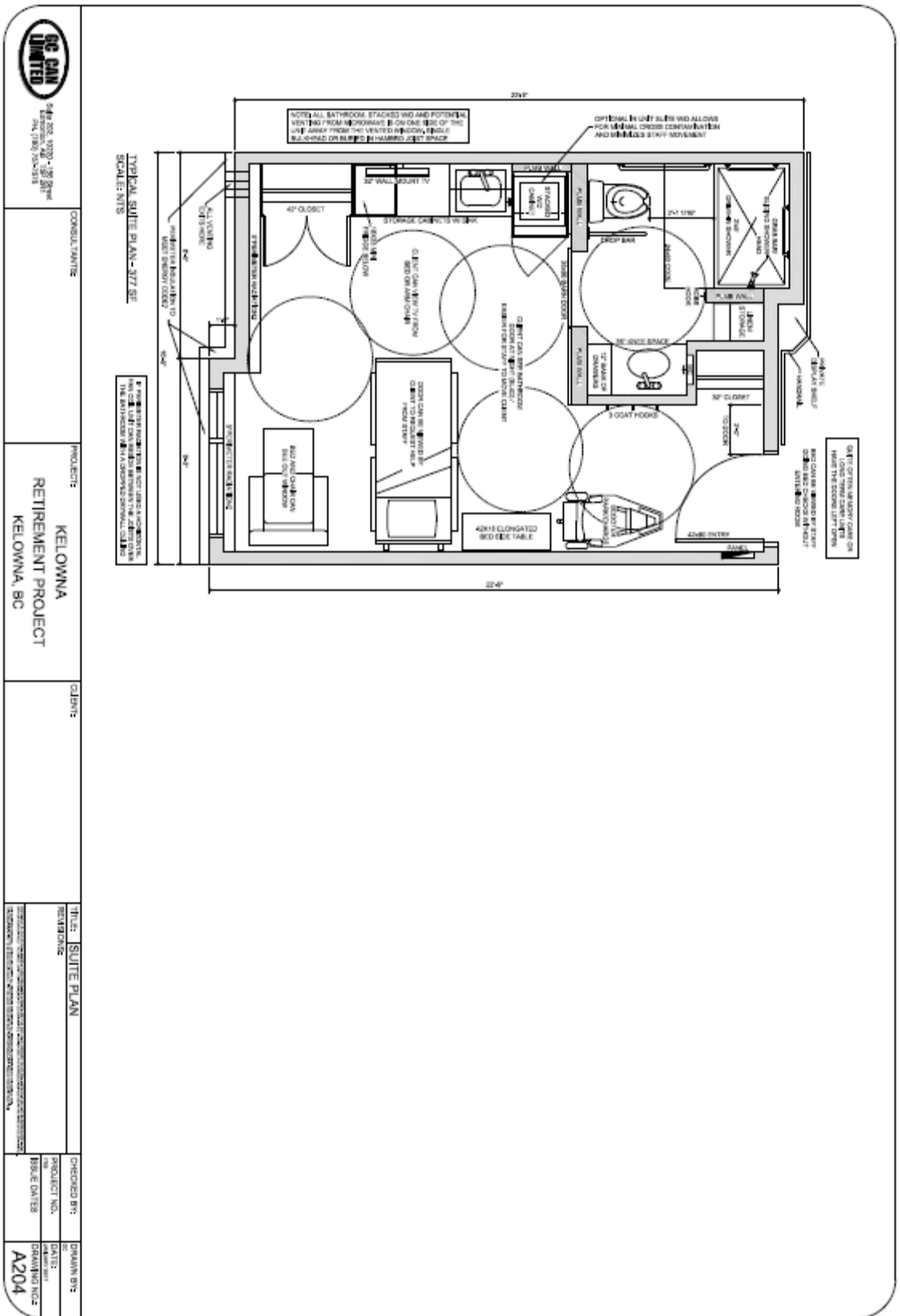
**TO OFFERING MEMORANDUM OF THE VINEYARDS COMMUNITY KELOWNA TRUST
(THE “TRUST”)**

PROPOSED SITE PLAN AND PRELIMINARY CONCEPT SKETCHES











Valley Road Site Care Building: Concept Sketches
2016-12-23
View from parking towards entry



Valley Road Site Care Building: Concept Sketches
2016-12-23
View from Valley Road, looking north

SCHEDULE "B"

TO OFFERING MEMORANDUM OF THE VINEYARDS COMMUNITY KELOWNA TRUST (THE "TRUST") SUBSCRIPTION AGREEMENT FOR UNITS

The undersigned (hereinafter referred to as the "**Subscriber**") hereby irrevocably subscribes for and agrees to purchase the number of Class A Units of the Trust (the "**Units**" or the "**Purchased Securities**") for the subscription amount set forth below (the "**Subscription Amount**"), representing a subscription price of **\$100 per Unit (minimum subscription of \$10,000)**, subject to the terms and conditions set forth in the "**Terms and Conditions of Subscription for Units of The Vineyards Community Kelowna Trust**" attached hereto (together with this page and the attached Schedules and Appendices, the "**Subscription Agreement**").

Subscription funds must be delivered by bank draft or certified cheque made payable to: "Miller Thomson LLP, in Trust".

Full Legal Name of Subscriber (please print)
By: _____ Signature of Subscriber or its Authorized Representative
Official Title or Capacity (please print)
Name of Signatory (please print name of individual whose signature appears above if different than name of Subscriber)
Date of Execution
Social Insurance Number / Business Number
Subscriber's Address (including postal code)
Telephone Number (including area code)
E-mail Address

Subscription Amount: \$ _____ (Minimum \$10,000)
--

Number of Units: _____ (Minimum 100)
--

If the Subscriber is signing as agent for a principal and is not a trust corporation or a portfolio manager in any case, purchasing as a trustee or an agent for accounts fully managed by it, complete the following and ensure that the applicable schedules attached hereto are completed in respect of such principal:

Name of Principal

Principal's address (including postal code)

Telephone Number (including area code)

E-mail Address

Register the Units (if different from address above) as follows:
_____ Name
_____ Account reference, if applicable
_____ Contact Name
_____ Address (including postal code)
_____ Telephone Number (including area code)

Deliver the Units (if different from address given) as follows:
_____ Name
_____ Account reference, if applicable
_____ Contact Name
_____ Address (including postal code)
_____ Telephone Number (including area code)

By executing this Subscription, you are consenting (on your behalf and, if applicable, on behalf of the beneficial purchaser for whom you are contracting), to the collection, use and disclosure of personal information in the manner described in the in Section 6 of this Subscription.

FOR OFFICE USE ONLY

Acceptance: The Trust hereby accepts the subscription as set forth above on the terms and conditions contained herein.

THE VINEYARDS COMMUNITY KELOWNA TRUST, by its TRUSTEE

Date of Acceptance: _____

Unit Certificate No. Issued

Per: _____

SUBSCRIPTION AGREEMENT

THE VINEYARDS COMMUNITY KELOWNA TRUST (THE "TRUST")

Please make sure that your subscription includes:

1. one (1) signed copy of the Subscription Agreement;
2. a cheque or bank draft in an amount equal to the Aggregate Subscription Amount, payable to: **"Miller Thomson LLP, in Trust"**;
3. a properly completed and duly executed copy of the appropriate Schedule(s) to the Subscription Agreement applicable to the exemption that is being relied upon:
 - (a) if the Subscriber is purchasing the Purchased Securities as principal and the Subscriber is a resident of British Columbia or Newfoundland and Labrador, then the Subscriber must execute the Risk Acknowledgement in the form attached as Schedule "B" to the Subscription Agreement;
 - (b) if the Subscriber is purchasing the Purchased Securities as principal and the Subscriber is a resident of Manitoba, Northwest Territories, Nunavut, Prince Edward Island or Yukon then:
 - (i) in the case of a Subscriber that is not an Eligible Investor the following shall apply:
 - (A) the acquisition cost of the Purchased Securities shall not exceed \$10,000;
 - (B) the Subscriber must execute the Risk Acknowledgement in the form attached as Schedule "B" to the Subscription Agreement; and
 - (C) the Subscriber must execute the Acknowledgement of Receipt of Offering Memorandum in the form attached as Schedule "C" to the Subscription Agreement.
 - (ii) in the case of a Subscriber that is an Eligible Investor the following shall be completed by the Subscriber:
 - (A) an Investor Status Certificate attached as Schedule "A" to the Subscription Agreement;
 - (B) an Eligible Investor Representation Letter in the form attached as Appendix 1 to Schedule "A" to the Subscription Agreement (please initial as indicated);
 - (C) the Risk Acknowledgement in the form attached as Schedule "B" to the Subscription Agreement; and
 - (D) the Acknowledgement of Receipt of Offering Memorandum in the form attached as Schedule "C" to the Subscription Agreement.
 - (c) if the Subscriber is purchasing the Security as principal and the Subscriber is a resident in Alberta, New Brunswick, Nova Scotia, Ontario, Quebec or Saskatchewan then the following shall apply:
 - (i) if the Subscriber is an individual, the acquisition cost of all securities acquired upon reliance on Section 2.9 of NI 45-106 by the Subscriber in the preceding twelve (12) months shall not exceed the following amounts:
 - (A) in the case of a Subscriber that is not an Eligible Investor, \$10,000;
 - (B) in the case of a Subscriber that is an Eligible Investor, \$30,000; or

- (C) in the case of a Subscriber that is an Eligible Investor and that received advice from a portfolio manager, investment dealer or exempt market dealer that the investment is suitable, \$100,000;
 - (ii) if the Subscriber is an Eligible Investor, the Subscriber must complete an Eligible Investor Status Certificate attached as Schedule "A" to the Subscription Agreement;
 - (iii) if the Subscriber is an Eligible Investor, the Subscriber must complete the Eligible Investor Representation Letter in the form attached as Appendix 1 to Schedule "A" to the Subscription Agreement (please initial as indicated);
 - (iv) the Subscriber must execute the Risk Acknowledgement in the form attached as Schedule "B" to the Subscription Agreement;
 - (v) if the Subscriber is an individual, the Subscriber must execute Schedule 1 and Schedule 2 to the Risk Acknowledgement in the form attached Schedule "B" to the Subscription Agreement;
 - (vi) the Subscriber must execute the Acknowledgement of Receipt of Offering Memorandum in the form attached as Schedule "C" to the Subscription Agreement.
- (d) if the Subscriber is a resident of the Offering Jurisdictions or is subject to the Securities Laws of one of those provinces, is purchasing the Purchased Securities as principal for its own account, and is an Accredited Investor:
- (i) the Subscriber must complete an Investor Status Certificate attached as Schedule "A" to the Subscription Agreement;
 - (ii) the Subscriber must identify and initial its 'best fit' qualifier on Appendix 2 to Schedule "A";
 - (iii) if the Subscriber is an individual and chooses a paragraph other than j.1 in Appendix 2 to Schedule "A", the Subscriber must complete the Form 45-106F9 on Appendix 3 to Schedule "A";
 - (iv) the Subscriber may choose execute the Acknowledgement of Receipt of Offering Memorandum in the form attached as Schedule "C" to the Subscription Agreement, but it is not a required document for Accredited Investors.

PLEASE DELIVER YOUR SUBSCRIPTION AGREEMENT TO:

The Vineyards Community Kelowna Trust
 C/O Miller Thomson LLP
 3000, 700 – 9th Avenue, S.W.
 Calgary, AB Canada T2P 3V4
 Attention: Darren M. Smits or Aliesha Stuart
 Fax: (403) 262-0007
 E-mail: dsmits@millerthomson.com

**TERMS AND CONDITIONS OF SUBSCRIPTION AGREEMENT FOR UNITS OF
THE VINEYARDS COMMUNITY KELOWNA TRUST**

1. DEFINITIONS

In this Agreement:

- (a) **“Administrator”** means Sussex Retirement Living (2015) Inc.;
- (b) **“Aggregate Subscription Amount”** means the aggregate dollar amount of the subscription under this Subscription Agreement;
- (c) **“Agreement”** or **“Subscription Agreement”** means this subscription agreement as may be amended from time to time;
- (d) **“Business Day”** means a day on which Canadian chartered banks are open for the transaction of regular business in the City of Calgary, Alberta;
- (e) **“Closing”** means the one or more closing(s) of the purchase and sale of the Offered Securities;
- (f) **“Closing Date”** means the date on which an initial Closing of the sale of the Offered Securities takes place, or such other date or dates designated by the Trustees of the Trust, with the initial Closing Date set to occur on or before February 28, 2017;
- (g) **“Eligible Investor”** has the meaning defined in NI 45-106;
- (h) **“Units”** means the Class A Units of the Trust being offered pursuant to the Offering;
- (i) **“Minimum Subscription”** means \$10,000 (100 Units), or such lower amount approved in writing by the Trustees;
- (j) **“NI 31-103”** means National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* of the Canadian Securities Administrators;
- (k) **“NI 45-106”** means National Instrument 45-106 *Prospectus Exemptions* of the Canadian Securities Administrators;
- (l) **“Offered Securities”** means the 107,500 Units, being offered under this Offering;
- (m) **“Offering”** means the aggregate offering of up to 107,500 Units;
- (n) **“Offering Jurisdictions”** means the Provinces or Territories of Canada in which the Units are offered for sale;
- (o) **“Offering Memorandum”** means the offering memorandum of the Trust dated February 18, 2017;
- (p) **“Person”** means an individual, a firm, a corporation, a syndicate, a partnership, a trust, an association, an unincorporated organization, a joint venture, an investment club, a government or an agency political subdivision thereof and every other form of legal or business entity of whatsoever nature of kind;
- (q) **“Purchased Securities”** means the Offered Securities purchased by the Subscriber, as set out on the front page of this Subscription Agreement;
- (r) **“Securities Laws”** means the securities legislation and regulations of, and the instruments, policies, rules, orders, codes, notices and interpretation notes of the applicable securities regulatory authority or applicable securities regulatory authorities of, the Offering Jurisdictions including but not limited to NI 45-106 and NI 31-103;

- (s) **“Subscriber”** means the signatory herein;
- (t) **“Subscription Amount”** means those funds received by the Trust with respect to the Purchased Securities subscribed for under this Agreement;
- (u) **“Subscription Price”** means \$100 per Unit;
- (v) **“Tax Act”** means the *Income Tax Act* (Canada), as amended, re-enacted or replaced from time to time;
- (w) **“Trust”** means the Vineyards Community Kelowna Trust; and
- (x) **“Trustees”** means the trustees of the Trust, appointed from time to time.

2. REPRESENTATIONS AND UNDERTAKINGS OF THE SUBSCRIBER

- (a) The Subscriber hereby represents and warrants to the Trust and acknowledges that the Trust is relying upon such representations and warranties in connection with the issue and sale of the Units:
 - (i) that the Subscriber acknowledges that the Units subscribed for by it hereunder form part of a larger offering by the Trust of up to 107,500 Units (the **“Offering”**);
 - (ii) that this Agreement has been duly and validly authorized, executed and delivered by the Subscriber and constitutes a legal, valid and binding agreement of the Subscriber enforceable against the Subscriber;
 - (iii) that by entering into this Agreement and the transactions contemplated hereby will not result in a violation of any of the terms and provisions of any law applicable to the Subscriber, or any of its documents where the Subscriber is a corporation, or of any agreement to which the Subscriber is a party or by which the Subscriber is bound;
 - (iv) that the Subscriber is purchasing the Units subscribed for as principal for his/her/its own account for investment only and not with a view to resale or distribution and unless exempted by an order of the securities commission or similar regulatory authority of the province in which he/she/it resides:
 - (v) if a resident of Alberta, Saskatchewan, Manitoba, Quebec, Ontario, New Brunswick, Nova Scotia, Prince Edward Island, Northwest Territories, Nunavut or Yukon and is purchasing more than \$10,000 worth of Units, the Subscriber has concurrently executed and delivered the “Eligible Investor” Status Certificate, attached as Schedule “A” to this Subscription Agreement and all applicable Appendices to Schedule “A”;
 - (vi) that the Subscriber knows that he/she/it is purchasing the Units pursuant to prospectus and registration exemptions under the Securities Laws and, as a consequence:
 - (A) he/she/it is restricted from using most of the civil remedies available under securities legislation;
 - (B) he/she/it may not receive information that would otherwise be required to be provided to him/her under securities legislation; and
 - (C) the Trust is relieved from certain obligations that would otherwise apply under the Securities Legislation;
 - (vii) that the Subscriber has received and reviewed the Offering Memorandum and has concurrently executed and delivered to the Trust a Risk Acknowledgement Form, in the form attached hereto as Appendix 2 to Schedule “A” to this Subscription Agreement;

- (viii) that the Subscriber has relied solely upon the Offering Memorandum and not upon any other verbal or written representation as to fact or otherwise made by or on behalf of the Trust except as expressly set forth herein;
 - (ix) that the Subscriber acknowledges that:
 - (A) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Units;
 - (B) there are risks associated with the purchase of the Units;
 - (C) all of the Unitholders will rank *pari passu* amongst themselves;
 - (D) there are restrictions on the Subscriber's ability to resell the Units and it is the responsibility of the Subscriber to find out what those restrictions are and to comply with them before selling the Units; and
 - (E) the certificates evidencing the Units shall bear a legend referring to such restrictions on resale and neither the Trust nor any transfer agent of the Trust will register any transfer of such securities not made in compliance with such restrictions on resale;

but subject nevertheless to the requirement that he/she/it will not resell the Units except in accordance with applicable securities legislation and applicable stock exchange rules;
 - (x) that the Subscriber has such knowledge in financial and business affairs as to be capable of evaluating the merits and risks of his/her/its investment and is able to bear the economic risk of loss of his/her/its entire investment;
 - (xi) that the Subscriber acknowledges that he/she/it is aware of the characteristics of the Units, the risks relating to an investment therein and of the fact that he/she/it may not be able to resell the Units except in accordance with limited exemptions under applicable securities legislation and regulatory policy until expiry of the applicable restricted period. The Subscriber acknowledges that the Trust is not a reporting issuer or equivalent in any jurisdiction, thus, the applicable hold period may never expire, and if no further exemption may be relied upon and if no discretionary order is obtained, the Subscriber could be required to hold the Units for an indefinite period of time. The Subscriber further acknowledges that he/she/it has been advised by the Trust to consult his/her/its own legal counsel in the jurisdiction of residence for full particulars of resale restrictions applicable to him/her/it;
 - (xii) that the Subscriber is not a non-resident of Canada for the purposes of the Tax Act; and
 - (xiii) none of the funds the Subscriber is using to purchase the Units are, to the knowledge of the Subscriber, proceeds obtained or derived, directly or indirectly, as a result of illegal activities.
- (b) The Subscriber hereby undertakes that the Subscriber will not resell the Units purchased hereunder except in compliance with applicable securities legislation and only with approval of the Trustees of the Trust.
 - (c) The Subscriber hereby undertakes to execute, deliver, file and otherwise assist the Trust in filing, such reports, undertakings and other documents with respect to the issue, holding and resale of the Units as may be required (including pursuant to the Tax Act and Securities Laws).
 - (d) The Subscriber agrees that the above representations, warranties and covenants will be true and correct both as of the execution of this Agreement and as of the Closing and will survive the completion of the issuance of the Units. The Subscriber agrees to indemnify the Trustees and the Trust and its directors and officers against all losses, claims, costs, expenses and damages

or liabilities which any of them may suffer or incur, caused or arising from reliance thereon. The Subscriber further undertakes to immediately notify the Trust at 1101 Prince of Wales Drive, Ottawa, ON CANADA K2C 3W7, Attention: Aurele Simourd or John Cathrae of any change in any statement or other information relating to the Subscriber set forth herein which takes place prior to the Closing.

(e) The Subscriber acknowledges and consents to:

- (i) the fact that the Trust is collecting personal information of the Subscriber including information provided by the Subscriber on the cover page and in the appendices, schedules and forms forming part of this Agreement ("**Personal Information**");
- (ii) the Trust and its respective agents and legal counsel will retain such Personal Information for as long as permitted or required by law or business practices;
- (iii) the disclosure of Personal Information by the Trust to securities regulatory authorities (the "**Commissions**"), the registrar and transfer agent, their legal counsel and any other party involved in the purchase and sale of the Units;
- (iv) the collection, use and disclosure of Personal Information by the Trust, its agents and the Commissions from time to time; and
- (v) the collection, use and disclosure of Personal Information by the Commissions for the purposes of the administration and enforcement of the securities legislation of the jurisdiction of each Commission.

The Subscriber has been advised that if it has questions about the indirect collection of Personal Information by the Ontario Securities Commission, please contact the Administrative Assistant to the Director of Corporate Finance, Suite 1903, Box 5520, Queen Street West, Toronto, Ontario, M5J 2S8, Telephone: 416.593.8086.

3. LEGENDS

For the purposes of complying with applicable Securities Laws, including National Instrument 45-102 *Resale of Securities*, the Subscriber understands and acknowledges that the certificates representing the Purchased Securities will bear the following legend:

"Unless permitted under securities legislation you cannot trade the securities before the date that is 4 months and a day after the date the Trust becomes a reporting issuer in any province or territory of Canada."

4. REPRESENTATIONS AND WARRANTIES OF THE TRUST

The Trust represents and warrants to and for the benefit of the Subscriber (and acknowledges that the Subscriber is relying thereon) that:

- (a) the Trust has been duly formed and organized, and is a valid and subsisting trust, under the laws of the Province of British Columbia;
- (b) the Trustees of the Trust, have the full right, power and authority to execute and deliver this Agreement and to authorize the issuance of the Offered Securities to the Subscriber;
- (c) all necessary corporate action will have been taken by the relevant Closing Date to authorize the issue and sale of, and the delivery of certificates representing, the Offered Securities and, upon payment of the requisite consideration for such Offered Securities, the Units will be validly issued as fully paid and non-assessable;
- (d) this Agreement constitutes a binding obligation of the Trust enforceable in accordance with its terms; and

- (e) the execution and delivery of, and the performance of the terms of the Agreement by the Trust, including the issue of the Purchased Securities described herein do not constitute a breach of, or default under, the declaration of trust of the Trust or any law, regulation, order or ruling applicable to the Trust or any agreement, contract or indenture to which the Trust is a party or by which it is bound.

5. CLOSING

The closing of the Offered Securities will be completed at the offices of Miller Thomson LLP in Calgary, Alberta at 11:00 a.m. (Calgary time) (the “**Closing Time**”), which will take place periodically at the Trust’s sole discretion of the Trustees of the Trust, with the initial closing set for February 28, 2017, or at such other time as determined by the Trust.

6. GENERAL TERMS

- (a) This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein, without reference to conflicts of law.
- (b) This Agreement shall be subject to the approval of all securities and regulatory authorities having jurisdiction.
- (c) The Trustees of the Trust will have the right to accept or reject the Subscriber's subscription in whole or in part at any time prior to Closing. Notwithstanding the foregoing, the Subscriber acknowledges and agrees that the acceptance of this Agreement will be conditional, among other things, upon the sale of the Units to the Subscriber being exempt from any prospectus requirements of applicable Securities Laws.
- (d) This Agreement may be executed in several counterparts each of which when so executed shall be deemed to be an original, and such counterparts shall constitute one and the same instrument and notwithstanding the date of execution shall be deemed to bear date as of the date of this Agreement. This Agreement shall be considered properly executed by any party if executed and transmitted by facsimile or executed, scanned and sent by electronic mail to the other party or its solicitors and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.
- (e) The Subscriber agrees that the Trust and the Trustees of the Trust will not be liable for any misrepresentation if the Subscriber purchased Offered Securities with knowledge of the misrepresentation; and in any event, in an action for damages, the Trust and the Trustees of the Trust is not liable for all or any portion of such damages that do not represent the depreciation in value of Purchased Securities as a result of the misrepresentation relied upon.
- (f) The Subscriber agrees that in no case shall the Trust and the Trustees of the Trust be liable for the amount recoverable as a result of a breach of the representations and warranties in this Agreement in excess of the price at which Purchased Securities were sold to the Subscriber.
- (g) This Agreement represents the entire agreement of the parties hereto relating to the subject matter hereof and there are no representations, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein.
- (h) The Subscriber hereby consents to the collection, use and disclosure by the Trust and its authorized agents and representatives of the Subscriber's personal information set forth herein (“**Personal Information**”) to enable the Trust to fulfill its regulatory and reporting requirements and recognizes that this disclosure may result in the disclosure of some or all of the Personal Information becoming public information and, without limiting the foregoing, consents to the disclosure of such Personal Information to the Trust's authorized agents and representatives; securities commissions and/or other regulatory agencies in any jurisdiction in which the rules and requirements of such body may require such reporting; or as may be required or permitted by law.

- (i) In order to permit the Trust to comply with the requirements of Personal Information Protection and Electronic Documents (Canada) ("**PIPEDA**"), the Subscriber expressly consents to the disclosure by the Trust in any submission or filing that the Trust may be required to make with any applicable regulatory authority of any Personal Information.
- (j) The funds representing the aggregate Subscription Price which will be advanced by the Subscriber to the Trust hereunder will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) Act* (Canada) (the "**PCMLTFA**") and the Subscriber, acknowledges that the Trust may in the future be required by law to disclose the name of the Subscriber and other information relating to this Subscription Agreement and the subscription of the Subscriber hereunder, on a confidential basis, pursuant to the PCMLTFA. To the best of its knowledge: (i) none of the subscription funds to be provided by the Subscriber: (A) have been or will be derived from or related to any activity that is deemed criminal under the law of Canada, the United States of America, or any other jurisdiction; or (B) are being tendered on behalf of a person or entity who has not been identified to the Subscriber; and (ii) it shall promptly notify the Trust if the Subscriber discovers that any of such representations ceases to be true, and provide the Trust with appropriate information in connection therewith.
- (k) Should the Subscriber's subscription payment be submitted to the Trust's lawyers, in trust or otherwise, then the Subscriber agrees that the solicitors shall have no accountability to the Subscriber whatsoever, and acknowledges that the solicitors are merely depositing recipients for the Trust and have no solicitor's obligations of any nature whatsoever to the Subscriber. The Subscriber agrees that submission of the payment to the solicitors in trust is to be deposited into the account of the Trust at closing and shall be the sole and exclusive property of the Trust at that point. The only duty the solicitors shall have to the Subscriber is to deliver the subscription agreement (as delivered) and the subscription monies to the Trust, and the solicitors shall require no further instruction from the Subscriber in order to deliver the same to the Trust. Under no circumstances shall the Trust's solicitors be considered to be giving legal or other advice or services to the Subscriber and no communication between the Subscriber and such solicitors shall be considered advice (at the most only administrative subscription assistance on behalf of the Trust) but the Subscriber shall rely solely and exclusively on his own judgment and the advice of his/her/its own independent legal counsel.
- (l) Time is of the essence hereof.
- (m) This Subscription Agreement represents the entire agreement of the parties hereto relating to the subject matter hereof and there are no representations, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein.
- (n) The covenants, representations and warranties contained herein shall survive the closing of the transactions contemplated hereby.
- (o) In this Subscription Agreement (including attachments), references to "\$" or "Cdn. \$" are to Canadian dollars.
- (p) Wherever the singular, plural, masculine, feminine or neuter is used throughout this Agreement the same shall be construed as meaning the singular, plural, masculine, feminine, neuter, body politic or body corporate where the fact or context so requires and the provisions hereof and all covenants herein shall be construed to be joint and several when applicable to more than one party.

**SCHEDULE "A" TO SUBSCRIPTION AGREEMENT OF THE VINEYARDS COMMUNITY
KELOWNA TRUST**

"INVESTOR" STATUS CERTIFICATE

TO: THE VINEYARDS COMMUNITY KELOWNA TRUST (THE "TRUST")

In connection with the purchase by the undersigned or the disclosed principal, as the case may be (the "**Purchaser**") of the Class A Units (the "**Purchased Securities**") of the Trust the undersigned hereby represents, warrants, covenants to and certifies to the Trust and its legal counsel (on behalf of itself or on behalf of the disclosed principal, as the case may be) that:

- (a) the Purchaser:
 - (i) is a resident of Manitoba, Northwest Territories, Nunavut, Prince Edward Island or Yukon, is subject to the Securities Laws of one of those jurisdictions and is purchasing more than \$10,000 of Units;
 - (ii) is a resident in Alberta, New Brunswick, Nova Scotia, Ontario, Quebec or Saskatchewan, is subject to the Securities Laws of one of those jurisdictions and if the Subscriber is an individual, the acquisition cost of all securities acquired upon reliance on Section 2.9 of NI 45-106 by the Purchaser in the preceding twelve (12) months shall not exceed the following amounts:
 - (A) \$30,000; or
 - (B) \$100,000 if the Purchaser has received advice from a portfolio manager, investment dealer or exempt market dealer that the investment is suitable, \$100,000;
 - (iii) is an "**eligible investor**" within the meaning of National Instrument 45-106 *Prospectus Exemptions*, by virtue of satisfying the indicated criterion as set out in Appendix 1 to this certificate (**you must also initial Appendix 1 to this Certificate**);
 - (iv) has received and reviewed the Offering Memorandum prepared in accordance with NI 45-106, is purchasing the Units, as principal, and has reviewed and duly completed the Risk Acknowledgement Form attached hereto as Appendix 2 (**you must also complete Appendix 2 to this Certificate**);
 - (v) if the Purchaser is an individual, has reviewed and duly completed Schedule 1 and Schedule 2 to the Risk Acknowledgment Form attached hereto as Appendix 2 (**if you are an individual, you must also complete Schedule 1 and Schedule 2 to Appendix 2 to this Certificate**)
- (b) is an "accredited investor" within the meaning of National Instrument 45-106 Prospectus Exemptions, by virtue of satisfying the indication criterion as set out in Appendix 1 to this certificate (**you must also initial Appendix 3 and, if you are an individual initialling next to a paragraph other than j.1 in Appendix 3, completed Appendix 4 to this certificate**);
- (c) the above representations, warranties and covenants will be true and correct both as of the execution of this certificate and as of the closing time of the purchase and sale of the Purchased Securities and will survive the completion of the issue of the Purchased Securities; and

- The rest of this page has been intentionally left blank. -

- (d) the foregoing representations, warranties and covenants are made by the undersigned with the intent that they be relied upon in determining the suitability of the undersigned as a purchaser of the Purchased Securities and the undersigned undertakes to immediately notify the Trust of any change in any statement or other information relating to the Purchaser set forth herein which takes place prior to the closing time of the purchase and sale of the Purchased Securities.

DATED at _____ in the Province of _____ this ____ day of _____, 201____.

Print Name of Purchaser

Authorized Signature

Name and Title (if applicable)

APPENDIX 1 TO SCHEDULE "A"

ELIGIBLE INVESTOR REPRESENTATION LETTER

[Mark below the category or categories which describes you]

- _____ (a) a person whose
- (i) net assets, alone or with a spouse, in the case of an individual, exceed \$400,000;
 - (ii) net income before taxes exceeded \$75,000 in each of the two most recent calendar years and who reasonably expects to exceed that income level in the current calendar year; or
 - (iii) net income before taxes, alone or with a spouse, in the case of an individual, exceeded \$125,000 in each of the two most recent calendar years and who reasonably expects to exceed that income level in the current calendar year;
- _____ (b) a person of which a majority of the voting securities are beneficially owned by eligible investors or a majority of the directors are eligible investors;
- _____ (c) a general partnership in which all of the partners are eligible investors;
- _____ (d) a limited partnership of which the majority of the general partners are eligible investors;
- _____ (e) a trust or estate in which all of the beneficiaries or a majority of the trustees or executors are eligible investors;
- _____ (f) an accredited investor;
- _____ (g) a person described in section 2.5 of NI 45-106 [*Family, friends and business associates*]; or
- _____ (h) in Manitoba, Northwest Territories, Nunavut, Prince Edward Island and Yukon, a person that has obtained advice regarding the suitability of the investment and, if the person is resident in a jurisdiction of Canada, that advice has been obtained from _____ **[insert name]**, an eligibility adviser, as defined in NI 45-106.

APPENDIX 2 TO SCHEDULE "A"

"Accredited Investor" - (as defined in National Instrument 45-106) means **(Please initial the appropriate line):**

- _____ (a) except in Ontario, a **Canadian financial institution**, or a Schedule III Bank,
- _____ (b) except in Ontario, the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada),
- _____ (c) except in Ontario, a **subsidiary** of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary,
- _____ (d) except in Ontario, a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer,
- _____ (e) an individual registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d),
- _____ (e.1) an individual formerly registered under the securities legislation of a jurisdiction of Canada, other than an individual formerly registered solely as a representative of a limited market dealer under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador),
- _____ (f) except in Ontario, the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada,
- _____ (g) except in Ontario, a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec,
- _____ (h) except in Ontario, any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government,
- _____ (i) except in Ontario, a pension fund that is regulated by the Office of the Superintendent of Financial Institutions (Canada), a pension commission or similar regulatory authority of a jurisdiction of Canada,
- _____ (j) an individual who, either alone or with a **spouse**, beneficially owns **financial assets** having an aggregate realizable value that, before taxes, but net of any **related liabilities**, exceeds \$1,000,000,
- _____ (j.1) an individual who beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$5,000,000,
- _____ (k) an individual whose net income before taxes exceeded \$200,000 in each of the 2 most recent years or whose net income before taxes combined with that of a **spouse** exceeded \$300,000 in each of the 2 most recent years and who, in either case, reasonably expects to exceed that net income level in the current calendar year,
- _____ (l) an individual who, either alone or with a spouse, has net assets of at least \$5,000,000,
- _____ (m) a person, other than an individual or **investment fund**, that has net assets of at least \$5,000,000 as shown on its most recently prepared financial statements (other than a person created or used solely to purchase or hold securities as an accredited investor),
- _____ (n) an investment fund that distributes or has distributed its securities only to:
 - (i) a person that is or was an accredited investor at the time of the distribution,
 - (ii) a person that acquires or acquires or acquired securities in the circumstances referred to in sections 2.10 "*Minimum amount investment*", or 2.19

"Additional investment in investment funds", or

- (iii) a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 "Investment fund reinvestment",

- _____ (o) an **investment fund** that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Quebec, the securities regulatory authority, has issued a receipt,
- _____ (p) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a **fully managed account** managed by the trust company or trust corporation, as the case may be,
- _____ (q) a person or company trading as agent on behalf of a **fully managed account** managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction,
- _____ (r) a registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an **eligibility adviser** or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded,
- _____ (s) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) and paragraph (i) in form and function,
- _____ (t) a person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors,
- _____ (u) an **investment fund** that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser,
- _____ (v) a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Quebec, the regulator as an accredited investor, or
- _____ (w) a trust established by an accredited investor for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's spouse, a former spouse of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of that accredited investor, of the accredited investor's spouse or of that accredited investor's former spouse.

NOTE: The purchaser should initial beside the portion of the above definition applicable to it/him/her.

For the purposes hereof:

- (a) "**consultant**" means, for an issuer, a person, other than an employee, executive officer, or director of the issuer or of a related entity of the issuer that (a) is engaged to provide services to the issuer or a related entity of the issuer, other than services provided in relation to a distribution, (b) provides the services under a written contract with the issuer or a related entity of the issuer, and (c) spends or will spend a significant amount of time and attention on the affairs and business of the issuer or a related entity of the issuer.
- (b) "**control person**" has the meaning ascribed to that term in the securities legislation except in Manitoba, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island and Quebec where control person means any person that holds or is one of a combination of persons that holds (a) a sufficient number of any of the securities of an issuer so as to affect materially the control of the issuer, or (b) more

than 20% of the outstanding voting securities of the issuer except where there is evidence showing that the holdings of those securities does not affect materially the control of the Corporation.

- (c) "*Canadian financial institution*" means (a) an association governed by the Cooperative Credit Associations Act (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act, or (b) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada.
- (d) "*director*" means (a) a member of the board of directors of a company or an individual who performs similar functions for a company, and (b) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company.
- (e) "*executive officer*" means, for an issuer, an individual who is (a) a chair, vice-chair or president, (b) a vice-president in charge of a principal business unit, division or function including sales, finance or production, (c) an officer of the issuer or any of its subsidiaries and who performs a policy-making function in respect of the issuer, or (d) performing a policy-making function in respect of the issuer.
- (f) "*financial assets*" means cash, securities or a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation.
- (g) "*founder*" means, in respect of the issuer means a person who,
 - (i) acting alone, in conjunction, or in concert with one or more other persons or companies, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and
 - (ii) at the time of the proposed trade, is actively involved in the business of the issuer.
- (h) "*fully managed account*" means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client's express consent to a transaction.
- (x) "*investment fund*" means a mutual fund or a **non-redeemable investment fund**, and, for greater certainty in British Columbia, includes an employee venture capital corporation and a venture capital corporation as such terms are defined in National Instrument 81-106 - *Investment Fund Continuous Disclosure*.
- (y) "*non-redeemable investment fund*" means an issuer:
 - (i) those primary purpose is to invest money provided by its security holders,
 - (ii) that does not invest, (i) for the purpose of exercising or seeking to exercise control of an issuer, other than an issuer that is a mutual fund or a non--redeemable investment fund, or (ii) for the purpose of being actively involved in, the management of any issuer in which it invests, other than an issuer that is a mutual fund or a non-redeemable investment fund, and
 - (iii) that is not a mutual fund.
- (z) "*related liabilities*" means:
 - (i) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or

- (ii) liabilities that are secured by financial assets.
- (aa) "spouse" means, an individual who:
 - (i) is married to another individual and is not living separate and apart within the meaning of the Divorce Act (Canada), from the other individual,
 - (ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or
 - (iii) in Alberta, is an individual referred to in paragraph (a) or (b), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta).
- (bb) "subsidiary" means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary.

Affiliates and Control

1. An issuer is considered to be an affiliate of another issuer if:
 - (a) one of them is the subsidiary of the other, or
 - (b) each of them is controlled by the same person.
2. A person (first person) is considered to control another person (second person) if:
 - (a) the first person, directly or indirectly, beneficially owns or exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation;
 - (b) the second person is a partnership, other than a corporation, and the first person holds more than 50% of the interests of the partnership; or
 - (c) the second person is a limited partnership and the general partner of the limited partnership is the first person.

Appendix 3 to Schedule "A"

Form 45-106F9

Form for Individual Accredited Investors

WARNING!

This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.

SECTION 1 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
1. About your investment	
Type of securities: Units	Issuer: THE VINEYARDS COMMUNITY KELOWNA TRUST
Purchased from: The Vineyards Community Kelowna Trust	
SECTIONS 2 TO 4 TO BE COMPLETED BY THE PURCHASER	
2. Risk acknowledgement	
This investment is risky. Initial that you understand that:	Your initials
Risk of loss – You could lose your entire investment of \$ _____. <i>[Instruction: Insert the total dollar amount of the investment.]</i>	
Liquidity risk – You may not be able to sell your investment quickly – or at all.	
Lack of information – You may receive little or no information about your investment.	
Lack of advice – You will not receive advice from the salesperson about whether this investment is suitable for you unless the salesperson is registered. The salesperson is the person who meets with, or provides information to, you about making this investment. To check whether the salesperson is registered, go to www.aretheyregistered.ca .	
3. Accredited investor status	
You must meet at least one of the following criteria to be able to make this investment. Initial the statement that applies to you. (You may initial more than one statement.) The person identified in section 6 is responsible for ensuring that you meet the definition of accredited investor. That person, or the salesperson identified in section 5, can help you if you have questions about whether you meet these criteria.	Your initials
• Your net income before taxes was more than \$200,000 in each of the 2 most recent calendar years, and you expect it to be more than \$200,000 in the current calendar year. (You can find your net income before taxes on your personal income tax return.)	
• Your net income before taxes combined with your spouse's was more than \$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than \$300,000 in the current calendar year.	
• Either alone or with your spouse, you own more than \$1 million in cash and securities, after subtracting any debt related to the cash and securities.	
• Either alone or with your spouse, you have net assets worth more than \$5 million. (Your net assets are your total assets (including real estate) minus your total debt.)	
4. Your name and signature	
By signing this form, you confirm that you have read this form and you understand the risks of making this	

investment as identified in this form.	
First and last name (please print):	
Signature: _____	Date: _____
SECTION 5 TO BE COMPLETED BY THE SALESPERSON	
5. Salesperson information	
First and last name of salesperson (please print):	
Telephone: _____	Email: _____
Name of firm (if registered):	
SECTION 6 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
6. For more information about this investment	
<p style="text-align: center;"> The Vineyards Community Kelowna Trust c/o Miller Thomson LLP 3000, 700 – 9 Avenue SW Calgary, AB, Canada T2P 3V4 <u>Attention: Darren M. Smits or Aliesha Stuart</u> E-mail: dsmits@millerthomson.com </p> <p>For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at www.securities-administrators.ca.</p>	

**SCHEDULE "B" TO SUBSCRIPTION AGREEMENT OF THE VINEYARDS COMMUNITY
KELOWNA TRUST**

RISK ACKNOWLEDGMENT FORM 45-106F4

<p style="text-align: center;">RISK ACKNOWLEDGEMENT</p> <ul style="list-style-type: none">• I acknowledge that this is a risky investment.• I am investing entirely at my own risk.• No securities regulatory authority has evaluated or endorsed the merits of these securities or the disclosure in the offering memorandum.• I will not be able to sell these securities except in very limited circumstances. I may never be able to sell these securities.• I could lose all the money I invest. <p>I am investing \$_____ [total consideration] in total; this includes any amount I am obliged to pay in future. The Issuer will pay up to _____% of this to _____ [name of person selling securities] as a fee or commission.</p> <p>I acknowledge that this is a risky investment and that I could lose all the money I invest.</p> <table style="width: 100%; margin-top: 20px;"><tr><td style="width: 50%; border-bottom: 1px solid black; height: 20px;">Date</td><td style="width: 50%; border-bottom: 1px solid black; height: 20px;">Signature of Purchaser</td></tr><tr><td style="border-bottom: 1px solid black; height: 20px;"></td><td style="border-bottom: 1px solid black; height: 20px;">Print Name of Purchaser</td></tr><tr><td style="border-bottom: 1px solid black; height: 20px;"></td><td style="border-bottom: 1px solid black; height: 20px;">Signature of Purchaser</td></tr><tr><td style="border-bottom: 1px solid black; height: 20px;"></td><td style="border-bottom: 1px solid black; height: 20px;">Print Name of Purchaser</td></tr></table> <p style="text-align: center; margin-top: 20px;">Sign two (2) copies of this document. Keep one (1) copy for your records</p>	Date	Signature of Purchaser		Print Name of Purchaser		Signature of Purchaser		Print Name of Purchaser	WARNING
Date	Signature of Purchaser								
	Print Name of Purchaser								
	Signature of Purchaser								
	Print Name of Purchaser								

You have two (2) business days to cancel your purchase. To do so, send a notice to The Vineyards Community Kelowna Trust stating that you want to cancel your purchase. You must send the notice before midnight on the second (2nd) business day after you sign the agreement to purchase the securities. You can send the notice by fax or deliver it in person to The Vineyards Community Kelowna Trust at its business address. Keep a copy of the notice for your records.

The Vineyards Community Kelowna Trust
C/O Miller Thomson LLP
3000, 700 – 9th Avenue, S.W.
Calgary, AB Canada T2P 3V4
Attention: Darren M. Smits or Aliesha Stuart
Fax: (403) 262-0007
E-mail: dsmits@millerthomson.com

with a copy to:
Sussex Retirement Living (2015) Inc.
1101 Prince of Wales Drive,
Ottawa, ON Canada K2C 3W7
Phone: 613-739-8538
Toll Free: 888-244-1557

E-mail: asimourd@sussexrl.com or jcathrae@sussexrl.com

You are buying Exempt Market Securities

They are called exempt market securities because two parts of securities law do not apply to them. If an issuer wants to sell exempt market securities to you:

- the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and
- the securities do not have to be sold by an investment dealer registered with a securities regulatory authority.

There are restrictions on your ability to resell exempt market securities. Exempt market securities are more risky than other securities.

You will receive an offering memorandum

Read the offering memorandum carefully because it has important information about the issuer and its securities. Keep the offering memorandum because you have rights based on it. Talk to a lawyer for details about these rights.

You will not receive advice

You will not get professional advice about whether the investment is suitable for you. But you can still seek that advice from a registered adviser or investment dealer. In Manitoba, Northwest Territories, Nunavut, Prince Edward Island and Yukon to qualify as an eligible investor, you may be required to obtain that advice.

The securities you are buying are not listed

The securities you are buying are not listed on any stock exchange, and they may never be listed. You may never be able to sell these securities.

The issuer of your securities is a non-reporting issuer

A non-reporting issuer does not have to publish financial information or notify the public of changes in its business. You will not receive ongoing information about this issuer.

For more information on the exempt market, call your local securities commission.

Alberta Securities Commission
600, 250 - 5th Street S.W.
Calgary, Alberta T2P 0R4
Phone: (403) 297-6454
www.albertasecurities.com

British Columbia Securities Commission
P.O. Box 1042 Pacific Centre
701 West Georgia Street
Vancouver, BC V7Y 1L2
Phone: (604) 899-6500
www.bcsc.bc.ca

The Manitoba Securities Commission
1130 - 405 Broadway
Winnipeg, Manitoba R3C 3L6
Phone: (204) 945-2548
www.msc.gov.mb.ca

Saskatchewan Financial and Consumer Affairs
Authority
Suite 601, 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2
Phone: (306) 787-5645
<http://www.sfsc.gov.sk.ca>

Ontario Securities Commission
Suite 1903, Box 55, 20 Queen Street West
Toronto, Ontario M5H 3S8
Phone: (416) 593-8314
www.osc.gov.on.ca

New Brunswick Securities Commission
Suite 606, 133 Prince William Street
Saint John, New Brunswick E2L 2B5
Phone: (506) 658-3060; Fax: (506) 658-3059

Nova Scotia Securities Commission
2nd Floor, Joseph Howe Building 1690 Hollis Street
Halifax, Nova Scotia B3J 3J9
Phone: (902) 424-7768; Fax: (902) 424-4625

Prince Edward Island Securities Office
95 Rochford Street, PO Box 2000
Charlottetown, Prince Edward Island C1A 7N8
Phone: (902) 368-4569; Fax: (902) 368-5283

Securities Commission of Newfoundland and
Labrador
PO Box 8700, 2nd Floor West
Block Confederation Building
St. John's, Newfoundland and Labrador A1B 4J6
Phone: (709) 729-4189; Fax: (709) 729-6187

Government of Yukon
Department of Community Services Law Centre
3rd Floor 2130 Second Avenue
Whitehorse, Yukon Y1A 5H6
Phone: (867) 667-5314; Fax: (867) 393-6251

Government of Northwest Territories Department of
Justice Securities Registry
1st Floor Stuart M. Hodgson Building
5009 - 49th Street
Yellowknife, Northwest Territories X1A 2L9
Phone: (867) 920-3318; Fax: (867) 873-0243

Government of Nunavut
Department of Justice Legal Registries Division
PO Box 1000 - Station 570
1st Floor, Brown Building
Iqaluit, Nunavut X0A 0H0
Phone: (867) 975-6190; Fax: (867) 975-6194

**SCHEDULE "B" TO SUBSCRIPTION AGREEMENT OF THE VINEYARDS COMMUNITY
KELOWNA TRUST**

RISK ACKNOWLEDGMENT FORM 45-106F4

<p style="text-align: center;">RISK ACKNOWLEDGEMENT</p> <ul style="list-style-type: none">• I acknowledge that this is a risky investment.• I am investing entirely at my own risk.• No securities regulatory authority has evaluated or endorsed the merits of these securities or the disclosure in the offering memorandum.• I will not be able to sell these securities except in very limited circumstances. I may never be able to sell these securities.• I could lose all the money I invest. <p>I am investing \$_____ [total consideration] in total; this includes any amount I am obliged to pay in future. The Issuer will pay up to _____% of this to _____ [name of person selling securities] as a fee or commission.</p> <p>I acknowledge that this is a risky investment and that I could lose all the money I invest.</p> <table style="width: 100%; margin-top: 20px;"><tr><td style="width: 50%; border-bottom: 1px solid black; height: 20px;"></td><td style="width: 50%; border-bottom: 1px solid black; height: 20px;"></td></tr><tr><td>Date</td><td>Signature of Purchaser</td></tr><tr><td style="border-bottom: 1px solid black; height: 20px;"></td><td style="border-bottom: 1px solid black; height: 20px;"></td></tr><tr><td></td><td>Print Name of Purchaser</td></tr><tr><td style="border-bottom: 1px solid black; height: 20px;"></td><td style="border-bottom: 1px solid black; height: 20px;"></td></tr><tr><td></td><td>Signature of Purchaser</td></tr><tr><td style="border-bottom: 1px solid black; height: 20px;"></td><td style="border-bottom: 1px solid black; height: 20px;"></td></tr><tr><td></td><td>Print Name of Purchaser</td></tr></table> <p style="text-align: center; margin-top: 20px;">Sign two (2) copies of this document. Keep one (1) copy for your records</p>			Date	Signature of Purchaser				Print Name of Purchaser				Signature of Purchaser				Print Name of Purchaser	WARNING
Date	Signature of Purchaser																
	Print Name of Purchaser																
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	Print Name of Purchaser																

You have two (2) business days to cancel your purchase. To do so, send a notice to The Vineyards Community Kelowna Trust stating that you want to cancel your purchase. You must send the notice before midnight on the second (2nd) business day after you sign the agreement to purchase the securities. You can send the notice by fax or deliver it in person to The Vineyards Community Kelowna Trust at its business address. Keep a copy of the notice for your records.

The Vineyards Community Kelowna Trust
C/O Miller Thomson LLP
3000, 700 – 9th Avenue, S.W.
Calgary, AB Canada T2P 3V4
Attention: Darren M. Smits or Aliesha Stuart
Fax: (403) 262-0007
E-mail: dsmits@millerthomson.com

with a copy to:
Sussex Retirement Living (2015) Inc.
1101 Prince of Wales Drive,
Ottawa, ON Canada K2C 3W7
Phone: 613-739-8538

Toll Free: 888-244-1557

E-mail: asimourd@sussexrl.com or jcathrae@sussexrl.com

You are buying Exempt Market Securities

They are called exempt market securities because two parts of securities law do not apply to them. If an issuer wants to sell exempt market securities to you:

- the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and
- the securities do not have to be sold by an investment dealer registered with a securities regulatory authority.

There are restrictions on your ability to resell exempt market securities. Exempt market securities are more risky than other securities.

You will receive an offering memorandum

Read the offering memorandum carefully because it has important information about the issuer and its securities. Keep the offering memorandum because you have rights based on it. Talk to a lawyer for details about these rights.

You will not receive advice

You will not get professional advice about whether the investment is suitable for you. But you can still seek that advice from a registered adviser or investment dealer. In Manitoba, Northwest Territories, Nunavut, Prince Edward Island and Yukon to qualify as an eligible investor, you may be required to obtain that advice.

The securities you are buying are not listed

The securities you are buying are not listed on any stock exchange, and they may never be listed. You may never be able to sell these securities.

The issuer of your securities is a non-reporting issuer

A non-reporting issuer does not have to publish financial information or notify the public of changes in its business. You will not receive ongoing information about this issuer.

For more information on the exempt market, call your local securities commission.

Alberta Securities Commission
600, 250 - 5th Street S.W.
Calgary, Alberta T2P 0R4
Phone: (403) 297-6454
www.albertasecurities.com

British Columbia Securities Commission
P.O. Box 1042 Pacific Centre
701 West Georgia Street
Vancouver, BC V7Y 1L2
Phone: (604) 899-6500
www.bcsc.bc.ca

The Manitoba Securities Commission
1130 - 405 Broadway
Winnipeg, Manitoba R3C 3L6
Phone: (204) 945-2548
www.msc.gov.mb.ca

Saskatchewan Financial and Consumer Affairs
Authority
Suite 601, 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2
Phone: (306) 787-5645
<http://www.sfsc.gov.sk.ca>

Ontario Securities Commission
Suite 1903, Box 55, 20 Queen Street West
Toronto, Ontario M5H 3S8
Phone: (416) 593-8314
www.osc.gov.on.ca

New Brunswick Securities Commission
Suite 606, 133 Prince William Street
Saint John, New Brunswick E2L 2B5
Phone: (506) 658-3060; Fax: (506) 658-3059

Nova Scotia Securities Commission
2nd Floor, Joseph Howe Building 1690 Hollis Street
Halifax, Nova Scotia B3J 3J9
Phone: (902) 424-7768; Fax: (902) 424-4625

Prince Edward Island Securities Office
95 Rochford Street, PO Box 2000
Charlottetown, Prince Edward Island C1A 7N8
Phone: (902) 368-4569; Fax: (902) 368-5283

Securities Commission of Newfoundland and
Labrador
PO Box 8700, 2nd Floor West
Block Confederation Building
St. John's, Newfoundland and Labrador A1B 4J6
Phone: (709) 729-4189; Fax: (709) 729-6187

Government of Yukon
Department of Community Services Law Centre
3rd Floor 2130 Second Avenue
Whitehorse, Yukon Y1A 5H6
Phone: (867) 667-5314; Fax: (867) 393-6251

Government of Northwest Territories Department of
Justice Securities Registry
1st Floor Stuart M. Hodgson Building
5009 - 49th Street
Yellowknife, Northwest Territories X1A 2L9
Phone: (867) 920-3318; Fax: (867) 873-0243

Government of Nunavut
Department of Justice Legal Registries Division
PO Box 1000 - Station 570
1st Floor, Brown Building
Iqaluit, Nunavut X0A 0H0
Phone: (867) 975-6190; Fax: (867) 975-6194

SCHEDULE 1 TO SCHEDULE “B”

Classification of Investors Under the Offering memorandum Exemption

Instructions: This schedule must be completed together with the Risk Acknowledgement Form and Schedule 2 by individuals purchasing securities under the exemption (the offering memorandum exemption) in subsection 2.9(2.1) of National Instrument 45-106 *Prospectus Exemptions* (NI 45-106) in Alberta, New Brunswick, Nova Scotia, Ontario, Québec and Saskatchewan.

How you qualify to buy securities under the offering memorandum exemption		
Initial the statement under A, B, C or D containing the criteria that applies to you. (You may initial more than one statement.) If you initial a statement under B or C, you are not required to complete A.		
A. You are an eligible investor because:		Your initials
Eligible Investor	Your net income before taxes was more than \$75,000 in each of the 2 most recent calendar years, and you expect it to be more than \$75,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Your net income before taxes combined with your spouse's was more than \$125,000 in each of the 2 most recent calendar years, and you expect your combined net income to be more than \$125,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Either alone or with your spouse, you have net assets worth more than \$400,000. (Your net assets are your total assets, including real estate, minus your total debt including any mortgage on your property.)	
B. You are an eligible investor, as a person described in section 2.3 [<i>Accredited investor</i>] of NI 45-106 or, as applicable in Ontario, subsection 7.3(3) of the <i>Securities Act Ontario</i> , because:		Your initials
Accredited Investor	Your net income before taxes was more than \$200,000 in each of the 2 most recent calendar years, and you expect it to be more than \$200,000 in this calendar year. (You can find your net income tax before taxes on your personal income tax return.)	
	Your net income before taxes combined with your spouse's was more than \$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than \$300,000 in the current calendar year.	
	Either alone or with your spouse, you own more than \$1 million in cash and securities, after subtracting any debt related to the cash and securities.	
	Either alone or with your spouse, you have net assets worth more than \$5 million. (Your net assets are your total assets (including real estate) minus your total debt.)	

C. You are an eligible investor, as a person described in section 2.5 <i>[Family, friends and business associates]</i> of NI 45-106, because:		Your initials
Family, Friends and Business Associates	<p>You are:</p> <p>1) <i>[check all applicable boxes]</i></p> <p><input type="checkbox"/> a director of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> an executive officer of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> a control person of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> a founder of the issuer</p> <p>OR</p> <p>2) <i>[check all applicable boxes]</i></p> <p><input type="checkbox"/> a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above</p> <p><input type="checkbox"/> a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above</p>	
	<p>You are a family member of _____</p> <p><i>[Instruction: Insert the name of the person who is your relative either directly or through his or her spouse], who holds the following position at the issuer or an affiliate of the issuer: _____</i></p> <p>You are the _____ of that person or that person's spouse. <i>[Instruction: To qualify for this investment, you must be (a) the spouse of the person listed above or (b) the parent, grandparent, brother, sister, child or grandchild of that person or that person's spouse.]</i></p>	
	<p>You are a close personal friend of _____</p> <p><i>[Instruction: Insert the name of your close personal friend], who holds the following position at the issuer or an affiliate of the issuer: _____</i></p> <p>You have known that person for _____ years.</p>	
	<p>You are a close business associate of _____</p> <p><i>[Instruction: Insert the name of your close business associate], who holds the following position at the issuer or an affiliate of the issuer: _____</i></p> <p>You have known that person for _____ years.</p>	

D. You are not an eligible investor.		Your initials
Not an Eligible Investor	You acknowledge that you are not an eligible investor.	

SCHEDULE 2 TO SCHEDULE “B”

Investment Limits for Investors Under the Offering Memorandum Exemption

Instructions: This schedule must be completed together with the Risk Acknowledgement Form and Schedule 1 by individuals purchasing securities under the exemption (the offering memorandum exemption) in subsection 2.9(2.1) of National Instrument 45-106 *Prospectus Exemptions* (NI 45-106) in Alberta, New Brunswick, Nova Scotia, Ontario, Québec and Saskatchewan.

SECTION 1 TO BE COMPLETED BY THE PURCHASER		
1. Investment limits you are subject to when purchasing securities under the offering memorandum exemption		
<p>You may be subject to annual investment limits that apply to all securities acquired under the offering memorandum exemption in a 12 month period, depending on the criteria under which you qualify as identified in Schedule 1. Initial the statement that applies to you.</p>		
A. You are an eligible investor.		Your initials
Eligible Investor	<p>As an eligible investor that is an individual, you cannot invest more than \$30,000 in all offering memorandum exemption investments made in the previous 12 months, unless you have received advice from a portfolio manager, investment dealer or exempt market dealer, as identified in section 2 of this schedule, that your investment is suitable.</p> <p>Initial one of the following statements:</p>	
	<p>You confirm that, after taking into account your investment of \$_____ today in this issuer, you have not exceeded your investment limit of \$30,000 in all offering memorandum exemption investments made in the previous 12 months.</p>	
	<p>You confirm that you received advice from a portfolio manager, investment dealer or exempt market dealer, as identified in section 2 of this schedule that the following investment is suitable.</p> <p>You confirm that, after taking into account your investment of \$_____ today in this issuer, you have not exceeded your investment limit in all offering memorandum exemption investments made in the previous 12 months of \$100,000.</p>	
B. You are an eligible investor, as a person described in section 2.3 [<i>Accredited investor</i>] of NI 45-106 or, as applicable in Ontario, subsection 7.3(3) of the <i>Securities Act</i> (Ontario).		Your initials
Accredited Investor	<p>You acknowledge that, by qualifying as an eligible investor as a person described in section 2.3 [<i>Accredited investor</i>], you are not subject to investment limits.</p>	

C. You are an eligible investor, as a person described in section 2.5 [<i>Family, friends and business associates</i>] of NI 45-106.		Your initials
Family, Friends and Business Associates	You acknowledge that, by qualifying as an eligible investor as a person described in section 2.5 [<i>Family, friends and business associates</i>], you are not subject to investment limits.	

D. You are not an eligible investor.		Your initials
Not an Eligible Investor	You acknowledge that you cannot invest more than \$10,000 in all offering memorandum exemption investments made in the previous 12 months.	
	You confirm that, after taking into account your investment of \$_____ today in this issuer, you have not exceeded your investment limit of \$10,000 in all offering memorandum exemption investments made in the previous 12 months.	

SECTION 2 TO BE COMPLETED BY THE REGISTRANT	
2. Registrant information	
<i>[Instruction: this section must only be completed if an investor has received advice from a portfolio manager, investment dealer or exempt market dealer concerning his or her investment.]</i>	
First and last name of registrant (please print):	
Registered as: <i>[Instruction: indicate whether registered as a dealing representative or advising representative]</i>	
Telephone:	Email:
Name of firm: <i>[Instruction: indicate whether registered as an exempt market dealer, investment dealer or portfolio manager.]</i>	
Date:	

SCHEDULE "C" – ACKNOWLEDGMENT OF RECEIPT OF OFFERING MEMORANDUM

TO: KELOWNA THE VINEYARDS COMMUNITY KELOWNA FUND

I, _____, the subscriber/an officer or director of the subscriber set forth herein, hereby acknowledge and confirm that I have been provided with, and am in receipt of an Offering Memorandum in relation to Kelowna The Vineyards Community Kelowna Fund dated February 18, 2017.

DATED this ____ day of _____, 20__.

Witness:

Subscriber:

OR

) Subscriber:
)
)
) Per: _____
) Name:
) Title:
) I/We have the authority to bind the corporation