

THE SECURITIES COMMISSION HAS NOT REVIEWED THIS OFFERING MEMORANDUM. NEITHER THE SECURITIES COMMISSION NOR ANY OTHER REGULATORY AUTHORITY MAKES ANY ENDORSEMENT OF THE INVESTMENT OFFERED. IT IS AN OFFENCE FOR ANYONE TO SAY THAT THE SECURITIES COMMISSION OR ANY OTHER REGULATORY AUTHORITY HAS MADE ANY RECOMMENDATIONS IN RESPECT OF THIS OFFER.

OFFERING MEMORANDUM

DATED: December 7, 2011

REALTECH CAPITAL GROUP INC.

#1210-1030 West Georgia Street
Vancouver, British Columbia
V6E 2Y3
("Realtech")

**2,000 MORTGAGE UNITS @ \$1,000 PER UNIT
(MINIMUM SUBSCRIPTION OF \$25,000 (25 UNITS))**

CARRIGAN PLACE APARTMENTS, BURNABY, BRITISH COLUMBIA

Realtech is offering (the "Offering") to investors in British Columbia the opportunity to acquire an interest in a second mortgage loan (the "Loan") granted by WIP Investment Limited Partnership (the "Borrower") in connection with the Carrigan Place Apartments (the "Project") located in Burnaby, B.C. Each investor will acquire mortgage units (the "Mortgage Units") which will consist of an undivided interest in a second mortgage (the "Mortgage") securing the Loan pursuant to which each investor will be entitled to the repayment of the principal amount invested under the Loan and to receive interest on their investment at a rate equal to the Investors' Interest Rate (both as hereinafter defined) (refer to "Summary of Offering – Overview" and "Description of Mortgage"). The Mortgage Units are each priced at \$1,000 and are non-transferable.

This Offering is subject to each investor acquiring a minimum investment of 25 Mortgage Units (\$25,000). Investors may invest up to a total of \$2,000,000, representing the loan amount (the "Loan Amount") advanced or to be advanced by Realtech to the Borrower under the Loan and secured by the Mortgage. Each investor who participates in this Offering will acquire a proportionate interest in the Mortgage equal to the number of Mortgage Units they acquire divided by 2,000 Mortgage Units. The Mortgage will be registered in the name of Realtech Capital Group Inc. Realtech will hold the Mortgage in trust on behalf of the investors in accordance with the terms of a Mortgage Servicing and Trust Agreement to be entered into between Realtech and each investor hereunder (refer to "Mortgage Servicing and Trust Agreement").

The Mortgage Units will be sold pursuant to exemptions from the registration and prospectus requirements under the applicable laws of British Columbia and will be subject to restrictions on resale discussed under the heading "Description of the Offering - Restrictions on resale of the Mortgage Units". **There is not, or may not be, a market for you to sell your investment and there is no assurance that you will be able to find a buyer for this investment at a later date. The Mortgage Units are non-transferable (refer to "Restrictions on Resale of the Mortgage Units").**

This Offering is subject to a minimum subscription level of \$2,000,000, and therefore, any funds received from an investor may be refunded to the investor in the event that the minimum Offering is not subscribed.

An investment in Mortgage Units is a speculative investment involving a high degree of risk, given the nature of the real estate business and Realtech's business, as discussed under the heading "Description of the Offering - Risk Factors". Investors should be aware that this investment has not only the usual risks associated with the financial ability of the Borrower to make repayments but also risks associated with financing real estate and risks associated with syndication. Investors should consult with their professional advisors to assess the income tax, legal and other aspects of this investment.

Subscriptions will be received subject to prior sale and subject to rejection, in whole or in part, by Realtech, prior to closing. Realtech reserves the right to accept or reject subscriptions from any investor. Realtech also reserves the right to close the subscription books at any time, without notice. Realtech is also not obligated to accept any subscription or to accept subscriptions in the order they are received. Interest will not be payable to an investor for monies received prior to acceptance of the subscription by Realtech. If a subscription is rejected, monies received by Realtech will be immediately returned to the investor without interest or deduction.

SUMMARY OF OFFERING

The following is a summary of the principal features of this Offering of interests in the Mortgage to be granted by the Borrower for the Loan.

More detailed information is contained in the body of this Offering Memorandum. Prospective investors are encouraged to carefully review all of the information contained in this Offering Memorandum before making an investment decision.

OVERVIEW

<i>Borrower</i>	WIP Investment Limited Partnership. The business of the Borrower is managed by its sole general partner, WIP Management Corp. and the Land is held in the name of the Trustee, 0921165 B.C. Ltd.
<i>Trustee</i>	0921165 B.C. Ltd.
<i>Lender</i>	Realtech Capital Group Inc., on behalf of a group of investors.
<i>Project</i>	Carrigan Place Apartments
<i>Land</i>	3836 Carrigan Court, Burnaby, BC.
<i>Loan Amount</i>	\$2,000,000
<i>Mortgage Units</i>	\$1,000 each and consisting of an undivided interest in the Mortgage securing the investor's entitlement to repayment of its investment and interest thereon.
<i>Loan Purpose</i>	To provide financing to assist the Borrower with the acquisition and operation of the Project.
<i>Mortgage</i>	A second mortgage over the Land.
<i>Mortgage Term</i>	61 months, from the Advance Date
<i>Priority of Mortgage</i>	Second Mortgage, subordinate to the First Mortgage.
<i>First Mortgage</i>	The first mortgage is a CMHC Insured first mortgage granted to Peoples Trust Company with an approximate outstanding balance of \$5,150,641 at 4.81% through May 2020 (originally a ten year term and a 35 year amortization).
<i>Personal Covenantors for the Mortgage</i>	Mr. Ward Jones.
<i>Corporate Covenantor for the Mortgage</i>	WIP 2009 Investment Corp. and WIP Management Corp.
<i>Mortgage Interest Rate</i>	Eight (8%) percent of the outstanding Loan Amount, accrued daily and paid monthly. After the 60 th month of the term, if the Loan has not been repaid or renewed, the interest rate will increase to Fifteen (15%) Percent of the outstanding Loan Amount, accrued daily and paid monthly. The Limited Partnership has agreed to establish a \$400,000 reserve account (the "Reserve Account") to be held and utilized monthly to cover one half of the monthly mortgage payments during the first 60 months of the term of the Loan. The balance of the monthly mortgage payments will be paid from the cash flow from the Property.
<i>Mortgage Interest</i>	The total interest received by the Lender under the Mortgage, which is paid at the Mortgage Interest Rate.

<i>Investors' Interest Rate</i>	The investors will receive Seven (7%) percent of the outstanding Loan Amount, accrued daily and paid monthly. After the first 60 months of the term, if the Loan has not been repaid or renewed, the Investor's Interest Rate will increase to Eleven (11%) Percent of the outstanding Loan Amount, accrued daily and paid monthly.
<i>Realtech Administration and Servicing Fee</i>	Realtech will receive the difference between the Mortgage Interest Rate and the Investors' Interest Rate, payable monthly, as an administration and servicing fee.
<i>Appraised Value</i>	\$9,535,000 (Altus Group Limited, November 16, 2011)
<i>Loan to Value Ratio</i>	75.0%
<i>Advance Date</i>	There will be one advance of funds on or about December 22, 2011.
<i>Repayment Date</i>	Within 61 months after the Advance Date. The Loan may be repaid without penalty at any time after the 60 th month.
<i>Repayment Terms</i>	It is intended that the Loan will be repaid from the proceeds of a new Second Mortgage or from an equity source.
<i>Commitment Fee</i>	The Borrower has agreed to pay Realtech a commitment fee equal to 2.0% of the Loan Amount.

OFFERING OF MORTGAGE UNITS

Realtech is offering to investors in British Columbia the opportunity to acquire an interest in the Mortgage granted by the Borrower to Realtech in connection with the purchase and operation of the Project. The interests being offered are known as "Mortgage Units" and are priced at \$1,000 each. Under this Offering, investors must purchase a minimum of 25 Mortgage Units and may purchase a maximum of 2,000 Mortgage Units (refer to "Summary of Offering - Overview").

The proceeds of this Offering will be advanced by Realtech to the Borrower as the Loan for the Project.

Each investor who participates in this Offering will acquire a proportionate interest in the Mortgage equal to the number of Mortgage Units they acquire divided by 2,000 Mortgage Units. The Mortgage will be registered in the name of Realtech. Realtech will hold the Mortgage in trust on behalf of the investors pursuant to a Mortgage Servicing and Trust Agreement (the "Trust Agreement") (refer to "Description of Realtech – Mortgage Servicing and Trust Agreement").

Each investor is entitled, in addition to the repayment of the principal amount invested, and to the payment of interest on their investment at a rate equal to the Investors' Interest Rate (refer to "Summary of Offering – Overview").

This Offering is subject to a minimum investment level of \$2,000,000, and therefore, any funds received from an investor may be refunded to the investor in the event that the minimum Offering is not subscribed.

The closing of this Offering will take place as and when the directors of Realtech may determine, with the closing date anticipated to be on or before December 22, 2011.

BORROWER

The Borrower is WIP Investment Limited Partnership and was formed pursuant to a Certificate of Limited Partnership under the laws of British Columbia under Certificate Number LP0527906 on April 28, 2010. The business of the Borrower is managed by its sole general partner, WIP Management Corp. (incorporated on July 21, 2000 under Incorporation Number BC0611081) and the Land is held in the name of the Trustee, 0921165 B.C. Ltd. that was incorporated on September 26, 2011 under Incorporation Number BC0921165.

PROJECT

The site is approximately 1.4 acres in area and has been improved with two wood framed apartment buildings situated on top of an 85 car concrete parkade. The buildings (one three storey and one four storey) were constructed in 1980, contain a total of 65 units (19 two bedrooms units and 46 one bedroom units) and have been well maintained by the current owner.

The property is accessed from the south on Carrigan Court, a tree lined cul de sac and is bounded by the Lougheed Highway to the north. The property dimensions are approximately 114.5 feet in width and 529.9 feet in depth. The site is extensively landscaped including ample lighting and is interspersed with park benches.

The civic address of the property is 3836 Carrigan Court, Burnaby, B.C. and the legal description is Lot 2 DL 4 Group 1 New Westminster, District Plan 11597 PID 002-874-041.

SECURITY

The security provided to the Lender includes the following (for a complete list, reference should be made to the Commitment Letter):

1. The Mortgage, being a \$2,000,000 second mortgage charge on the Land.
2. A General Security Agreement in favor of Realtech providing for a security interest in all of the Borrower's present and after acquired personal property and fixtures with respect to the property.
3. Guarantee Agreements from the Personal Covenantor, the Corporate Covenantors and from the Borrower covenanting and agreeing to pay or cause to be paid the liabilities of the Borrower under the Mortgage.
4. A Letter of Undertaking from the Borrower and the Covenantors not to make payments to shareholders, partners or affiliated companies which would impair the Borrower's financial position to the point where it is unable to live up to the terms of its loan obligations hereunder.
5. Assignment of the Reserve Account;
6. An Opinion of the Lender's Counsel that all security and supporting agreements are valid and enforceable;
7. A Registered Assignment of Rents and Leases;
8. All other security and supporting documents as may be deemed necessary by the Lender and its Counsel.

The ability of the Covenantors to perform under the personal and corporate covenants and guarantees provided will depend on their financial strength. There is no assurance that the Covenantors will have the financial ability to be able to satisfy their obligation under the personal and corporate covenants and guarantees and therefore you may not receive any return from your investment, including any initial amount invested.

PRE-FUNDING CONDITIONS

1. Delivery of such documents and documentation as deemed necessary by Realtech’s counsel, including those listed in 2. below (for a complete list, please review the Commitment Letter attached hereto as Schedule “A”);
2. The Borrower shall have delivered copies of the following documents to Realtech and/or its counsel and Realtech shall have approved the same:
 - a) Current, signed, financial statements for the Borrower, Trustee and Covenantors;
 - b) A current survey of the Land;
 - c) Copies of all Lease Agreements, a Current Certified copy of the Rent Roll and Annual Operating Expenses and a summary from the Borrower’s solicitor or agent confirming all security deposits held;
 - d) Copies of the last three years Financial Statements for the operation of the property, including rental income, common area expenses and property tax payments;
 - e) Copies of any Easement or other Agreements that are registered against Title;
 - f) A satisfactory Environmental Report and transmittal letter;
 - g) Satisfactory evidence that the Borrower has invested equity of at least \$2,188,359 at the time of the advance;
 - h) A copy of the Property Management Agreement;
 - i) A satisfactory appraisal report on the Land indicating a minimum value of \$9,535,000, together with a transmittal letter authorizing Realtech’s use of the appraisal for lending purposes;
 - j) Evidence of Insurance naming the Lender as Loss Payee as approved by its insurance consultant;
 - k) Copies of the as built Plans and Specifications for the Project (if available);
 - l) Confirmation from the City of Burnaby that the property meets all current zoning and fire regulations and that there are no outstanding work orders from any regulatory authorities;
 - m) Evidence that property taxes are current;
 - n) The Lender must approve the terms of the Approved First Mortgage;

FINANCIAL ANALYSIS

Financing:

Borrower’s Equity	\$2,188,259
First Mortgage (Peoples Trust)	5,150,641
Realtech Second Mortgage	<u>2,000,000</u>
Total Source	\$9,339,000

Purchase Price:	\$8,750,000
Closing Costs/Capital Improvements	<u>589,000</u>
Total Use:	\$9,339,000

Loan to Value Ratio:

First Mortgage	54.0%
Combined:	75.0%

HOW TO SUBSCRIBE

A person wishing to subscribe for Mortgage Units must deliver the following documents to Realtech Capital Group Inc. **on or before December 19, 2011** at Suite 1210, 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3

- (a) an executed Subscription Agreement (including the Risk Acknowledgement Forms attached as a Schedule), in the form provided with this Offering Memorandum; and
- (b) a **certified cheque or bank draft** in the amount of the investment proceeds being subscribed for made payable to “Realtech Capital Group Inc., In Trust”.

In addition, each investor will agree to execute a Trust Agreement in the form attached hereto as Schedule “B” within seven days of being presented with the completed form. It is anticipated that the completed form will be delivered to each investor within seven business days after the Advance Date.

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DESCRIPTION OF THE OFFERING

Mortgage Units

Realtech is offering to eligible investors the opportunity to acquire an interest in the Mortgage granted by or to be granted by the Borrower to Realtech in connection with the Project. The interests being offered are the Mortgage Units, which are priced at \$1,000 each. Under this Offering, investors must purchase a minimum of 25 Mortgage Units and may purchase a maximum of 2,000 Mortgage Units (refer to “Summary of Offering - Overview”).

The proceeds of this Offering have been or will be advanced by Realtech to the Borrower as a loan for the Project.

Each investor who participates in this Offering will acquire a proportionate interest in the Mortgage equal to the number of Mortgage Units they acquire divided by 2,000 Mortgage Units. The Mortgage will be registered in the name of Realtech. Realtech will hold the Mortgage in trust on behalf of the investors in accordance with the terms of the Trust Agreement described below.

Pursuant to the Mortgage, each investor is entitled, in addition to the repayment of the principal amount invested, to the payment of interest on their investment at a rate equal to the Investors’ Interest Rate (refer to “Summary of Offering - Overview”).

Plan of Distribution

This Offering is made to residents of British Columbia. Subscriptions may be accepted by Realtech, subject to the terms and conditions of the Subscription Agreement accompanying this Offering Memorandum.

There are no payments in cash, securities or other consideration being made or to be made to a promoter, finder or any other person in connection with the sale of the Mortgage Units, other than as set out herein. Realtech will receive certain fees from the Borrower with respect to placing the Mortgage securing the Mortgage Units (refer to “Description of Realtech - Mortgage Servicing and Trust Agreement – Fees and Expenses”).

Subscriptions will be received subject to prior sale and subject to rejection, in whole or in part, by Realtech prior to closing. Realtech reserves the right to accept or reject subscriptions from any investor. Realtech also reserves the right to close the subscription books at any time, without notice. Realtech is also not obligated to accept any subscriptions or to accept subscriptions in the order they are received.

Interest will not be payable to an investor for monies received prior to acceptance of the subscription by Realtech. If a subscription is rejected, monies received by Realtech will be immediately returned to the investor without interest or deduction.

This Offering is subject to a minimum investment level of \$2,000,000, and therefore, any funds received from an investor may be refunded to the investor in the event that the minimum Offering is not subscribed.

The closing of this Offering will take place as and when the directors of Realtech may determine, with the closing date anticipated to be on or about December 22, 2011.

A purchase of Mortgage Units offered under this Offering Memorandum has certain risks associated with it. Refer to “Description of the Offering - Risk Factors” for a discussion of the risk factors.

Mortgage Servicing and Trust Agreement

Investors wishing to subscribe for Mortgage Units will be required to enter into the standard Trust Agreement with Realtech (within seven days after the Advance Date), the form of which is attached hereto as Schedule “B”. The Trust Agreement sets out the rights and obligations of the investor in connection with the advancement of funds to Realtech.

Under the Trust Agreement, the investor will appoint Realtech as trustee with respect to the management and administration of all funds advanced to Realtech. Realtech will hold funds in trust for the investor in its trust account at the Royal Bank of Canada, Main Branch, Vancouver, B.C.

The Trust Agreement will confirm that Realtech is holding the investment in the Mortgage and interest thereon in trust for the investor who will be the beneficial owner of the Mortgage Units while Realtech will be the registered holder of the Mortgage Units (refer to “Summary of Offering – Security”).

The Trust Agreement will also set out the description of the Project, the number of units acquired and the amount of funds advanced by the investor, mortgage registration particulars, the total amount of the Mortgage, and the date of the investment by the investor.

A more detailed discussion of the terms and conditions of the Trust Agreement is provided under the heading “Description of Realtech – Mortgage Servicing and Trust Agreement”.

Statutory Exemptions

This Offering is being made in accordance with certain exemptions pursuant to NI 45-106 and BCI32-517. Such exemptions relieve Realtech from the provisions in applicable securities legislation requiring Realtech to be registered under NI 31-103 to sell the Mortgage Units and to file a prospectus with the British Columbia Securities Commission. As such, an investor will not receive the benefits associated with the involvement of such a registrant or the benefits associated with purchasing a Mortgage Unit pursuant to a filed prospectus, including the review of the material by the securities commission or similar regulatory authority in British Columbia.

Specifically, Realtech is offering the investment in Mortgage Units under the “Offering Memorandum” Exemption (the “OM Exemption”) found in section 2.9 of NI 45-106.

In order for Realtech to rely on the OM Exemption, an investor must purchase Mortgage Units as principal and, before purchasing the Mortgage Units, must be given a copy of this Offering Memorandum and sign 2 copies of the Subscription Agreement together with the “Risk Acknowledgement Forms” attached thereto as Schedules ‘A’ and ‘B’ provided with this Offering Memorandum.

Subscription Procedure

A person wishing to subscribe for Mortgage Units must deliver the following documents to Realtech Capital Group Inc. **on or before December 19, 2011** at Suite 1210, 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3:

- (a) an executed Subscription Agreement (including the Risk Acknowledgement Forms attached as a Schedule), in the form provided with this Offering Memorandum; and
- (b) a **certified cheque or bank draft** in the amount of the investment proceeds being subscribed for made payable to “Realtech Capital Group Inc., In Trust”.

In addition, each investor will agree to execute a Trust Agreement in the form attached hereto as Schedule “B” within seven days of being presented with the completed form. It is anticipated that the completed form

will be delivered to each investor within seven business days after the Advance Date.

Subscription Agreement

Each investor should carefully review the terms of the Subscription Agreement provided herewith for more detailed information concerning the rights and obligations of both the investor and Realtech. Execution and delivery of the subscription agreement will bind an investor to the terms thereof, whether executed by the investor or by an agent on his or her behalf. Each investor is strongly advised to consult with his or her own professional advisors respecting this investment.

Restrictions on Resale of the Mortgage Units

The Mortgage Units are non-transferable (except upon death).

Risk Factors

Investments in syndicated mortgages and the Mortgage Units are speculative and involve a high degree of risk. Investors should be aware that this investment has not only the usual risks associated with the financial ability of the Borrower to make repayments but also risks associated with financing real estate and risks associated with syndication.

Prospective investors should carefully consider the following risk factors:

- a) As no market for these Mortgage Units exists or will exist after this Offering, it may be difficult or even impossible for the investor to sell them.
- b) There are potential conflicts of interest to which the directors and officers of Realtech may be subject in connection with the operations of Realtech. Please refer to “Description of Realtech - Conflicts of Interest” for additional information.
- c) Investments in mortgages are secured by real estate. All real property investments are subject to elements of risk. The value of investments in real property is affected by general economic conditions, local real estate markets, abnormal and significant fluctuations in interest rates, the attractiveness of the property to tenants and purchasers, competition from other available properties and other factors. While independent appraisals may be required before Realtech may make any mortgage investments, the appraised values provided therein, even where reported on an “as is” basis are not necessarily reflective of the market value of the underlying real property, which may fluctuate. In addition, the appraised values reported in independent appraisals may be subject to certain conditions, including the completion, rehabilitation or lease-up improvements on the real property providing security for the investment. There can be no guarantee that these conditions will be satisfied and if, and to the extent, they are not satisfied, that the appraised value of the real property will be achieved. Should the appraised value of the Project not be realised, the Borrower may not be able to make all payments under the Mortgage and Realtech may have to rely on the enforcement of the Covenants to effect repayment (refer to “Description of the Mortgage – Guarantees and other Financial Commitments”).
- d) The Mortgage is subordinate to a CMHC insured first mortgage with Peoples Trust Company with an approximate outstanding balance of \$5,150,641 at 4.81% through May 2020. Although the appraised value of the Project is in excess of all loans under mortgage, should a lender foreclose on the Project, repayment of the investment in the Mortgage Units will be subordinate to the repayment, in full, of the First Mortgage.
- e) The return of principal and interest on funds invested is conditional upon the ultimate selling price of the Project or the value of the Project for refinancing purposes and, in part, to the credit worthiness

and financial stability of the Borrower and Covenantors. There is no assurance that the Project will be sold or refinanced at a sufficient level to repay the Mortgage. On default by the Borrower, Realtech may experience delays in enforcing its rights as Lender and may incur substantial costs in protecting the investment.

- f) Certain significant expenditures, including construction and development costs, property taxes, repair and replacement costs, maintenance costs, mortgage payments, insurance costs and related charges must be made through the period of ownership of real property regardless of whether the property is producing income. These costs may impact the ability of the Borrower to make debt service payments required under the Mortgage.
- g) Real property mortgage investments tend to be relatively illiquid, with the degree of illiquidity generally fluctuating in relation to demand for the perceived desirability of the investment.
- h) A portion of the monthly interest payment will be made from the Reserve Account established by the Borrower. Although the Lender has an assignment of the account in the event of default, it has no control over the funds in the account on a daily basis.
- i) Under certain circumstances (refer to “Mortgage Servicing and Trust Agreement”), the investors may be required to incur expenditures such as reimbursing Realtech for legal fees to realize on the security and protect the investment. Any such cost will be charged to the Borrower and the Covenantor, however, may not be recoverable.
- j) Under the Mortgage Servicing and Trust Agreement, Realtech can seek the approval of the investors in the Mortgage to take various actions with respect to the administration of the Mortgage, including granting priority to a new mortgage or to a larger prior mortgage, which may materially impact the nature and risk associated with the investment in the Mortgage. If the investor is not in favor of such action, which, nonetheless, has been approved as provided for in the Mortgage Servicing and Trust Agreement, the investor will be bound by the decision made.
- k) The ability of the Covenantors to perform under the personal and corporate covenants and guarantees provided will depend on their financial strength. There is no assurance that the Covenantors will have the financial ability to be able to satisfy their obligation under the personal and corporate covenants and guarantees and therefore you may not receive any return from your investment, including any initial amount invested.**

Income Tax Considerations

Each investor should obtain independent advice regarding the income tax consequences under federal and provincial tax legislation of investing in Mortgage Units, based on the investor's own particular circumstances.

Income tax consequences may not apply uniformly to all investors. Prospective investors should consult with their professional advisors regarding tax consequences applicable to them.

Registration Documentation

Realtech will provide to each investor a copy of the Trust Agreement evidencing the investment after the completion of registration and disbursement of the Mortgage.

In addition to all other material and documentation reasonably requested and mutually agreed upon, the investor should request, either from the lawyer or notary public acting on the investor's behalf, or from Realtech, the following documentation after the completion of the registration and disbursement of the Mortgage:

- (a) a copy of the certificate of Mortgage or assignment of the Mortgage or any other document evidencing the investment;
- (b) a copy of a confirmation signed by any prior encumbrances confirming the outstanding balance of the prior encumbrances and that the Borrower is not in arrears with any payments;
- (c) written confirmation of valid insurance on the property, reflecting the interest of Realtech in the insurance, on behalf of the investor;
- (d) written confirmation that there are no outstanding arrears or delinquent municipal property taxes on the property; and
- (e) State of Title Certificate in due course (within 120 days of the date of the Mortgage).

DESCRIPTION OF THE BORROWER

Organization of the Borrower

The Borrower is WIP Investment Limited Partnership and was formed pursuant to a Certificate of Limited Partnership under the laws of British Columbia under Certificate Number LP0527906 on April 28, 2010. The business of the Borrower is managed by its sole general partner, WIP Management Corp. (incorporated on July 21, 2000 under Incorporation Number BC0611081) and the Land is held in the name of the Trustee, 0921165 B.C. Ltd. that was incorporated on September 26, 2011 under Incorporation Number BC0921165. WIP Management Ltd. was formerly known as EWJ Real Estate Holdings Inc. and 611081 British Columbia Ltd.

Partners, Directors, Officers and Controlling Shareholder of the General Partner

Name, Position with the Borrower and Municipality of Residence	Director/Officer/Insider of Company Since	Principal Occupation for Last 5 Years
Mr. E. Ward Jones President & Director Vancouver, BC	August, 2000	Real Estate Developer/Investor

To the best of Realtech's belief, based upon personal knowledge and information provided by third parties, neither the Borrower nor any director, officer or principal holder of the securities of the Borrower has:

- (a) within the last ten years, been subject to any penalties or sanctions imposed by a court, mortgage regulatory authority, real estate regulatory authority or securities regulatory authority relating to the sale, lease, promotion or management of mortgages, real estate or securities, or to theft or fraud;
- (b) within the last five years, been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person; or

- (c) within the last five years, been a director, officer or principal holder of any other mortgage broker or manager that, while that person was acting in that capacity:
 - (i) was subject to any penalties or sanctions imposed by a court, mortgage regulatory authority, real estate regulatory authority or securities regulatory authority relating to the sale, lease, promotion, or management of mortgages, real estate or securities or to theft or fraud; or
 - (ii) was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Business Background of Controlling Shareholder

The Borrower is a Limited Partnership that was established to acquire and operate existing, cash flowing, residential revenue properties. This will be the tenth property added to the portfolio since its inception in 2010. The activities of the partnership are managed by the sole general partner WIP Management Corp. which is controlled by Mr. Ward Jones. Ward Jones has been in the real estate and development business for over 30 years. In 2002, Western Income Properties (WIP) was founded and purchased over 600 apartment units over a two year period. Four years later, the WIP portfolio was sold to Transglobe Properties Ltd., of Toronto for a significant profit. It is this model upon which the Borrower has been established.

As with all the previous and current properties, the Borrower has engaged Bayside Property Services Ltd. to act as the property manager of the building. This is a well known and respected management firm that has been based in Burnaby for over 30 years. The President, Lynda Creamer, has worked with Ward Jones, managing his former portfolio. The Vice President, Allen Regan, is also well known to Realtech.

Borrower's Financial Information

The financial statements of the Borrower are available to be viewed upon request at the offices of Realtech.

Material Contracts

The following are the material contracts entered into by the Borrower or its affiliates, as applicable to this offering, and Realtech over the course of the last two years:

- 1) A commitment letter dated November 29, 2011 with the Borrower respecting a second mortgage, a copy of which is attached to this Offering Memorandum.
- 2) Realtech will enter into the contracts set out under "Summary of the Offering - Security" with the Borrower and the Covenantors prior to the Advance Date.

The contracts to be entered into may be inspected by the investor during regular business hours at the offices of Realtech at any time after the Advance Date.

Borrower Disclosure Statement

Realtech will not be providing a disclosure statement to the Borrower.

The Commitment Letter provides for a commitment fee of 2.0% of the Loan Amount to be paid to Realtech by the Borrower for the origination and servicing of the Loan. Realtech will also receive the

Realtech Administration and Servicing Fee for its on-going administration of the investment (refer to "Summary of the Offering – Overview").

DESCRIPTION OF THE MORTGAGE

Description of the Project

Refer to "Summary of the Offering – Project".

Details of the Mortgage

Realtech has or will loan the Loan Amount (refer to "Summary of Offering - Overview") for the term of up to 61 months commencing on the Advance Date. The principal terms of the Mortgage (including the principal amount, term, interest rate, maturity date, any prepayment privileges of the Mortgage and the ranking of the Mortgage) are set out in "Summary of Offering – Overview".

The Mortgage will be registered in the amount of \$2,000,000, will be subordinate to the balance of the First Mortgage and comprises part of the security granted by the Borrower to secure the repayment of the Loan Amount plus interest being the Mortgage Interest Rate. The Mortgage has or will be registered against the Land having the priority as described in "Summary of Offering - Overview" and "Summary of Offering - Security". The Borrower has also granted the additional security as described in "Summary of Offering - Security".

The CMHC Insured First Mortgage was granted to Peoples Trust and has an approximate outstanding balance of \$5,150,641.

The loan to value ratio of the Project is as described in "Summary of Offering – Overview" and is calculated on an aggregate basis taking into account the loan value of the Mortgage (\$2,000,000) and all other mortgages ranking in priority on the Project.

The Mortgage Interest Rate payable under the Mortgage by the Borrower is as set out in the "Summary of Offering - Overview". The Investors will be paid the Investors' Interest Rate and Realtech will receive the Realtech Administration and Servicing Fee under the Trust Agreement (refer to "Summary of Offering – Overview" and "Description of Realtech – Appointment of Trustee").

Realtech may also charge the Borrower additional fees such as extension fees and renewal fees. Any additional fees charged to the Borrower will remain the property of Realtech and the investor will have no right or entitlement to them. Refer to the form of Trust Agreement attached as Schedule "B" to this Offering Memorandum.

Repayments made by the Borrower will be distributed to the investor in proportion to his or her interest within 15 days of receipt.

Appraisal

The appraisal report was completed and issued by Altus Group Limited on November 16, 2011 and determined the value of the Land to be \$9,535,000.

Guarantees or other Financial Commitments

Pursuant to the Commitment Letter dated November 29, 2011 between Realtech, the Borrower and the Covenantors, the Covenantors have agreed to provide Realtech with covenants on behalf of the Borrower in respect of the funds being advanced by Realtech for the Project. The covenants provide that the Covenantors will be responsible for the repayment of the Loan should the Borrower default on the

Mortgage. These agreements will be entered into between the parties prior to the Advance Date.

It is believed that the financial position and business experience of the Covenantors are sufficient to provide comfort, however, they are not being relied upon for the repayment of the Loan.

The documentation entitles Realtech to request and receive annual financial disclosure of the Covenantors financial position, however, access to the financial information shall not be available to the investors except in the event of a material default under the Mortgage.

Copies of the covenantors agreements will be available, on request, at the offices of Realtech in British Columbia after the Advance Date.

The ability of the Covenantors to perform under the personal and corporate covenants and guarantees provided will depend on their financial strength. There is no assurance that the Covenantors will have the financial ability to be able to satisfy their obligation under the personal and corporate covenants and guarantees and therefore you may not receive any return from your investment, including any initial amount invested.

See “Business Background of Principal Shareholders” for more information respecting the Covenantors.

Ongoing Disclosure

Realtech relies upon monthly reports being provided by the Borrower and upon reports submitted by appraisers, architects, engineers, cost consultants, property managers and other technical personnel to evaluate and monitor the status of the Project. Realtech will provide monthly payments and periodic updates to the investors.

DESCRIPTION OF REALTECH

Overview

Realtech Capital Group Inc. commenced operations in 1977.

The company is divided into two main areas of activity, the Financing Group and the Investment Services Group. The Financing Group is engaged in commercial mortgage brokerage. The professionals in this part of the company work for borrowers to arrange long term commercial mortgages, short term construction loans, bridge financing, equity and secondary financing. Financing is arranged through institutional and private lenders, most of who have long standing relationships with Realtech.

The Investment Services Group is dedicated to the creation of syndicated investment opportunities in mortgages and real estate for private investors and for Realtech’s own funds. Additionally, the Investment Services Group provides management services for our investors.

Organization of Realtech

Realtech was incorporated under the laws of British Columbia on October 26, 1977.

Directors, Officers And Principal Shareholders of Realtech

The names, municipalities of residence, principal occupations for the last five years of the directors, officers and principal shareholders of Realtech are as follows:

Name, Position with Realtech and Municipality of Residence	Director/Officer/Insider of Company Since	Principal Occupation for Last 5 Years
James C. McPherson President & Director Vancouver, BC	1977	President, Realtech Group of Companies Realtech is a Mortgage Brokerage and Investment Services Firm
Lawrence I. Lazzari Director North Vancouver, BC	1986	Director, Realtech Group of Companies Realtech is a Mortgage Brokerage and Investment Services Firm
David R. Bouskill Vice President & Director West Vancouver, BC	2008	Vice President, Realtech Capital Group Inc.

Neither Realtech nor any director, officer or principal holder of the securities of Realtech has:

- (a) within the last ten years, been subject to any penalties or sanctions imposed by a court, mortgage regulatory authority, real estate regulatory authority or securities regulatory authority relating to the sale, lease, promotion or management of mortgages, real estate or securities, or to theft or fraud;
- (b) within the last five years, been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person; or
- (c) within the last five years, been a director, officer or principal holder of any other mortgage broker or manager that, while that person was acting in that capacity:
 - (i) was subject to any penalties or sanctions imposed by a court, mortgage regulatory authority, real estate regulatory authority or securities regulatory authority relating to the sale, lease, promotion, or management of mortgages, real estate or securities or to theft or fraud; or
 - (ii) was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Realtech, its affiliated companies and/or its directors intend to invest a total of \$150,000, in this Mortgage on the same terms and conditions as the other investors.

Mortgage Servicing and Trust Agreement

Investors who wish to participate in this Offering must, within seven days after being provided with a completed form, enter into the Trust Agreement with Realtech, the terms and conditions of which govern the various rights and obligations of Realtech and the investor as to the administration and management of the investors' funds. The form of the Trust Agreement is attached as Schedule "B" to this Offering Memorandum.

Among other things, the Trust Agreement provides that:

- The investor appoints and designates Realtech to be the investor's trustee, with full power to administer and manage the Loan, pursuant to the terms of the Trust Agreement.

- The Trust Agreement will outline the investor’s percentage interest in the Loan and related security interests. The Mortgage will be registered in Realtech's name.
- Realtech will hold, in trust, funds advanced by the investor that have not been advanced to purchase an interest in the Mortgage. The trust account will be held at the Royal Bank of Canada, Main Branch, Vancouver, B.C.
- Realtech will make reasonable efforts to collect all payments on account of principal and interest payable on the Loan and to cause the Borrower to perform its obligations under the Loan or other security documents.
- Realtech will deposit all repayments received from the Borrower into the trust account prior to distributing any payments to the investor.
- Realtech will, within 15 days of receipt, remit to the investor all payments received by the Borrower, pursuant to the priorities less any expenses or disbursements properly payable to Realtech by the investor.
- Realtech will administer the Loan in good faith and:
 - may grant to the Borrower such extensions, accommodations (including reductions of principal or interest) or compromises as may be reasonable, necessary or prudent having regard to the Loan;
 - take such actions as may be necessary or desirable in its discretion, including maintaining valid insurance on the Properties, retaining and instructing solicitors, receivers, or other professional advisers as it considers reasonable or necessary in order to preserve, protect, defend, or improve the security interests for the Loan or any real property.
- Realtech will endeavour to collect the amount of all costs incurred in the administration, collection or enforcement of the Loan but, in all events, the investor will indemnify Realtech for any of these costs (and Realtech will attempt to recover all such costs from the Borrower or Covenantor(s)) and will pay to Realtech any costs incurred by Realtech in an amount equal to the investor’s percentage interest in the Mortgage within thirty (30) business days of demand by Realtech. If the costs are not paid within thirty (30) business days of demand, the investor will be required to pay Realtech interest on the unpaid costs at a rate equal to the Mortgage Interest Rate and grant to Realtech a lien over the investor’s Mortgage Units for any unpaid costs.
- All disputes arising out of or in connection with the Trust Agreement will be referred to and finally resolved by arbitration under the Rules of the British Columbia International Commercial Arbitration Centre (the "Centre"). The appointing authorities will be the Centre. The case will be administered by the Centre in accordance with its “Procedures for Cases Under the BCICAC Rules”. The place of arbitration will be Vancouver, British Columbia, Canada.
- The Administration and Servicing Fee will be paid to Realtech by the Borrower for its on-going administration of the Loan (refer to “Summary of the Offering – Overview”).
- The appointment of Realtech may be terminated in the following circumstances:
 - Realtech gives the investors’ 60 days written notice of its intention to cancel the appointment; or
 - investors, holding in aggregate 60% or greater of the proportionate interest in the

Mortgage, give 30 days written notice to Realtech to terminate the appointment.

The foregoing summary is a basic overview of the Trust Agreement. Reference should be made to the Trust Agreement attached hereto as Schedule “B” for the specific terms and conditions.

Conflicts of Interest

There may be existing and potential conflicts of interest to which the insiders of Realtech are or may be subject to in connection with the business and operations of Realtech. Some of the insiders may have conflicts of interest as to management time, resources, ownership, and interests between Realtech and their own or other professional or corporate businesses in which they may be involved.

Realtech and its officers and directors are required to exercise their powers and discharge their duties honestly, in good faith and in what they reasonably believe to be in the best interest of the investor. There is no assurance that conflicts of interest will not arise or that they will be resolved in a manner most favourable to the investor. Persons considering a purchase of Mortgage Units pursuant to this Offering must rely on the judgement and good faith of the directors, officers and employees of Realtech in resolving such conflicts of interest as may arise.

Investors should be aware that Realtech will receive compensation for its services in connection with the origination and administration of the Loan (refer to “Summary of Offering – Overview”).

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.

1. **Two Day Cancellation Right** – You can cancel this agreement to purchase the Mortgage Units offered by the Offering Memorandum. To do so, you must send a notice to us by midnight on the 2nd business day after you sign the agreement to buy the Mortgage Units.
2. **Statutory Rights of Action in the Event of a Misrepresentation** – If there is a misrepresentation in the Offering Memorandum and you purchase the Mortgage Units offered thereunder, you are deemed to have relied on the misrepresentation, if it was a misrepresentation at the time of purchase, and you have a right of action for damages or rescission against Realtech. You also have a right of action for damages against every director who was a director of Realtech at the date of the Offering Memorandum and every person who signed the Offering Memorandum.

If you elect to exercise your right to cancel this agreement to purchase the Mortgage Units (rescission) against Realtech, you will not have a right of action for damages against Realtech.

In the case of an action for damages, the defendant will not be liable for all or any part of the damages that it proves does not represent a depreciation in value of the Mortgage Units as a result of the misrepresentation relied upon and in no case will the amount recoverable in any action exceed the price at which the Mortgage Units were offered to you under the Offering Memorandum.

This right of action for misrepresentation is available to you without regard to whether you relied on the misrepresentation. However, there are various defences available to the persons or companies against which you have a right of action. In particular, there is a defence if you had knowledge of the misrepresentation when you purchased the securities.

You also have a right of action for damages or rescission against Realtech if you did not receive the Offering Memorandum within two business days after you signed this subscription agreement to purchase the Mortgage Units.

If you intend to rely on the rights described above, you must do so within strict time limitations. You must commence your action to cancel this agreement (rescission) within 180 days after you signed the subscription agreement to purchase the Mortgage Units. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and 3 years after you signed the subscription agreement to purchase the Mortgage Units.

CERTIFICATE

Dated: December 7, 2011

With respect to matters that are or should be within my personal knowledge, the foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in the circumstances in which it was made.

With respect to matters that are not and are not required to be within my personal knowledge, I have made best efforts to ensure that the foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in the circumstances in which it was made.

“James C. McPherson”

James C. McPherson
President & Director

“Lawrence I. Lazzari”

Lawrence I. Lazzari
Director

“David R. Bouskill”

David R. Bouskill
Vice President & Director

SCHEDULE "A"

Commitment Letter

SCHEDULE "B"

FORM OF TRUST AGREEMENT

Carrigan Place Apartments, Burnaby, BC

MORTGAGE SERVICING AND TRUST AGREEMENT

THIS AGREEMENT dated January __, 2012

BETWEEN:

REALTECH CAPITAL GROUP INC. a corporation subsisting under the laws of British Columbia having its head office at Suite 1210 - 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3

("Realtech")

AND:

(the "Investor")

WHEREAS:

- A. The Investors have joined together to make available the Second Mortgage Loan in favour of the Mortgagor;
- B. The Second Mortgage Loan was funded on December __, 2011;
- C. The Investors have agreed to appoint Realtech as their agent to hold, administer and service the Mortgage Investment subject to the terms and conditions of this Agreement;

WITNESSES THAT in consideration of the mutual covenants and agreement set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

- 1. **Definitions.** In this Agreement, unless the context otherwise requires:

"Bank Account" means the separate project bank account numbered 00010 – 1126846 that Realtech has established at The Royal Bank of Canada, Main Branch, Vancouver, B.C.;

"Borrower" has the meaning ascribed to it in the Offering Memorandum;

"Commitment Fee" has the meaning ascribed to it in the Offering Memorandum;

"Commitment Letter" means the offer of finance letter dated November 29, 2011 from Realtech to the Borrower, and accepted by the Borrower, the Personal Covenantors and the Corporate

Covenantors (as defined in the Offering Memorandum) concerning the Second Mortgage Loan, as amended and in effect from time to time;

“First Mortgage” has the meaning ascribed to it in the Offering Memorandum;

“Investors” means those persons, including the Investor and Realtech, who are contributing funds in respect of the Second Mortgage Loan for the purpose of financing the Project;

“Investor's Contribution” means that portion of the Second Mortgage Loan advanced by the Investor pursuant to Section 5;

“Investors' Interest Rate” has the meaning ascribed to it in the Offering Memorandum;

“Investor's Proportionate Interest” has the meaning ascribed to it in Section 6;

“Loan Amount” means \$2,000,000 or such other amount as is outstanding from time to time under the Second Mortgage Loan;

“Mortgage Documents” means:

- (a) the Commitment Letter;
- (b) the Second Mortgage; and
- (c) all instruments constituting collateral security for the Second Mortgage Loan;

“Mortgage Interest Rate” has the meaning ascribed to it in the Offering Memorandum;

“Mortgage Investment” means the Second Mortgage Loan together with interest and all other monies from time to time owing under the Second Mortgage;

“Mortgage Unit” means one of the 2,000 units at \$1,000 each that the Second Mortgage will be divided into, as described in the Offering Memorandum;

“Mortgaged Property” means the Project, as defined in the Offering Memorandum;

“Mortgagor” means WIP Investment Limited Partnership and its successors and assigns;

“Offering Memorandum” means the offering memorandum dated December 7, 2011 relating to the offering of the Mortgage Units;

“Project” has the meaning ascribed to it in the Offering Memorandum;

“Proportionate Interests” means the undivided proportionate interests of the Investor in the Mortgage Investment as set forth in Section 6 (the numerator being the number of Mortgage Units acquired by the investor and the denominator being the total number of Mortgage Units (2,000 or such lesser number outstanding));

“Realtech Administration and Servicing Fee” has the meaning ascribed to it in the Offering Memorandum;

“Second Mortgage” means the mortgage granted or to be granted by the Mortgagor in favour of Realtech securing the Second Mortgage Loan and registered or to be registered as a second financial charge against title to the Mortgaged Property, subject to the First Mortgage, as modified and in effect from time to time; and

“Second Mortgage Loan” means the loan in the principal sum of up to \$2,000,000 made or to be made by Realtech on behalf of the Investors to the Borrower on the security of the Mortgaged Property as contemplated by the Commitment Letter and the Second Mortgage;

2. **Headings.** The division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof.

3. **Applicable Law.** This Agreement shall be construed and governed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein and shall be treated in all respects as a contract made in the Province of British Columbia, and the Investor hereby irrevocably submits and attorns to the courts of the said province.

4. **No Joint Venture or Partnership.** Nothing herein contained shall be deemed or construed by the parties hereto or by any third party as creating the relationship of partnership or of joint venture between Realtech and the Investor or any of the other Investors.

5. **Receipt and Advance of Funds.** Realtech acknowledges having received from the Investor the sum of _____ (\$_____) (the “Investor's Contribution”) in trust for _____ Mortgage Units, and Realtech agrees and is hereby irrevocably authorized to deposit or invest such funds in a non-interest bearing account or vehicle for the benefit of the Investor. Realtech is hereby irrevocably authorized, upon receipt of all the Investor's Contributions, to advance the Investor's Contribution on security of the Second Mortgage pro rata with funds provided by the other Investors. The parties agree that if all or any portion of the Second Mortgage Loan is not advanced to the Mortgagor and Realtech terminates the Commitment Letter, then the unadvanced portion of the Investor's Contribution shall be returned to the Investor. The Investor's share of any unadvanced portion of the Second Mortgage Loan shall be determined in relation to the Investor's Proportionate Interest set forth in Section 6.

6. **Investor's Proportionate Interests.** Realtech hereby acknowledges and declares that it shall hold the Mortgage Investment and the Mortgage Documents in trust, for the sole use, benefit and advantage of the Investor as to an undivided _____% proportionate interest in respect of the Second Mortgage Loan, the Second Mortgage and all other monies from time to time owing thereunder on account of principal, interest or otherwise the following undivided proportionate interests (the “Proportionate Interests”).

7. **Interest of Realtech.** The Investor acknowledges that, over and above its interest as an Investor, Realtech is the beneficial owner of the Commitment Fee and the Realtech Administration and Servicing Fee.

8. **Trustee - Beneficiary Relationship.** It is understood and agreed by the beneficiary hereto that the relationship between them shall be that of trustee and beneficiary with respect to all monies collected by Realtech on account of principal, interest, or otherwise in respect of the Second Mortgage (except to the extent of Realtech's beneficial interest therein) and such monies shall be held in trust for the Investor as to its respective Proportionate Interests.

9. **Acknowledgements.** The Investor hereby acknowledges:

- (a) having been provided with an Offering Memorandum outlining the background and terms of the investment in Mortgage Units and confirms having read, understanding and being satisfied with the terms and conditions thereof;
- (b) having entered into a Subscription Agreement, pursuant to the Offering Memorandum and having completed a Form 45-106F4 and BCI 32-517, pursuant to securities regulation;
- (c) having been provided with an opportunity to review the Commitment Letter; and
- (d) having been requested to obtain independent legal advice or financial planning advice with respect to the terms and conditions of this Agreement, and with respect to the risks associated with the Investor's participation in the Mortgage Investment.

10. **No Representations.** It is expressly understood and agreed that the Investor's Contribution is in no way to be deemed a loan by the Investor to Realtech, or any of its affiliates, subsidiaries, employees or officers, or a borrowing by Realtech or any of its affiliates, subsidiaries, employees or officers from the Investor, and repayment of the Investor's Contribution is in no way, either directly or indirectly, guaranteed by Realtech or any of its affiliates, subsidiaries, employees, or officers. The parties hereto further acknowledge and agree that the Investor's decision to participate in the Second Mortgage Loan has not been induced by, nor does the Investor rely upon or regard as material, any representation or promise whatsoever made by Realtech or any of its affiliates, subsidiaries, employees, or officers with respect to the Second Mortgage Loan, except those outlined in the Offering Memorandum, subject to paragraph 17.

11. **Appointment of Realtech.** The Investor hereby appoints Realtech as trustee to administer, service and hold the Investor's Proportionate Interests in the Mortgage Investment upon and subject to the terms and provisions of this Agreement.

12. **Service and Duties.** So long as Realtech is acting as trustee hereunder, it shall administer, service and hold, without further compensation from the Investor, the Mortgage Investment in trust for the Investor as to the Investor's Proportionate Interests in accordance with normal mortgage practice, and Realtech hereby accepts such appointment, and in connection therewith Realtech will and is hereby authorized to:

- (a) make available for review by the Investor at the request and expense of the Investor, copies of the Mortgage Documents, title reports, surveys and other documents and papers in Realtech's possession pertaining to the Mortgage Investment and the Mortgaged Property;
- (b) arrange with its solicitors for title searches and for the preparation, execution and delivery of all Mortgage Documents, and for the making of such registrations and filings as may be necessary to ensure the priority of the Mortgage Investment as contemplated by the Commitment Letter;
- (c) make advances under the Second Mortgage, pro rata out of funds provided by the Investors, in accordance with the Commitment Letter and normal mortgage practice;

- (d) make reasonable efforts to collect all payments due under the Second Mortgage including, without limitation, all principal and interest, interest on interest in respect of late payments, bonuses and other monies as required by the Mortgage Documents;
- (e) perform all necessary services with respect to settlement of loss under insurance policies in the event of damage to or destruction of the Mortgaged Property;
- (f) hold as trustee all title papers, the Mortgage Documents and all other documents relating to the Mortgage Investment;
- (g) maintain proper records and accounts showing all receipts, payments and disbursements in respect of the Second Mortgage;
- (h) forthwith remit to the Investor the Proportionate Interests of the Investor in all amounts received by Realtech with respect to the Mortgage Investment less such amounts as Realtech may be entitled to retain hereunder, together with a statement showing the portion of such remittance representing principal, interest and other monies received;
- (i) review and monitor advances under the First Mortgage and periodically satisfy itself that the First Mortgage is in good standing;
- (j) monitor the Mortgage Investment and in particular the progress and cost of construction and development of the improvements upon the Mortgaged Property;
- (k) collect payments of interest, principal and such other monies as are required to be paid by the Mortgagor under the Second Mortgage;
- (l) provide the Investor with status reports with respect to the construction, development, marketing and sale of units comprising the Mortgaged Property as and when such information is made available to Realtech provided that Realtech shall not be obligated to provide such reports more frequently than once per month;
- (m) upon becoming aware of a material default under the Mortgage Documents, forthwith notify the Investors of such default requesting a written direction pursuant to section 13 and, as directed by the Investors, supervise and arrange the enforcement of foreclosure, sale and other remedies under the Mortgaged Documents and, in the absence of such written direction but subject to section 19, take whatever action Realtech considers necessary or expedient to enforce performance of the obligations of the Mortgagor under the Mortgage Documents and to realize upon the security therefore, including the appointment of a receiver, the exercise of powers of distraint, lease or sale, the collecting of rents under applicable leases, commencement of an action on the covenant for possession or foreclosure or otherwise;
- (n) subject to section 19, comply with any written direction of the Investors requested and given pursuant to section 13 and any other written direction of any one or more Investors holding in the aggregate proportionate interests in the Second Mortgage Loan of not less than FIFTY-ONE PERCENT (51%), or SIXTY-SIX AND TWO-THIRDS PERCENT (66 2/3%), as the case may be, which written directions shall be binding on all Investors; and

(o) Realtech shall perform its duties hereunder honestly, in good faith and in the best interest of the Investors and shall exercise that degree of care, diligence and skill that a reasonably prudent lender would exercise in comparable circumstances.

13. **Written Direction.** Realtech may obtain a decision of the Investors by requesting written direction. Provided that notice of such request for written direction is given to each Investor and that written direction is obtained by Realtech from Investors (which may include Realtech) holding in the aggregate proportionate interests in the Second Mortgage Loan of not less than FIFTY-ONE PERCENT (51%) of the Mortgage Units (or in the case of Paragraph 14 (b), SIXTY SIX AND TWO-THIRDS (66 2/3%), such direction shall be binding on all Investors.

14. **Matters Requiring Decision of Investors.** Realtech shall request a written direction of the Investors pursuant to Section 13 in respect of any of the following matters:

- (a) any renewals or extensions of the Second Mortgage;
- (b) any granting of priority, other than to the first mortgages described herein;
- (c) any concession or waiver with regard to the payment of any monies secured by the Second Mortgage or with regard to the compliance with any material obligations of the Mortgagor imposed thereby; and
- (d) any action taken in respect of any material default under the Mortgage Documents by the Mortgagor;
- (e) any settlement of loss payable under insurance policies relating to the Mortgaged Property or any settlement of compensation payable in respect of an expropriation of the Mortgaged Property.

15. **Matters Not Requiring Consent.** The Investor hereby authorizes and empowers Realtech to, without the consent of the Investor:

- (a) make advances under the Second Mortgage Loan pro rata out of funds provided by the Investors in accordance with the Commitment Letter and normal mortgage practice;
- (b) provide its consent to any subdivision of the Mortgaged Property as holder of the Mortgage consistent with the terms and conditions of the Commitment Letter;
- (c) provide, execute and deliver partial discharges of the Second Mortgage upon the sale of units of the Mortgaged Property;
- (d) provide, execute and deliver full discharges of the Second Mortgage and any security collateral thereto upon payment to it, in accordance with the terms thereof, of all principal, bonuses and interest together with any other monies secured thereby;
- (e) provide, execute and deliver any documentation, such as easement agreements, that are required of mortgagees in the normal course of the development of the property, and
- (f) retain solicitors, counsel, appraisers and other experts in respect of the Mortgage Investment.

16. Re-calculation of the Investors' Interest Rate and the Realtech Administration and Servicing Fee under Certain Circumstances. If, for any reason, the Borrower fails to pay all interest due at the Interest Rate and further payments are not considered to be collectible, the Investors' Interest

Rate will be the greater of all interest received by the Investor up to the date at which interest is determined to be uncollectible (net of any expenses as per the Mortgage Servicing and Trust Agreement) or 85% of the interest received. The Realtech Administration and Servicing Fee will be the balance, if any, of the interest received.

17. Costs. All costs associated with the administration and enforcement of the Mortgage Investment, including without limitation the cost of any solicitors, counsel, auditors, appraisers and other experts retained by Realtech, (if not recovered by the Borrower or Corporate Covenantor) shall be borne by the Investors pro rata in proportion to their respective proportionate interests in the Second Mortgage Loan, and Realtech may pay such costs from the proceeds of the Second Mortgage which would otherwise be remitted to the Investors.

18. Information Furnished to Realtech. In the exercise of its rights, duties and obligations hereunder, Realtech may rely as to the truth of the statements and the accuracy of the information and/or opinions expressed in any certificates, reports, opinions or statutory declarations furnished to it by the Mortgagor or by any solicitors, counsel, auditors, appraisers or other experts as Realtech may retain pursuant to the provisions hereof.

19. Payment and Indemnity. Before exercising any discretion or carrying out any instructions of the Investors, Realtech may require payment to be made to it of sufficient funds for such purpose and to receive indemnity satisfactory to it with respect to costs, charges, expenses and liabilities that it may incur. Any payment required of the Investors pursuant to this clause shall be payable by the investors pro rata in proportion to their respective proportionate interests in the Second Mortgage Loan.

20. Advances by Realtech. Except as contemplated by section 7, Realtech shall not be required to advance its own funds for any purpose and, in particular, shall not be required to pay insurance premiums, taxes, public utility charges, the cost of repairs or maintenance of the Mortgaged Property or the fees of solicitors, counsel, auditors, appraisers or other experts or agents engaged by it, but Realtech, if it deems it advisable, shall be at liberty to do so if acting reasonably. In the event that Realtech chooses to advance funds for such purposes, and if time permits, Realtech shall offer the opportunity to the Investors to make an advance in proportion to their interest in the Second Mortgage. Realtech and/or the Investors shall be entitled to reimbursement from the proceeds of the Second Mortgage which would otherwise be remitted to the Investors, which costs, including interest at 20% per annum, shall be borne by the Investors pro rata in proportion to their respective proportionate interests in the Second Mortgage Loan.

21. Liability of Realtech. Realtech and its directors, officers and employees shall not be liable to the Investor for any loss incurred by the Investor in respect of the holding, administering and servicing of the Mortgage Investment save and except for any such loss resulting from the gross negligence or willful misconduct of Realtech or its directors, officers or employees.

22. Indemnification of Realtech. The Investor shall indemnify and save harmless Realtech and its officers and employees from any and all claims, demands, taxes, costs, charges and expenses of every nature and kind with respect to the administration and servicing of the Mortgage Investment to the extent of the Investor's Proportionate Interest, save and except where the same results from the gross negligence or willful misconduct of Realtech, or its directors, officers or employees. The obligation of the Investor to indemnify and save harmless Realtech and its officers and employees shall survive the termination of this Agreement.

23. **Termination of Agreement.** This Agreement shall be terminated upon the happening of:

- (a) payment of all monies secured by the Mortgage Documents;
- (b) the termination of this Agreement by mutual consent in writing of both parties hereto; or
- (c) termination of Realtech's appointment in accordance with section 24.

24. **Termination of Appointment.** The appointment of Realtech as trustee for the administration, servicing and holding of the Mortgage Investment on behalf of the Investors may be terminated by:

- (a) 60 day's written notice by Realtech to the Investors; or
- (b) 30 days' written notice to Realtech by Investors holding in the aggregate proportionate interests in the Second Mortgage Loan of not less than SIXTY PERCENT (60%);

Upon the termination of such appointment, Realtech shall execute and deliver, at the Investors' expense, such assignments, transfers, directions, notices and other instruments for the purpose of transferring the title to that portion of Mortgage Investment and the Mortgage Documents held on behalf of Investors other than Realtech, to such Investors or to any successor trustee as directed by such Investors, and shall deliver to such Investors or to such successor all Mortgage Documents and all other documents in its possession relating to the Mortgage Investment, provided that such successor trustee shall have first executed an agreement in favour of Realtech substantially in the form of this Agreement acknowledging the beneficial interests of Realtech as set forth in section 7.

25. **Non-Registration.** The Investor covenants and agrees not to register against the title to the Mortgaged Property any notice of this Agreement or any caveat or lis pendens in respect of any matter herein set forth.

26. **No Transfer.** The Investor acknowledges and confirms that he may not sell, assign, transfer, pledge, mortgage, charge, hypothecate or otherwise dispose of, encumber or deal with his Proportionate Interest in the Mortgage Investment.

27. **Notices.** Any notice, consent, request, direction or communication required or permitted to be given hereunder may be effectively given by delivering the same at the addresses hereinafter set forth or by sending the same by fax (with the original to follow by regular mail) or by pre-paid registered mail to the parties at such addresses. Any notice delivered or faxed shall be deemed to have been received on the date of actual receipt or, if received after 5 p.m. local time at the place of delivery, on the first business day following receipt. Any notice so mailed shall be deemed to have been received on the fifth business day next following the mailing thereof provided the postal service is in operation during such time. During any interruption of postal service, all notices shall be delivered or faxed. The addresses of the parties for the purposes hereof shall respectively be:

Realtech: Suite 1210 - 1030 West Georgia Street
Vancouver, British Columbia
V6E 2Y3
Attention: David R. Bouskill
E-mail: david@realtechcapital.com
Fax: (604) 662-4818

Investor: _____

 E-mail: _____
 Fax: _____

28. **Severability.** If a provision of this Agreement is wholly or partially invalid, this Agreement shall be interpreted as if such invalid provision had not been part hereof and all other provisions shall remain in full force and effect.

29. **Enurement.** This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

30. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties hereto.

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

REALTECH CAPITAL GROUP INC.

Per: _____
 Authorized Signatory

SIGNED, SEALED and DELIVERED by)
 the Investor in the presence of:)
)
 _____)
 Signature)
 _____)
 Print Name)
 _____)
 Address)
 _____)
 _____)
 Occupation)

 Signature of Investor

 Please Print Name of Investor