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Private Placement of Securities

July 30, 2014
(as amended and restated June 4, 2015)

CONFIDENTIAL OFFERING MEMORANDUM

Clear Sky Capital Income Portfolio Fund – Series I

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Currently listed or quoted: No. These securities do not trade on any exchange or market.
Reporting Issuer: No.
SEDAR filer: No.

THE OFFERING

Securities Offered: Trust Units, which are Class A trust units of the Fund.
Price Per Security: CD\$10 per Trust Unit.
Maximum Offering: CD\$30,000,000 (an aggregate of 3,000,000 Trust Units). The Fund may, without notice to Investors, increase the Maximum Offering. The Fund has realized Offering proceeds of CD\$13,012,960.00 to date.
Minimum Offering: There is no minimum offering. You may be the only Investor. Funds available under the Offering may not be sufficient to accomplish our proposed objectives. See Item 1.4 – Working Capital Deficiency and Item 8 – Risk Factors.
Minimum Subscription: CD\$5,000 (500 Trust Units). See Item 5.3 – Subscription Procedure.
Payment Terms: Investors must pay the subscription price in full by certified cheque, bank draft or such other manner as may be accepted by the Fund at the time of delivering fully completed and signed Subscription Agreements. See Item 5.3 – Subscription Procedure.
Closing Dates: Closings may be held from time to time in the Trustees' discretion until the Maximum Offering is reached.
Resale Restrictions: You will be restricted from selling your Trust Units for an indefinite period. See Item 10 – Resale Restrictions.
Tax Consequences: There are important tax consequences relating to the ownership of these securities. See Item 6 – Income Tax Consequences.
Selling Agents: Yes. The Fund may, from time to time, appoint agents or sub-agents that are (i) exempt market dealers registered under applicable securities laws in Canada, (ii) members of the Investment Industry Regulatory Organization of Canada, or (iii) otherwise exempt from registration requirements under applicable securities laws in Canada, to offer the Trust Units for sale under the Offering. Where Trust Units are distributed through a registered exempt market dealer, the registered exempt market dealer will retain a 1.2% administration fee and 1% corporate finance fee out of the applicable Selling Commissions at Closing prior to any further participation in the balance of the Selling Commissions by the registered exempt market dealer, any dealing representative(s) or any other sub-agent(s) of the registered exempt market dealer. The Fund is considered a "connected issuer" and a "related issuer" under Canadian securities law with Pinnacle Wealth Brokers Inc., a registered dealer appointed by the Fund to offer Trust Units for sale under the Offering, through such registered dealer's beneficial ownership or control of a Class C limited partnership interest in the US Limited Partnership and due to Gary Doran, currently a minority shareholder of Pinnacle Wealth Brokers Inc., serving as a Trustee of the Fund and as a director of Car Wash GP I, the general partner of each of Scottsdale Car Wash LP, Encanto Car Wash LP, Power Car Wash LP, Bell Road Car Wash LP and, once formed, 67th Avenue Car Wash LP and 51st Avenue Car Wash LP. See Item 7 – Compensation Paid to Sellers and Finders. The Fund has paid or committed to pay CD\$1,171,166.40 in Selling Commissions to date.

RESALE RESTRICTIONS

You will be restricted from selling your securities for an indefinite period. You will not be able to sell these securities except in very limited circumstances. You may never be able to resell these securities. See Item 10 – Resale Restrictions.

INVESTORS' RIGHTS

You have two 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 – Investors' Rights. With respect to residents in Ontario, Quebec and certain jurisdictions outside Canada, the distribution of Trust Units is being made pursuant to section 2.3 (the "Accredited Investor Exemption") or pursuant to section 2.10 (the "Minimum Amount Exemption") of National Instrument 45-106 - Prospectus Exemptions of the Canadian Securities Administrators, based on the applicable election made by the Investor in the Subscription Agreement. Accordingly, the distribution is exempt from the requirement to prepare and file a prospectus under applicable legislation.

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EXECUTIVE SUMMARY

- This offering has been created to provide an opportunity for Canadian investors, by way of a tiered partnership structure, to invest indirectly in United States commercial or industrial properties, including Car Washes, without creating any obligation on behalf of the investors to file United States income tax returns. This offering is open primarily to Canadian Investors; the number of Trust Units that may be held by Trust Unitholders who are Non-Residents is restricted. In particular, a person or entity that is a US Person (as defined in **Item 6.2.1** of this offering memorandum) may not subscribe for or purchase Trust Units.
- The Fund is an open-ended, unincorporated investment trust formed and existing under the laws of Alberta. The Trustees are Marcus Kurschat, Gary Doran and Kevin Wheeler, who will manage the affairs of the Fund, as its trustees. The Fund is governed by the Declaration of Trust.
- The Fund does not anticipate carrying on active business, directly. Rather, the Fund owns, directly and indirectly, interests in subsidiary entities, which carry on the business of acquiring or investing in, and managing, income-producing industrial and commercial properties located in the United States or Canada, with a focus on Car Washes. **It is the intention of the Fund and its affiliates to acquire a controlling interest in one or more Car Washes or other industrial or commercial properties (and the businesses conducted on those properties) and/or to be actively involved in the management of each and every Car Wash or other industrial or commercial property (and the business conducted on those properties).** The Fund is the sole voting limited partner of Clear Sky LP XIV, holding Class A LP Units (voting) of and a 99.99% economic interest in Clear Sky LP XIV. Clear Sky LP XIV is a limited partner of the US Limited Partnership, holding Class A limited partnership units therein. US Investors (including individuals who are Trustees, directors, officers and shareholders of the US General Partners and affiliates thereof, as well as arm's length investors) are limited partners in the US Limited Partnership, holding a Class B limited partnership interest in the US Limited Partnership. Pinnacle Wealth Brokers Inc., the registered dealer appointed by the Fund as its agent to offer Trust Units for sale under the Offering, will be as of the completion of the first Car Wash acquisition a limited partner of the US Limited Partnership, holding Class C non-voting limited partnership interests in the US Limited Partnership.
- As of the date of this offering memorandum, an affiliate of Marcus Kurschat, Trustee and President of the Fund, has entered into acquisition agreements for one or more additional Car Washes, in each case with a seller who is at arm's length to the Fund and its affiliates (including 67th Avenue Car Wash LP and 51st Avenue Car Wash LP) and Pinnacle Wealth Brokers Inc., including:

Name	Purchase Price	Target Acquisition Date
67 th Avenue Car Wash ⁽¹⁾ 1740 North 67 th Avenue Phoenix, Arizona 85035	<p>US\$4,844,880⁽²⁾. The purchase price and related closing costs are expected to be satisfied by payment of approximately:</p> <ul style="list-style-type: none"> • US\$1,987,952⁽³⁾⁽⁷⁾ • US\$3,149,172⁽⁴⁾ <p>The buyer paid an initial earnest money deposit of US\$50,000 in connection with the commencement of its 60-day inspection period (expiring July 7, 2015) for title review and due diligence purposes. The 67th Avenue Car Wash Acquisition Agreement also has a condition in favour of the buyer that satisfactory financing to complete the acquisition be available within the same 60-day period expiring July 7, 2015. 67th Avenue Car Wash LP anticipates completing the 67th Avenue Car Wash acquisition once satisfactory arrangements are in place for financing the entire 67th Avenue Car Wash purchase price and provided the 67th Avenue Car Wash Acquisition Agreement has not been terminated on or before closing of the acquisition. The earnest money deposit and the closing extension deposit (if any) will be applied to the purchase price for the 67th Avenue Car Wash if the acquisition is completed.</p>	<p>July 21, 2015. The 67th Avenue Car Wash acquisition closing may be extended until August 20, 2015 upon the buyer's payment of US\$242,224 as a non-refundable closing extension deposit.</p> <p>The buyer may advance the then-scheduled closing to an earlier date upon seven day s' prior written notice to the seller.</p> <p>Prior to or concurrently with completing the acquisition of the 67th Avenue Car Wash, 51st Avenue Car Wash LP (or its affiliate) must have either (i) purchased the 51st Avenue Car Wash or (ii) paid an additional earnest money deposit of US\$200,000 to the seller thereof.⁽⁷⁾</p>

Name	Purchase Price	Target Acquisition Date
51 st Avenue Car Wash ⁽¹⁾ 1025 North 51st Avenue Phoenix, Arizona 85043	<p>US\$6,120,216⁽⁵⁾. The purchase price and related closing costs are expected to be satisfied by payment of approximately:</p> <ul style="list-style-type: none"> • US\$2,142,076⁽⁶⁾⁽⁷⁾ • US\$3,978,140⁽⁴⁾ <p>The buyer paid an initial earnest money deposit of US\$50,000 in connection with the commencement of its 60-day inspection period (expiring July 7, 2015) for title review and due diligence purposes. The 51st Avenue Car Wash Acquisition Agreement also has a condition in favour of the buyer that satisfactory financing to complete the acquisition be available within the same 60-day financing period expiring July 7, 2015. 51st Avenue Car Wash LP anticipates completing the 51st Avenue Car Wash acquisition once satisfactory arrangements are in place for financing the entire 51st Avenue Car Wash purchase price and provided the 51st Avenue Car Wash Acquisition Agreement has not been terminated on or before closing of the acquisition. The earnest money deposits and the closing extension deposit (if any) will be applied to the purchase price for the 51st Avenue Car Wash if the acquisition is completed.</p>	<p>July 21, 2015. The 51st Avenue Car Wash acquisition closing may be extended until August 20, 2015 upon the buyer's payment of US\$306,011 as a non-refundable closing extension deposit.</p> <p>The buyer may advance the then-scheduled closing to an earlier date upon seven day s' prior written notice to the seller.</p> <p>Prior to or concurrently with completing the acquisition of the 51st Avenue Car Wash, 67th Avenue Car Wash LP (or its affiliate) must have either (i) purchased the 67th Avenue Car Wash or (ii) paid an additional earnest money deposit of US\$200,000 to the seller thereof.⁽⁷⁾</p>

Notes:

- (1) Car Washes that the Fund and its subsidiaries intend to acquire, as of the date of this offering memorandum, are described in **Item 2.3.1 – Investment in Car Washes**. See also **Item 2.3.1.1 – Acquisition of the 67th Avenue Car Wash** and **Item 2.3.1.2 – Acquisition of the 51st Avenue Car Wash**. For information concerning the investment strategy of the Fund and its affiliates for acquiring or investing in Car Washes or other industrial or commercial properties (and the businesses associated with such properties), see **Item 2.2.1 – Business and Growth Strategies**.
- (2) Subject to adjustment pursuant to the 67th Avenue Car Wash Acquisition Agreement. The 67th Avenue Car Wash Acquisition Agreement is to be assigned at no additional cost to 67th Avenue Car Wash LP, as buyer, in connection with completing the acquisition of the 67th Avenue Car Wash. See also **Item 2.7.8 – 67th Avenue Car Wash Acquisition Agreement**.
- (3) To be funded with Offering Proceeds and the buyer's earnest money and closing extension deposits applied to the applicable Car Wash purchase price (based on new commercial real estate financing that is up to 65% of the purchase price or appraised value, whichever is lower, and payment of earnest money and closing extension deposits totaling US\$292,244; if the loan-to-purchase price target is not reached and the acquisition is completed with a lower loan principal, or the earnest money and closing extension deposits are lower, the cash-to-close payment will be increased). See also **Item 2.7.8 – 67th Avenue Car Wash Acquisition Agreement**.
- (4) To be funded using new commercial real estate term loan proceeds from one or more arm's length lenders in connection with the acquisition of the Car Wash (based on a target of up to 65% of the purchase price or appraised value, whichever is lower, for the each of the proposed 67th Avenue Car Wash and 51st Avenue Car Wash acquisitions). See also **Item 2.3.1.1 – Acquisition of the 67th Avenue Car Wash** and **Item 2.3.1.2 – Acquisition of the 51st Avenue Car Wash**.
- (5) Subject to adjustment pursuant to the 51st Avenue Car Wash Acquisition Agreement. The 51st Avenue Car Wash Acquisition Agreement is to be assigned at no additional cost to 51st Avenue Car Wash LP, as buyer, in connection with completing the acquisition of the 51st Avenue Car Wash. See also **Item 2.7.9 – 51st Avenue Car Wash Acquisition Agreement**.
- (6) To be funded with Offering Proceeds and the buyer's earnest money and closing extension deposits applied to the applicable Car Wash purchase price (based on new commercial real estate financing that is up to 65% of the purchase price or appraised value, whichever is lower, and payment of earnest money and closing extension deposits totaling US\$556,011; if the loan-to-purchase price target is not reached and the acquisition is completed with a lower loan principal, or the earnest money and closing extension deposits are lower, the cash-to-close payment will be increased). See also **Item 2.7.9 – 51st Avenue Car Wash Acquisition Agreement**.

- (7) It is anticipated that the 67th Avenue Car Wash will be acquired first (if at all) and that 51st Avenue Car Wash LP (or its affiliate) will have paid an additional earnest money deposit of US\$200,000 to the seller thereof. See also **Item 2.3.1.1 – Acquisition of the 67th Avenue Car Wash** and **Item 2.3.1.2 – Acquisition of the 51st Avenue Car Wash**.

- As of the date of this offering memorandum, the following Car Washes have been acquired:

Name	Location	Acquisition Date
Scottsdale Road Car Wash	301 North Scottsdale Road, Scottsdale, Arizona 85257	November 13, 2014
Encanto Road Car Wash	8301 West Encanto Blvd., Phoenix, Arizona 85037	December 17, 2014
Power Road Car Wash	243 North Power Road, Mesa, Arizona 85206	January 29, 2015
Bell Road Car Wash	17001 North 26 Street, Phoenix, Arizona 85032	April 21, 2015

Car Washes that the Fund and its subsidiaries have acquired, as of the date of this offering memorandum, are described in **Item 2.3.1.3 – Acquired Car Washes** and **Item 2.7.10 – Acquired Car Wash Acquisition Agreements**.

- The Fund has used and will continue using Available Funds from the Offering for capital contributions as a limited partner in, or to lend funds to, Clear Sky LP XIV. Clear Sky LP XIV has, in turn, and will continue to use the funds available to it (including proceeds from the issue and sale of any Bridge Financing LP Units) for capital contributions as a limited partner in, or to lend funds to, the US Limited Partnership. The US Limited Partnership has, in turn, and will continue to use the funds available to it (including proceeds from the issue and sale of any Bridge Financing LP Units) for capital contributions as a limited partner in, or to lend funds to, one or more Car Wash LPs. Each Car Wash LP has, in turn, and will continue to those funds, along with amounts which may be borrowed from third-party lenders (if any) to acquire or invest in a Car Wash or other industrial/commercial business and for any related costs. Separate Car Wash LPs have been and will be used for the acquisition of or investment in each Car Wash and it is the intention of the Fund and its affiliates that the partners of each Car Wash LP will be, subject to an economic interest in one or more Car Wash LPs being held as a limited partner or a general partner, directly or indirectly, by the Bridge Equity Investor(s) in Bridge Financing LP Units of Clear Sky LP XIV that may be issued and sold from time to time in connection with the acquisition of or investment in Car Washes, the US Limited Partnership (limited partner holding a 99.99% economic interest) and an entity organized in the United States (general partner holding an economic interest of 0.01%). This will allow the Fund to, indirectly through its subsidiary entities, earn income derived from the investment in the Car Washes.
- The Fund intends to distribute all or any part of the Net Available Cash of the Fund (if any) that the Trustees prudently determine as being available for distributions, to Trust Unitholders of record on the last day of each calendar year. The Fund may also distribute cash (if any) that the Trustees prudently determine as being available for distributions to Trust Unitholders for other distribution periods, as the Trustees determine, in their discretion, from time to time. It is expected that no cash will be distributed to Trust Unitholders until cash flows are sufficiently stabilized. Once cash flows from the Car Washes are stabilized, the Fund intends to distribute cash quarterly to Trust Unitholders, provided that the Fund may distribute cash (if any) that the Trustees prudently determine as being available for distributions (if any), to Trust Unitholders for other distribution periods, as the Trustees determine, in their discretion, from time to time, whether or not quarterly distributions are declared and paid. Where a distribution of distributable cash is declared by the Fund, such distribution will be made on a day within 30 days of the date of distribution. See **Item 5.2 – Cash Distributions to Trust Unitholders**. The ability of the Fund to make cash distributions and the actual amount distributed depends on the operations of Car Washes acquired by Car Wash LPs, and will be subject to various factors including those referenced in **Item 8 – Risk Factors**. The Fund and its affiliates may, in connection with the acquisition of any Car Wash, agree to material restrictions regarding their use of funds that would otherwise be available for distribution for any purpose other than the redemption of Bridge Financing LP Units. Among other things, such restrictions might be imposed on Clear Sky LP XIV in the provisions of the applicable Bridge Financing LP Units. See **Item 2.7.2 – Clear Sky LP XIV Agreement – Capital of Clear Sky LP XIV**.

Until Participating Trust Unitholders and US Investors realize a prescribed return or hurdle rate in an amount equal to an Investor ROI of 12% on the their Investment Capital (not compounded; if a 12% Investor ROI is not paid for a particular year, the shortfall does not accrue in favour of Participating Trust Unitholders or US Investors in subsequent years) for a particular year (taking into account any prior distributions of Net Available Cash, return-of-capital distributions or other amounts previously paid by the US Limited Partnership during the year, and any U.S. taxes paid on behalf of Participating Trust Unitholders), no Interested Stakeholders (being Clear Sky GP, the US General Partners and Pinnacle Wealth Brokers Inc., as partners in the US Limited Partnership, and the general partner of each Car Wash LP, including Car Wash GP I) will participate in any cash distributions or other amounts returned to Participating Trust Unitholders and US Investors, subject to any Car Wash LP partnership interest(s) that may be created and issued in connection with the acquisition of or investment in

the applicable Car Wash (or other industrial/commercial property and the business conducted thereon) being held, directly or indirectly, by any Bridge Equity Investor(s).

The 12% Investor ROI is to be paid annually (but not compounded), if at all, to Participating Trust Unitholders and US Investors in priority to Interested Stakeholders for each year following the first Car Wash acquisition until all of the Investor's capital is returned to the Investor. If a 12% Investor ROI is not paid for a particular year, the shortfall does not accrue in favour of Participating Trust Unitholders or US Investors in subsequent years. It is anticipated that capital will be returned to Investors periodically upon the sale, dissolution and liquidation or refinancing of Car Washes unless such capital is reinvested in other Car Washes or assets. For Participating Trust Unitholders, US Limited Partnership distributions (if any) will be received after payment of applicable U.S. taxes by Clear Sky LP XIV on any amounts allocated to it by the US Limited Partnership, as a limited partner or an unsecured creditor. To the extent that Clear Sky LP XIV pays applicable U.S. taxes, Participating Trust Unitholders will be allocated their proportionate share of such taxes paid as a foreign tax credit; however, non-taxable Trust Unitholders, such as RRSPs and other Exempt Plans, will not benefit from any allocation of foreign tax credits. Trust Unitholders, whose Trust Units are held outside an RRSP or other Exempt Plan, might consider such payment of taxes as having been made on their behalf and without requiring those Trust Unitholders to prepare and file U.S. tax returns (and pay applicable U.S. taxes) themselves. By comparison, US Investors will participate in distributions from the US Limited Partnership without Clear Sky LP XIV paying applicable U.S. taxes on their behalf. However, US Investors are required to prepare and file their own U.S. tax returns each year and pay applicable U.S. taxes, themselves. For taxable Investors, part of their 12% Investor ROI would be in the form of foreign tax credits based on the U.S. tax paid by Clear Sky LP XIV.

After a 12% Investor ROI has been achieved for a particular year (following the first Car Wash acquisition), further Car Wash LP distributions (if any) that are received by the US Limited Partnership during that year will be distributed or otherwise paid as to the US General Partners (subject to reduction based on an economic interest(s) in the Car Wash LP held by any Bridge Equity Investor(s)), Pinnacle Wealth Brokers Inc., Participating Trust Unitholders (through Clear Sky LP XIV and the Fund) and US Investors, collectively, for the year *pro rata* based on their Ownership Percentages. However, Investors whose Trust Units are held in RRSPs or other Exempt Plans may not receive US Limited Partnership distributions (if any) that are equivalent to a 12% Investor ROI before other partners in the US Limited Partnership (*i.e.*, the US General Partners and Pinnacle Wealth Brokers Inc.) begin to participate in further distributions and the US Investors' and Participating Trust Unitholders' participation in such further distributions reverts to their Ownership Percentages.

As of the date of this offering memorandum, the Ownership Percentages of the partners of the US Limited Partnership are: (a) Participating Trust Unitholders (through Clear Sky LP XIV and the Fund) – 9.7344%; (b) US Investors - 0.4754%; (c) US General Partners - 61.1871%, subject to reduction based on any economic interest(s) in any Car Wash LP(s) held by any Bridge Equity Investor(s); and (d) Pinnacle Wealth Brokers Inc. - 28.6032%.

The varying levels of participation in distributions of Net Available Cash (if any) or other payments between Participating Trust Unitholders and any US Investors, Pinnacle Wealth Brokers Inc. and the US General Partners (and any Bridge Equity Investors) will, in all cases, be calculated as their effective levels of participation in the US Limited Partnership based on Ownership Percentages (subject to any Car Wash LP partnership interest(s) that may be created and issued in connection with the acquisition of or investment in the applicable Car Wash (or other industrial/commercial property and the business conducted thereon) being held, directly or indirectly, by any Bridge Equity Investor(s)), even though such distributions to Participating Trust Unitholders are to be paid to them as beneficiaries of the Fund rather than partners of the US Limited Partnership.

Car Wash LP distributions (if any) will, in all cases be made after allowance for payment of the applicable Performance Fees, Asset Management Fees and, where applicable, Location Management Fees.

- Pending the acquisition of or investment in any Car Wash or other industrial or commercial property (and the business associated with such property), the Fund intends to invest such funds in Permitted Investments pursuant to the Declaration of Trust.
- A Trust Unitholder will not be required to file United States federal income tax returns solely by reason of holding Trust Units, provided that: (a) the Trust Unitholder is not a citizen or resident of the United States or an entity organized under United States law; (b) the Trust Unitholder is not engaged (or deemed to be engaged) in trade or business within the United States; and (b) Clear Sky LP XIV elects to be treated as a corporation for US federal tax purposes. Canadian investors may, however, be asked to complete certain United States tax forms designed to address certain United States tax rules, including the rules pertaining to United States tax withholding.

- Clear Sky LP XIV has elected or will elect to be treated as a corporation for United States federal income tax purposes. As a result of such election, Clear Sky LP XIV will be subject to United States federal income tax, United States branch profits taxes and state and local tax that is imposed by the jurisdictions in which the US Limited Partnership has a presence. The Fund will pay or make such income payable to the Trust Unitholders and make the necessary designations under the Tax Act so that the Trust Unitholders should be treated as earning such United States income for purposes of the Tax Act. See **Item 6.1 – Certain Canadian Federal Income Tax Considerations**.

INVESTMENT NOT LIQUID

There is no market through which Trust Units can be sold and Investors will be unable to sell Trust Units purchased under the Offering. As at the date of this offering memorandum, none of the Trust Units or any other securities of the Fund has been listed or quoted, and the Fund has not applied to list or quote any of its securities. The Fund does not currently intend to apply to list or quote any of its securities, on any stock exchange, quotation system or marketplace. Further, the Trust Units will be subject to a number of resale restrictions, including a statutory restriction on trading. Until the statutory restriction on trading expires, if ever, a Trust Unitholder will be unable to trade Trust Units unless it complies with very limited exemptions from the prospectus and registration requirements under applicable securities legislation. Since the Fund has no current intention of becoming a reporting issuer (or the equivalent) in any jurisdiction in Canada, these statutory trading restrictions may never expire. Further, the Declaration of Trust contains restrictions on transfer of the Trust Units, whereby no transfer is permitted without the consent of the Trustees. Consequently, Trust Unitholders will be unable to liquidate their investment in Trust Units in a timely manner, if at all, or pledge their Trust Units as collateral for loans. See **Item 10 – Resale Restrictions**.

ELIGIBILITY FOR INVESTMENT

Based on representations made by the Fund to counsel, subject to completion of the Eligibility Distribution and provided that the Fund has satisfied and continues to satisfy the requirements under the Tax Act in order for it to qualify as a "mutual fund trust" thereunder and makes certain elections in connection therewith, and, based on the provisions of the Tax Act in force as of the date hereof and the proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, the Trust Units if issued on the date hereof, would be "qualified investments" under the Tax Act for Exempt Plans. Notwithstanding that the Trust Units may be a qualified investment for a TFSA, RRSP or RRIF, the holder of a TFSA or the annuitant under a RRSP or RRIF, as the case may be, will be subject to a penalty tax on the Trust Units held in the TFSA, RRSP or RRIF if such Trust Units are a "prohibited investment" for the purposes of section 207.01 of the Tax Act. The Trust Units will generally be a "prohibited investment" if the holder of the TFSA or the annuitant under a RRSP or RRIF does not deal at arm's length with the Fund for the purposes of the Tax Act or has a "significant interest" in the Fund. A person will have a significant interest in the Fund if the person, together with non-arm's length persons, holds 10% or more of the fair market value of the Trust Units. See **Item 6.1.1 – Certain Canadian Federal Income Tax Considerations – Eligibility for Investment**.

In order for the Fund to qualify as a mutual fund trust, and hence be a qualified investment for Exempt Plans, it must have at least 150 Trust Unitholders, each holding at least one "block" of Trust Units (in this instance 100 Trust Units) worth not less than \$500. The Fund has completed the Eligibility Distribution prior to March 31, 2015 and, as of the date of this offering memorandum, has 521 Trust Unitholders, holding a total of 1,301,296 Trust Units. The Fund made prior to March 31, 2015 the necessary elections under subsection 132(6.1) of the Tax Act to be deemed to be a mutual fund trust from inception under the Tax Act so that the Trust Units can continue being held in Exempt Plans.

See **Item 6.1.1 – Certain Canadian Federal Income Tax Considerations – Eligibility for Investment**.

This offering is open to Canadian investors and, subject to restrictions in the Declaration of Trust and under the Tax Act, certain Non-Resident investors (other than US Persons). A person or entity that is a US Person (as defined in **Item 6.2.1** of this offering memorandum) may not subscribe for or purchase Trust Units. See **Item 10.4 – Restrictions in the Declaration of Trust** and **Item 6.2.1 – Certain United States Federal Income Tax Consequences – General**.

CERTAIN ASPECTS OF THE OFFERING

The specific Car Washes that, as of the date of this offering memorandum, the Fund has acquired or anticipates acquiring or being invested in (indirectly through subsidiaries) are described in **Item 2.3.1 – Investment in Car Washes**. For information concerning the investment strategy of the Fund's subsidiaries, see **Item 2.2.1 – Business and Growth Strategies**. See **Item 2 – Business of the Fund** for a description of the Fund and its subsidiaries and see **Item 1 – Use of Available Funds** for a description of the anticipated use of the Offering Proceeds.

An investment in the Trust Units must be considered speculative as the securities are subject to certain risk factors as set out under Item 8 – Risk Factors. An investment in Trust Units is appropriate only for Investors who have the capacity to absorb a loss of some or all of their investment.

The return on an investment in the Trust Units is not comparable to the return on an investment in fixed-income securities. Cash distributions to Trust Unitholders are not guaranteed and are not fixed obligations of the Fund; any receipt of cash distributions by a Trust Unitholder is at any time subject to the terms of the Declaration of Trust. Any anticipated return on investment is based upon many performance assumptions. Although the Fund intends to distribute its available cash to Trust Unitholders, cash distributions may be reduced or suspended at any time and from time to time. The ability of the Fund to make cash distributions and the actual amount distributed depends on the operations of the Car Washes (or other industrial/commercial businesses) acquired by the Car Wash LPs, and will be subject to various factors including those referenced in **Item 8 – Risk Factors**. Set out in **Item 5.2.2 – Flow of Funds from the Car Washes** is a summary of the distribution of funds from the Fund's subsidiaries to the Fund. The value of the Trust Units may decline if the Fund is unable to meet its cash distribution targets, if any, in the future and that decline may be significant.

It is important for Investors to note that the Fund and its affiliates may, in connection with the acquisition of any Car Wash or other industrial/commercial property (and the business conducted on such property), agree to material restrictions regarding their use of Available Funds and funds that would otherwise be available for distribution or, Working Capital for any purpose other than the redemption of Bridge Financing LP Units, which restrictions might be imposed on Clear Sky LP XIV in the provisions of the Bridge Financing LP Units.

It is important for Investors to consider the particular risk factors that may affect the real estate market, generally, and therefore the stability of the distributions to Trust Unitholders. Refer to Item 8 – Risk Factors for a more complete discussion of these risks and their potential consequences.

CURRENCY TABLE

The following table shows certain information concerning the noon exchange rates between the US dollar and the Canadian dollar, expressed in Canadian dollars for one US dollar, in effect during the periods noted: the average rate of exchange for such periods; and the high and low rates of exchange during such periods; in each case based on rates quoted by the Bank of Canada.

Time Period	Canadian Dollars (CD\$) per United States Dollar (US\$1.00)		
	Average	High	Low
Year ended December 31, 2008	1.0660	1.2969	0.9719
Year ended December 31, 2009	1.1420	1.3000	1.0292
Year ended December 31, 2010	1.0299	1.0778	0.9946
Year ended December 31, 2011	0.9891	1.0604	0.9449
Year ended December 31, 2012	0.9996	1.0418	0.9770
Year ended December 31, 2013	1.0697	1.0299	0.9839
Year ended December 31, 2014	1.1045	1.1643	1.0614
Period from January 1, 2015 to June 3, 2015	1.2355	1.2803	1.1728

On June 4, 2015, the Bank of Canada noon day exchange rate was CD\$1.2477 = US\$1.00.

FORWARD-LOOKING INFORMATION

This offering memorandum contains certain statements or disclosures that may constitute forward-looking information under applicable securities laws. All statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results or developments that the Fund anticipates or expects may or will occur in the future (in whole or in part) should be considered forward-looking information. In some cases, forward-looking information can be identified by terms such as "future", "may", "will", "intend", "expect", "anticipate", "believe", "potential", "enable", "plan", "continue", "contemplate" or other comparable terminology. Forward-looking information presented in this offering memorandum includes the following:

- the Fund's intentions or expectations about its ability to raise capital under the Offering (including the issue and sale of Trust Units) or otherwise, including the ability of the Fund to complete the Maximum Offering;

- intentions or expectations about the Car Wash LPs purchasing (or otherwise investing in), renovating, upgrading, and repositioning of Car Washes, including the acquisitions of the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash and Bell Road Car Wash and the proposed acquisitions of the 67th Avenue Car Wash and 51st Avenue Car Wash;
- the nature of the operations and business outlook of any Car Wash LPs and the applicable Car Washes (or other industrial/commercial businesses), including intentions and strategies for purchasing (or otherwise investing in), renovating, upgrading, and repositioning of Car Washes, the Car Wash LPs' ongoing management and operation of the Car Washes (or other industrial/commercial businesses), sources of funds, forecasts of capital expenditures, including the proposed investment and management strategy for the Car Washes (or other industrial/commercial businesses);
- the Fund's intentions regarding payment of Selling Commissions, Offering costs, and ongoing general and administrative expenses, including the fees and expenses described in **Item 1.5 – Fees and Expenses**;
- intentions and expectations regarding the Car Wash LPs' payment of general, administrative and operational costs and expenses associated or incurred in connection with, or related to operating and managing the Car Washes, including Renovation Costs, Location Management Fees and the Asset Management Fees;
- forecast business results and anticipated financial performance;
- long-term or short-term plans and objectives of the Fund for future operations or refinancing of any Car Washes (or other businesses), forecast business results and anticipated financial performance;
- intentions and expectations regarding Clear Sky LP XIV's redemption, purchase or other acquisition of Bridge Financing LP Units, if any, or the funding for any such redemption, purchase or other acquisition; and
- the Fund's intentions or expectations about its ability to distribute Net Available Cash (if any) to Trust Unitholders.

Various assumptions are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. Those assumptions are based on information currently available to the Fund, including information obtained by the Fund from third-party industry analysts and other arm's length sources. In some instances, material assumptions are presented or discussed elsewhere in this offering memorandum in connection with the forward-looking information. We caution you that the following list of material assumptions is not exhaustive. The assumptions include, but are not limited to:

- expectations about general economic conditions and conditions in the real estate markets where Car Washes, including the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash, Bell Road Car Wash, 67th Avenue Car Wash and 51st Avenue Car Wash, may be located or in which the Car Wash LPs may operate and the ability to deploy capital in those markets and generate a profit therefrom;
- expectations about ongoing global financial crises and circumstances and that the economies and real estate and financial markets where the Car Washes, including the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash, Bell Road Car Wash, 67th Avenue Car Wash and 51st Avenue Car Wash are located or in which the Car Wash LPs may operate will recover within a three-to-ten year period and will not suffer a prolonged downturn;
- expectations about the availability of capital, including expectations about the successful completion of the Maximum Offering;
- expectations about the Fund's ability to raise sufficient Offering Proceeds to complete its business objectives, including the advance of Available Funds to the Car Wash LPs, facilitating any Car Wash LP purchasing (or otherwise investing in), renovating, upgrading and repositioning of a Car Wash (or other industrial/commercial business), and funding any redemption, purchase or other acquisition of any Bridge Financing LP Units;
- intentions or expectations about the Car Wash LPs' management and operation of Car Washes (or other businesses), including the ability or opportunity to stabilize cash flows from the Car Washes through renovating, upgrading, and repositioning;
- intentions or expectations about the Car Wash LPs' abilities or opportunity to dispose of or refinance any Car Wash (or other industrial/commercial property and other business conducted thereon);

- expectations about policies of the municipal and local governments in respect to renovating, upgrading, repositioning and use of the Car Washes (or other industrial/commercial property and the business conducted thereon);
- a stable competitive environment; and
- no significant event occurring outside the ordinary course of business such as a natural disaster or other calamity.

The forward-looking information in this offering memorandum is based (in whole or in part) upon factors which may cause actual results, performance or achievements of the Car Wash LPs, and, consequently, those of the Fund, to differ materially from those contemplated (whether expressly or by implication) in the forward-looking information. Those factors are based on information currently available to the Fund including information obtained from third-party industry analysts and other third party sources. Actual results or outcomes may differ materially from those predicted by such forward-looking information. While we do not know what impact any of those differences may have, the Car Wash LPs' business, results of operations, financial condition and credit stability, and, consequently, those of the Fund, may be materially adversely affected. Factors that could cause actual results, performance, achievements or outcomes to differ materially from the results expressed or implied by forward-looking information include, among other things:

- risks associated with general economic conditions and the Car Wash LPs' ability to successfully purchase (or otherwise invest in), renovate, upgrade, reposition, operating, use, sell, or generate a profit from, Car Washes (or other industrial/commercial businesses), including the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash, Bell Road Car Wash, 67th Avenue Car Wash and 51st Avenue Car Wash;
- risks associated with commercial real estate loan financing encumbering one or more of the Car Washes (or other industrial/commercial businesses), including the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash, Bell Road Car Wash and, if acquired, 67th Avenue Car Wash and 51st Avenue Car Wash and the ability to satisfactorily meet or discharge the obligations under such commercial real estate loan financing;
- risks associated with the recent global financial crisis and its effect on the supply and demand of real estate, consumer confidence and capital markets;
- risks associated with currency exchange;
- risks associated with the Fund's financing efforts, including that Trust does not reach the Maximum Offering or otherwise arrange sufficient, cost-effective financing to fund capital expenditures, Trust Unit redemptions, ongoing general, administrative and operating costs and expenses associated or incurred in connection with, or related to managing and operating the Car Washes (or other industrial/commercial businesses) renovating, upgrading, repositioning, operating, using, selling, or generating a profit from and other obligations;
- risks associated with the Fund and its affiliates having agreed to material restrictions regarding their use of Available Funds and funds that would otherwise be available for distribution or Working Capital, regardless of the source, for any purpose other than the redemption of Bridge Financing LP Units, which might be imposed upon Clear Sky LP XIV in the provisions of the Bridge Financing LP Units or elsewhere;
- tax risks, as more particularly described under **Item 6 – Income Tax Consequences** and **Item 8 – Risk Factors**, which may affect the tax consequences to acquiring, holding and disposing of Trust Units; and
- legislative and regulatory developments that may affect costs, revenues, the speed and degree of competition entering the market, global capital markets activity, timing and extent of changes in prevailing interest rates, changes in counterparty risk.

We caution you that the above list of risk factors is not exhaustive. Other factors which could cause actual results, performance, achievements or outcomes of the Fund to differ materially from those contemplated (whether expressly or by implication) in the forward-looking information are disclosed under **Item 8 – Risk Factors**.

We are not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable laws. Because of the risks, uncertainties and assumptions contained herein, prospective Investors should not place undue reliance on forward-looking information. The foregoing statements expressly qualify any forward-looking information contained in this offering memorandum.

GLOSSARY

In this offering memorandum (including in the face pages hereof), unless the context otherwise requires, the following words and terms have the indicated meanings and grammatical variations of such words and terms have corresponding meanings:

"ABCA" *Business Corporations Act* (Alberta), R.S.A. 2000, c. B-9, as amended, including the regulations promulgated thereunder

"Acquisition Fee" The fee payable by Clear Sky LP XIV, the US Limited Partnership or the applicable Car Wash LP, or a combination thereof, to Marcus Kurschat (or an entity beneficially owned or controlled by him), Kevin Wheeler (or an entity beneficially owned or controlled by him) and Tim Barrett (or an entity beneficially owned or controlled by him), collectively, upon the deployment of capital by the applicable Car Wash LP for acquisition of or investment in a Car Wash or other industrial/commercial property (and the business conducted on such property) in an amount equal to 1.75% of the enterprise value for such Car Wash or other industrial/commercial property (and the business conducted on such property).

In connection with such acquisition or investment, the enterprise value for the Car Wash or other industrial/commercial property (and the business conducted on such property) is to be determined in the discretion of the US General Partners or the general partner of the applicable Car Wash LP with reference to either:

- (a) an independent appraisal of the fair market value of the Car Wash or other industrial/commercial property (and the business conducted on such property) as of a date that is acceptably close, in the opinion of the US General Partners or the general partner of the applicable Car Wash LP, acting reasonably, to the effective date of the acquisition (or investment); or
- (b) the price paid by the applicable Car Wash LP for its ownership interest, direct or indirect, in the Car Wash or other industrial/commercial property (and the business conducted on such property) plus the imputed value of all other ownership interests in the Car Wash or other industrial/commercial property (and the business conducted on such property), if any (as extrapolated from the price paid by the applicable Car Wash LP plus the debt secured by the Car Wash or other industrial/commercial property (and the business conducted on such property)),

and, in each instance, such determination is made without regard to the proportionate ownership of the applicable Car Wash LP in the Car Wash or other industrial/commercial property (and the business conducted on such property). See **Item 1.5.1 – Fees and Expenses – Fees Payable on Acquisitions and Dispositions** and **Item 3.1 – Compensation and Securities Held**

"affiliate" Has the meaning given in National Instrument 45-106 - *Prospectus Exemptions*. Without limiting that definition, an issuer is an affiliate of another issuer if:

- (a) one issuer is controlled, directly or indirectly, by the other issuer; or
- (b) each of the issuers is controlled, directly or indirectly, by the same other person(s) or issuer,

and in respect of such relationship, a person or issuer (first person) is considered to "control" another person or issuer (second person) if:

- (c) the first person, directly or indirectly, beneficially owns or exercises direction or control over securities of the issuer carrying votes which, if exercised, entitle the first person to elect a majority of the directors (or other similar fiduciaries) of the second person, unless the first person holds the voting securities only to secure an obligation; or
- (d) the second person is a partnership (other than a limited partnership) and the first person holds more than 50% of the interests of the partnership; or

	(e) the second person is a limited partnership, whose general partner is the first person
"Arizona Car Wash I Commercial Real Estate Loan"	The amortizing commercial real estate term loan dated November 13, 2014 entered into by Scottsdale Road Car Wash LP, Encanto Road Car Wash LP and Power Road Car Wash LP, as co-borrowers, with an arm's length lender, secured against the Scottsdale Road Car Wash, Encanto Road Car Wash and Power Road Car Wash, which commercial loan facility is more particularly described in Item 2.7.10 - Arizona Car Wash I Commercial Real Estate Loan
"Arizona Car Wash II Commercial Real Estate Loan"	The amortizing commercial real estate term loan dated April 16, 2015 entered into by Bell Road Car Wash LP, as borrower, with an arm's length lender, secured against the Bell Road Car Wash, which commercial loan facility is more particularly described in Item 2.7.12 – Arizona Car Wash II Commercial Real Estate Loan
"Asset Management Fees"	An annual fee payable (monthly) by the US Limited Partnership or the Car Wash LPs to Marcus Kurschat (or an entity beneficially owned or controlled, directly or indirectly, by him) in an aggregate amount equal to 2.0% of the aggregate Offering Proceeds and the Investment Capital realized from US Investors (if any) together with the investment capital realized from the issue and sale of Bridge Financing LP Units (if any), subject to adjustment for any redemptions of Trust Units by the Fund
"associate"	<p>Has the meaning given in National Instrument 45-106 – <i>Prospectus Exemptions</i>, where used to indicate a relationship with any person. Without limiting that definition, when used to indicate a relation involving a person (first person), another person (second person) is an associate of or associated with the first person if:</p> <ul style="list-style-type: none"> (a) the second person beneficially owns or controls, directly or indirectly, voting securities of the first person carrying more than 10% of the voting rights attached to the outstanding voting securities of the first person; (b) the second person is a partner of the first person acting on behalf of the partnership of which they are partners; (c) the second person is a trust or estate in which the first person has a substantial beneficial interest or in respect of which the first person serves as a trustee or executor or in a similar capacity; or (d) where the first person is an individual, the second person is a relative of the first person, including: <ul style="list-style-type: none"> (i) a spouse of the first person; or (ii) a relative of the first person's individual's spouse, <p>if the relative has the same home as the first person individual</p>
"Available Funds"	The Offering Proceeds less the aggregate of the Offering costs and Selling Commissions. See also Item 1.1 – Funds
"Base Percentage"	<p>With respect to a particular partner in the US Limited Partnership, a percentage determined as follows:</p> <ul style="list-style-type: none"> (a) with respect to Clear Sky LP XIV, an amount expressed as a percentage equal to (i) the quotient of (x) the then current amount of Clear Sky LP XIV's Investment Capital, divided by (y) the then current cumulative amount of all Investment Capital of Clear Sky LP XIV and all US Investors, multiplied by (y) 10.01%; (b) with respect to any given US Investor, an amount expressed as a percentage equal to (i) the quotient of (x) the then current amount of that US Investor's Investment Capital, divided by (y) the then current cumulative amount of all Investment Capital of Clear Sky LP XIV and

	all US Investors, multiplied by (y) 10.01%;
(c)	with respect to Pinnacle Wealth Brokers Inc., 30.00%;
(d)	with respect to CSCA, 48.5919%; and
(e)	with respect to Wheelerco, 11.3981%.
"Bell Road Car Wash"	The Car Wash located at 17001 North 26 Street, Phoenix, Arizona 85032, as more particularly described in Item 2.3.1.3 – Acquired Car Washes
"Bell Road Car Wash LP"	A limited partnership formed on February 27, 2015 pursuant to the <i>Arizona Revised Uniform Limited Partnership Act</i> that owns the Bell Road Car Wash, as more particularly described in Item 2.1.5.4 – Bell Road Car Wash LP . See also Item 2.1.1 – Organizational Chart
"Bridge Financing LP Units"	A series of Class B LP Units of Clear Sky LP XIV that may be created and issued from time to time in connection with the acquisition of a Car Wash, which series of Class B LP Units has the designation, limitations, rights, privileges, restrictions and conditions attached thereto as determined by the Clear Sky GP before the issuance thereof in accordance with the Clear Sky LP XIV Agreement
"Bridge Equity Investor"	An investor at arm's length to the Fund, Clear Sky LP XIV and affiliates thereof, and Pinnacle Wealth Brokers Inc., that subscribes for and purchases Bridge Financing LP Units that may be created, issued and sold from time to time in connection with the acquisition of or investment in one or more Car Washes, including the 67 th Avenue Road Car Wash or 51 st Avenue Car Wash
"CRA"	Canada Revenue Agency
"Canada T-Bill Rate"	The rate (expressed as a percentage) equal to the average of the mid-market yields to maturity calculated from the applicable redemption date, of a Government of Canada treasury bill with a term to maturity that is approximately 10 years from the first issuance of Trust Units, as determined by a major Canadian investment dealer selected by the Trustee on the business day preceding the day on which the notice of redemption of a Trust Unit is given
"Canadian Staffing and Administrative Services Agreement"	The staffing and administrative services agreement dated as of July 28, 2014, and as may be subsequently amended or restated from time to time, between Clear Sky LP XIV and Clear Sky Capital BC pursuant to which Clear Sky Capital BC will provide management and administrative services to Clear Sky LP XIV and the Fund (including the services of Kevin Wheeler, Vice President, Investor Relations of the Fund), as more particularly described under Item 2.7.7 – Canadian Staffing and Administrative Services Agreement
"CAP Rate"	The capitalization rate of a property. Investors, lenders and real estate appraisers use the CAP Rate to estimate the purchase price for different types of income producing properties. A given market's CAP Rate is determined by evaluating the financial data of similar properties which have recently sold in such market. The CAP Rate calculation incorporates a property's selling price, gross rents, non-rental income, vacancy levels and operating expenses. CAP Rates are typically low during times of high demand for purchasing industrial and commercial properties and, typically, high during times of low demand. CAP Rates often fluctuate with perceived shifts in the attractiveness of real estate investing in a particular geographic area
"Car Wash"	As may be acquired or invested in by a Car Wash LP, a commercial or industrial property located in the United States or Canada, together with the structures and other improvements for a car wash facility thereon for which such property is used as a car wash business, including as acceptable to the applicable Car Wash LP, as buyer, and its affiliates, some or all of (i) the rights, benefits, privileges, easements, tenements, hereditaments, and appurtenances thereon or in any way appurtenant to such real property, (ii) the seller's right, title, and interest in and to all strips and gores and any land lying in the bed of any street, road or alley, open or proposed, adjoining such real property, (iii) the buildings, structures, signs, fixtures, equipment, goods, products, and inventory upon the property, (iv) contracts, agreements, licenses, and permits relating to the operation of the business, and (v) the seller's right, title and interest in, to and under all other assets, properties, and rights of every kind and

nature, whether real, personal, or mixed, tangible or intangible (including goodwill), wherever located and whether now existing or thereafter acquired, which relate to, or are used or held for use in connection with, the operation of the business being operated on the property as of the acquisition thereof. However, any Car Wash that may be acquired (or invested in) may specifically exclude, as acceptable to the applicable Car Wash LP, as buyer, and its affiliates, some or all of: (1) the seller's cash, bank deposits, certificates of deposit, securities, investments, and claims for tax refunds, including cash on hand at the Car Wash facility on the applicable closing date; (2) the seller's corporate documents and records, employee files, operating manuals, handbooks, and any similar documents; (3) licenses, established and asserted trademarks, trade secrets, the business names and rights associated with all or part of the business name or any other name(s) used at the Car Wash facility, web sites or other intellectual property used in connection with the Car Wash facility; and (4) all accounts receivable generated by the seller at the Car Wash facility through the applicable closing date. "**Car Washes**" means, collectively, the Car Washes of each Car Wash LP

"Car Wash GP I"

Clear Sky Carwash GP I, Inc., a corporation incorporated as of August 25, 2014 pursuant to the *Arizona Business Corporation Act*, which is the general partner of each of Scottsdale Road Car Wash LP, Encanto Road Car Wash LP, Power Road Car Wash LP, Bell Road Car Wash LP and, once formed, 67th Avenue Car Wash and 51st Avenue Car Wash, and which is beneficially owned or controlled, directly or indirectly, by Marcus Kurschat. See also **Item 2.1.5 –Car Wash LPs**

"Car Wash LP"

A limited partnership formed under the laws of the State of Arizona (or elsewhere as reasonably determined by the US Limited Partnership) for the purposes of acquiring a Car Wash. Each Car Wash LP will be governed by a separate Car Wash LP Agreement, with Car Wash GP I or another Arizona corporation or limited liability company as the general partner of each Car Wash LP (holding a 0.01% economic interest) and with the US Limited Partnership being the sole limited partner of each Car Wash LP (holding a 99.99% economic interest), subject to any economic interest in the Car Wash LP held, as a limited partner or a general partner, directly or indirectly, by one or more Bridge Equity Investor(s) in connection with the acquisition of or investment in the Car Wash or other industrial/commercial property (and the business conducted on such property) held by the applicable Car Wash LP

"Car Wash LP Agreement"

The limited partnership agreement of a Car Wash LP entered into between the US Limited Partnership (as a limited partner of such Car Wash LP), a separate entity organized in the United States (as the general partner of such Car Wash LP) that is beneficially owned or controlled, directly or indirectly, by Marcus Kurschat and, if applicable, one or more Bridge Equity Investor(s) in connection with the acquisition of a Car Wash

"Class A LP Units"

The Class A voting limited partnership units of Clear Sky LP XIV, as more particularly described in **Item 2.7.2 – Clear Sky LP XIV Agreement – Capital of Clear Sky LP XIV**

"Class B LP Units"

The Class B limited partnership units of Clear Sky LP XIV, which may from time to time be issued in one or more series having the number of Class B LP Units comprised in each series and the designation, limitations, rights, privileges, restrictions and conditions attaching to each series of Class B LP Units, as determined by Clear Sky GP at any time and from time to time before the issuance thereof, as more particularly described in **Item 2.7.2 – Clear Sky LP XIV Agreement – Capital of Clear Sky LP XIV**

"Class B Trust Units"

Class B trust units of the Fund, which may be issued from time to time in one or more series having the designation, limitations, rights, privileges, restrictions and conditions attaching to each series, as determined by the Trustees before the issuance thereof, as more particularly described under **Item 2.7.1 – Declaration of Trust – Class B Trust Units**

"Class B Trust Unitholders"

A registered holder of Class B Trust Units at any time and from time to time, as shown on the register maintained by or on behalf of the Fund for outstanding Class B Trust Units

"Class C Shortfall Amount"

As of any given time, the amount by which Pinnacle Wealth Brokers Inc.'s then current Ownership Percentage is less than Pinnacle Wealth Brokers Inc.'s Base Percentage.

"Clear Sky Capital Arizona"	Clear Sky Capital, Inc., an Arizona corporation incorporated pursuant to the <i>Arizona Business Corporation Act</i> , which is beneficially owned or controlled, directly or indirectly, by Marcus Kurschat
"Clear Sky Capital BC"	Clear Sky Capital Inc., a British Columbia corporation, which is beneficially owned or controlled, directly or indirectly, by Marcus Kurschat, Trustee and President of the Fund
"Clear Sky GP"	Clear Sky Capital & Associates XIV Inc., an Alberta corporation established under the ABCA, which is the general partner of Clear Sky LP XIV and which is beneficially owned or controlled, directly or indirectly, by Marcus Kurschat
"Clear Sky LP XIV"	Clear Sky Capital Real Estate Solutions XIV Limited Partnership, an Alberta limited partnership governed by the Clear Sky LP XIV Agreement, whose partners are Clear Sky GP (general partner), and the Fund (sole voting limited partner holding Class A LP Units and a 99.99% economic interest therein), subject to Clear Sky LP XIV creating, issuing and selling Bridge Financing LP Units in connection with the acquisition of or investment in one or more Car Washes. See Item 2.1.3 – Clear Sky LP XIV and Clear Sky GP
"Clear Sky LP XIV Agreement"	The limited partnership agreement governing Clear Sky LP XIV to be entered into by the parties as of the first Closing Date, with effect from July 28, 2014 and as may be subsequently amended or restated from time to time, between Clear Sky GP, as general partner, and the Fund, as sole voting limited partner, subject to Clear Sky LP XIV creating, issuing and selling Bridge Financing LP Units in connection with the acquisition of or investment in a Car Wash. See also Item 2.7.2 – Clear Sky LP XIV Agreement
"Closing"	The completion of the issue and sale to Investors of Trust Units under the Offering
"Closing Date"	The date of a Closing. Closings may be held (as determined by the Fund in its sole discretion) until the Maximum Offering is achieved or the Offering is terminated
"Cost Sharing & Support Agreement"	The cost sharing and support agreement dated as of June 23, 2014, and as may be subsequently amended or restated from time to time, between Clear Sky Capital BC and Clear Sky Capital Arizona, on one hand, and the Fund and its affiliates, on the other hand, whereby Clear Sky Capital BC and Clear Sky Capital Arizona agree to pay (subject to a specified maximum amount and the ability of Clear Sky Capital BC and Clear Sky Capital Arizona to terminate their funding obligations in certain circumstances) the costs of the Fund and its subsidiaries, including Offering costs and ongoing general and administrative expenses, which the Fund is unable to finance from its Working Capital (as may be funded, in whole or in part, with Offering Proceeds). See also Item 2.7.5 – Cost Sharing & Support Agreement
"CSCA"	Refer to "US General Partners" in this Glossary
"Declaration of Trust"	The amended and restated declaration of trust dated as of June 23, 2014, and as may be subsequently amended or restated from time to time, between the Trustees, as trustees, and the Trust Unitholders, as beneficiaries, governing the Fund, as more particularly described under Item 2.7.1 – Declaration of Trust
"Disposition Fee"	<p>The fee payable by Clear Sky LP XIV, the US Limited Partnership or the applicable Car Wash LP, or a combination thereof, to Marcus Kurschat (or an entity beneficially owned or controlled by him), Kevin Wheeler (or an entity beneficially owned or controlled by him) and Tim Barrett (or an entity beneficially owned or controlled by him) upon the receipt by the applicable Fund affiliate(s) (<i>i.e.</i>, Clear Sky LP XIV, the US Limited Partnership or the applicable Car Wash LP) of its share of the proceeds of sale or other disposition of a Car Wash or other industrial/commercial property (and the business conducted on such property), in an amount equal to 1.75% of the enterprise value for such Car Wash or other industrial/commercial property (and the business conducted on such property).</p> <p>In connection with such sale or other disposition, the enterprise value for any Car Wash or other industrial/commercial property (and the business conducted on such property) is to be determined in the discretion of the US General Partners or the general partner of the applicable Car Wash LP with</p>

reference to either:

- (a) an independent appraisal of the fair market value of the Car Wash or other industrial/commercial property (and the business conducted on such property) as of a date that is acceptably close, in the opinion of the US General Partners or the general partner of the applicable Car Wash LP, acting reasonably, to the effective date of sale or other disposition; or
- (b) the value of the consideration received by the Fund affiliate(s) (e.g., the applicable Car Wash LP) for its ownership interest, direct or indirect, in the Car Wash or other industrial/commercial property (and the business conducted on such property) plus the value of the consideration received by the other owners, if any, for their ownership interests in the Car Wash or other industrial/commercial property (and the business conducted on such property) (or, if any ownership interest is not sold at the time of such disposition, the imputed value of any such owner's interest in the Car Wash or other industrial/commercial property (and the business conducted on such property) as extrapolated from the consideration received by the Fund affiliate) plus the debt secured by the Car Wash or other industrial/commercial property (and the business conducted on such property),

and, in each instance, such determination is made without regard to the proportionate ownership of the Fund affiliate(s) (e.g., the applicable Car Wash LP) in the Car Wash or other industrial/commercial property (and the business conducted on such property). See **Item 1.5.1 – Fees and Expenses – Fees Payable on Acquisitions and Dispositions** and **Item 3.1 – Compensation and Securities Held**

"dissolution"

The dissolution and liquidation, or winding up, of the Fund, Clear Sky LP XIV, the US Limited Partnership or a Car Wash LP (as the context requires), whether voluntary or otherwise, or other distribution of assets or property of the Fund, Clear Sky LP XIV, the US Limited Partnership or a Car Wash LP (as the context requires) or repayment of capital among the securityholders of the Fund, Clear Sky LP XIV, the US Limited Partnership or a Car Wash LP (as the context requires) for the purpose of liquidation, dissolution or winding up its affairs

"DPSP"

A trust governed by a deferred profit sharing plan

"Eligibility Distribution"

The issue and sale of a sufficient number of Trust Units under the Offering or otherwise to permit the Fund's ongoing qualification under the Tax Act as a "mutual fund trust", which was deemed to have been achieved when (assuming the Fund has made certain elections under the Tax Act in a timely fashion and has satisfied and continues to satisfy certain other requirements under the Tax Act in a timely fashion) the Fund reached 150 Trust Unitholders, each holding at least 50 Trust Units.

"Encanto Road Car Wash"

The Car Wash located at 8301 West Encanto Blvd., Phoenix, Arizona 85037, as more particularly described in **Item 2.3.1.3 – Acquired Car Washes**

"Encanto Road Car Wash LP"

A limited partnership formed on August 28, 2014 pursuant to the *Arizona Revised Uniform Limited Partnership Act* that owns the Encanto Road Car Wash, as more particularly described in **Item 2.1.5.2 – Encanto Road Car Wash LP**. See also **Item 2.1.1 – Organizational Chart**

"Exchangeable Securities"

Securities of a direct or indirect subsidiary of the Fund that are convertible into or exchangeable for Trust Units

"Exempt Plans"

A RRSP, a RESP, a RRIF, a DPSP, a TFSA or a RDSP

"Fund"

Clear Sky Capital Income Portfolio Fund - Series I, a trust formed under the laws of Alberta pursuant to the Declaration of Trust. See also **Item 2.1.2 – The Fund**

"GAAP"

At any time, the accounting principles generally accepted in Canada, determined with reference to the Handbook of the Canadian Institute of Chartered Accountants, as amended from time to time

"IFRS"	At any time, the standards and interpretations adopted by the International Accounting Standards Board, as amended from time to time
"Interested Stakeholders"	Clear Sky GP, the US General Partners, Pinnacle Wealth Brokers Inc. (as the holder of a Class C limited partnership interest in the US Limited Partnership), and the general partner(s) of each Car Wash LP (including Car Wash GP I, as the general partner of Scottsdale Road Car Wash LP, Encanto Road Car Wash LP, Power Road Car Wash LP, Bell Road Car Wash LP, 67 th Avenue Car Wash LP and 51 st Avenue Car Wash LP)
"Investment Capital"	<p>For a Participating Trust Unitholder, the total cost of the Participating Trust Units held by such Investor, being the aggregate of:</p> <ul style="list-style-type: none"> (a) the gross Offering Proceeds paid by such Participating Trust Unitholder as an Investor for the Trust Units acquired under the Offering; and (b) the total cost (or deemed acquisition cost) of any Trust Units acquired by the Participating Trust Unitholder, as a transferee of such Trust Units, approved by the Trustees in accordance with the Declaration of Trust. <p>For a US Investor, the total cost of the limited partnership interests in the US Limited Partnership held by such US Investor</p>
"Investor"	A person subscribing for and purchasing Trust Units pursuant to the Offering
"Investor ROI"	<p>Investor ROI = $\frac{\text{Return to Investors}}{\text{Investment Capital}}$</p> <p>where "Return to Investors" refers to cumulative distributions (if any) of Net Available Cash from the US Limited Partnership, other amounts received by Participating Trust Unitholders and US Investors during a particular year, and any amount allocated to Participating Trust Unitholders or US Investors as tax credits in respect of applicable U.S. taxes that have been paid during a particular year</p>
"Location Management Fees"	An annual charge of US\$50,000 to be paid to the US General Partners by the US Limited Partnership or applicable Car Wash LP, or a combination of them, where the Car Wash LP has acquired (or invested in) a Car Wash and the US General Partners have provided services of an employee as General Manager for the Car Wash
"Maximum Offering"	Offering Proceeds of up to CD\$30,000,000, to be achieved through the issue and sale of up to 3,000,000 Trust Units under the Offering
"Net Available Cash"	<p>For the Fund and each of its subsidiary entities, the cash available to it for discretionary distribution (if any), which is generally based on the entity's gross receipts derived from any source, less amounts estimated for expenses, taxes, contingencies, or other obligations. More particularly:</p> <ul style="list-style-type: none"> (a) Net Available Cash for any Car Wash LP is to be the cash available for distribution (if any) determined from time to time by the applicable general partner(s) pursuant to the Car Wash LP Agreement governing the Car Wash LP, which generally consists of the Car Wash LP's gross cash receipts derived from (i) operating proceeds in the ordinary course of business of such Car Wash LP, (ii) refinancing the Car Wash or other industrial/commercial property (and the business conducted on such property), (iii) the sale or other disposition of its Car Wash or other industrial/commercial property (and the business conducted on such property), in whole or in part, and (iv) any other source whatsoever, excluding capital contributions, which cash receipts are, in all cases, are to be reduced by the portion thereof used to pay or establish reasonable reserves for expenses (including Renovation Costs, Location Management Fees, Asset Management Fees, Performance Fees, or portions thereof payable by the applicable Car Wash LP), debt payments and accrued interest, taxes, contingencies (including redemptions or other purchases of Trust Units), and proposed acquisitions, as determined by the general partner of the Car Wash LP, in its discretion;

- (b) Net Available Cash for the US Limited Partnership is to be the cash available for distribution (if any) determined from time to time by the US General Partners pursuant to the US LP Agreement, which generally consists of the US Limited Partnership's gross cash receipts derived from (i) operating proceeds of any Car Wash LP in the ordinary course of business of such Car Wash LP, (ii) refinancing by any Car Wash LP of its Car Wash or other industrial/commercial property (and the business conducted on such property), (iii) sale or other disposition by any Car Wash LP of its Car Wash or other industrial/commercial property (and the business conducted on such property) , in whole or in part, (iv) sales or dispositions of interests in any Car Wash LP, and (v) any other source whatsoever, excluding capital contributions, which cash receipts are, in all cases, are to be reduced by the portion thereof used to pay or establish reasonable reserves for expenses (including Location Management Fees, Renovation Fees, Asset Management Fees, Performance Fees, or portions thereof, payable by the US Limited Partnership), debt payments and accrued interest, taxes, contingencies (including redemptions or other purchases of Trust Units), and proposed acquisitions, as determined by the US General Partners, in their discretion;
- (c) Net Available Cash for Clear Sky LP XIV is to be the cash available for distribution (if any) determined from time to time by the Clear Sky GP pursuant to the Clear Sky LP XIV Agreement, which generally consists of Clear Sky LP XIV's gross cash receipts derived from any other source whatsoever, other than capital contributions, including amounts (i) borrowed by Clear Sky GP on behalf of Clear Sky LP XIV, (ii) received by Clear Sky LP XIV as cash distributions from the US Limited Partnership, of any nature whatsoever, including distributions (if any) of the US Limited Partnership's gross cash receipts (if any), in whole or in part, derived from (A) operating proceeds of any Car Wash LP in the ordinary course of business of such Car Wash LP, (B) refinancing by any Car Wash LP of its Car Wash or other industrial/commercial property (and the business conducted on such property), (C) sales or other dispositions by any Car Wash LP of its Car Wash or other industrial/commercial property (and the business conducted on such property), (D) sales or dispositions of interests in any Car Wash LP, and (E) any other source whatsoever, excluding capital contributions, which cash receipts are, in all cases, are to be reduced by the portion thereof used to pay or establish reasonable reserves for expenses (including Renovation Costs, Location Management Fees, Asset Management Fees, Performance Fees, or portions thereof, payable by Clear Sky LP XIV), debt payments and accrued interest, taxes, contingencies (including redemptions or other purchases of Trust Units), and proposed acquisitions, as determined by the Clear Sky GP, in its discretion; and
- (d) Net Available Cash for the Fund is to be the cash available for distribution (if any) determined from time to time by the Trustees pursuant to the Declaration of Trust, which generally consists of the Fund's gross cash receipts derived from any other source whatsoever, other than capital contributions, including amounts received by the Fund as (i) cash distributions from Clear Sky LP XIV, of any nature whatsoever, and (ii) loan repayments from Clear Sky LP XIV, which cash receipts are, in all cases, are to be reduced by the portion thereof used to pay or establish reasonable reserves for expenses (including Renovation Costs, Location Management Fees, Asset Management Fees, Performance Fees, or portions thereof, payable by the Fund), debt payments and accrued interest, taxes, contingencies (including redemptions or other purchases of Trust Units), and proposed acquisitions, as determined by the Trustees, in their discretion,

provided that, in no case, whether in determining or calculating Net Available Cash of the Fund or any of its subsidiary entities, is such Net Available Cash to be reduced by depreciation, amortization, cost recovery deductions, or similar allowances

"Non-Resident"

Persons that are not resident in Canada or that are not deemed to be resident in Canada for the purposes of the Tax Act

"Offering"

The Fund's offering, issue and sale of Trust Units at a price of CD\$10 per Trust Unit, on a private placement basis, as more particularly described in this offering memorandum

"offering memorandum"	This confidential offering memorandum pertaining to the Offering, including any amendment, restatement or update to this offering memorandum
"Offering Proceeds"	At any time, the aggregate gross proceeds realized by the Fund from the issue and sale of Trust Units under the Offering
"Ownership Percentage"	<p data-bbox="453 336 1544 399">The percentage interest of a particular partner in the US Limited Partnership at any particular time, being determined as follows (subject to any adjustments made pursuant to the US LP Agreement):</p> <ul style="list-style-type: none"> <li data-bbox="453 430 1544 556">(a) with respect to Clear Sky LP XIV, an amount expressed as a percentage equal to the sum of the following: (i) Clear Sky LP XIV's then current Base Percentage; plus (ii) the product of (x) the Class C Shortfall Amount, multiplied by (y) the quotient of Clear Sky LP XIV's then current Base Percentage divided by 70%; <li data-bbox="453 588 1544 714">(b) with respect to any given US Investor, an amount expressed as a percentage equal to the sum of the following: (i) that US Investor's then current Base Percentage; plus (ii) the product of (x) the Class C Shortfall Amount, multiplied by (y) the quotient of that US Investor's then current Base Percentage divided by 70%; <li data-bbox="453 745 1544 871">(c) with respect to Pinnacle Wealth Brokers Inc., an amount expressed as a percentage equal to (i) the quotient of (x) the then current amount of Clear Sky LP XIV's Investment Capital, divided by (y) the then current cumulative amount of all Investment Capital of Clear Sky LP XIV and all US Investors, multiplied by (ii) 30.00%; <li data-bbox="453 903 1544 1029">(d) with respect to CSCA, an amount expressed as a percentage equal to the sum of the following: (i) CSCA's then current Base Percentage; plus (ii) the product of (x) the Class C Shortfall Amount, multiplied by (y) the quotient of CSCA's then current Base Percentage divided by 70%; and <li data-bbox="453 1060 1544 1165">(e) with respect to Wheelerco, an amount expressed as a percentage equal to the sum of the following: (i) Wheelerco then current Base Percentage; plus (ii) the product of (x) the Class C Shortfall Amount, multiplied by (y) the quotient of Wheelerco's then current Base Percentage divided by 70%; <p data-bbox="453 1197 1544 1354">provided, however, that CSCA (as controlling general partner) may amend this definition from time to time without the approval of any other partners of the US Limited Partnership to account for issuances, redemptions, and assignments of interests, admissions and withdrawals of partners, and to otherwise reflect changes in Investment Capital, contributions, and distributions, all as CSCA (as controlling general partner) deems necessary or appropriate</p>
"Participating Trust Units"	<p data-bbox="453 1386 1544 1449">Trust Units or Class B Trust Units of any series, carrying or accompanied by a right pertaining to allocations and distributions to Trust Unitholders, to share or participate in, or receive:</p> <ul style="list-style-type: none"> <li data-bbox="453 1480 1544 1575">(a) advances or distributions of cash and any other distributions of a similar nature to the holders thereof as provided in the Declaration of Trust and in proportion to all other Participating Trust Units carrying or accompanied by the same right; <li data-bbox="453 1606 1544 1701">(b) allocations or distributions of the Income of the Fund or net realizable capital gains as provided in the Declaration of Trust and in proportion to all other Participating Trust Units carrying or accompanied by the same right; or <li data-bbox="453 1732 1544 1816">(c) the remaining property of the Fund on dissolution or winding-up in accordance with the terms of the Declaration of Trust and in proportion to all other Participating Trust Units carrying or accompanied by the same right
"Performance Fee"	An Acquisition Fee or Disposition Fee, as the context requires; "Performance Fees" means, collectively, all Acquisition Fees and Disposition Fees

"Permitted Investments"	<p>As defined in the Declaration of Trust, permitted investments for the use of Trust monies, including Offering Proceeds, which are:</p> <ul style="list-style-type: none"> (a) obligations issued or guaranteed by the Government of Canada or any province of Canada or any agency or instrumentality thereof; (b) commercial paper or other short-term obligations of a person whose commercial paper or other short-term obligations have an approved rating of R-2 (or higher) by DBRS Limited or A-3 (or higher) by Standard and Poor's Rating Services, or an equivalent approved rating (as defined under applicable securities laws) by an approved credit rating organization (as defined under applicable securities laws); (c) interest-bearing accounts, term deposits, guaranteed investment certificates, certificates of deposit or bankers' acceptances of or guaranteed or accepted by any Canadian chartered bank or other financial institution, the long term debt or deposits of which have an approved rating (within the meaning attributed thereto under applicable securities laws) of BBB (or higher) by DBRS Limited or BBB (or higher) by Standard and Poor's Rating Services, or an equivalent approved rating (as defined under applicable securities laws) by an approved credit rating organization (as defined under applicable securities laws);or (d) any combination thereof. <p>For the purpose of, "short term" means having a date of maturity or call for payment that is one year or less from the date on which the investment is made.</p>
"Power Road Car Wash"	The Car Wash located at 243 North Power Road, Mesa, Arizona 85206, as more particularly described in Item 2.3.1.3 – Acquired Car Washes
"Power Road Car Wash LP"	A limited partnership formed on August 28, 2014 pursuant to the <i>Arizona Revised Uniform Limited Partnership Act</i> that owns the Power Road Car Wash, as more particularly described in Item 2.1.5.3 – Power Road Car Wash LP . See also Item 2.1.1 – Organizational Chart
"Redemption Price"	Has the meaning given thereto in Item 2.7.1 – Declaration of Trust – Redemption of Trust Units
"Redemption Notes"	Debt securities of the Fund or any subsidiary of the Fund that may be created and issued from time to time, that are subordinated and unsecured, have a maturity of 10 years or less, are pre-payable at any time at the option of the issuer prior to maturity, without notice, bonus or penalty and pay an annual rate of interest equal to the Canada T-Bill Rate, which interest is payable quarterly in arrears
"Renovation Costs"	Costs and expenses associated or incurred in connection with, or related to, renovating, repairing, maintaining, or otherwise upgrading (to the extent desired or considered necessary by the US General Partners or the general partner of the applicable Car Wash LP) any of the Car Washes or otherwise making any Car Wash ready for operation in the ordinary course of business (to the extent desired or considered necessary by the US General Partners or the general partner of the applicable Car Wash LP)
"RDSP"	A trust governed by a registered disability savings plan
"RESP"	A trust governed by a registered education savings plan
"RRSP"	A trust governed by a registered retirement savings plan
"Scottsdale Road Car Wash"	The Car Wash located at 301 North Scottsdale Road, Scottsdale, Arizona 85257, as more particularly described in Item 2.3.1.3 – Acquired Car Washes
"Scottsdale Road Car Wash LP"	A limited partnership formed on August 28, 2014 pursuant to the <i>Arizona Revised Uniform Limited Partnership Act</i> that owns the Scottsdale Road Car Wash, as more particularly described in Item 2.1.5.1 – Scottsdale Road Car Wash LP . See also Item 2.1.1 – Organizational Chart

"Selling Commissions"	The commissions, fees and other compensation payable to agents or sub-agents who sell or assist in selling Trust Units under the Offering and who are not precluded from receiving such commissions, fees or other compensation under applicable securities law. See Item 7 – Compensation Paid to Sellers and Finders
"SIFT Rules"	Has the meaning given thereto in Item 6.1.2 – Status of the Fund
"SIFT Trust"	Has the meaning given thereto in Item 6.1.2 – Status of the Fund
"Special Resolution"	A resolution of Trust Unitholders that is: <ul style="list-style-type: none"> (a) a resolution proposed to be passed as a special resolution at a meeting of Trust Unitholders (including an adjourned meeting) duly convened for that purpose and held in accordance with the Declaration of Trust and passed by more than 66⅔% of the votes cast on such resolution by Voting Unitholders present or represented by proxy at the meeting; or (b) notwithstanding any other provision of the Declaration of Trust, a resolution in writing executed by Voting Unitholders holding more than 66⅔% votes attached to outstanding Voting Units at any time
"Special Voting Units"	Special voting units of the Fund, which enable the Fund to provide voting rights to holders of Exchangeable Securities, as more particularly described under Item 2.7.1 – Declaration of Trust – Special Voting Units
"Special Voting Unitholder"	A registered holder of Special Voting Units at any time and from time to time, as shown on the register maintained by or on behalf of the Fund for outstanding Special Voting Units
"Subscription Agreement"	A subscription agreement to be executed by each Investor providing for the purchase of Trust Units in the form provided by the Fund. The current form of Subscription Agreement for Trust Units is attached as Schedule A to this offering memorandum
"subsidiary"	Has the meaning given in National Instrument 45-106 - <i>Prospectus Exemptions</i> . Without limiting that definition, an issuer is a subsidiary of another issuer if it is controlled, directly or indirectly, by that other issuer, and in respect of such relationship, a person or issuer (first person) is considered to "control" another issuer (second person) if: <ul style="list-style-type: none"> (a) the first person, directly or indirectly, beneficially owns or exercises direction or control over securities of second person carrying votes which, if exercised, entitle the first person to elect a majority of the directors (or other similar fiduciaries) of the issuer, unless the first person holds the voting securities only to secure an obligation; or (b) the second person is a partnership (other than a limited partnership) and the first person holds more than 50% of the interests of the partnership; or (c) the second person is a limited partnership, whose general partner is the first person
"Tax Act"	The <i>Income Tax Act</i> (Canada) and the regulations thereunder, as amended from time to time
"TFSA"	A trust governed by a tax-free savings account
"Trustees"	At any time, the trustees of the Fund, who are, currently, Marcus Kurschat, Gary Doran and Kevin Wheeler. See Item 3 – Interests of Trustees, Management, Promoters and Principal Holders
"Trust Unit"	A Class A trust unit of the Fund, as more particularly described under Item 5.1 - Trust Units
"Trust Unitholder"	A registered holder of Trust Units at any time and from time to time, as shown on the register maintained by or on behalf of the Fund for outstanding Trust Units

"US General Partners"	<p>The general partners of the US Limited Partnership, being:</p> <ul style="list-style-type: none"> (a) Clear Sky Capital and Associates XIV, Inc. ("CSCA"), an Arizona corporation incorporated as of August 12, 2014 pursuant to the <i>Arizona Business Corporation Act</i>, which is a general partner of the US Limited Partnership and beneficially owned or controlled, directly or indirectly, by Marcus Kurschat, a Trustee and President of the Fund, and Tim Barrett, a beneficial shareholder, director and officer of CSCA and a director and officer of the general partner of each Car Wash LP (including Car Wash GP I), who may also provide General Manager services for one or more Car Washes; and (b) Wheelerco Ltd. ("Wheelerco"), an Arizona corporation incorporated as of July 29, 2014 pursuant to the <i>Arizona Business Corporation Act</i>, which is a general partner of the US Limited Partnership and beneficially owned or controlled, directly or indirectly, by Kevin Wheeler, a Trustee and Vice President, Investor Relations of the Fund. <p>See also Item 2.1.4 – US Limited Partnership and US General Partners</p>
"US Investor"	<p>Has the meaning given thereto in Item 2.1.4 – US Limited Partnership and US General Partners and, for clarity, excludes the US General Partners, Clear Sky LP XIV and Pinnacle Wealth Brokers Inc., as partners in the US Limited Partnership</p>
"US Limited Partnership"	<p>An Arizona limited partnership formed on August 19, 2014 as "Clear Sky Capital Real Estate Solutions XIV LP" and governed by the US LP Agreement, whose partners are the US General Partners (general partners), Clear Sky LP XIV (limited partner), the US Investors (limited partners), and Pinnacle Wealth Brokers Inc. (limited partner). See also Item 2.1.4 – US Limited Partnership and US General Partners</p>
"US LP Agreement"	<p>The limited partnership agreement entered by the parties as of November 12, 2014, with effect from date of formation of the US Limited Partnership, and as may otherwise be amended or restated from time to time, between the US General Partners (as general partners), Clear Sky LP XIV (as limited partner), US Investors (as limited partners as of the first Closing), and Pinnacle Wealth Brokers Inc. (as a non-voting limited partner as of the first Car Wash acquisition), which agreement governs the US Limited Partnership. See also Item 2.7.3 – US LP Agreement</p>
"US Person"	<p>Has the meaning given thereto in Item 6.2.1 – Certain United States Federal Income Tax Consequences – General</p>
"US Staffing and Administrative Services Agreement"	<p>The staffing and administrative services agreement be dated as of the first Closing Date, as may be subsequently amended or restated from time to time, between the US Limited Partnership and Clear Sky Capital Arizona pursuant to which Clear Sky Capital Arizona will provide management and administrative services to the US Limited Partnership, including the executive management services of Marcus Kurschat, as more particularly described under Item 2.7.7 – US Staffing and Administrative Services Agreement</p>
"Voting Units"	<p>Collectively, Trust Units, Class B Trust Units which carry a right to vote equivalent to the voting rights of the Trust Units (if any), and any Special Voting Units carrying a right to vote to the extent of its voting entitlement in relation to the associated Exchangeable Securities</p>
"Voting Unitholder"	<p>A holder of Voting Units</p>
"Wheelerco"	<p>Refer to "US General Partners" in this Glossary</p>
"Working Capital"	<p>The current assets of the Fund less the current liabilities of the Fund, determined under GAAP or IFRS, as the case may be</p>
"51st Avenue Car Wash"	<p>The Car Wash located at 1025 North 51st Avenue, Phoenix, Arizona 85043, which includes:</p> <ul style="list-style-type: none"> • all that real property, improvements, personal property, and inventory thereon as of the acquisition thereof contained within the boundaries of and as legally described in the official

records of Maricopa County, Arizona as follows:

Lot 3, of Roosevelt Place, according to the Plat of Record in the Office of the County Recorder of Maricopa County, Arizona recorded in Book 973 of Maps, page 8; and

- the structures and other improvements for the car wash facilities thereon for which such property is used as a car wash business, including (i) all and singular, the rights, benefits, privileges, easements, tenements, hereditaments, and appurtenances thereon or in any way appurtenant to such real property, (ii) without warranty, all the seller's right, title, and interest in and to all strips and gores and any land lying in the bed of any street, road or alley, open or proposed, adjoining such real property, (iii) all buildings, structures, signs, fixtures, equipment, goods, products, and inventory upon the property, (iv) all contracts, agreements, licenses, and permits relating to the operation of the business expressly accepted by 51st Avenue Car Wash LP, as buyer, and (v) all of the seller's right, title and interest in, to and under all other assets, properties, and rights of every kind and nature, whether real, personal, or mixed, tangible or intangible (including goodwill), wherever located and whether now existing or thereafter acquired, which relate to, or are used or held for use in connection with, the operation of the business being operated on the property as of the acquisition thereof.

However, the 51st Avenue Car Wash specifically excludes, among other things: (1) all of seller's cash, cash equivalents, bank accounts, and securities, other than \$600 cash on hand at the 51st Avenue Car Wash facility on the applicable closing date; (2) all accounts receivable generated by the seller at the 51st Avenue Car Wash facility through the applicable closing date.; (3) corporate seals, organizational documents, minute books, stock books, tax returns and similar recors relating to the seller's organization; (4) contracts not specifically assumed under the acquisition agreement and annual memberships; (5) all of the seller's employee benefit plans and assets of such plans; (6) the tradename SuperStar Car Wash and any derivative thereof used at the 51st Avenue Car Wash facility; (7) all web sites, domain names and social media resources used by the seller in connection with the 51st Avenue Car Wash facility and operation.

See also **Item 2.3.1.2 – Acquisition of the 51st Avenue Car Wash**

"51st Avenue Car Wash Acquisition Agreement"

The purchase and sale agreement dated May 7, 2015, as may be subsequently amended from time to time, between an affiliate of Marcus Kurschat, Trustee and President of the Fund and an arm's length seller, which purchase and sale agreement is to be assigned at no additional cost to 51st Avenue Car Wash LP, as buyer, in connection with the completion of the 51st Avenue Car Wash acquisition, all as more particularly described under **Item 2.3.1.2 – Acquisition of the 51st Avenue Car Wash** and **Item 2.7.9 – 51st Avenue Car Wash Acquisition Agreement**

"51st Avenue Car Wash LP"

A limited partnership being formed pursuant to the *Arizona Revised Uniform Limited Partnership Act* for the purpose of completing the 51st Avenue Car Wash acquisition, as more particularly described in **Item 2.1.5.6 – 51st Avenue Car Wash LP**. See also **Item 2.1.1 – Organizational Chart**

"67th Avenue Car Wash"

The Car Wash located at 1740 North 67th Avenue, Phoenix, Arizona 85035, which includes:

- all that real property, improvements, personal property, and inventory thereon as of the acquisition thereof contained within the boundaries of and as legally described in the official records of Maricopa County, Arizona as follows:

A portion of Lot 4, Imagine School, a commercial subdivision recorded in Book 829 of Maps, page 13, Records of Maricopa County, Arizona, said portion of Lot 4 also being described as Parcel A; and

- the structures and other improvements for the car wash facilities thereon for which such property is used as a car wash business, including (i) all and singular, the rights, benefits, privileges, easements, tenements, hereditaments, and appurtenances thereon or in any way appurtenant to such real property, (ii) without warranty, all the seller's right, title, and interest in and to all strips and gores and any land lying in the bed of any street, road or

alley, open or proposed, adjoining such real property, (iii) all buildings, structures, signs, fixtures, equipment, goods, products, and inventory upon the property, (iv) all contracts, agreements, licenses, and permits relating to the operation of the business expressly accepted by 67th Avenue Car Wash LP, as buyer, and (v) all of the seller's right, title and interest in, to and under all other assets, properties, and rights of every kind and nature, whether real, personal, or mixed, tangible or intangible (including goodwill), wherever located and whether now existing or thereafter acquired, which relate to, or are used or held for use in connection with, the operation of the business being operated on the property as of the acquisition thereof.

However, the 67th Avenue Car Wash specifically excludes, among other things: (1) all of seller's cash, cash equivalents, bank accounts, and securities, other than \$600 cash on hand at the 67th Avenue Car Wash facility on the applicable closing date; (2) all accounts receivable generated by the seller at the 67th Avenue Car Wash facility through the applicable closing date.; (3) corporate seals, organizational documents, minute books, stock books, tax returns and similar records relating to the seller's organization; (4) contracts not specifically assumed under the acquisition agreement and annual memberships; (5) all of the seller's employee benefit plans and assets of such plans; (6) the tradename SuperStar Car Wash and any derivative thereof used at the 67th Avenue Car Wash facility; (7) all web sites, domain names and social media resources used by the seller in connection with the 67th Avenue Car Wash facility and operation.

See also **Item 2.3.1.1 – Acquisition of the 67th Avenue Car Wash**

"67th Avenue Car Wash Acquisition Agreement"

The purchase and sale agreement dated May 7, 2015, as may be subsequently amended from time to time, between an affiliate of Marcus Kurschat, Trustee and President of the Fund and an arm's length seller, which purchase and sale agreement is to be assigned at no additional cost to 67th Avenue Car Wash LP, as buyer, in connection with the completion of the 67th Avenue Car Wash acquisition, all as more particularly described under **Item 2.3.1.1 – Acquisition of the 67th Avenue Car Wash** and **Item 2.7.8 – 67th Avenue Car Wash Acquisition Agreement**

"67th Avenue Car Wash LP"

A limited partnership being formed pursuant to the *Arizona Revised Uniform Limited Partnership Act* for the purpose of completing the 67th Avenue Car Wash acquisition, as more particularly described in **Item 2.1.5.5 – 67th Avenue Car Wash LP**. See also **Item 2.1.1 – Organizational Chart**

In this offering memorandum, unless the context otherwise requires, grammatical variations of the words and terms in this Glossary have meanings corresponding to the meanings given in this Glossary. Without limiting the generality of the foregoing, words and terms in the Glossary that give the singular number only include the plural and vice versa, and words and terms importing the masculine, feminine or neuter gender include the other genders.

In this offering memorandum, references to "**Canadian dollars**" and "**CD\$**" are to the currency of Canada and references to "**US dollars**" and "**US\$**" are to the currency of the United States, unless otherwise indicated.

In this offering memorandum, unless the context otherwise requires, terms such as "**we**", "**us**" and "**our**" are meant to refer to the Fund and its subsidiary entities; "**you**" is meant to refer to Investors who purchase Trust Units under the Offering, thereupon becoming Trust Unitholders.

In this offering memorandum, unless expressly modified by the words "**only**" or "**solely**", the words "**include**", "**includes**" or "**including**", when following any general term or statement, are not to be construed as limiting the general term or statement to the specific items or matters set forth or to similar items or matters but rather are to be construed as meaning "**include(s) without limitation**" or "**including without limitation**" (as the context requires) and permitting such general term or statement to refer to all other items or matters that could reasonably fall within its broadest possible scope.

ITEM 1 - USE OF AVAILABLE FUNDS

1.1 Funds

The table below represents the estimated Available Funds under the Offering (being Offering Proceeds less Selling Commissions and estimated Offering costs):

		Assuming Maximum Offering
A	Total amount to be raised by the Offering ⁽¹⁾⁽²⁾⁽⁵⁾	CD\$30,000,000
B	Selling Commissions ⁽²⁾⁽³⁾	CD\$2,700,000
C	Estimated Offering costs ⁽⁴⁾⁽⁶⁾⁽⁷⁾	CD\$550,000
D	Available Funds: D = A – (B + C)⁽⁵⁾	CD\$26,750,000
E	Additional sources of funding required ⁽⁵⁾⁽⁶⁾	Notes 6 & 7
F	Working capital deficiency ⁽⁶⁾⁽⁷⁾	-
G	Total: G = (D+E)-F	CD\$26,750,000

Notes:

- (1) The Fund may complete the issue and sale of Trust Units at any time and from time to time at one or more Closings until the Maximum Offering is reached or the Offering is otherwise terminated. Under the Maximum Offering, the Fund will issue and sell the Trust Units for aggregate Offering Proceeds of up to CD\$30,000,000. The Fund may, without notice to Investors, increase the Maximum Offering. There is no assurance that the Maximum Offering will be completed. The Fund has not set a minimum offering level and intends to issue and sell Trust Units from time to time prior to reaching the Maximum Offering. You could be one of only several Trust Unitholders. There is no assurance that the Fund will realize sufficient funding under the Offering to permit it to acquire (through its subsidiaries) any Car Wash or otherwise advance the business of the Fund and its subsidiaries. See **Item 1.2 – Use of Available Funds** and **Item 2.2 – Our Business**. This is a risky investment. You could lose all the money you invest. See **Item 8 – Risk Factors**.

As of the date of this offering memorandum, the Trust had 521 Trust Unitholders holding an aggregate of 1,301,296 Trust Units that have been issued and sold for gross Offering Proceeds of CD\$13,012,960. See **Item 4.3 – Prior Sales**. The Fund has completed the Eligibility Distribution before March 31, 2015 to a sufficient number of Trust Unitholders and has made the necessary elections under the Tax Act so that the Trust Units can continue being held in Exempt Plans. See **Item 6.1 – Certain Canadian Federal Income Tax Considerations**.

- (2) The Fund determined the pricing under the Offering for the Trust Units. At any time, the offering price for Trust Units issued and sold under the Offering may be changed, in the Trustee's discretion, without notice to Trust Unitholders.
- (3) Assumes 9% of the gross proceeds of the Offering will be paid as Selling Commissions. Where Trust Units are distributed through a registered exempt market dealer, the registered exempt market dealer will retain a 1.2% administration fee and 1% corporate finance fee out of the applicable 9% Selling Commissions prior to any further participation in the balance of the Selling Commissions by the registered exempt market dealer, any dealing representative(s) or any other sub-agent(s) of the registered exempt market dealer. See **Item 7 – Compensation Paid to Sellers and Finders**. As of the date of this offering memorandum, the Fund has paid or committed to pay Selling Commissions of CD\$1,171,166.40 in connection with the Offering.

The Fund is considered a "connected issuer" and a "related issuer" under Canadian securities law with Pinnacle Wealth Brokers Inc., a registered dealer appointed by the Fund to offer Trust Units for sale under the Offering, through such registered dealer's beneficial ownership or control of a Class C limited partnership interest in the US Limited Partnership and due to Gary Doran, currently a minority shareholder of Pinnacle Wealth Brokers Inc., serving as a Trustee of the Fund and as a director of Car Wash GP I, the general partner of each of Scottsdale Road Car Wash LP, Encanto Road Car Wash LP, Power Road Car Wash LP and Bell Road Car Wash LP and, once formed, 67th Avenue Car Wash LP and 51st Avenue Car Wash LP. See **Item 7 – Compensation Paid to Sellers and Finders**.

- (4) Costs associated with the Offering include legal, consulting, accounting and audit, advertising and marketing costs and costs associated with establishing and organizing the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership and US General Partners, Car Wash LPs and general partners thereof, and their affiliates or subsidiaries.
- (5) **Available Funds may not be sufficient to accomplish the Fund's objectives.** The Fund intends to raise sufficient funds through debt or equity financing to fund the business of its subsidiaries. There is no assurance that the Fund will realize sufficient funding under the Offering to advance the business of the Fund and its subsidiaries, including where applicable the redemption of any Bridge Financing LP Units.

The Fund or its subsidiaries may, to the extent available on acceptable terms, obtain institutional financing or other arm's length, third party financing. There is no assurance that alternative financing will be available on acceptable terms or at all. There is no assurance that the Fund will have adequate working capital to meet the anticipated requirements described in this offering memorandum, including the redemption of Bridge Financing LP Units. See **Item 8 – Risk Factors**.

In connection with completing the acquisition of any Car Wash or other industrial/commercial property (and the business conducted on such property), Clear Sky LP XIV may create, issue and sell one or more series of Bridge Financing LP Units to investors wholly at arm's length to the Fund, Clear Sky LP XIV and their affiliates. Such a Bridge Equity Investor may also hold an economic interest in the applicable Car Wash LP, as a limited or general partner. See **Item 2.1.1 – Organizational Chart**, **Item 2.1.5 – Car Wash LPs and Item 2.3.1 – Investment in Car Washes**. As well, the applicable Car Wash LP may borrow additional funds from an arm's length lender in connection with completing the acquisition of any Car Wash or other industrial/commercial property (and the business conducted on such property). See **Item 2.7.10 – Acquired Car Wash Acquisition Agreements**, **Item 2.7.10 – Acquired Car Wash Acquisition Agreements**, and **Item 2.7.11 – Arizona Car Wash I Commercial Real Estate Loan**.

Available Funds may be used, from time to time, to fund Clear Sky LP XIV's redemption or other acquisition of Bridge Financing LP Units, or for the applicable Car Wash LP's debt service obligations under commercial real estate loan financing on the applicable Car Wash, which funds could be realized (in whole or in part) from the issue and sale of additional Trust Units under the Offering.

The Fund and its affiliates may, in connection with the acquisition of or investment in any Car Wash or other industrial/commercial property (and the business conducted on such property), agree to material restrictions regarding their use of funds that would otherwise be available for distribution or Working Capital, for any purpose other than the redemption of Bridge Financing LP Units, which restrictions might be imposed on Clear Sky LP XIV in the provisions of the Bridge Financing LP Units. These restrictions may materially restrict the distribution of funds from the Fund's subsidiaries to the Fund set out in **Item 5.2.2 – Flow of Funds from the Car Washes**. The Fund may not be in a position to pay cash distributions to Trust Unitholders so long as any Bridge Financing LP Units have not been redeemed. Similarly, neither the applicable Car Wash LP nor the US Limited Partnership may be in a position to pay cash distributions to its partners except in connection with the redemption of outstanding Bridge Financing LP Units. These restrictions may materially adversely affect the Fund's ability to pay, in whole or in part, expenses and other obligations of the Fund, cash redemptions or repurchases of Trust Units, any tax liability, or fund any reserves established by the Trustees, in their sole discretion. These restrictions may materially adversely affect the Fund's ability to pay, in whole or in part, expenses and other obligations of the Fund, cash redemptions or repurchases of Trust Units, any tax liability, or fund any reserves established by the Trustees, in their sole discretion. These restrictions may adversely affect the ability of the Fund, Clear Sky LP XIV and the US Limited Partnership or the applicable Car Wash LP to pay, in whole or in part, expenses in connection with the Offering, start-up and operational costs, costs associated with acquiring (or investing in) and operating the Car Washes (including the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash, Bell Road Car Wash and the proposed acquisitions of the 67th Avenue Car Wash and 51st Avenue Car Wash), and the general and administrative, marketing and operating expenses of the Fund and its affiliates.

- (6) In assessing its Working Capital position and ongoing needs, the Fund has estimated costs to be incurred in association with the Offering and various start-up and operational costs, including legal, consulting, accounting and audit, advertising and marketing costs, office and site costs and costs in connection with establishing and organizing the Fund, Clear Sky LP XIV, the US Limited Partnership and the US General Partners, Car Wash LPs and their general partners and their subsidiaries and the acquisition of or investment in Car Washes (including the proposed acquisition of the Bell Road Car Wash). As of the date of this offering memorandum, the Fund had no Working Capital deficiency, after taking into account US\$100,000 (approximately CD\$124,770) for the earnest money deposits paid in connection with the proposed acquisitions of the 67th Avenue Car Wash and 51st Avenue Car Wash, which deposits are to be applied toward satisfaction of the purchase prices upon completion of the acquisitions of those Car Washes, approximately US\$71,273 (approximately CD\$88,927) to be paid as fees on behalf of 67th Avenue Car Wash LP and 51st Avenue Car Wash LP to the arm's length lender(s) in connection with new commercial real estate loan financing on the 67th Avenue Car Wash and the 51st Avenue Car Wash for the proposed acquisitions of those Car Washes, and US\$200,000 (approximately CD\$249,540) to be paid to the seller of the 51st Avenue Car Wash concurrently with completing (if at all) the 67th Avenue Car Wash acquisition. See **Item 1.4 – Working Capital Deficiency** and **Item 12 – Financial Statements**. See also **Item 2.3.1 – Investment in Car Washes**.
- (7) The Fund anticipates funding its Working Capital requirements through a combination of Available Funds, revenues (if any) from Car Washes or other industrial/commercial properties (and the businesses conducted on such properties), and future financing efforts of it and its affiliates. As Trust Units are issued and sold and Offering Proceeds are realized, the Fund may designate amounts from the Offering Proceeds to be used to pay various expenses, in whole or in part, in connection with the Offering, start-up and operational costs, costs associated with acquiring (or investing in) and operating the Car Washes (including the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash, Bell Road Car Wash and the proposed acquisitions of the 67th Avenue Car Wash and 51st Avenue Car Wash), and the general and administrative, marketing and operating expenses of the Fund and its affiliates.

There is no assurance that the Fund will have adequate Working Capital to meet the anticipated requirements described in this offering memorandum. See **Item 1.4 – Working Capital Deficiency**. As Trust Units are issued and sold over time, the Fund intends to continue using Offering Proceeds to pay Selling Commissions and may use Available Funds to establish, in whole or in part, a Working Capital reserve account (in the maximum amount equal to 9% off the gross Offering Proceeds at any time) to provide capital for the Fund and its affiliates to meet ongoing obligations as anticipated or by paying such obligations separately from such reserve account. Without limitation, the Fund or any of its subsidiary entities might, but none is obligated to, establish such a Working Capital reserve account for payment, in whole or in part, of expenses in connection with the Offering, start-up and operational costs, costs associated with acquiring (or investing in) and operating the Car Washes (including the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash, Bell Road Car Wash and the proposed acquisitions of the Bell Road Car Wash), and the general and administrative, marketing and operating expenses of the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs and their general partners and their respective affiliates (including Renovation Costs, Location Management Fees, Asset Management Fees, Performance Fees, or portions thereof payable by the Fund or the applicable subsidiary), debt payments and accrued interest, taxes, contingencies (including redemptions or other purchases of Trust Units), and proposed acquisitions, as determined by the Trustees, Clear

Sky GP, the US General Partners or the general partner of the Car Wash LP, in their discretion. In addition, any such Working Capital reserve might be funded, in whole or in part, by proceeds from the ordinary operations of the Car Wash LPs.

To the extent that net Offering Proceeds are used to establish, in whole or in part, such a Working Capital reserve, the balance of such Available Funds will be thereafter available to the Fund and its affiliates for other uses contemplated in this offering memorandum.

In executing its business strategy, other than possibly establishing and maintaining such a Working Capital reserve, the Fund does not intend to retain any other substantial cash or near-cash assets because it intends to maximize net Offering Proceeds from the Offering that it advances to Clear Sky LP XIV through capital contributions as a limited partner or as a loan. However, to the extent that any monies or other property, including Offering Proceeds, received by the Fund are not to be immediately used by the Trustees for the purpose of making capital contributions or lending funds to Clear Sky LP XIV, or for making distributions, the Fund intends, where prudent to do so, to invest such monies in Permitted Investments.

The Fund does not carry on an active business and, prior to the acquisition of a Car Wash or other industrial/commercial property (and the business conducted on such property), will be unable to rely on funds from operations to fund, in whole or in part, the Working Capital requirements of the Fund and its subsidiaries. However, the Fund anticipates business operations being conducted by its subsidiaries as described in **Item 2.1 – Structure** and **Item 2.2 – Our Business**. The Fund anticipates that, following the acquisition of a Car Wash, Clear Sky LP XIV, the US Limited Partnership or one or more of the Car Wash LPs will pay the ongoing expenses in connection with the Offering, start-up and operational costs, costs associated with the acquisition and operation of the Car Washes, and the general and administrative, marketing and operating expenses of the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs and their general partners, including, costs associated with establishing and organizing the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs and their general partners and their respective affiliates, legal, consulting, accounting and audit costs, advertising and marketing costs, fees and costs associated with offices and sites for the Fund and its affiliates, Renovation Costs, costs (including wages and benefits) associated with personnel of the Fund and its affiliates, Location Management Fees, fees and costs associated with banking and borrowing of the Fund and its affiliates, debt payments and accrued interest, investor reporting costs, printing and mailing costs, costs in connection with governmental and regulatory requirements, Performance Fees, Asset Management Fees, and taxes.

The Fund may also use funds received from its subsidiary entities for expenses and other obligations of the Fund, cash redemptions or repurchases of Trust Units, any tax liability and any reserves established by the Trustees, in their sole discretion. The Fund is the sole limited partner of Clear Sky LP XIV. Clear Sky LP XIV, the US Investors (as of the first Closing) and Pinnacle Wealth Brokers Inc. (as of the first Car Wash acquisition) will be limited partners of the US Limited Partnership. The US Limited Partnership will be the sole limited partner of each Car Wash LP, subject to an economic interest in such Car Wash LP being held as a limited partner or general partner, directly or indirectly, by a Bridge Equity Investor(s) in connection with the acquisition of or investment in the applicable Car Wash or other industrial/commercial property (and the business conducted on such property). This structure allows the Fund indirectly through its subsidiary entities, to earn income derived from the investment in Car Washes or other industrial/commercial properties (and the businesses conducted on such properties), if any. The Fund is reliant, to a significant degree, on receiving funds from its subsidiary entities which may be applied to payment, in whole or in part, of expenses and other obligations of the Fund, cash redemptions or repurchases of Trust Units, any tax liability, payment of Location Management Fees, payment of Asset Management Fees, payment of Performance Fees, and funding any reserves established by the Trustees, in their sole discretion. Set out in **Item 5.2.2 – Flow of Funds from the Car Washes** is a summary of the distribution of funds from the Fund's subsidiaries to the Fund.

However, the Fund and its affiliates may agree, in connection with the acquisition of or investment in any Car Wash or other industrial/commercial property (and the business conducted on such property), to material restrictions regarding their use of Available Funds and funds that would otherwise be available for distribution or Working Capital, regardless of the source, for any purpose other than the redemption of Bridge Financing LP Units that may be created and issued in connection with the acquisition/investment, so long as any of the Bridge Financing LP Units remains outstanding. Among other things, such restrictions on the use of Available Funds and funds that would otherwise be available for distribution or Working Capital, regardless of the source, might be imposed on Clear Sky LP XIV through the provisions of the Bridge Financing LP Units. These restrictions may materially restrict the distribution of funds from the Fund's subsidiaries to the Fund set out in **Item 5.2.2 – Flow of Funds from the Car Washes**. In such a case, the Fund may not be in a position to pay cash distributions to Trust Unitholders so long as any Bridge Financing LP Units have not been redeemed. Similarly, neither the applicable Car Wash LP nor the US Limited Partnership may be in a position to pay cash distributions to its partners except in connection with the redemption of outstanding Bridge Financing LP Units. These restrictions may materially adversely affect the Fund's ability to pay, in whole or in part, expenses and other obligations of the Fund, cash redemptions or repurchases of Trust Units, any tax liability, or fund any reserves established by the Trustees, in their sole discretion, so long as any Bridge Financing LP Units have not been redeemed. These restrictions may adversely affect the ability of the Fund, Clear Sky LP XIV and the US Limited Partnership or the applicable Car Wash LP to pay, in whole or in part, expenses in connection with the Offering, start-up and operational costs, costs associated with acquiring (or investing in) and operating the Car Washes (including the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash, Bell Road Car Wash and the proposed acquisitions of the 67th Avenue Car Wash and 51st Avenue Car Wash), and the general and administrative, marketing and operating expenses of the Fund and its affiliates.

To the extent unpaid by the Fund and its subsidiaries, Clear Sky Capital BC and Clear Sky Capital Arizona, companies beneficially owned or controlled, directly or indirectly, by Marcus Kurschat, have agreed to pay, in whole or in part, expenses in connection with the Offering, start-up and operational costs, costs associated with acquiring (or investing in) and operating the Car Washes (including the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash, Bell Road Car Wash and the proposed acquisitions of the 67th Avenue

Car Wash and 51st Avenue Car Wash), and the general and administrative, marketing and operating expenses of the Fund and its affiliates. See **Item 2.7.5 – Cost Sharing & Support Agreement**. In connection with the first Closing of the Offering, but with effect from June 23, 2014, Clear Sky Capital BC and Clear Sky Capital Arizona, on one hand, will have entered into the Cost Sharing & Support Agreement with the Fund and its affiliates, on the other hand, whereby Clear Sky Capital BC and Clear Sky Capital Arizona agree to pay (subject to a specified maximum amount and the ability of each of Clear Sky Capital BC and Clear Sky Capital Arizona to terminate its funding obligations in certain circumstances) such costs of the Fund and its subsidiaries, which the Fund is unable to finance from its Working Capital (as may be funded, in whole or in part, with Offering Proceeds).

1.2 Use of Available Funds

The table below represents the estimated use of the Available Funds by the Fund and its subsidiary entities, based on its present plans and present business conditions.

Description of intended use of Available Funds listed in order of priority	Assuming Maximum Offering
To purchase (or otherwise invest in), renovate, upgrade, and reposition Car Washes ⁽¹⁾⁽²⁾⁽⁴⁾⁽⁵⁾	CD\$26,000,000
For working capital purposes (including payment of applicable Performance Fees, Asset Management Fees and Location Management Fees) ⁽²⁾⁽³⁾⁽⁴⁾	CD\$750,000
TOTAL	CD\$26,750,000

Notes:

- (1) Car Washes that the Fund and its subsidiaries have acquired or intend to acquire, as of the date of this offering memorandum, are described in **Item 2.3.1 – Investment in Car Washes**. For information concerning the investment strategy of the Fund and its affiliates for acquiring or investing in Car Washes or other industrial or commercial properties (and the businesses associated with such properties), see **Item 2.2.1 – Business and Growth Strategies**.
- (2) This allocation assumes that Car Wash LPs acquire or otherwise invest in one or more Car Washes or other industrial or commercial properties (and the businesses associated with such properties) using aggregate Offering Proceeds of CD\$26,000,000.
- (3) The Fund anticipates funding its Working Capital requirements, including payments of Performance Fees, Location Management Fees and Asset Management Fees in whole or in part, through a combination of Available Funds, revenues from Car Washes (if any), and future fundraising efforts of the Fund and its affiliates. See **Item 1.4 – Working Capital Deficiency**. However, the Fund and its affiliates may, in connection with the acquisition of any Car Wash or other industrial/commercial property (and the business conducted on such property), agree to material restrictions regarding their use of funds that would otherwise be available for distribution for any purpose other than the redemption of Bridge Financing LP Units, which restrictions might be imposed on Clear Sky LP XIV in the provisions of the Bridge Financing LP Units. These restrictions may materially restrict the distribution of funds from the Fund's subsidiaries to the Fund set out in **Item 5.2.2 – Flow of Funds from the Car Washes**. The Fund may not be in a position to pay cash distributions to Trust Unitholders so long as any Bridge Financing LP Units have not been redeemed. Similarly, neither the applicable Car Wash LP nor the US Limited Partnership may be in a position to pay cash distributions to its partners except in connection with the redemption of outstanding Bridge Financing LP Units. These restrictions may materially adversely affect the Fund's ability to pay, in whole or in part, expenses and other obligations of the Fund, cash redemptions or repurchases of Trust Units, any tax liability, or fund any reserves established by the Trustees, in their sole discretion. These restrictions may adversely affect the ability of the Fund, Clear Sky LP XIV and the US Limited Partnership or the applicable Car Wash LP to pay, in whole or in part, expenses in connection with the Offering, start-up and operational costs, costs associated with acquiring (or investing in) and operating the Car Washes (including the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash, Bell Road Car Wash and the proposed acquisitions of the 67th Avenue Car Wash and 51st Avenue Car Wash), and the general and administrative, marketing and operating expenses of the Fund and its affiliates.

As of the date of this offering memorandum, Performance Fees totaling US\$239,750, Asset Management Fees totaling US\$42,757.98 and Location Management Fees totaling US\$45,833 have been paid or are payable.

- (4) In order to capitalize its subsidiary entities, the Fund will use the Available Funds from the Offering to make capital contributions as a limited partner, or lend funds to, Clear Sky LP XIV. Clear Sky LP XIV will, in turn, use the funds available to it to make capital contributions as a limited partner in, or lend funds to, the US Limited Partnership. Alternatively, where at any time and from time to time Clear Sky LP XIV has outstanding Class B LP Units that were issued and sold to provide funds for capital contributions for limited partnership interests in, or loan of funds to, the US Limited Partnership (e.g., Bridge Financing LP Units), Available Funds received from the Fund may be used to fund, in whole or in part, redemptions or other acquisitions of such outstanding Class B LP Units. See **Item 2.7.2 – Clear Sky LP XIV Agreement – Capital of Clear Sky LP XIV**. The US Limited Partnership will, in turn, use the funds available to it to make capital contributions as a limited partner in, or lend funds to, one or more Car Wash LPs. See **Item 2.2 – Our Business**.

Upon the deployment of capital for the acquisition of or investment in a Car Wash or other industrial/commercial property (and the business conducted on such property) by a Car Wash LP, an Acquisition Fee will be paid by either Clear Sky LP XIV, the US Limited Partnership or the applicable Car Wash LP (or a combination thereof) to Marcus Kurschat, Kevin Wheeler and Tim Barrett, who are beneficial shareholders (directly or indirectly), directors and officers of the US General Partners (or an entity beneficially owned or controlled by each of them). See **Item 1.5.1 – Fees Payable on Acquisitions and Dispositions**. To the extent that any Acquisition Fee remains unpaid, such amount will be considered as owing to Mr. Kurschat, Mr. Wheeler and Mr. Barrett (or entities beneficially owned or

controlled by each of them) on a non-interest bearing basis with no fixed payment terms, other than being payable on demand. As a result of completing the Scottsdale Road Car Wash acquisition, an Acquisition Fee of US\$66,500 was paid to, collectively, Mr. Kurschat, Mr. Wheeler and Mr. Barrett (or entities beneficially owned or controlled by each of them). As a result of completing the Encanto Road Car Wash acquisition, an Acquisition Fee of US\$56,000 was paid to, collectively, Mr. Kurschat, Mr. Wheeler and Mr. Barrett (or entities beneficially owned or controlled by each of them). As a result of completing the Power Road Car Wash acquisition, an Acquisition Fee of US\$52,500 was paid to, collectively, Mr. Kurschat, Mr. Wheeler and Mr. Barrett (or entities beneficially owned or controlled by each of them). As a result of completing the Bell Road Car Wash acquisition, an Acquisition Fee of US\$64,750 is payable to, collectively, Mr. Kurschat, Mr. Wheeler and Mr. Barrett (or entities beneficially owned or controlled by each of them). As a result of completing the 67th Avenue Car Wash acquisition (if at all), an Acquisition Fee of at least US\$84,785 will be payable to, collectively, Mr. Kurschat, Mr. Wheeler and Mr. Barrett (or entities beneficially owned or controlled by each of them). As a result of completing the 51st Avenue Car Wash acquisition (if at all), an Acquisition Fee of at least US\$107,104 will be payable to, collectively, Mr. Kurschat, Mr. Wheeler and Mr. Barrett (or entities beneficially owned or controlled by each of them).

Upon the receipt by the US Limited Partnership Clear Sky LP XIV or the applicable Car Wash LP of its share of the proceeds of disposition of any Car Wash or other industrial/commercial property (and the business conducted on such property), a Disposition Fee will be paid by either Clear Sky LP XIV, the US Limited Partnership on the applicable Car Wash LP (or a combination thereof) to Marcus Kurschat, Kevin Wheeler and Tim Barrett, who are beneficial shareholders (directly or indirectly), directors and officers of the US General Partners (or entities beneficially owned or controlled by each of them). See **Item 1.5.1 – Fees Payable on Acquisitions and Dispositions**. To the extent any Disposition Fee remains unpaid, such amount will be considered to be owed, collectively, to Mr. Kurschat, Mr. Wheeler and Mr. Barrett (or entities beneficially owned or controlled by each) on a non-interest bearing basis with no fixed payment terms, other than being payable on demand.

The US Limited Partnership, the applicable Car Wash LPs, or a combination thereof, will pay or cause to be paid to Marcus Kurschat (or an entity beneficially owned or controlled, directly or indirectly, by him), on a monthly basis, the Asset Management Fee commencing on the completion of the first Car Wash acquisition. Marcus Kurschat is a Trustee and President of the Fund. As of the date of this offering memorandum, US\$42,757.98 has been paid or is payable to Mr. Kurschat (or an entity beneficially owned or controlled by him) as Asset Management Fees.

The US Limited Partnership or the applicable Car Wash LPs, or a combination thereof, will pay or cause to be paid (monthly) to the US General Partners, a Location Management Fee for each Car Wash for which General Manager services are provided during the year. Marcus Kurschat, Kevin Wheeler and Tim Barrett (who provides General Manager services for one or more Car Washes) beneficially own or control, directly or indirectly, the US General Partners and, consequently, those individuals will share (indirectly) in Location Management Fees paid, resulting from their beneficial ownership of such entities. As of the date of this offering memorandum, US\$45,833 has been or is payable to the US General Partners as Location Management Fees.

- (5) Pending the acquisition of or investment in any Car Wash or other industrial or commercial property (and the business associated with such property), the Fund, Clear Sky LP XIV or the US Limited Partnership intends to invest such funds, in whole or in part, in Permitted Investments.

The foregoing represents the estimated use of the Available Funds by the Fund and its subsidiary entities, based on the Fund's present plans and present business conditions. However, there is no assurance that unforeseen events or changes in business conditions will not result in the application of Available Funds in a manner other than is described in this offering memorandum. Any such reallocation of the Available Funds would be substantially limited to the categories set forth above.

1.3 Reallocation

The Fund will spend the Available Funds as stated. The Fund will reallocate the funds only for sound business reasons. Unforeseen events or changes in business conditions may result in the application of Available Funds in a different manner than is described in this offering memorandum. There may be circumstances where for sound business reasons, a reallocation of funds is necessary in order for the Fund to achieve its stated business objectives.

1.4 Working Capital Deficiency

In assessing its Working Capital position and ongoing needs, the Fund has estimated costs to be incurred in connection with the Offering, start-up and operational costs, costs associated with acquiring (or investing in) and operating the Car Washes (including the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash, Bell Road Car Wash and the proposed acquisitions of the 67th Avenue Car Wash and 51st Avenue Car Wash), and the general and administrative, marketing and operating expenses of the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs and their general partners and their respective affiliates. As of the date of this offering memorandum, the Fund had no Working Capital deficiency, after taking into account US\$100,000 (approximately CD\$124,770) for the earnest money deposits paid in connection with the proposed acquisitions of the 67th Avenue Car Wash and 51st Avenue Car Wash, which deposits are to be applied toward satisfaction of the purchase prices upon completion of the acquisitions of those Car Washes, approximately US\$71,273 (approximately CD\$88,927) to be paid as fees on behalf of 67th Avenue Car Wash LP and 51st Avenue Car Wash LP to the arm's length lender(s) in connection

with new commercial real estate loan financing on the 67th Avenue Car Wash and the 51st Avenue Car Wash for the proposed acquisitions of those Car Washes, and US\$200,000 (approximately CD\$249,540) to be paid to the seller of the 51st Avenue Car Wash concurrently with completing (if at all) the 67th Avenue Car Wash acquisition.

The Fund does not carry on an active business and, prior to the acquisition of a Car Wash or other industrial/commercial property (and the business conducted on such property), will be unable to rely on funds from operations to meet, in whole or in part, the Working Capital requirements of the Fund and its subsidiaries. The Fund was established to conduct the Offering (including the issue and sale of Trust Units) and, once Trust Units have been issued and sold, managed its position as a limited partner or creditor of Clear Sky LP XIV. The Fund anticipates that, prior to the acquisition of a Car Wash or other industrial/commercial property (and the business conducted on such property), it will have moderate Working Capital requirements, being those in connection with (1) ongoing expenses in connection with the Offering, start-up and operational costs, costs associated with acquiring (or investing in) and operating the Car Washes (including the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash, Bell Road Car Wash and the proposed acquisitions of the 67th Avenue Car Wash and 51st Avenue Car Wash), and the general and administrative, marketing and operating expenses of the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs and their general partners and their respective affiliates including, costs associated with establishing and organizing the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs and their general partners and their respective affiliates, legal, consulting, accounting and audit costs, advertising and marketing costs, fees and costs associated with offices and sites for the Fund and its affiliates, Renovation Costs, costs (including wages and benefits) associated with personnel of the Fund and its affiliates, Location Management Fees, fees and costs associated with banking and borrowing of the Fund and its affiliates, debt payments and accrued interest, investor reporting costs, printing and mailing costs, costs in connection with governmental and regulatory requirements, Performance Fees, Asset Management Fees, and taxes, (2) payment of salaries, and (3) costs related to any retirement, repayment, retraction or other redemption of Trust Units. The Fund may designate amounts from the Offering Proceeds as Trust Units are issued and sold, to be used to meet Working Capital obligations, including the payment of such expenses, in whole or in part.

There is no assurance that the Fund will have adequate Working Capital to meet the anticipated requirements described in this offering memorandum. As Trust Units are issued and sold over time, the Fund intends to continue using Offering Proceeds to pay Selling Commissions and may use Available Funds to establish, in whole or in part, a Working Capital reserve account (in the maximum amount equal to 9% off the gross Offering Proceeds at any time) to provide capital for the Fund and its affiliates to meet ongoing obligations as anticipated or by paying such obligations separately from such reserve account. Without limitation, the Fund or any of its subsidiary entities might, but none is obligated to, establish such a Working Capital reserve account for expenses (including Renovation Costs, Location Management Fees, Asset Management Fees, Performance Fees, or portions thereof payable by the Fund or the applicable subsidiary), debt payments and accrued interest, taxes, contingencies (including redemptions or other purchases of Trust Units), and proposed acquisitions, as determined by the Trustees, Clear Sky GP, the US General Partners or the general partner of the Car Wash LP, in their discretion. In addition, any such Working Capital reserve might be funded, in whole or in part, by proceeds from the ordinary operations of the Car Wash LPs.

To the extent that net Offering Proceeds are used to establish, in whole or in part, such a Working Capital reserve, the balance of such Available Funds will be thereafter available to the Fund and its affiliates for other uses contemplated in this offering memorandum.

In executing its business strategy, other than possibly establishing and maintaining such a Working Capital reserve, the Fund does not intend to retain any other substantial cash or near-cash assets because it intends to maximize net Offering Proceeds from the Offering that it advances to Clear Sky LP XIV through capital contributions as a limited partner or as a loan. However, to the extent that any monies or other property, including Offering Proceeds, received by the Fund are not to be immediately used by the Trustees for the purpose of making capital contributions or lending funds to Clear Sky LP XIV, or for making distributions, the Fund intends, where prudent to do so, to invest such monies in Permitted Investments.

However, the Fund anticipates business operations being conducted by its subsidiaries as described in **Item 2.1 – Structure** and **Item 2.2 – Our Business**. The Fund anticipates that, following the acquisition of a Car Wash, Clear Sky LP XIV, the US Limited Partnership or one or more of the Car Wash LPs will pay the ongoing expenses in connection with the Offering, start-up and operational costs, costs associated with the acquisition and operation of the Car Washes, and the general and administrative, marketing and operating expenses of the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs and their general partners, including (1) costs associated with establishing and organizing the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs and their general partners and their respective affiliates, legal, consulting, accounting and audit costs, advertising and marketing costs, fees and costs associated with offices and sites for the Fund and its affiliates, Renovation Costs, costs (including wages and benefits) associated with personnel of the Fund and its affiliates, Location Management Fees, fees and costs associated with banking and borrowing of the Fund and its affiliates, debt payments and accrued interest, investor reporting costs, printing and mailing costs, costs in connection with governmental and regulatory requirements, Performance Fees, Asset Management Fees, and taxes, (2) costs related to renovating, upgrading, and

repositioning such Car Wash, (3) salaries and benefits, and (4) costs related to any retirement, repayment, retraction or other redemption of Trust Units.

The Fund may also use funds received from its subsidiary entities for expenses and other obligations of the Fund, cash redemptions or repurchases of Trust Units, any tax liability and any reserves established by the Trustees, in their sole discretion. The Fund is the sole voting limited partner of Clear Sky LP XIV, holding Class A LP Units. Clear Sky LP XIV may create and issue one or more series of Bridge Financing LP Units, in connection with the acquisition of or investment in any Car Wash or other industrial/commercial property (and the business conducted on such property). Available Funds may be used, from time to time, to fund Clear Sky LP XIV's redemption or other acquisition of Bridge Financing LP Units.

Clear Sky LP XIV is to be a limited partner and, as of the first Closing, Clear Sky LP XIV and the US Investors will be limited partners of the US Limited Partnership. In addition, Pinnacle Wealth Brokers Inc., the registered dealer appointed by the Fund as its agent for the offering, issue and sale of Trust Units under the Offering, will be a non-voting limited partner of the US Limited Partnership, as of the completion of the first Car Wash acquisition. The partners of each Car Wash LP will be the US Limited Partnership (limited partner holding 99.99% economic interest) and an entity organized in the United States (general partner holding 0.01% economic interest), subject to a partnership interest in such Car Wash LP being held, directly or indirectly, by a Bridge Equity Investor(s) in connection with the acquisition of or investment in the applicable Car Wash or other industrial/commercial property (and the business conducted on such property). This structure allows the Fund to, indirectly through its subsidiary entities, earn income derived from the investment in the Car Washes, if any. The Fund is reliant, to a significant degree, on receiving funds from its subsidiary entities which may be applied to payment, in whole or in part, of expenses and other obligations of the Fund, cash redemptions or repurchases of Trust Units, any tax liability, payments of Performance Fees, Asset Management Fees and Location Management Fees and funding any reserves established by the Trustees, in their sole discretion. Set out in **Item 5.2.2 – Flow of Funds from the Car Washes** is a summary of the distribution of funds from the Fund's subsidiaries to the Fund.

Principals of the Fund and its affiliates (including persons who are Trustees and directors and officers of the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs or the general partners thereof, and their affiliates) may, at any time and from time, make further investments, directly or indirectly, in Class B limited partnership interests in the US Limited Partnership as US Investors. If any such individual (or an entity beneficially owned or controlled by him) acquires additional Class B limited partnership interests in the US Limited Partnership at any time, he will beneficially hold, as a US Investor, a larger proportionate share (based on the respective levels of Investment Capital) in US Limited Partnership distributions of Net Available Cash or other payments, if any, that may be made to Participating Trust Unitholders (through Clear Sky LP XIV and the Fund) and the US Investors, and the remaining Trust Unitholders (through Clear Sky LP XIV and the Fund) will hold a proportionately smaller share. Further, in the event that any such individual (or an entity beneficially owned or controlled by him) acquires additional limited partnership interests in the US Limited Partnership as a US Investor, he will have done so in his personal capacity and for his own investment purposes.

If the US Limited Partnership needs additional capital contributions for or any reason, the US Limited Partnership must first offer Clear Sky LP XIV and US Investors (including persons who are Trustees and directors and officers of the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs or the general partners thereof, and their affiliates) the right to contribute their share of such additional capital to maintain their relative Ownership Percentages prior to obtaining capital contributions or loans from other sources. Further, it is anticipated that Clear Sky LP XIV will make additional capital contributions as a limited partner of, or lend fund to, the US Limited Partnership on an ongoing basis as it receives Offering Proceeds from the Fund, which will increase its Investment Capital and effect its Ownership Percentage.

Without limiting the generality of the foregoing, principals of the Fund and its affiliates (including persons who are Trustees and directors and officers of the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs or the general partners thereof, and their affiliates) have indicated an interest in making further investments, directly or indirectly, in Class B limited partnership interests in the US Limited Partnership as US Investors, at any time and from time when the Fund redeems, purchases otherwise acquires Trust Units, in amounts up to the Fund's cost of redeeming, purchasing or acquiring such Trust Units. Investment Capital received by the US Limited Partnership in such circumstances may be paid to the Fund to offset, in whole or in part, the Fund's cost of redeeming, purchasing or acquiring such Trust Units. However, none of the principals of the Fund or its affiliates is guaranteeing the payment of any amount for the Trust Units of any Trust Unitholder who wishes to dispose of such securities, whether pursuant to the exercise of redemption or purchase rights or otherwise; there is no assurance that any principals of the Fund or its affiliates will acquire additional limited partnership interests in the US Limited Partnership as US Investors at any time when the Fund redeems, purchases or otherwise acquires Trust Units. For clarity, no offer to purchase any Trust Units has been or is being made and no person has solicited or is soliciting any offer to sell any Trust Units. If any such individual (or an entity beneficially owned or controlled by him) acquires additional Class B limited partnership interests in the US Limited Partnership at any time when the Fund redeems, purchases or otherwise acquires Trust Units from a Trust Unitholder, he will beneficially hold, as a US Investor, a larger proportionate share (based on the respective levels of Investment Capital) in US Limited Partnership distributions of

Net Available Cash or other payments, if any, that may be made to Participating Trust Unitholders (through Clear Sky LP XIV and the Fund) and the US Investors, and the remaining Trust Unitholders (through Clear Sky LP XIV and the Fund) will hold a proportionately smaller share. Further, in the event that any such individual (or an entity beneficially owned or controlled by him) acquires additional limited partnership interests in the US Limited Partnership as a US Investor at any time when the Fund redeems, purchases or otherwise acquires Trust Units from a Trust Unitholder, he will have done so in his personal capacity and for his own investment purposes. If any principal of the Fund or its affiliates acquires beneficial ownership, directly or indirectly, of additional limited partnership interests in the US Limited Partnership as a US Investor in such a circumstance, he is not to be considered as acting jointly or in concert with the Fund or any other offeror in connection with the Fund's redemption, purchase or otherwise acquisition of Trust Units from any Trust Unitholder.

The Fund and its affiliates may agree, in connection with the acquisition of or investment in any Car Wash or other industrial/commercial property (and the business conducted on such property), to material restrictions regarding their use of Available Funds and funds that would otherwise be available for distribution or Working Capital, regardless of the source, for any purpose other than the redemption of Bridge Financing LP Units that may be created and issued in connection with the acquisition/investment, so long as any of the Bridge Financing LP Units remains outstanding. Among other things, such restrictions on the use of Available Funds and funds that would otherwise be available for distribution or Working Capital, regardless of the source, might be imposed on Clear Sky LP XIV through the provisions of the Bridge Financing LP Units. These restrictions may materially restrict the distribution of funds from the Fund's subsidiaries to the Fund set out in **Item 5.2.2 – Flow of Funds from the Car Washes**. In such a case, the Fund may not be in a position to pay cash distributions to Trust Unitholders so long as any Bridge Financing LP Units have not been redeemed. Similarly, neither the applicable Car Wash LP nor the US Limited Partnership may be in a position to pay cash distributions to its partners except in connection with the redemption of outstanding Bridge Financing LP Units. These restrictions may materially adversely affect the Fund's ability to pay, in whole or in part, expenses and other obligations of the Fund, cash redemptions or repurchases of Trust Units, any tax liability, or fund any reserves established by the Trustees, in their sole discretion, so long as any Bridge Financing LP Units have not been redeemed. These restrictions may adversely affect the ability of the Fund, Clear Sky LP XIV and the US Limited Partnership or the applicable Car Wash LP to pay, in whole or in part, expenses in connection with the Offering, start-up and operational costs, costs associated with acquiring (or investing in) and operating the Car Washes (including the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash, Bell Road Car Wash and the proposed acquisitions of the 67th Avenue Car Wash and 51st Avenue Car Wash), and the general and administrative, marketing and operating expenses of the Fund and its affiliates including, costs associated with establishing and organizing the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs and their general partners and their respective affiliates, legal, consulting, accounting and audit costs, advertising and marketing costs, fees and costs associated with offices and sites for the Fund and its affiliates, Renovation Costs, costs (including wages and benefits) associated with personnel of the Fund and its affiliates, Location Management Fees, fees and costs associated with banking and borrowing of the Fund and its affiliates, debt payments and accrued interest, investor reporting costs, printing and mailing costs, costs in connection with governmental and regulatory requirements, Performance Fees, Asset Management Fees, and taxes.

To the extent unpaid by the Fund and its subsidiaries, Clear Sky Capital BC and Clear Sky Capital Arizona, companies beneficially owned or controlled, directly or indirectly, by Marcus Kurschat, have agreed to pay the costs associated with the Offering and various start-up and operational costs, including legal, consulting and accounting costs and costs in connection with establishing and organizing the Fund, Clear Sky LP XIV and their subsidiaries. See **Item 2.7.5 – Cost Sharing & Support Agreement**. As of the first Closing of the Offering but with effect as of June 23, 2014, Clear Sky Capital BC and Clear Sky Capital Arizona, on one hand, will enter into the Cost Sharing & Support Agreement with the Fund and its affiliates, on the other hand, whereby Clear Sky Capital BC and Clear Sky Capital Arizona agree to pay (subject to a specified maximum amount and the ability of each of Clear Sky Capital BC and Clear Sky Capital Arizona to terminate its funding obligations in certain circumstances) the costs of the Fund and its subsidiaries, including Offering and various start-up and operational costs, including legal, consulting and accounting costs, ongoing general and administrative expenses, and costs in connection which the Fund is unable to finance from its Working Capital (as may be funded, in whole or in part, with Offering Proceeds).

1.5 Fees and Expenses

1.5.1 Fees Payable on Acquisitions and Dispositions, Asset Management Fees & Location Management Fees

1.5.1.1 Acquisition Fees

Clear Sky LP XIV, the US Limited Partnership or the applicable Car Wash LP, or a combination thereof, will pay or cause to be paid to, collectively, Marcus Kurschat (or an entity beneficially owned or controlled by him), Kevin Wheeler (or an entity beneficially owned or controlled by him) and Tim Barrett (or an entity beneficially owned or controlled by him), collectively, an Acquisition Fee upon the deployment of capital to acquire or invest in a Car Wash or other industrial/commercial property (and the business conducted on such property).

The Acquisition Fee is to be paid in an amount equal to 1.75% of the enterprise value of the Car Wash or other industrial/commercial property (and the business conducted on such property) at the time of the acquisition or investment. In such case, the enterprise value of the Car Wash or other industrial/commercial property (and the business conducted on such property) is to be determined, in the discretion of the US General Partners or the general partner of the applicable Car Wash LP and without regard to the proportionate ownership interest (direct or indirect) of the applicable Car Wash LP or any other Fund affiliate in such Car Wash or other industrial/commercial property (and the business conducted on such property), with reference to either:

- an independent appraisal of the fair market value of the Car Wash or other industrial/commercial property (and the business conducted on such property) as of a date that is acceptably close, in the opinion of in the US General Partners or the general partner of the applicable Car Wash LP, acting reasonably, to the effective date of the acquisition of (or investment in) such Car Wash or other industrial/commercial property (and the business conducted on such property); or
- the price paid by a Car Wash LP (for example) for its ownership interest in the Car Wash or other industrial/commercial property (and the business conducted on such property) plus the imputed value of all other ownership interests in such Car Wash or other industrial/commercial property (and the business conducted on such property), if any (as extrapolated from the price paid by the Fund's affiliate(s)) plus the debt secured by the Car Wash.

Mr. Kurschat is a Trustee and officer (President) of the Fund, and a director, officer and sole beneficial shareholder (directly or indirectly) of Clear Sky GP, and will be a limited partner in the US Limited Partnership as a US Investor as of the First Closing, a director, officer and beneficial shareholder (directly or indirectly) of at least one of the US General Partners, and a director, officer and beneficial shareholder (directly or indirectly) of the general partner of each Car Wash LP. Mr. Wheeler is a Trustee and an officer (Vice-President, Investor Relations) of the Fund, and a director and officer of Clear Sky GP, a limited partner in the US Limited Partnership, and will be a beneficial shareholder (directly or indirectly), director and officer of one of the US General Partners. Mr. Barrett is or will be a limited partner in the US Limited Partnership as a US Investor as of the first Closing, a beneficial shareholder (directly or indirectly), director and officer of one of the US General Partners, a director, officer and beneficial shareholder (directly or indirectly) of the general partner of each Car Wash LP, including Car Wash GP I, and provides General Manager services for one or more Car Washes. See **Item 3 – Interests of Trustees, Management, Promoters and Principal Holders**. As of the date of this offering memorandum, US\$239,750 has been paid or is payable to Marcus Kurschat, Kevin Wheeler and Tim Barrett (or entities controlled by any of them), as Acquisition Fees, as follows:

- US\$66,500 has been paid, as to US\$33,915 to Mr. Kurschat (or an entity beneficially owned or controlled by him), as to US\$12,635 to Mr. Wheeler (or an entity beneficially owned or controlled by him), and as to US\$19,950 to Mr. Barrett (or an entity beneficially owned or controlled by him), as a result of having completed the Scottsdale Road Car Wash acquisition;
- US\$56,000 has been paid, as to US\$28,560 to Mr. Kurschat (or an entity beneficially owned or controlled by him), as to US\$10,640 to Mr. Wheeler (or an entity beneficially owned or controlled by him), and as to US\$16,800 to Mr. Barrett (or an entity beneficially owned or controlled by him), as a result of having completed the Encanto Road Car Wash acquisition;
- US\$52,500 has been paid, as to US\$26,775 to Mr. Kurschat (or an entity beneficially owned or controlled by him), as to US\$9,975 to Mr. Wheeler (or an entity beneficially owned or controlled by him), and as to US\$15,750 to Mr. Barrett (or an entity beneficially owned or controlled by him), as a result of having completed the Power Road Car Wash acquisition; and
- US\$64,750 is payable, as to US\$33,023 to Mr. Kurschat (or an entity beneficially owned or controlled by him), as to US\$12,302 to Mr. Wheeler (or an entity beneficially owned or controlled by him), and as to US\$19,425 to Mr. Barrett (or an entity beneficially owned or controlled by him), as a result of having completed the Bell Road Car Wash acquisition.

An Acquisition Fee of at least US\$84,785 (subject to adjustment of the purchase price under the 67th Avenue Car Wash Acquisition Agreement) will be payable, as to at least US\$43,240 to Mr. Kurschat (or an entity beneficially owned or controlled by him), as to at least US\$16,109 to Mr. Wheeler (or an entity beneficially owned or controlled by him), and as to at least US\$25,436 to Mr. Barrett (or an entity beneficially owned or controlled by him), as a result of completing (if at all) the 67th Avenue Car Wash acquisition.

An Acquisition Fee of at least US\$107,104 (subject to adjustment of the purchase price under the 51st Avenue Car Wash Acquisition Agreement) will be payable, as to at least US\$54,623 to Mr. Kurschat (or an entity beneficially owned or controlled by him), as to at least US\$20,350 to Mr. Wheeler (or an entity beneficially owned or controlled by him), and as to at least US\$32,131 to Mr. Barrett (or an entity beneficially owned or controlled by him), as a result of completing (if at all) the 51st Avenue Car Wash acquisition.

Offering Proceeds may be used to fund, in whole or in part, directly or indirectly, payment of Performance Fees to Marcus Kurschat, Kevin Wheeler and Tim Barrett (or entities beneficially owned or controlled by each), which proceeds would be realized from time to time by the issue and sale of additional Trust Units under the Offering.

The Fund anticipates funding its Working Capital requirements, including any payments of Acquisition Fees to, collectively, Marcus Kurschat, Kevin Wheeler and Tim Barrett (or entities beneficially owned or controlled by each), through a combination of Available Funds, revenues (if any) from Car Washes or other industrial/commercial business and future financing efforts of it and its affiliates. To the extent that any Acquisition Fee remains unpaid, such amount will be considered as owing to Marcus Kurschat, Kevin Wheeler and Tim Barrett (or entities beneficially owned or controlled by each), collectively, on a non-interest bearing basis with no fixed payment terms, other than being payable on demand. However, the Fund and its affiliates may agree to certain restrictions on the use of Available Funds or funds received from any other source for any purpose other than the redemption of Bridge Financing LP Units, if any, until all the Bridge Financing LP Units have been redeemed. Among other things, such restrictions might be imposed on Clear Sky LP XIV in the provisions of the Bridge Financing LP Units.

A description of the flow of funds, including the payment of Acquisition Fees, is set out under **Item 5.2.2 – Flow of Funds from the Car Washes**.

1.5.1.2 Disposition Fees

Clear Sky LP XIV, the US Limited Partnership or the applicable Car Wash LP will pay or cause to be paid to Marcus Kurschat (or an entity beneficially owned or controlled by him), Kevin Wheeler (or an entity beneficially owned or controlled by him) and Tim Barrett (or an entity beneficially owned or controlled by him), collectively, a Disposition Fee upon the receipt of proceeds from the sale or other disposition of a Car Wash or other industrial/commercial property (and the business conducted on such property).

The Disposition Fee is to be paid in an amount equal to 1.75% of the enterprise value of the Car Wash or other industrial/commercial property (and the business conducted on such property) at the time of the sale or other disposition. In such case, the enterprise value of the Car Wash or other industrial/commercial property (and the business conducted on such property) is to be determined in the discretion of the US General Partners or the general partner of the applicable Car Wash LP and without regard to the proportionate ownership interest (direct or indirect) of the applicable Car Wash LP or any other Fund affiliate in such Car Wash, with reference to either:

- an independent appraisal of the fair market value of the Car Wash or other industrial/commercial property (and the business conducted on such property) as of a date that is acceptably close, in the opinion of the US General Partners or the general partner of the applicable Car Wash LP acting reasonably, to the effective date of the sale or other disposition, in such Car Wash or other industrial/commercial property (and the business conducted on such property); or
- the value of the consideration received by the applicable Car Wash LP (for example) for its ownership interest in the Car Wash or other industrial/commercial property (and the business conducted on such property) plus the value of the consideration received by the other owners, if any, for their ownership interests in the Car Wash or other industrial/commercial property (and the business conducted on such property) (or, if any ownership interest is not sold at the time of such disposition, the imputed value of any such owner's interest in the Car Wash as extrapolated from the consideration received by the Fund affiliate(s)) plus the debt secured by the Car Wash or other industrial/commercial property (and the business conducted on such property).

Mr. Kurschat is a Trustee and officer (President) of the Fund and a director, officer and sole beneficial shareholder (directly or indirectly) of Clear Sky GP, a limited partner in the US Limited Partnership as a US Investor, a director, officer and beneficial shareholder (directly or indirectly) of at and will be least one of the US General Partners, and a director, officer and beneficial shareholder (directly or indirectly) of the general partner of each Car Wash LP. Mr. Wheeler is a Trustee and an officer (Vice-President, Investor Relations) of the Fund and a director and officer of Clear Sky LP XIV, a limited partner in the US Limited Partnership as a US Investor, and a director, officer and beneficial shareholder (directly or indirectly) and will be of one of the US General Partners. Tim Barrett is or will be a limited partner in the US Limited Partnership as a US Investor as of the first Closing, a beneficial shareholder (directly or indirectly), director or officer of one of the US General Partners, a director, officer and beneficial shareholder (directly or indirectly) of the general partner of each Car Wash LP, including Car Wash GP I, and may provide General Partners and provides General Manager services for one or more Car Washes. See **Item 3 – Interests of Trustees, Management, Promoters and Principal Holders**.

The Fund anticipates funding its Working Capital requirements, including any payments of Disposition Fees to, collectively, Messrs. Kurschat, Wheeler and Barrett (or entities controlled by each), through a combination of Available Funds, revenues from Car Washes (if any), and future financing efforts of it and its affiliates. To the extent that any Disposition Fee remains unpaid, such amount will be considered as owing to Marcus Kurschat, Kevin Wheeler and Tim Barrett (or entities controlled by each), collectively, on a non-interest bearing basis with no fixed payment terms, other than being payable on demand. However, the Fund and its affiliates may agree to certain restrictions on the use of Available Funds or funds received from any other source for any purpose other than the redemption of Bridge Financing LP Units, if any, until all the Bridge Financing LP Units have been redeemed.

A description of the flow of funds, including the payment of Disposition Fees, upon the sale or other dispositions of a Car Wash is set out under **Item 5.2.2 – Flow of Funds from the Car Washes**.

1.5.1.3 Asset Management Fees

The US Limited Partnership, the applicable Car Wash LPs, or a combination thereof, will pay or cause to be paid to Marcus Kurschat (or an entity beneficially owned or controlled, directly or indirectly, by him), on a monthly basis, the Asset Management Fee commencing on the completion of the first Car Wash acquisition. Marcus Kurschat is a Trustee and President of the Fund. As of the date of this offering memorandum, US\$42,757.98 has been paid to Mr. Kurschat (or an entity beneficially owned or controlled by him) as Asset Management Fees.

To the extent that any Asset Management Fee remains unpaid, such amount will be considered as owing to Marcus Kurschat (or an entity beneficially owned or controlled, directly or indirectly, by Mr. Kurschat) on a non-interest bearing basis with no fixed payment terms, other than being payable on demand. However, the Fund and its affiliates may agree to certain restrictions on the use of Available Funds or funds received from any other source for any purpose other than the redemption of Bridge Financing LP Units, if any, until all the Bridge Financing LP Units have been redeemed.

1.5.1.4 Location Management Fees

The US General Partners intend to provide General Manager services to each Car Wash LP that has acquired or otherwise invested in a Car Wash. The US Limited Partnership or the applicable Car Wash LPs, or a combination thereof, will pay or cause to be paid (monthly) to the US General Partners, a Location Management Fee for each Car Wash to which General Manager services are provided during the year. Marcus Kurschat, Kevin Wheeler and Tim Barrett (who provides General Manager services for one or more Car Washes) beneficially own or control, directly or indirectly, the US General Partners and, consequently, those individuals will share (indirectly) in Location Management Fees paid, resulting from their beneficial ownership of such entities. The US General Partners, Clear Sky Capital Arizona or affiliates thereof, or a combination of them, are responsible for costs relating to the provision of such General Manager services, including salaries (if any) for such person(s). Apart from payment of Location Management Fees, no expenses related to providing such General Manager services will be incurred or reimbursed by the Fund, Clear Sky LP XIV, the US Limited Partnership or the Car Wash LPs. It is anticipated that Tim Barrett, a beneficial shareholder, director and officer of one of the US General Partners and the general partner of each Car Wash LP (including Car Wash GP I), may, in his personal capacity, provide General Manager services for one or more Car Washes. As of the date of this offering memorandum, US\$45,833 has been paid to the US General Partners as Location Management Fees.

To the extent that any Location Management Fee remains unpaid, such amount will be considered as owing to the US General Partners on a non-interest bearing basis with no fixed payment terms, other than being payable on demand. However, the Fund and its affiliates may agree to certain restrictions on the use of Available Funds or funds received from any other source for any purpose other than the redemption of Bridge Financing LP Units, if any, until all the Bridge Financing LP Units have been redeemed.

1.5.2 Compensation through ownership of general partners and other securities

Marcus Kurschat, beneficially owns or controls (directly or indirectly) all of the securities of Clear Sky GP, is a limited partner (directly or indirectly) in the US Limited Partnership as a US Investor, beneficially owns or controls (directly or indirectly) the majority of the securities of CSCA, being one of the US General Partners, and beneficially owns or controls (directly or indirectly) Clear Sky GP I, the general partner of each of Scottsdale Road Car Wash LP, Encanto Road Car Wash LP, Power Road Car Wash LP and Bell Road Car Wash LP. Mr. Kurschat also anticipates similarly owning or controlling (directly or indirectly) the general partners of any other Car Wash LPs. Consequently, Mr. Kurschat will share (directly or indirectly) in distributions, if any, resulting from his beneficial ownership or control, direct or indirect, of such entities or securities (including his beneficial ownership (directly or indirectly) of CSCA and a Class B limited partnership interest in the US Limited Partnership as a US Investor).

The economic participation of the partners in the US Limited Partnership is subject to the prior receipt of a 12% Investor ROI each year by Participating Trust Unitholders and US Investors. If a 12% Investor ROI is not paid for a particular year, the shortfall does not accrue in favour of Participating Trust Unitholders or US Investors in subsequent years. After a 12% Investor ROI has been achieved for a particular year (following the first Car Wash acquisition), further Car Wash LP distributions (if any) that are received by the US Limited Partnership during that year will be distributed or otherwise paid as to the US General Partners (subject to reduction based on an economic interest(s) in the Car Wash LP held by any Bridge Equity Investor(s)), Pinnacle Wealth Brokers Inc., Participating Trust Unitholders (through Clear Sky LP XIV and the Fund) and US Investors, collectively, for the year *pro rata* based on their Ownership Percentages. See **Item 5.2.2 – Flow of Funds from the Car Washes**.

After a 12% Investor ROI has been achieved for a particular year (if at all), each of the US General Partners, including CSCA, will participate in distributions of Net Available Cash (if any) or other payments from the US Limited Partnership based on its Ownership Percentage (subject to any Car Wash LP partnership interest(s) that may be created and issued in connection with the acquisition of or investment in the applicable Car Wash (or other industrial/commercial property and the business conducted thereon) being held, directly or indirectly, by any Bridge Equity Investor(s)). As of the date of this offering memorandum, the Ownership Percentage of CSCA is 49.5615%.

Kevin Wheeler is (indirectly) a limited partner in the US Limited Partnership as a US Investor, and beneficially owns or controls (directly or indirectly) all of the securities of Wheelerco, being one of the US General Partners. After a 12% Investor ROI has been achieved for a particular year, each of the US General Partners, including Wheelerco, will participate in distributions of Net Available Cash (if any) or other payments from the US Limited Partnership based on its Ownership Percentage (subject to any Car Wash LP partnership interest(s) that may be created and issued in connection with the acquisition of or investment in the applicable Car Wash (or other industrial/commercial property and the business conducted thereon) being held, directly or indirectly, by any Bridge Equity Investor(s)). As of the date of this offering memorandum, the Ownership Percentage of Wheelerco is 11.6256%. Consequently, Mr. Wheeler will share (directly or indirectly) in distributions, if any, resulting from his beneficial ownership of such entities or securities (including his beneficial ownership (directly or indirectly) of CSCA and a Class B limited partnership interest in the US Limited Partnership as a US Investor).

Tim Barrett is (indirectly) a limited partner in the US Limited Partnership as a US Investor, and is a beneficial shareholder (directly or indirectly), director and officer of CSCA, being one of the US General Partners. After a 12% Investor ROI has been achieved for a particular year, each of the US General Partners, including CSCA, will participate in distributions of Net Available Cash (if any) or other payments from the US Limited Partnership based on its Ownership Percentage (subject to any Car Wash LP partnership interest(s) that may be created and issued in connection with the acquisition of or investment in the applicable Car Wash (or other industrial/commercial property and the business conducted thereon) being held, directly or indirectly, by any Bridge Equity Investor(s)). As of the date of this offering memorandum, the Ownership Percentage of CSCA is 49.5615%. Consequently, Mr. Barrett will share (directly or indirectly) in distributions, if any, resulting from his beneficial ownership (directly or indirectly) of CSCA and a Class B limited partnership interest in the US Limited Partnership as a US Investor. Mr. Barrett may also provide General Manager services for one or more Car Washes and receive compensation from the US General Partners for such services.

The US LP Agreement includes provisions that allow accelerated depreciation to be specially allocated to the US General Partners, in certain circumstances. Any such allocation could increase the amount of US tax payable by Clear Sky LP XIV. This increase in tax payable by Clear Sky LP XIV could reduce the amount of cash available for distribution to the Fund and, in turn, to the Trust Unitholders. Mr. Kurschat, Mr. Wheeler and Mr. Barrett will share (indirectly) in any allocations of income, gain, loss, or deduction associated with the US General Partners' economic interests in the US Limited Partnership, including any special allocations of accelerated depreciation deductions from the US Limited Partnership or a Car Wash LP that are made to the US General Partners instead of to the limited partners. See **Item 5.2.2 – Flow of Funds from the Car Washes**.

Pinnacle Wealth Brokers Inc. beneficially owns or controls (directly or indirectly) a Class C (non-voting) limited partnership interest in the US Limited Partnership as of the completion of the Scottsdale Road Car Wash acquisition. Pinnacle Wealth Brokers Inc. is a registered dealer appointed by the Fund as its agent to offer Trust Units for sale under the Offering and, consequently, is entitled to receive Selling Commissions. Pinnacle Wealth Brokers Inc. will share (directly and indirectly) in distributions, if any, resulting from such beneficial ownership of limited partnership interests in the US Limited Partnership and, indirectly, Scottsdale Road Car Wash LP, Encanto Road Car Wash LP, Power Road Car Wash LP or Bell Road Car Wash LP, as applicable. See **Item 7 – Compensation paid to Sellers and Finders** for additional details.

Gary Doran, a Trustee of the Fund and a director of Car Wash GP I, the general partner of each of Scottsdale Car Wash LP, Encanto Car Wash LP, Power Car Wash LP and Bell Road Car Wash LP, is currently a minority shareholder of Pinnacle Wealth Brokers Inc. Mr. Doran will share indirectly in distributions, if any, resulting from Pinnacle Wealth Brokers Inc.'s beneficial ownership (direct or indirect) of a Class C limited partnership interest in the US Limited Partnership and, directly or indirectly, Scottsdale Road Car Wash LP, Encanto Road Car Wash LP, Power Road Car Wash LP and Bell Road Car Wash LP.

The Fund is considered a "connected issuer" and a "related issuer" under Canadian securities law with Pinnacle Wealth Brokers Inc., a registered dealer appointed by the Fund to offer Trust Units for sale under the Offering, through such registered dealer's beneficial ownership or control of a Class C limited partnership interest in the US Limited Partnership and due to Gary Doran, currently a minority shareholder of Pinnacle Wealth Brokers Inc., serving as a Trustee of the Fund and as a director of Car Wash GP I, the general partner of each of Scottsdale Car Wash LP, Encanto Car Wash LP, Power Car Wash LP and Bell Road Car Wash LP and, once formed, 67th Avenue Car Wash LP and 51st Avenue Car Wash LP.

Principals of the Fund and its affiliates (including persons who are Trustees and directors and officers of the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs or the general partners thereof, and their affiliates) may, at any time and from time, make further investments, directly or indirectly, in Class B limited partnership interests in the US Limited Partnership as US Investors. If any such individual (or an entity beneficially owned or controlled by him) acquires additional Class B limited partnership interests in the US Limited Partnership at any time, he will beneficially hold, as a US Investor, a larger proportionate share (based on the respective levels of Investment Capital) in US Limited Partnership distributions of Net Available Cash or other payments, if any, that may be made to Participating Trust Unitholders (through Clear Sky LP XIV and the Fund) and the US Investors, and the remaining Trust Unitholders (through Clear Sky LP XIV and the Fund) will hold a proportionately smaller share. Further, in the event that any such individual (or an entity beneficially owned or controlled by him) acquires additional limited partnership interests in the US Limited Partnership as a US Investor, he will have done so in his personal capacity and for his own investment purposes.

If the US Limited Partnership needs additional capital contributions for or any reason, the US Limited Partnership must first offer Clear Sky LP XIV and US Investors (including persons who are Trustees and directors and officers of the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs or the general partners thereof, and their affiliates) the right to contribute their share of such additional capital to maintain their relative Ownership Percentages prior to obtaining capital contributions or loans from other sources. Further, it is anticipated that Clear Sky LP XIV will make additional capital contributions as a limited partner of, or lend fund to, the US Limited Partnership on an ongoing basis as it receives Offering Proceeds from the Fund, which will increase its Investment Capital and effect its Ownership Percentage.

Without limiting the generality of the foregoing, principals of the Fund and its affiliates (including persons who are Trustees and directors and officers of the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs or the general partners thereof, and their affiliates) have indicated an interest in making further investments, directly or indirectly, in Class B limited partnership interests in the US Limited Partnership as US Investors, at any time and from time when the Fund redeems, purchases otherwise acquires Trust Units, in amounts up to the Fund's cost of redeeming, purchasing or acquiring such Trust Units. Investment Capital received by the US Limited Partnership in such circumstances may be paid to the Fund to offset, in whole or in part, the Fund's cost of redeeming, purchasing or acquiring such Trust Units. However, none of the principals of the Fund or its affiliates is guaranteeing the payment of any amount for the Trust Units of any Trust Unitholder who wishes to dispose of such securities, whether pursuant to the exercise of redemption or purchase rights or otherwise; there is no assurance that any principals of the Fund or its affiliates will acquire additional limited partnership interests in the US Limited Partnership as US Investors at any time when the Fund redeems, purchases or otherwise acquires Trust Units. For clarity, no offer to purchase any Trust Units has been or is being made and no person has solicited or is soliciting any offer to sell any Trust Units. If any such individual (or an entity beneficially owned or controlled by him) acquires additional Class B limited partnership interests in the US Limited Partnership at any time when the Fund redeems, purchases or otherwise acquires Trust Units from a Trust Unitholder, he will beneficially hold, as a US Investor, a larger proportionate share (based on the respective levels of Investment Capital) in US Limited Partnership distributions of Net Available Cash or other payments, if any, that may be made to Participating Trust Unitholders (through Clear Sky LP XIV and the Fund) and the US Investors, and the remaining Trust Unitholders (through Clear Sky LP XIV and the Fund) will hold a proportionately smaller share. Further, in the event that any such individual (or an entity beneficially owned or controlled by him) acquires additional limited partnership interests in the US Limited Partnership as a US Investor at any time when the Fund redeems, purchases or otherwise acquires Trust Units from a Trust Unitholder, he will have done so in his personal capacity and for his own investment purposes. If any principal of the Fund or its affiliates acquires beneficial ownership, directly or indirectly, of additional limited partnership interests in the US Limited Partnership as a US Investor in such a circumstance, he is not to be considered as acting jointly or in concert with the Fund or any other offeror in connection with the Fund's redemption, purchase or otherwise acquisition of Trust Units from any Trust Unitholder.

See **Item 2.1 – Structure, Item 3.1 – Compensation and Securities Held** and **Item 5.2.2 – Flow of Funds from the Car Washes**.

1.5.3 Compensation Paid to Sellers and Finders

Any agent or sub-agent that is (i) an exempt market dealer registered under applicable securities laws in Canada, (ii) a member of the Investment Industry Regulatory Organization of Canada, or (iii) otherwise exempt from registration requirements under applicable securities laws in Canada, and has been appointed by the Fund to offer Trust Units for sale under the Offering, will be entitled to Selling Commissions of 9% of the Offering Proceeds from an Investor's subscription for Trust Units that it sells at the applicable Closing, payable immediately as of the Closing Date, except where the payment of such commissions is prohibited. Where the Trust Units are distributed through a registered exempt market dealer, the registered exempt market dealer will retain a 1.2% administration fee and 1% corporate finance fee out of the applicable 9% Selling Commissions at Closing prior to any further participation in the balance of the Selling Commissions by the registered exempt market dealer, any dealing representative(s) or any other sub-agent(s) of the registered exempt market dealer.

Accordingly, the maximum amount of Selling Commissions payable is CD\$2,700,000 under the Offering (unless the Fund increases the Maximum Offering). To date, the Fund has paid or committed to pay Selling Commissions of CD\$1,171,166.40 in connection with the Offering. See **Item 7 – Compensation paid to Sellers and Finders** for additional details. The Fund has paid Pinnacle Wealth Brokers Inc. approximately CD\$17,000 in connection with its due diligence review of the Fund and the Offering.

The Fund is considered a "connected issuer" and a "related issuer" under Canadian securities law with Pinnacle Wealth Brokers Inc., a registered dealer appointed by the Fund to offer Trust Units for sale under the Offering, through such registered dealer's beneficial ownership or control of a Class C (non-voting) limited partnership interest in the US Limited Partnership and due to Gary Doran, currently a minority shareholder of Pinnacle Wealth Brokers Inc., serving as a Trustee of the Fund and as a director of Car Wash GP I, the general partner of each of Scottsdale Car Wash LP, Encanto Car Wash LP, Power Car Wash LP, Bell Road Car Wash LP and, once formed, 67th Avenue Car Wash LP and 51st Avenue Car Wash LP. Pinnacle Wealth Brokers Inc. will share (directly and indirectly) in distributions, if any, resulting from such beneficial ownership of limited partnership interests in the US Limited Partnership, directly or indirectly, Scottsdale Road Car Wash LP, Encanto Road Car Wash LP, Power Road Car Wash LP, Bell Road Car Wash LP and, once formed, 67th Avenue Car Wash LP and 51st Avenue Car Wash LP, as applicable. See **Item 7 – Compensation paid to Sellers and Finders** for additional details.

1.5.4 Compensation Paid to Trustees and Officers

Pursuant to the Canadian Staffing and Management Services Agreement, effective as of July 28, 2014 between Clear Sky LP XIV and Clear Sky Capital BC, Clear Sky Capital BC will provide executive management, staffing and other administrative services to Clear Sky LP XIV and the Fund, including the services of Kevin Wheeler as Vice President, Investor Relations of the Fund and Clear Sky LP XIV. In exchange for such services, Clear Sky LP XIV will pay Clear Sky Capital BC, in the aggregate, (i) a monthly administration fee of \$500, (ii) a monthly fee of CDS\$10,000 attributable to the services of Mr. Wheeler, and (iii) a fee based on Clear Sky Capital BC's compensation and benefits costs for its employees (including Mr. Wheeler) who provide services to Clear Sky LP XIV and the Fund (prorated based on the amount of time spent by such employees in providing such services to Clear Sky LP XIV and the Fund) plus 3% on the foregoing. The CDS\$10,000 per month (plus benefits) paid to Clear Sky Capital BC for the services of Mr. Wheeler to Clear Sky LP XIV and the Fund (and their affiliates) will in turn be paid by Clear Sky Capital BC as employment compensation to Kevin Wheeler (CD\$30,000 per month plus benefits), as Vice President, Investor Relations of the Fund. Mr. Wheeler's monthly salary initially expired after four months. However, Mr. Wheeler's monthly salary has resumed and may resume, at any time and from time to time, for period during which the Fund is raising Investment Capital under the Offering or otherwise. See **Item 2.7.7 – Canadian Staffing and Administrative Services Agreement**. In addition, Mr. Wheeler's spouse is employed by Clear Sky Capital BC to provide administrative services to various entities, including the Fund and its affiliates.

Gary Doran will receive a retainer of CD\$500 per month for serving as a Trustee.

Tim Barrett provides General Manager services for one or more Car Washes and receives an annual salary of \$80,000 from the US General Partners (or an affiliate thereof) for providing such services.

See also **Item 3.1 – Compensation and Securities Held**.

1.5.5 Expenses

The Fund, Clear Sky LP XIV, the US Limited Partnership or one or more of the Car Wash LPs will pay, in whole or in part, expenses in connection with the Offering, start-up and operational costs, costs associated with acquiring (or investing in) and operating the Car Washes (including the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash, Bell Road Car Wash and the proposed acquisitions of the 67th Avenue Car Wash and 51st Avenue Car Wash), and the general and administrative, marketing and operating expenses of the Fund and its affiliates including, costs associated with establishing and organizing the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs and their general partners and their respective affiliates, legal, consulting, accounting and audit costs, advertising and marketing costs, fees and costs associated with offices and sites for the Fund and its affiliates, Renovation Costs, costs (including wages and benefits) associated with personnel of the Fund and its affiliates, Location Management Fees, fees and costs associated with banking and borrowing of the Fund and its affiliates, debt payments and accrued interest, investor reporting costs, printing and mailing costs, costs in connection with governmental and regulatory requirements, Performance Fees, Asset Management Fees, and taxes.

The US General Partners intend to provide General Manager services to each Car Wash LP that has acquired or otherwise invested in a Car Wash. The US Limited Partnership or the applicable Car Wash LP, or a combination thereof, will pay a Location Management Fee to the US General Partners where such General Manager services are provided. The US General Partners, Clear Sky Capital Arizona or affiliates thereof, or a combination of them, are responsible for costs relating to the provision of such General Manager services, including salaries (if any) for such person(s), separately from the Fund and its affiliates. Apart from payment of Location

Management Fees, no expenses related to providing such General Manager services will be reimbursed by the Fund, Clear Sky LP XIV, the US Limited Partnership or the Car Wash LPs. It is anticipated that a beneficial shareholder of one of the US General Partners may, in his personal capacity, provide General Manager services for one or more Car Washes.

Clear Sky LP XIV, the US Limited Partnership or one or more of the Car Wash LPs will reimburse Marcus Kurschat, Gary Doran, Kevin Wheeler and Tim Barrett and their affiliates for any expenses paid or incurred on behalf of the Fund, Clear Sky LP XIV, the US Limited Partnership or one or more of the Car Wash LPs. Clear Sky LP XIV, the US Limited Partnership or one or more of the Car Wash LPs will also reimburse the Trustees and officers of the Fund, and the directors and officers of Clear Sky GP, the US General Partners and the general partners of the Car Wash LPs, for all reasonable travel, promotional and other business expenses incurred by them in the performance of their duties.

The Fund and its affiliates may, in connection with the acquisition of any Car Wash, agree to material restrictions regarding their use of funds that would otherwise be available for distribution or Working Capital, regardless of source, for any purpose other than the redemption of Bridge Financing LP Units that may be created and issued in connection with the acquisition/investment, so long as any of the Bridge Financing LP Units remains outstanding. Among other things, such restrictions might be imposed on Clear Sky LP XIV through the provisions of the Bridge Financing LP Units. These restrictions may materially restrict the distribution of funds from the Fund's subsidiaries to the Fund set out in **Item 5.2.2 – Flow of Funds from the Car Washes**. The Fund may not be in a position to pay cash distributions to Trust Unitholders so long as any Bridge Financing LP Units have not been redeemed. Similarly, neither the applicable Car Wash LP nor the Us Limited Partnership may be in a position to pay cash distributions to its partners except in connection with the redemption of outstanding Bridge Financing LP Units. These restrictions may materially adversely affect the Fund's ability to pay, in whole or in part, expenses and other obligations of the Fund, cash redemptions or repurchases of Trust Units, any tax liability, or fund any reserves established by the Trustees, in their sole discretion. These restrictions may adversely affect the ability of the Fund, Clear Sky LP XIV and the US Limited Partnership or the applicable Car Wash LP to pay, in whole or in part, expenses in connection with the Offering, start-up and operational costs, costs associated with acquiring (or investing in) and operating the Car Washes (including the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash, Bell Road Car Wash and the proposed acquisitions of the 67th Avenue Car Wash and 51st Avenue Car Wash), and the general and administrative, marketing and operating expenses of the Fund and its affiliates., and the general and administrative, marketing and operating expenses of the Fund and its affiliates including, costs associated with establishing and organizing the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs and their general partners and their respective affiliates, legal, consulting, accounting and audit costs, advertising and marketing costs, fees and costs associated with offices and sites for the Fund and its affiliates, Renovation Costs, costs (including wages and benefits) associated with personnel of the Fund and its affiliates, Location Management Fees, fees and costs associated with banking and borrowing of the Fund and its affiliates, debt payments and accrued interest, investor reporting costs, printing and mailing costs, costs in connection with governmental and regulatory requirements, Performance Fees, Asset Management Fees, and taxes.

As Trust Units are issued and sold over time, the Fund intends to continue using Offering Proceeds to pay Selling Commissions and may use Available Funds to establish, in whole or in part, a Working Capital reserve account (in the maximum amount equal to 10% off the gross Offering Proceeds at any time) to provide capital for the Fund and its affiliates to meet ongoing obligations as anticipated or by paying such obligations separately from such reserve account. Without limitation, the Fund or any of its subsidiary entities might, but none is obligated to, establish such a Working Capital reserve account for expenses (including Renovation Costs, Location Management Fees, Asset Management Fees, Performance Fees, or portions thereof payable by the Fund or the applicable subsidiary), debt payments and accrued interest, taxes, contingencies (including redemptions or other purchases of Trust Units), and proposed acquisitions, as determined by the Trustees, Clear Sky GP, the US General Partners or the general partner of the Car Wash LP, in their discretion. In addition, any such Working Capital reserve might be funded, in whole or in part, by proceeds from the ordinary operations of the Car Wash LPs.

To the extent that net Offering Proceeds are used to establish, in whole or in part, such a Working Capital reserve, the balance of such Available Funds will be thereafter available to the Fund and its affiliates for other uses contemplated in this offering memorandum.

In executing its business strategy, other than possibly establishing and maintaining such a Working Capital reserve, the Fund does not intend to retain any other substantial cash or near-cash assets because it intends to maximize net Offering Proceeds from the Offering that it advances to Clear Sky LP XIV through capital contributions as a limited partner or as a loan. However, to the extent that any monies or other property, including Offering Proceeds, received by the Fund are not to be immediately used by the Trustees for the purpose of making capital contributions or lending funds to Clear Sky LP XIV, or for making distributions, the Fund intends, where prudent to do so, to invest such monies in Permitted Investments.

To the extent unpaid by the Fund and its subsidiaries, Clear Sky Capital BC and Clear Sky Capital Arizona have agreed to pay, in whole or in part, expenses in connection with the Offering, start-up and operational costs, costs associated with acquiring (or investing in) and operating the Car Washes (including the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash, Bell

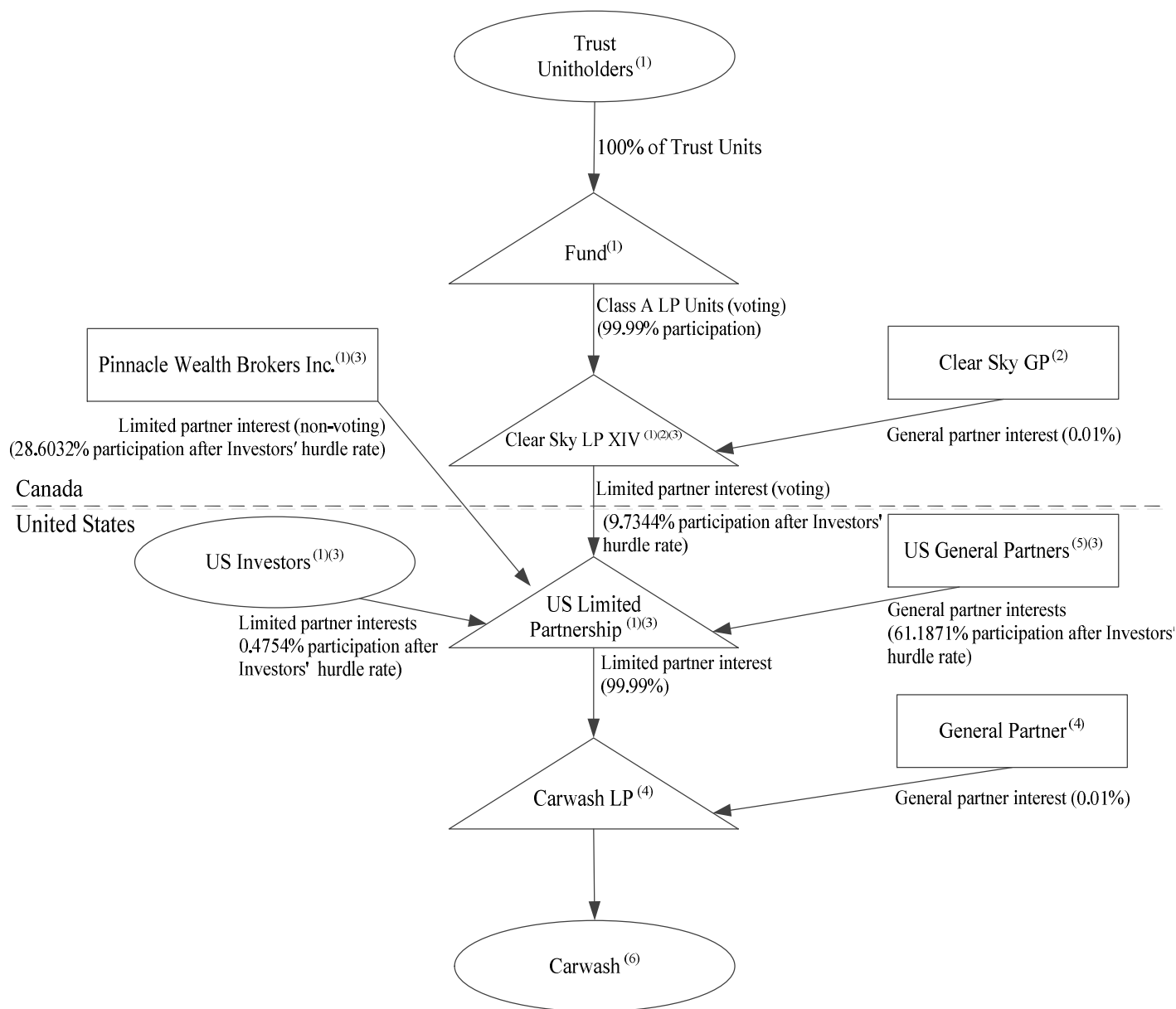
Road Car Wash and the proposed acquisitions of the 67th Avenue Car Wash and 51st Avenue Car Wash), and the general and administrative, marketing and operating expenses of the Fund and its affiliates. See **Item 2.7.5 – Cost Sharing & Support Agreement**. In connection with the first Closing of the Offering but with effect from June 23, 2014, Clear Sky Capital BC and Clear Sky Capital Arizona, on one hand, will enter into the Cost Sharing & Support Agreement with the Fund and its affiliates, on the other hand, whereby Clear Sky Capital BC and Clear Sky Capital Arizona agree to pay (subject to a specified maximum amount and the ability of each of Clear Sky Capital BC and Clear Sky Capital Arizona to terminate its funding obligations in certain circumstances) such costs of the Fund and its subsidiaries, which the Fund is unable to finance from its Working Capital (as may be funded, in whole or in part, with Offering Proceeds). See **Item 2.7.5 – Cost Sharing & Support Agreement**.

ITEM 2 - BUSINESS OF THE FUND

2.1 Structure

2.1.1 Organizational Chart

The structure of the Fund and its subsidiary entities that are or may be involved in the Offering and use of the Offering Proceeds is outlined below.



Notes:

- (1) Trust Unitholders hold Trust Units, each of which represents a holder's proportionate undivided beneficial interest in the Fund. See **Item 2.1.2 – The Fund**.

Until Participating Trust Unitholders and US Investors realize a prescribed return or hurdle rate in an amount equal to an Investor ROI of 12% on the their Investment Capital (not compounded; if a 12% Investor ROI is not paid for a particular year, the shortfall does not accrue in favour of Participating Trust Unitholders or US Investors in subsequent years) for a particular year (taking into account any prior distributions of Net Available Cash, return-of-capital distributions or other amounts previously paid by the US Limited Partnership during the year, and any U.S. taxes paid on behalf of Participating Trust Unitholders), no Interested Stakeholders (being Clear Sky GP, the US General Partners and Pinnacle Wealth Brokers Inc., as partners in the US Limited Partnership, and the general partner of each Car Wash

LP, including Car Wash GP I) will participate in any cash distributions or other amounts returned to Participating Trust Unitholders and US Investors, subject to any Car Wash LP partnership interest(s) that may be created and issued in connection with the acquisition of or investment in the applicable Car Wash (or other industrial/commercial property and the business conducted thereon) being held, directly or indirectly, by any Bridge Equity Investor(s).

The 12% Investor ROI is to be paid annually (but not compounded), if at all, to Participating Trust Unitholders and US Investors in priority to Interested Stakeholders for each year following the first Car Wash acquisition until all of the Investor's capital is returned to the Investor. If a 12% Investor ROI is not paid for a particular year, the shortfall does not accrue in favour of Participating Trust Unitholders or US Investors in subsequent years. It is anticipated that capital will be returned to Investors periodically upon the sale, dissolution and liquidation, or refinancing of Car Washes unless such capital is reinvested in other Car Washes or assets. For Participating Trust Unitholders, US Limited Partnership distributions (if any) will be received after payment of applicable U.S. taxes by Clear Sky LP XIV on any amounts allocated to it by the US Limited Partnership, as a limited partner or an unsecured creditor. To the extent that Clear Sky LP XIV pays applicable U.S. taxes, Participating Trust Unitholders will be allocated their proportionate share of such taxes paid as a foreign tax credit; however, non-taxable Trust Unitholders, such as RRSPs and other Exempt Plans, will not benefit from any allocation of foreign tax credits. Trust Unitholders, whose Trust Units are held outside an RRSP or other Exempt Plan, might consider such payment of taxes as having been made on their behalf and without requiring those Trust Unitholders to prepare and file U.S. tax returns (and pay applicable U.S. taxes) themselves. By comparison, US Investors will participate in distributions from the US Limited Partnership without Clear Sky LP XIV paying applicable U.S. taxes on their behalf. However, US Investors are required to prepare and file their own U.S. tax returns each year and pay applicable U.S. taxes, themselves. For taxable investors, part of their 12% Investor ROI would be in the form of foreign tax credits based on the U.S. tax paid by Clear Sky LP XIV.

After a 12% Investor ROI has been achieved for a particular year (following the first Car Wash acquisition), further Car Wash LP distributions (if any) that are received by the US Limited Partnership during that year will be distributed or otherwise paid as to the US General Partners (subject to reduction based on an economic interest(s) in the Car Wash LP held by any Bridge Equity Investor(s)), Pinnacle Wealth Brokers Inc., Participating Trust Unitholders (through Clear Sky LP XIV and the Fund) and US Investors, collectively, for the year *pro rata* based on their Ownership Percentages. However, Investors whose Trust Units are held in RRSPs or other Exempt Plans may not receive US Limited Partnership distributions (if any) that are equivalent to a 12% Investor ROI before other partners in the US Limited Partnership (*i.e.*, the US General Partners and Pinnacle Wealth Brokers Inc.) begin to participate in further distributions and the US Investors' and Participating Trust Unitholders' participation in such further distributions reverts to their Ownership Percentages.

As of the date of this offering memorandum, the Ownership Percentages of the partners of the US Limited Partnership are: (a) Participating Trust Unitholders (through Clear Sky LP XIV and the Fund) - 9.7344%; (b) US Investors - 0.4754%; (c) US General Partners - 61.1871%, subject to reduction based on any economic interest(s) in any Car Wash LP(s) held by any Bridge Equity Investor(s); and (d) Pinnacle Wealth Brokers Inc. - 28.6032%.

The varying levels of participation in distributions of Net Available Cash (if any) or other payments between Participating Trust Unitholders and any US Investors, Pinnacle Wealth Brokers Inc. and the US General Partners (and any Bridge Equity Investors) will, in all cases, be calculated as their effective levels of participation in the US Limited Partnership based on Ownership Percentages (subject to any Car Wash LP partnership interest(s) that may be created and issued in connection with the acquisition of or investment in the applicable Car Wash (or other industrial/commercial property and the business conducted thereon) being held, directly or indirectly, by any Bridge Equity Investor(s)), even though such distributions to Participating Trust Unitholders are to be paid to them as beneficiaries of the Fund rather than partners of the US Limited Partnership.

Car Wash LP and US Limited Partnership distributions (if any) will, in all cases, be made after allowance for payment of, in addition to the expenses, any applicable Performance Fees, Asset Management Fees and Location Management Fees.

- (2) The partners of Clear Sky LP XIV are Clear Sky GP (general partner) and the Fund (sole voting limited partner holding Class A LP Units), subject to Clear Sky LP XIV creating, issuing and selling Bridge Financing LP Units in connection with the acquisition of or investment in one or more Car Washes. See **Item 2.1.3 – Clear Sky LP XIV and Clear Sky GP**. All of the outstanding shares of Clear Sky GP are held by Clear Sky Capital BC, a company beneficially owned or controlled, directly or indirectly, by Marcus Kurschat, a Trustee and President of the Fund.

Clear Sky LP XIV may create and issue Bridge Financing LP Units (typically non-voting limited partnership units, redeemable by Clear Sky LP XIV at its discretion) to one or more Bridge Equity Investors. Funds available to Clear Sky LP XIV (whether as net Offering Proceeds or distributions from the Car Wash LPs) may be used, in the discretion of Clear Sky GP, to redeem such Bridge Financing LP Units, from time to time, prior to any further cash distributions being made to Trust Unitholder, any US Investors or Pinnacle Wealth Brokers Inc. It is anticipated that any Bridge Equity Investor will also hold, directly or indirectly, a partnership interest, as a limited or general partner, in the applicable Car Wash LP. Any partnership interest in a Car Wash LP that is held, directly or indirectly, by a Bridge Equity Investor, will effectively and proportionately reduce the economic interests of the US General Partners in the US Limited Partnership. The interests of the Participating Trust Unitholders (*e.g.*, Investors), US Investors and Pinnacle Wealth Brokers Inc. in Car Wash LP distributions (if any) will not be adversely affected. However, to the extent Clear Sky LP XIV uses Car Wash LP distributions to redeem Bridge Financing LP Units, amounts otherwise available from the Car Wash(es), if any, for ultimate distribution to Participating Trust Unitholders and US Investors, the US General Partners and Pinnacle Wealth Brokers Inc. will be reduced. See **Item 2.7.2 – Clear Sky LP XIV Agreement – Capital of Clear Sky LP XIV**, **Item 2.7.3 – US Limited Partnership Agreement** and **Item 2.7.4 – Car Wash LP Agreements**. See also Note 6.

- (3) The partners of the US Limited Partnership are the US General Partners, Clear Sky LP XIV, (through whom Participating Trust Unitholders participate), the US Investors, and Pinnacle Wealth Brokers Inc. (non-voting limited partner), which hold economic interests in the US Limited Partnership based upon their Ownership Percentages. The economic participation of the partners in the US Limited Partnership is subject to the prior receipt of a 12% Investor ROI each year by Participating Trust Unitholders and US Investors. If a 12% Investor ROI is not paid for a particular year, the shortfall does not accrue in favour of Participating Trust Unitholders or US Investors in subsequent years. See also Note 1. After receiving distributions of Net Available Cash (if any) and other payments or allocations of tax credits in an amount equal to 12% Investor ROI during a financial year, Participating Trust Unitholders (through Clear Sky LP XIV and the Fund) and the US Investors will proportionately share in further US Limited Partnership distributions, based on their Ownership Percentages. As of the date of this offering memorandum, the Ownership Percentages of the partners of the US Limited Partnership are: (a) US General Partners - 61.1871%; (b) Pinnacle Wealth Brokers Inc. - 28.6032%; (c) Participating Trust Unitholders (through Clear Sky LP XIV and the Fund) - 9.7344%; and (d) US Investors - 0.4754%.

Pinnacle Wealth Brokers Inc. beneficially owns or controls, directly or indirectly Class C (non-voting) limited partnership interests in the US Limited Partnership as of the completion of the Scottsdale Road Car Wash acquisition. Pinnacle Wealth Brokers Inc. is a registered dealer appointed by the Fund as its agent to offer Trust Units for sale under the Offering and, consequently, is entitled to receive Selling Commissions. **The Fund is considered a "connected issuer" and a "related issuer" under Canadian securities law with Pinnacle Wealth Brokers Inc., a registered dealer appointed by the Fund to offer Trust Units for sale under the Offering, through such registered dealer's beneficial ownership or control of a Class C limited partnership interest in the US Limited Partnership and due to Gary Doran, currently a minority shareholder of Pinnacle Wealth Brokers Inc., serving as a Trustee of the Fund and as a director of Car Wash GP I, the general partner of each of Scottsdale Road Car Wash LP, Encanto Road Car Wash LP, Power Road Car Wash LP, Bell Road Car Wash LP and, once formed, 67th Avenue Car Wash LP and 51st Avenue Car Wash LP.**

Marcus Kurschat, a Trustee and President of the Fund, Kevin Wheeler, a Trustee and Vice President, Investor Relations of the Fund, and Tim Barrett (who provides General Manager services for one or more Car Washes) beneficially own or control, directly or indirectly, the US General Partners. Mr. Kurschat will beneficially own or control, directly or indirectly, the general partners of each Car Wash LP, including Car Wash GP I.

Marcus Kurschat has invested US\$51,000 in the US Limited Partnership, as of the first Closing, as a US Investor. Kevin Wheeler has invested US\$19,000 in the US Limited Partnership, as of the first Closing, as a US Investor. Tim Barrett, who provides General Manager services to one or more Car Washes and is a beneficial shareholder (directly or indirectly), director and officer in one of the US General Partners, has invested US\$30,000 in the US Limited Partnership, as of the first Closing, as a US Investor. See **Item 3 – Interests of Trustees, Management, Promoters and Principal Holders.**

Clear Sky LP XIV may create and issue Bridge Financing LP Units (typically non-voting limited partnership units, redeemable by Clear Sky LP XIV at its discretion) to one or more Bridge Equity Investors. Funds available to Clear Sky LP XIV (whether as net Offering Proceeds or distributions from the Car Wash LPs) may be used, in the discretion of Clear Sky GP, to redeem such Bridge Financing LP Units, from time to time, prior to any further cash distributions being made to Trust Unitholder, any US Investors or Pinnacle Wealth Brokers Inc. It is anticipated that any Bridge Equity Investor will also hold, directly or indirectly, a partnership interest, as a limited or general partner, in the applicable Car Wash LP. Any partnership interest in a Car Wash LP that is held, directly or indirectly, by a Bridge Equity Investor, will effectively and proportionately reduce the economic interests of the US General Partners in the US Limited Partnership. The interests of the Participating Trust Unitholders (*e.g.*, Investors), US Investors and Pinnacle Wealth Brokers Inc. in Car Wash LP distributions (if any) will not be adversely affected. However, to the extent Clear Sky LP XIV uses Car Wash LP distributions to redeem Bridge Financing LP Units, amounts otherwise available from the Car Wash(es), if any, for ultimate distribution to Participating Trust Unitholders and US Investors, the US General Partners and Pinnacle Wealth Brokers Inc. will be reduced. See **Item 2.7.2 – Clear Sky LP XIV Agreement – Capital of Clear Sky LP XIV, Item 2.7.3 – US Limited Partnership Agreement and Item 2.7.4 – Car Wash LP Agreements.** See also Note 6.

See **Item 2.1.4 – US Limited Partnership and US General Partners.**

- (4) The Car Wash LPs will be limited partnerships, formed under the laws of the State of Arizona (or elsewhere, as reasonably determined by the US Limited Partnership) for the purposes of acquiring (or otherwise investing in) Car Washes or other industrial/commercial properties (and the businesses conducted on such properties). A separate Car Wash LP will be used for the acquisition of or investment in each Car Wash or other industrial/commercial property (and the business conducted on such property). Each Car Wash LP will be governed by a separate Car Wash LP Agreement. The partners of each Car Wash LP will be, subject to a partnership / economic interest in one or more Car Wash LPs being held, directly or indirectly, by any Bridge Equity Investor(s), the US Limited Partnership (limited partner holding a 99.99% economic interest) and an entity organized in the United States (general partner holding a 0.01% economic interest). It is anticipated that the general partner of each Car Wash LP will be beneficially owned or controlled, directly or indirectly, by Marcus Kurschat, a Trustee and President of the Fund. See **Item 2.1.5 – Car Wash LPs.**

As of the date of this offering memorandum, the Fund has formed four Car Wash LPs, being Scottsdale Road Car Wash LP, Encanto Road Car Wash LP, Power Road Car Wash LP and Bell Road Car Wash LP, and is forming two additional Car Wash LPs, being 67th Avenue Car Wash LP and 51st Avenue Car Wash LP. The partners of each of Scottsdale Road Car Wash LP, Encanto Road Car Wash LP, Power Road Car Wash LP and Bell Road Car Wash LP are Car Wash GP I (general partner holding a 0.01% economic interest) and the US Limited Partnership (limited partner holding a 99.99% economic interest), subject to a partnership /economic interest in one or more of those Car Wash LPs that may be issued in connection with the acquisition of or investment in any Car Wash (including the Scottsdale Road Car Wash, Encanto Road Car Wash LP, Power Road Car Wash LP or Bell Road Car Wash LP) being held, directly or indirectly, by any Bridge

Equity Investor(s). The partners of each of 67th Avenue Car Wash LP and 51st Avenue Car Wash LP are to be Car Wash GP I (general partner holding a 0.01% economic interest) and the US Limited Partnership (limited partner holding a 99.99% economic interest), subject to a partnership / economic interest in either of those Car Wash LPs that may be issued in connection with the acquisition of or investment in any Car Wash (including the 67th Avenue Car Wash or 51st Avenue Car Wash LP) being held, directly or indirectly, by any Bridge Equity Investor(s).

Marcus Kurschat, a Trustee and the President of the Fund, beneficially owns or controls, directly or indirectly, all of the securities of Car Wash GP I and anticipates similarly owning or controlling the general partner(s) of any other Car Wash LPs.

Clear Sky LP XIV may create and issue Bridge Financing LP Units (typically non-voting limited partnership units, redeemable by Clear Sky LP XIV at its discretion) to one or more Bridge Equity Investors. Funds available to Clear Sky LP XIV (whether as net Offering Proceeds or distributions from the Car Wash LPs) may be used, in the discretion of Clear Sky GP, to redeem such Bridge Financing LP Units, from time to time, prior to any further cash distributions being made to Trust Unitholder, any US Investors or Pinnacle Wealth Brokers Inc. It is anticipated that any Bridge Equity Investor will also hold, directly or indirectly, a partnership interest, as a limited or general partner, in the applicable Car Wash LP. Any partnership interest in a Car Wash LP that is held, directly or indirectly, by a Bridge Equity Investor, will effectively and proportionately reduce the economic interests of the US General Partners in the US Limited Partnership. The interests of the Participating Trust Unitholders (e.g., Investors), US Investors and Pinnacle Wealth Brokers Inc. in Car Wash LP distributions (if any) will not be adversely affected. However, to the extent Clear Sky LP XIV uses Car Wash LP distributions to redeem Bridge Financing LP Units, amounts otherwise available from the Car Wash(es), if any, for ultimate distribution to Participating Trust Unitholders and US Investors, the US General Partners and Pinnacle Wealth Brokers Inc. will be reduced. See **Item 2.7.2 – Clear Sky LP XIV Agreement – Capital of Clear Sky LP XIV**, **Item 2.7.3 – US Limited Partnership Agreement** and **Item 2.7.4 – Car Wash LP Agreements**. See also Note 6.

See also **Item 2.1.5 – Car Wash LPs**, **Item 2.3.1 – Investment in Car Washes**, **Item 2.7.2 – Clear Sky LP XIV Agreement – Capital of Clear Sky LP XIV**, **Item 2.7.10 – Acquired Car Wash Acquisition Agreements**, and **Item 2.7.11 – Arizona Car Wash I Commercial Real Estate Loan** and **Item 2.7.12 – Arizona Car Wash II Commercial Real Estate Loan**.

- (5) The Fund intends, to the extent considered necessary or advisable, to renovate, upgrade, and reposition (through the Car Wash LPs) one or more Car Washes or other industrial/commercial properties (and the businesses conducted on such properties) located in the United States or Canada. The specific Car Washes that the Fund anticipates acquiring or investing in, as of the date of this offering memorandum, are described in **Item 2.3.1 – Investment in Car Washes**.
- (6) The Fund and its affiliates may agree, in connection with the acquisition of any Car Wash or other industrial/commercial property (and the business conducted on such property), to material restrictions regarding their use of funds that would otherwise be available for distribution or Working Capital, regardless of source, for any purpose other than the redemption of Bridge Financing LP Units that may be created and issued in connection with that acquisition. Among other things, such restrictions might be imposed on Clear Sky LP XIV through the provisions of the Bridge Financing LP Units. These restrictions may materially restrict the distribution of funds from the Fund's subsidiaries to the Fund set out in **Item 5.2.2 – Flow of Funds from the Car Washes**. The Fund may not be in a position to pay cash distributions to Trust Unitholders so long as any Bridge Financing LP Units have not been redeemed. Similarly, neither the applicable Car Wash LP nor the US Limited Partnership may be in a position to pay cash distributions to their respective partners except in connection with the redemption of outstanding Bridge Financing LP Units. These restrictions may materially adversely affect the Fund's ability to pay, in whole or in part, expenses and other obligations of the Fund, cash redemptions or repurchases of Trust Units, any tax liability, or fund any reserves established by the Trustees, in their sole discretion. These restrictions may adversely affect the ability of the Fund, Clear Sky LP XIV and the US Limited Partnership or the applicable Car Wash LP to pay, in whole or in part, expenses in connection with the Offering, start-up and operational costs, costs associated with acquiring (or investing in) and operating the Car Washes (including the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash, Bell Road Car Wash and the proposed acquisitions of the 67th Avenue Car Wash and 51st Avenue Car Wash), and the general and administrative, marketing and operating expenses of the Fund and its affiliates., and the general and administrative, marketing and operating expenses of the Fund and its affiliates, including costs associated with establishing and organizing the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs and their general partners and their respective affiliates, legal, consulting, accounting and audit costs, advertising and marketing costs, fees and costs associated with offices and sites for the Fund and its affiliates, Renovation Costs, costs (including wages and benefits) associated with personnel of the Fund and its affiliates, Location Management Fees, fees and costs associated with banking and borrowing of the Fund and its affiliates, debt payments and accrued interest, investor reporting costs, printing and mailing costs, costs in connection with governmental and regulatory requirements, Performance Fees, Asset Management Fees, and taxes.

2.1.2 The Fund

The Fund is an open-ended, unincorporated investment trust formed under the laws of Alberta. The trustees for the Fund are Marcus Kurschat, Gary Doran and Kevin Wheeler. See **Item 3 – Interests of Trustees, Management, Promoters and Principal Holders**. The Fund is governed by the Declaration of Trust between the Trustees, as trustees, and the Trust Unitholders, as beneficiaries, which establishes the rights and obligations of the Trust Unitholders and the Trustees.

The Fund will not carry on active business. Rather, the Fund owns interests in subsidiary entities, which will carry on the business of acquiring (or investing in) and operating Car Washes or other industrial or commercial properties (and the businesses conducted on

such properties) located in the United States or Canada. See **Item 2.1.1 – Organizational Chart** for an organizational chart of the Fund and its subsidiary entities. See **Item 2.2 – Our Business** for a description of the business of the Fund's subsidiary entities.

The Fund has completed the Eligibility Distribution prior to March 31, 2015 and, as of the date of this offering memorandum, the Fund has 521 Trust Unitholders holding a total of 1,301,296 Trust Units. The Fund has made certain elections to qualify as a "mutual fund trust" as defined by the Tax Act, provided certain other requirements in the Tax Act are met. See **Item 6.1.1 – Certain Canadian Federal Income Tax Considerations – Eligibility for Investment** and **Item 6.1.2 – Status of the Fund**. However, the Fund is not, and will not become, a "mutual fund" as defined by applicable Canadian securities legislation and the Fund does not operate in accordance with the requirements of the Canadian securities regulations applicable to mutual funds. Accordingly, certain investor protections contained in those regulations are not available to purchasers of Trust Units. In addition, the Fund is not a trust company and is not registered under applicable legislation governing trust companies.

The Fund was established, among other things, to:

- (a) realize proceeds under the Offering for investment capital;
- (b) indirectly through subsidiary entities, acquire a controlling interest in, or be actively involved in the management of, each Car Wash or other industrial or commercial property (and the business associated with such property) that is acquired or invested in by the applicable Car Wash LP. For that purpose, the Fund intends to use the Available Funds from the Offering to make capital contributions as a limited partner in, or lend funds to, Clear Sky LP XV. Clear Sky LP XV will, in turn, use the funds available to it for capital contributions as a limited partner in, or to lend funds to, the US Limited Partnership. Alternatively, where at any time and from time to time Clear Sky LP XV has outstanding Class B LP Units that were issued and sold to provide funds for capital contributions as a limited partner in, or to loan funds to, the US Limited Partnership (*e.g.*, Bridge Financing LP Units), Available Funds received from the Fund may be used to fund, in whole or in part, redemptions or other acquisitions of such outstanding Class B LP Units, including Bridge Financing LP Units. The US Limited Partnership will, in turn, use the funds available to it for capital contributions as a limited partner in, or to lend funds to, one or more Car Wash LPs;
- (c) indirectly through Clear Sky LP XIV, earn income derived from the investment in Capital Sky XIV, the US Limited Partnership and Car Wash LPs and, ultimately, the Car Washes;
- (d) make allocations and distributions to its Trust Unitholders in accordance with the Declaration of Trust; and
- (e) as contemplated or permitted under the Declaration of trust, temporarily hold cash and investment for the purposes of paying the expenses and liabilities of the Fund, making other investments, and satisfying the payment of the Redemption Price in connection with the redemption of Trust Units (if any).

Pending the acquisition of or investment in any Car Wash or other industrial or commercial property (and the business associated with such property), the Fund intends to invest such funds in Permitted Investments pursuant to the Declaration of Trust.

The Fund is authorized to issue an unlimited number of equity units of ownership interest in the Fund, namely, the Trust Units, each of which represents a holder's proportionate undivided beneficial interest in the Fund and each of which is entitled to the rights and is subject to the limitations, restrictions and conditions set out in the Declaration of Trust. Each Trust Unitholder has the same rights and obligations as any other Trust Unitholder (and is entitled to no privilege, priority or preference in relation to any other Trust Unitholders except with respect to withholding taxes as provided in the Declaration of Trust). For descriptions of the Declaration of Trust and the Trust Units, see **Item 2.7.1 – Declaration of Trust**, **Item 5.1 – Trust Units** and **Item 5.2 – Cash Distributions to Trust Unitholders**.

The Fund is and will be the sole voting limited partner of Clear Sky LP XIV, holding Class A LP Units and a 99.99% economic interest therein. Clear Sky LP XIV may from time to time create and issue one or more series of non-voting Bridge Financing LP Units in connection with the acquisition of or investment in any Car Wash. Clear Sky LP XIV is and will be a limited partner in the US Limited Partnership. US Investors (including Marcus Kurschat and Kevin Wheeler, Trustees and officers of the Fund, and Tim Barrett, a beneficial shareholder, director or officer of one of the US General Partners and a director of Car Wash GP I, who provides General Manager services for one or more Car Washes) are limited partners in the US Limited Partnership. US Investors and Clear Sky LP XIV hold substantially similar economic interests in the US Limited Partnership. Pinnacle Wealth Brokers Inc., the registered exempt market dealer appointed by the Fund as its agent to offer Trust Units for sale under the Offering, is a limited partner of the US Limited Partnership, holding a non-voting Class C limited partnership interest in the US Limited Partnership.

The economic participation of the partners in the US Limited Partnership is subject to the prior receipt of a 12% Investor ROI each year by Participating Trust Unitholders and US Investors. If a 12% Investor ROI is not paid for a particular year, the shortfall does not accrue in favour of Participating Unitholders or US Investors in subsequent years. After a 12% Investor ROI has been achieved for a particular year (following the first Car Wash acquisition), further Car Wash LP distributions (if any) or other payments that are received by the US Limited Partnership during that year will be distributed or otherwise paid as to the US General Partners (subject to reduction based on an economic interest(s) in the Car Wash LP held by any Bridge Equity Investor(s)), Pinnacle Wealth Brokers Inc., Participating Trust Unitholders (through Clear Sky LP XIV and the Fund) and US Investors, collectively, for the year *pro rata* based on their Ownership Percentages.

The varying levels of participation in distributions of Net Available Cash (if any) or other payments between Participating Trust Unitholders and any US Investors, Pinnacle Wealth Brokers Inc. and the US General Partners (and any Bridge Equity Investors) will, in all cases, be calculated as their effective levels of participation in the US Limited Partnership based on Ownership Percentages (subject to any Car Wash LP partnership interest(s) that may be created and issued in connection with the acquisition of or investment in the applicable Car Wash (or other industrial/commercial property and the business conducted thereon) being held, directly or indirectly, by any Bridge Equity Investor(s)), even though such distributions to Participating Trust Unitholders are to be paid to them as beneficiaries of the Fund rather than partners of the US Limited Partnership.

As of the date of this offering memorandum, the Ownership Percentages of the partners of the US Limited Partnership are: (a) Participating Trust Unitholders (through Clear Sky LP XIV and the Fund) – 9.7344%; (b) US Investors – 0.4754%; (c) US General Partners – 61.1871%, subject to reduction based on any economic interest(s) in any Car Wash LP(s) held by any Bridge Equity Investor(s); and (d) Pinnacle Wealth Brokers Inc. – 28.6032%.

See **Item 5.2.2 – Flow of Funds from the Car Washes.**

It is anticipated that, where Bridge Financing LP Units are created and issued in connection with the acquisition of a Car Wash, a partnership interest in the corresponding Car Wash LP will be held, directly or indirectly, by the Bridge Equity Investor(s). See **Item 2.7.2 – Clear Sky LP XIV Agreement**. Any partnership interest in a Car Wash LP held by a Bridge Equity Investor will reduce the economic interests of the US General Partners in the US Limited Partnership; the economic interests in the Car Wash LP distributions of the Trust Unitholders, US Investors and Pinnacle Wealth Brokers Inc. will not be reduced. The partners of each Car Wash LP will be, subject to a partnership interest in the Car Wash LP being held, directly or indirectly, by any Bridge Equity Investor(s), the US Limited Partnership (limited partner holding a 99.99% economic interest) and an entity organized in the United States (general partner holding a 0.01% economic interest).

This structure allows the Fund to, indirectly through its subsidiary entities, earn income derived from the acquisition of or investment in the Car Washes, if any, or other industrial/commercial properties (and the business conducted on such properties). The Fund may also use funds received from its subsidiary entities for expenses and other obligations of the Fund, cash redemptions or repurchases of Trust Units, any tax liability and any reserves established by the Trustees, in their sole discretion. The Fund is reliant, to a significant degree, on receiving funds from its subsidiary entities which may be applied to payment, in whole or in part, of expenses and other obligations of the Fund, cash redemptions or repurchases of Trust Units, any tax liability, payments of Performance Fees, and funding any reserves established by the Trustees, in their sole discretion. The Fund is completely reliant on receiving funds from its subsidiary entities in order to realize any distributable cash from time to time.

The amount of distributable cash distributed by the Fund will equal the amount earned or receivable by the Fund in the distribution period and received on or before the payment date in respect of the distribution period less amounts the Fund estimates will be required for expenses of the Fund and other obligations of the Fund, cash redemptions or repurchases of Trust Units, any tax liability and any reserves established by the Trustees, in their sole discretion.

Set out in **Item 5.2.2 – Flow of Funds from the Car Washes** is a summary of the distribution of funds from the Fund's subsidiaries to the Fund, including:

- (a) distributions of Net Available Cash from the Car Wash LPs to the US Limited Partnership, including any return-of-capital distributions by a Car Wash LP on the sale, dissolution and liquidation, or refinancing of a Car Wash or other industrial/commercial property (and the business conducted, on such property), in whole or in part;
- (b) distributions of Net Available Cash from the US Limited Partnership to Clear Sky LP XIV the US Investors, Pinnacle Wealth Brokers Inc. and the US General Partners, including any return-of-capital distributions received by US Limited Partnership on a Car Wash LP's sale, dissolution and liquidation, or refinancing of its Car Wash or other industrial/commercial property (and the business conducted on such property), in whole or in part; and

- (c) distributions of Net Available Cash from Clear Sky LP XIV to the Fund, including any special distribution of Net Available Cash received by Clear Sky LP XIV on a Car Wash LP's sale, dissolution and liquidation, or refinancing of its Car Wash or other industrial/commercial property (and the business conducted on such property), in whole or in part.

The Fund and its affiliates may agree, in connection with the acquisition of any Car Wash or other industrial/commercial property (and the business conducted on such property), to material restrictions regarding their use of funds that would otherwise be available for distribution (or Working Capital) for any purpose other than the redemption of Bridge Financing LP Units, that may be created and issued in connection with the acquisition or investment, so long as any of the Bridge Financing LP Units remains outstanding. Among other things, such restrictions might be imposed on Clear Sky LP XIV through the provisions of the Bridge Financing LP Units. These restrictions may materially restrict the distribution of funds from the Fund's subsidiaries to the Fund set out in **Item 5.2.2 – Flow of Funds from the Car Washes**. The Fund may not be in a position to pay cash distributions to Trust Unitholders so long as any Bridge Financing LP Units have not been redeemed. Similarly, neither the applicable Car Wash LP nor the US Limited Partnership may be in a position to pay cash distributions to its partners, except in connection with the redemption of outstanding Bridge Financing LP Units. These restrictions may materially adversely affect the Fund's ability to pay, in whole or in part, expenses and other obligations of the Fund, cash redemptions or repurchases of Trust Units, any tax liability, or fund any reserves established by the Trustees, in their sole discretion. These restrictions may adversely affect the ability of the Fund, Clear Sky LP XIV and the US Limited Partnership or the applicable Car Wash LP to pay, in whole or in part, expenses in connection with the Offering, start-up and operational costs, costs associated with acquiring (or investing in) and operating the Car Washes (including the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash, Bell Road Car Wash and the proposed acquisitions of the 67th Avenue Car Wash and 51st Avenue Car Wash), and the general and administrative, marketing and operating expenses of the Fund and its affiliates., and the general and administrative, marketing and operating expenses of the Fund and its affiliates including, costs associated with establishing and organizing the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs and their general partners and their respective affiliates, legal, consulting, accounting and audit costs, advertising and marketing costs, fees and costs associated with offices and sites for the Fund and its affiliates, Renovation Costs, costs (including wages and benefits) associated with personnel of the Fund and its affiliates, Location Management Fees, fees and costs associated with banking and borrowing of the Fund and its affiliates, debt payments and accrued interest, investor reporting costs, printing and mailing costs, costs in connection with governmental and regulatory requirements, Performance Fees, Asset Management Fees, and taxes.

2.1.3 Clear Sky LP XIV and Clear Sky GP

Clear Sky LP XIV is a limited partnership formed pursuant to the *Partnership Act* (Alberta) on July 28, 2014. The fiscal year end of Clear Sky LP XIV is December 31. The registered office is located at 1900, 520 - 3rd Ave S.W. Calgary, Alberta T2P 0R3.

The partners of Clear Sky LP XIV are Clear Sky GP (sole general partner) and the Fund (voting limited partner holding Class A LP Units and a 99.99% economic interest therein), subject to the specific limitations, rights, privileges, restrictions and conditions ascribed to any series of Class B LP Units, including Bridge Financing LP Units. In connection with the acquisition of or investment in any Car Wash, or other industrial or commercial property (and the business conducted on such property) Clear Sky LP XIV may from time to time create and issue one or more series of non-voting Bridge Financing LP Units. It is anticipated that, where Bridge Financing LP Units are created and issued in connection with the acquisition of or investment in a Car Wash or other industrial/commercial property (and the business conducted on such property), a partnership interest in the corresponding Car Wash LP will be held, directly or indirectly, by the holder(s) of the Bridge Financing LP Units. See **Item 2.7.2 – Clear Sky LP XIV Agreement**.

Clear Sky GP was incorporated pursuant to the ABCA on June 23, 2014. All of the outstanding shares of Clear Sky GP are held by Clear Sky Capital BC, a company beneficially owned or controlled, directly or indirectly, by Marcus Kurschat, Trustee and President of the Fund. The registered office is located at 1900, 520 - 3rd Ave S.W. Calgary, Alberta T2P 0R3.

The mutual rights and obligations of Clear Sky GP (sole general partner) and the Fund (sole voting limited partner), and any holder(s) of Class B LP Units (including Bridge Financing LP Units), as the partners of Clear Sky LP XIV are to be governed by the Clear Sky LP XIV Agreement. See **Item 2.7.2 – Clear Sky LP XIV Agreement**.

Clear Sky LP XIV and its affiliates may agree, in connection with the acquisition of or investment in any Car Wash or other industrial/commercial property (and the business conducted on such property), to material restrictions regarding their use of Available Funds and funds that would otherwise be available for distribution or Working Capital, regardless of the source, for any purpose other than the redemption of Bridge Financing LP Units that may be created and issued in connection with the acquisition/investment, so long as any of the Bridge Financing LP Units remains outstanding. Among other things, such restrictions on the use of Available Funds and funds that would otherwise be available for distribution or Working Capital, regardless of the source, might be imposed on

Clear Sky LP XIV through the provisions of the Bridge Financing LP Units. These restrictions may materially restrict the distribution of funds from the Fund's subsidiaries to the Fund set out in **Item 5.2.2 – Flow of Funds from the Car Washes**. In such a case, the Fund may not be in a position to pay cash distributions to Trust Unitholders so long as any Bridge Financing LP Units have not been redeemed. Similarly, neither the applicable Car Wash LP nor the US Limited Partnership may be in a position to pay cash distributions to its partners except in connection with the redemption of outstanding Bridge Financing LP Units. These restrictions may materially adversely affect the Fund's ability to pay, in whole or in part, expenses and other obligations of the Fund, cash redemptions or repurchases of Trust Units, any tax liability, or fund any reserves established by the Trustees, in their sole discretion, so long as any Bridge Financing LP Units have not been redeemed. These restrictions may adversely affect the ability of the Fund, Clear Sky LP XIV and the US Limited Partnership or the applicable Car Wash LP to pay, in whole or in part, expenses in connection with the Offering, start-up and operational costs, costs associated with acquiring (or investing in) and operating the Car Washes (including the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash, Bell Road Car Wash and the proposed acquisitions of the 67th Avenue Car Wash and 51st Avenue Car Wash), and the general and administrative, marketing and operating expenses of the Fund and its affiliates including, costs associated with establishing and organizing the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs and their general partners and their respective affiliates, legal, consulting, accounting and audit costs, advertising and marketing costs, fees and costs associated with offices and sites for the Fund and its affiliates, Renovation Costs, costs (including wages and benefits) associated with personnel of the Fund and its affiliates, Location Management Fees, fees and costs associated with banking and borrowing of the Fund and its affiliates, debt payments and accrued interest, investor reporting costs, printing and mailing costs, costs in connection with governmental and regulatory requirements, Performance Fees, Asset Management Fees, and taxes.

2.1.4 US Limited Partnership and US General Partners

The US Limited Partnership is a limited partnership formed pursuant to the *Arizona Revised Uniform Limited Partnership Act* on August 19, 2014. The head and registered office of the US Limited Partnership is located at 2398 East Camelback Rd, Suite 615, Phoenix, AZ 85016.

The partners of US Limited Partnership are the US General Partners, Clear Sky LP XIV, certain US Investors and Pinnacle Wealth Brokers Inc., which is a (non-voting) limited partner holding a Class C limited partnership interest in the US Limited Partnership.

Clear Sky LP XIV is and will continue to be a limited partner of the US Limited Partnership. Clear Sky LP XIV will use Available Funds for capital contributions as a limited partner in, or to lend funds to, the US Limited Partnership.

The US General Partners have been incorporated pursuant to the *Arizona Business Corporation Act*. Marcus Kurschat, Trustee and President of the Fund, Kevin Wheeler, Trustee and Vice President Investor Relations of the Fund, and Tim Barrett, a director and officer of Car Wash GP I (who provides General Manager services for one or more Car Washes), beneficially own or control, directly or indirectly, all of the US General Partners.

Clear Sky Capital and Associates XIV, LLC ("CSCA"), one of the US General Partners, was incorporated as of July 29, 2014 pursuant to the *Arizona Business Corporation Act*. The head and registered office of CSCA is located at 2398 East Camelback Rd, Suite 615, Phoenix, AZ 85016. CSCA is beneficially owned or controlled, directly or indirectly, by Marcus Kurschat, a Trustee and President of the Fund, and Tim Barrett, a beneficial shareholder, director and officer of this US General Partner and a director and officer of the general partners of each Car Wash LP (including Car Wash GP I), who may also provide General Manager services for one or more Car Washes.

Wheelerco Ltd. ("Wheelerco"), one of the US General Partners, was incorporated as of July 29, 2014 pursuant to the *Arizona Business Corporation Act*. The head and registered office of Wheelerco is located at 2398 East Camelback Rd, Suite 615, Phoenix, AZ 85016. Wheelerco is beneficially owned or controlled, directly or indirectly, by Kevin Wheeler, a Trustee and Vice President, Investor Relations of the Fund.

The US Limited Partnership expects to realize investment proceeds from one or more investors who are US Persons or otherwise in the United States or principals of the Fund who are outside the U.S. (any such person investing as a limited partner in the US Limited Partnership is a "US Investor"), which US Investors will be limited partners and will hold participating economic interests in the US Limited Partnership. Marcus Kurschat, Trustee and President of the Fund, Kevin Wheeler, Trustee and Vice President Investor Relations of the Fund, and Tim Barrett, a beneficial shareholder and a director and officer of one of the US General Partners and a director and officer of Car Wash GP I, who may also provide General Manager services for one or more Car Washes, have invested in the US Limited Partnership, as of the first Closing, as US Investors. The US Limited Partnership might have other arm's length US Investors, as well. As of the date of this offering memorandum, Mssrs. Kurschat, Wheeler and Barrett hold approximately 17%, 6.33% and 10% respectively, of the outstanding Class B limited partnership interests in the US Limited Partnership.

Pinnacle Wealth Brokers Inc. is the registered dealer appointed by the Fund as its agent for the offering, issue and sale of Trust Units under the Offering. Pinnacle Wealth Brokers Inc. is, as of the completion of the Scottsdale Road Car Wash acquisition, a (non-voting) limited partner holding a Class C limited partnership interest in the US Limited Partnership.

The economic participation of the partners in the US Limited Partnership is subject to the prior receipt of a 12% Investor ROI each year by Participating Trust Unitholders and US Investors. See **Item 5.2.2 – Flow of Funds from the Car Washes**. Until Participating Trust Unitholders and US Investors realize a prescribed return or hurdle rate in an amount equal to an Investor ROI of 12% on the their Investment Capital (not compounded) for a particular year (taking into account any prior distributions of Net Available Cash, return-of-capital distributions or other amounts previously paid by the US Limited Partnership during the year, and any U.S. taxes paid on behalf of Participating Trust Unitholders), no Interested Stakeholders (being Clear Sky GP, the US General Partners and Pinnacle Wealth Brokers Inc., as partners in the US Limited Partnership, and the general partner of each Car Wash LP, including Car Wash GP I) will participate in any cash distributions or other amounts returned to Participating Trust Unitholders and US Investors, subject to any Car Wash LP partnership / economic interest(s) that may be created and issued in connection with the acquisition of or investment in the applicable Car Wash (or other industrial/commercial property and the business conducted thereon) being held, directly or indirectly, by any Bridge Equity Investor(s).

The 12% Investor ROI is to be paid annually (but not compounded), if at all, to Participating Trust Unitholders and US Investors in priority to Interested Stakeholders for each year following the first Car Wash acquisition until all of the Investor's capital is returned to the Investor. If a 12% Investor ROI is not paid for a particular year, the shortfall does not accrue in favour of Participating Trust Unitholders or US Investors in subsequent years. It is anticipated that capital will be returned to Investors periodically upon the sale, dissolution and liquidation, or refinancing of Car Washes unless such capital is reinvested in other Car Washes or assets. For Participating Trust Unitholders, US Limited Partnership distributions (if any) will be received after payment of applicable U.S. taxes by Clear Sky LP XIV on any amounts allocated to it by the US Limited Partnership, as a limited partner or an unsecured creditor. To the extent that Clear Sky LP XIV pays applicable U.S. taxes, Participating Trust Unitholders will be allocated their proportionate share of such taxes paid as a foreign tax credit; however, non-taxable Trust Unitholders, such as RRSPs and other Exempt Plans, will not benefit from any allocation of foreign tax credits. Trust Unitholders, whose Trust Units are held outside an RRSP or other Exempt Plan, might consider such payment of taxes as having been made on their behalf and without requiring those Trust Unitholders to prepare and file U.S. tax returns (and pay applicable U.S. taxes) themselves. By comparison, US Investors will participate in distributions from the US Limited Partnership without Clear Sky LP XIV paying applicable U.S. taxes on their behalf. However, US Investors are required to prepare and file their own U.S. tax returns each year and pay applicable U.S. taxes, themselves. For taxable investors, part of their 12% Investor ROI would be in the form of foreign tax credits based on the U.S. tax paid by Clear Sky LP XIV.

After a 12% Investor ROI has been achieved for a particular year (following the first Car Wash acquisition), further Car Wash LP distributions (if any) that are received by the US Limited Partnership during that year will be distributed or otherwise paid as to the US General Partners (subject to reduction based on an economic interest(s) in the Car Wash LP held by any Bridge Equity Investor(s)), Pinnacle Wealth Brokers Inc., Participating Trust Unitholders (through Clear Sky LP XIV and the Fund) and US Investors, collectively, for the year *pro rata* based on their Ownership Percentages. However, Investors whose Trust Units are held in RRSPs or other Exempt Plans may not receive US Limited Partnership distributions (if any) that are equivalent to a 12% Investor ROI before other partners in the US Limited Partnership (*i.e.*, the US General Partners and Pinnacle Wealth Brokers Inc.) begin to participate in further distributions and the US Investors' and Participating Trust Unitholders' participation in such further distributions reverts to their Ownership Percentages.

As of the date of this offering memorandum, the Ownership Percentages of the partners of the US Limited Partnership are: (a) Participating Trust Unitholders (through Clear Sky LP XIV and the Fund) – 9.7344%; (b) US Investors – 0.4754%; (c) US General Partners – 61.1871%, subject to reduction based on any economic interest(s) in any Car Wash LP(s) held by any Bridge Equity Investor(s); and (d) Pinnacle Wealth Brokers Inc. – 28.6032%.

The mutual rights and obligations of Clear Sky LP XIV, US Investors, the US General Partners, and Pinnacle Wealth Brokers Inc., as the partners of the US Limited Partnership are to be governed by the US LP Agreement. See **Item 2.7.3 – US LP Agreement**. The purpose and business of the US Limited Partnership generally is to invest as a limited partner in, or to lend funds to, one or more Car Wash LPs, each of which is formed to acquire, purchase, invest in, hold for investment, own, assign, sell or otherwise dispose of, or otherwise deal in a Car Wash other industrial or commercial property (and the business associated with such property), to exercise all rights, powers, privileges and other incidents of ownership or possession with respect to the Car Wash or other industrial/commercial property (and the business conducted on such property) held or owned by such Car Wash LP, and to engage in any activity incidental to the foregoing.

The US General Partners intend to provide General Manager services to the general partners of each Car Wash LP that has acquired or otherwise invested in a Car Wash or other industrial/commercial property (and the business conducted on such property). The US Limited Partnership or the applicable Car Wash LP, or a combination thereof, will pay an annual Location Management Fee to the US

General Partners where such General Manager services are provided. The US General Partners, the general partner of the applicable Car Wash LP or affiliates thereof, or a combination of them, are responsible for costs relating to the provision of such General Manager services, including salaries (if any) for such person(s), separate from the Fund and its affiliates. Apart from payment of Location Management Fees, no expenses related to providing such General Manager services will be reimbursed by the Fund, Clear Sky LP XIV, the US Limited Partnership or the Car Wash LPs. It is anticipated that Tim Barrett, a beneficial shareholder, director and officer, of one of the US General Partners will, in his personal capacity, provide General Manager services for one or more Car Washes.

Principals of the Fund and its affiliates (including persons who are Trustees and directors and officers of the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs or the general partners thereof, and their affiliates) may, at any time and from time, make further investments, directly or indirectly, in Class B limited partnership interests in the US Limited Partnership as US Investors. If any such individual (or an entity beneficially owned or controlled by him) acquires additional Class B limited partnership interests in the US Limited Partnership at any time, he will beneficially hold, as a US Investor, a larger proportionate share (based on the respective levels of Investment Capital) in US Limited Partnership distributions of Net Available Cash or other payments, if any, that may be made to Participating Trust Unitholders (through Clear Sky LP XIV and the Fund) and the US Investors, and the remaining Trust Unitholders (through Clear Sky LP XIV and the Fund) will hold a proportionately smaller share. Further, in the event that any such individual (or an entity beneficially owned or controlled by him) acquires additional limited partnership interests in the US Limited Partnership as a US Investor, he will have done so in his personal capacity and for his own investment purposes.

If the US Limited Partnership needs additional capital contributions for or any reason, the US Limited Partnership must first offer Clear Sky LP XIV and US Investors (including persons who are Trustees and directors and officers of the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs or the general partners thereof, and their affiliates) the right to contribute their share of such additional capital to maintain their relative Ownership Percentages prior to obtaining capital contributions or loans from other sources. Further, it is anticipated that Clear Sky LP XIV will make additional capital contributions as a limited partner of, or lend fund to, the US Limited Partnership on an ongoing basis as it receives Offering Proceeds from the Fund, which will increase its Investment Capital and effect its Ownership Percentage.

Without limiting the generality of the foregoing, principals of the Fund and its affiliates (including persons who are Trustees and directors and officers of the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs or the general partners thereof, and their affiliates) have indicated an interest in making further investments, directly or indirectly, in Class B limited partnership interests in the US Limited Partnership as US Investors, at any time and from time when the Fund redeems, purchases otherwise acquires Trust Units, in amounts up to the Fund's cost of redeeming, purchasing or acquiring such Trust Units. Investment Capital received by the US Limited Partnership in such circumstances may be paid to the Fund to offset, in whole or in part, the Fund's cost of redeeming, purchasing or acquiring such Trust Units. However, none of the principals of the Fund or its affiliates is guaranteeing the payment of any amount for the Trust Units of any Trust Unitholder who wishes to dispose of such securities, whether pursuant to the exercise of redemption or purchase rights or otherwise; there is no assurance that any principals of the Fund or its affiliates will acquire additional limited partnership interests in the US Limited Partnership as US Investors at any time when the Fund redeems, purchases or otherwise acquires Trust Units. For clarity, no offer to purchase any Trust Units has been or is being made and no person has solicited or is soliciting any offer to sell any Trust Units. If any such individual (or an entity beneficially owned or controlled by him) acquires additional Class B limited partnership interests in the US Limited Partnership at any time when the Fund redeems, purchases or otherwise acquires Trust Units from a Trust Unitholder, he will beneficially hold, as a US Investor, a larger proportionate share (based on the respective levels of Investment Capital) in US Limited Partnership distributions of Net Available Cash or other payments, if any, that may be made to Participating Trust Unitholders (through Clear Sky LP XIV and the Fund) and the US Investors, and the remaining Trust Unitholders (through Clear Sky LP XIV and the Fund) will hold a proportionately smaller share. Further, in the event that any such individual (or an entity beneficially owned or controlled by him) acquires additional limited partnership interests in the US Limited Partnership as a US Investor at any time when the Fund redeems, purchases or otherwise acquires Trust Units from a Trust Unitholder, he will have done so in his personal capacity and for his own investment purposes. If any principal of the Fund or its affiliates acquires beneficial ownership, directly or indirectly, of additional limited partnership interests in the US Limited Partnership as a US Investor in such a circumstance, he is not to be considered as acting jointly or in concert with the Fund or any other offeror in connection with the Fund's redemption, purchase or otherwise acquisition of Trust Units from any Trust Unitholder.

Clear Sky LP XIV may create and issue Bridge Financing LP Units (typically non-voting limited partnership units, redeemable by Clear Sky LP XIV at its discretion) to one or more Bridge Equity Investors. Funds available to Clear Sky LP XIV (whether as net Offering Proceeds or distributions from the Car Wash LPs) may be used, in the discretion of Clear Sky GP, to redeem such Bridge Financing LP Units, from time to time, prior to any further cash distributions being made to Trust Unitholder), any US Investors or Pinnacle Wealth Brokers Inc. It is anticipated that any Bridge Equity Investor will also hold, directly or indirectly, a partnership interest, as a limited or general partner, in the applicable Car Wash LP. Any partnership interest in a Car Wash LP that is held,

directly or indirectly, by a Bridge Equity Investor, will effectively and proportionately reduce the economic interests of the US General Partners in the US Limited Partnership. The interests of the Participating Trust Unitholders (*e.g.*, Investors), US Investors and Pinnacle Wealth Brokers Inc. in Car Wash LP distributions (if any) will not be adversely affected. However, to the extent Clear Sky LP XIV uses Car Wash LP distributions to redeem Bridge Financing LP Units, amounts otherwise available from the Car Wash(es), if any, for ultimate distribution to Participating Trust Unitholders and US Investors, the US General Partners and Pinnacle Wealth Brokers Inc. will be reduced. See **Item 2.7.2 – Clear Sky LP XIV Agreement – Capital of Clear Sky LP XIV**, **Item 2.7.3 – US Limited Partnership Agreement** and **Item 2.7.4 – Car Wash LP Agreements**.

The US Limited Partnership and its affiliates may agree, in connection with the acquisition of or investment in any Car Wash or other industrial/commercial property (and the business conducted on such property), to material restrictions regarding their use of Available Funds and funds that would otherwise be available for distribution or Working Capital, regardless of the source, for any purpose other than the redemption of Bridge Financing LP Units that may be created and issued in connection with the acquisition/investment, so long as any of the Bridge Financing LP Units remains outstanding. Among other things, such restrictions on the use of Available Funds and funds that would otherwise be available for distribution or Working Capital, regardless of the source, might be imposed on Clear Sky LP XIV through the provisions of the Bridge Financing LP Units. These restrictions may materially restrict the distribution of funds from the Fund's subsidiaries to the Fund set out in **Item 5.2.2 – Flow of Funds from the Car Washes**. In such a case, the Fund may not be in a position to pay cash distributions to Trust Unitholders so long as any Bridge Financing LP Units have not been redeemed. Similarly, neither the applicable Car Wash LP nor the US Limited Partnership may be in a position to pay cash distributions to its partners except in connection with the redemption of outstanding Bridge Financing LP Units. These restrictions may materially adversely affect the Fund's ability to pay, in whole or in part, expenses and other obligations of the Fund, cash redemptions or repurchases of Trust Units, any tax liability, or fund any reserves established by the Trustees, in their sole discretion, so long as any Bridge Financing LP Units have not been redeemed. These restrictions may adversely affect the ability of the Fund, Clear Sky LP XIV and the US Limited Partnership or the applicable Car Wash LP to pay, in whole or in part, expenses in connection with the Offering, start-up and operational costs, costs associated with acquiring (or investing in) and operating the Car Washes (including the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash, Bell Road Car Wash and the proposed acquisitions of the 67th Avenue Car Wash and 51st Avenue Car Wash), and the general and administrative, marketing and operating expenses of the Fund and its affiliates including, costs associated with establishing and organizing the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs and their general partners and their respective affiliates, legal, consulting, accounting and audit costs, advertising and marketing costs, fees and costs associated with offices and sites for the Fund and its affiliates, Renovation Costs, costs (including wages and benefits) associated with personnel of the Fund and its affiliates, Location Management Fees, fees and costs associated with banking and borrowing of the Fund and its affiliates, debt payments and accrued interest, investor reporting costs, printing and mailing costs, costs in connection with governmental and regulatory requirements, Performance Fees, Asset Management Fees, and taxes.

The US LP Agreement includes provisions that allow accelerated depreciation to be specially allocated to the US General Partners, in certain circumstances. Any such allocation could increase the amount of US tax payable by Clear Sky LP XIV. This increase in tax payable by Clear Sky LP XIV could reduce the amount of cash available for distribution to the Fund and, in turn, to the Trust Unitholders. Mr. Kurschat, Mr. Wheeler and Mr. Barrett will share (indirectly) in any allocations of income, gain, loss, or deduction associated with the US General Partners' economic interests in the US Limited Partnership, including any special allocations of accelerated depreciation deductions from the US Limited Partnership or a Car Wash LP that are made to the US General Partners instead of to the limited partners.

2.1.5 Car Wash LPs

The Car Wash LPs will be limited partnerships, formed under the laws of the State of Arizona (or elsewhere, as reasonably determined by the US Limited Partnership) for the purposes acquiring Car Washes or other industrial or commercial properties (and the businesses associated with such properties). Each Car Wash LP will be governed by a separate Car Wash LP Agreement.

A separate Car Wash LP will be used for the acquisition of or investment in each Car Wash or other industrial/commercial property (and the business conducted on such property). Each Car Wash LP is to operate, manage, rent, lease, improve and/or otherwise deal with the Car Wash or other industrial/commercial property (and the business conducted on such property) it owns or in which it is otherwise invested, including the sale or development of such Car Wash or other industrial/commercial property (and the business conducted on such property), with a view to making a profit, and may exercise powers in furtherance thereof. It is the intention of the Fund and its affiliates to acquire a controlling interest in the Car Washes and/or to be actively involved in the management of each the Car Washes. See **Item 2.1.1 – Organizational Chart** and **Item 2.1.2 – The Fund**.

The partners of each Car Wash LP will be, subject to a partnership interest in one or more Car Wash LPs being held, directly or indirectly, by any Bridge Equity Investor(s), the US Limited Partnership (limited partner holding 99.99% economic interest) and Car Wash GP I or another entity organized in the United States (general partner holding a 0.01% economic interest). Any such partnership

interest held by a Bridge Equity Investor will reduce the economic interest of the US General Partners in the US Limited Partnership; the economic interests of the Participating Trust Unitholders (e.g., Investors), US Investors and Pinnacle Wealth Brokers Inc. in Car Wash LP distributions (if any) will not be reduced. Marcus Kurschat, Trustee and President of the Fund, beneficially owns or controls, directly or indirectly, Car Wash GP I, the general partner of each of Scottsdale Road Car Wash LP, Encanto Road Car Wash LP, Power Road Car Wash LP, Bell Road Car Wash LP and, once formed, 67th Avenue Car Wash LP and 51st Avenue Car Wash LP. It is anticipated that the general partner of any other Car Wash LP will also beneficially own or control, directly or indirectly, by Marcus Kurschat, Trustee and President of the Fund.

Marcus Kurschat, a Trustee and President of the Fund, Gary Doran, a Trustee of the Fund and minority shareholder of Pinnacle Wealth Brokers Inc., and Tim Barrett, an indirect limited partner in the US Limited Partnership as a US Investor and a beneficial shareholder (directly or indirectly), director and officer of CSCA (being one of the US General Partners) who may also provide General Manager services for one or more Car Washes and receive compensation from the US General Partners for such services, are directors of Car Wash GP I, the general partner of each of Scottsdale Road Car Wash LP, Encanto Road Car Wash LP, Power Road Car Wash LP, Bell Road Car Wash LP and, once formed, 67th Avenue Car Wash LP and 51st Avenue Car Wash LP.

Clear Sky LP XIV may create and issue Bridge Financing LP Units (typically non-voting limited partnership units, redeemable by Clear Sky LP XIV at its discretion) to one or more Bridge Equity Investors. Funds available to Clear Sky LP XIV (whether as net Offering Proceeds or distributions from the Car Wash LPs) may be used, in the discretion of Clear Sky GP, to redeem such Bridge Financing LP Units, from time to time, prior to any further cash distributions being made to Trust Unitholder), any US Investors or Pinnacle Wealth Brokers Inc. It is anticipated that any Bridge Equity Investor will also hold, directly or indirectly, a partnership interest, as a limited or general partner, in the applicable Car Wash LP. Any partnership interest in a Car Wash LP that is held, directly or indirectly, by a Bridge Equity Investor, will effectively and proportionately reduce the economic interests of the US General Partners in the US Limited Partnership. The interests of the Participating Trust Unitholders (e.g., Investors), US Investors and Pinnacle Wealth Brokers Inc. in Car Wash LP distributions (if any) will not be adversely affected. However, to the extent Clear Sky LP XIV uses Car Wash LP distributions to redeem Bridge Financing LP Units, amounts otherwise available from the Car Wash(es), if any, for ultimate distribution to Participating Trust Unitholders, the US General Partners, US Investors and Pinnacle Wealth Brokers Inc. will be reduced. See **Item 2.7.2 – Clear Sky LP XIV Agreement – Capital of Clear Sky LP XIV**, **Item 2.7.3 – US Limited Partnership Agreement** and **Item 2.7.4 – Car Wash LP Agreements**.

A Car Wash LP Fund and its affiliates may agree, in connection with the acquisition of or investment in any Car Wash or other industrial/commercial property (and the business conducted on such property), to material restrictions regarding their use of Available Funds and funds that would otherwise be available for distribution or Working Capital, regardless of the source, for any purpose other than the redemption of Bridge Financing LP Units that may be created and issued in connection with the acquisition/investment, so long as any of the Bridge Financing LP Units remains outstanding. Among other things, such restrictions on the use of Available Funds and funds that would otherwise be available for distribution or Working Capital, regardless of the source, might be imposed on Clear Sky LP XIV through the provisions of the Bridge Financing LP Units. These restrictions may materially restrict the distribution of funds from the Fund's subsidiaries to the Fund set out in **Item 5.2.2 – Flow of Funds from the Car Washes**. In such a case, the Fund may not be in a position to pay cash distributions to Trust Unitholders so long as any Bridge Financing LP Units have not been redeemed. Similarly, neither the applicable Car Wash LP nor the US Limited Partnership may be in a position to pay cash distributions to its partners except in connection with the redemption of outstanding Bridge Financing LP Units. These restrictions may materially adversely affect the Fund's ability to pay, in whole or in part, expenses and other obligations of the Fund, cash redemptions or repurchases of Trust Units, any tax liability, or fund any reserves established by the Trustees, in their sole discretion, so long as any Bridge Financing LP Units have not been redeemed. These restrictions may adversely affect the ability of the Fund, Clear Sky LP XIV and the US Limited Partnership or the applicable Car Wash LP to pay, in whole or in part, expenses in connection with the Offering, start-up and operational costs, costs associated with acquiring (or investing in) and operating the Car Washes (including the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash, Bell Road Car Wash and the proposed acquisitions of the 67th Avenue Car Wash and 51st Avenue Car Wash), and the general and administrative, marketing and operating expenses of the Fund and its affiliates including, costs associated with establishing and organizing the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs and their general partners and their respective affiliates, legal, consulting, accounting and audit costs, advertising and marketing costs, fees and costs associated with offices and sites for the Fund and its affiliates, Renovation Costs, costs (including wages and benefits) associated with personnel of the Fund and its affiliates, Location Management Fees, fees and costs associated with banking and borrowing of the Fund and its affiliates, debt payments and accrued interest, investor reporting costs, printing and mailing costs, costs in connection with governmental and regulatory requirements, Performance Fees, Asset Management Fees, and taxes.

As of the date of this offering memorandum, the Fund has formed four Car Wash LPs and is forming two additional Car Wash LPs, being:

- Scottsdale Road Car Wash LP, which acquired the Scottsdale Road Car Wash from an arm's length seller as of November 13, 2014 pursuant to the Scottsdale Road Car Wash acquisition agreement. See **Item 2.1.5.1 – Scottsdale Road Car Wash LP, Item 2.3.1.3 – Acquired Car Washes** and **Item 2.7.10 – Acquired Car Wash Acquisition Agreements**;
- Encanto Road Car Wash LP, which acquired the Encanto Road Car Wash from an arm's length seller as of December 17, 2014 pursuant to the Encanto Road Car Wash acquisition agreement. See **Item 2.1.5.2 – Encanto Road Car Wash LP, Item 2.3.1.3 – Acquired Car Washes** and **Item 2.7.10 – Acquired Car Wash Acquisition Agreements**;
- Power Road Car Wash LP, which acquired the Power Road Car Wash from an arm's length seller as of January 29, 2015 pursuant to the Power Road Car Wash acquisition agreement. See **Item 2.1.5.3 – Power Road Car Wash LP, Item 2.3.1.3 – Acquired Car Washes** and **Item 2.7.10 – Acquired Car Wash Acquisition Agreements**;
- Bell Road Car Wash LP, which acquired the Bell Road Car Wash from an arm's length seller as of April 21, 2015 pursuant to the Bell Road Car Wash acquisition agreement. See **Item 2.1.5.4 – Bell Road Car Wash LP, Item 2.3.1.3 – Acquired Car Washes** and **Item 2.7.10 – Acquired Car Wash Acquisition Agreements**;
- 67th Avenue Car Wash LP. An affiliate of Marcus Kurschat, Trustee and President of the Fund, has entered into the 67th Avenue Car Wash Acquisition Agreement, which purchase and sale agreement is to be assigned at no additional cost to 67th Avenue Car Wash LP, as buyer, in connection with completing the 67th Avenue Car Wash acquisition (if at all). See **Item 2.1.5.5 – 67th Avenue Car Wash LP, Item 2.3.1.1 – Acquisition of the 67th Avenue Car Wash** and **Item 2.7.8 – 67th Avenue Car Wash Acquisition Agreement**; and
- 51st Avenue Car Wash LP. An affiliate of Marcus Kurschat, Trustee and President of the Fund, has entered into the 51st Avenue Car Wash Acquisition Agreement, which purchase and sale agreement is to be assigned at no additional cost to 51st Avenue Car Wash LP, as buyer, in connection with completing the 51st Avenue Car Wash acquisition (if at all). See **Item 2.1.5.6 – 51st Avenue Car Wash LP, Item 2.3.1.2 – Acquisition of the 51st Avenue Car Wash** and **Item 2.7.9 – 51st Avenue Car Wash Acquisition Agreement**.

As of November 13, 2014, Scottsdale Road Car Wash LP, Encanto Road Car Wash LP and Power Road Car Wash LP, as co-borrowers, entered into the Arizona Car Wash I Commercial Real Estate Loan with an arm's length lender, the terms and conditions of which were finalized in connection with the completion of the Scottsdale Road Car Wash acquisition, and which loan is secured by the Scottsdale Road Car Wash, Encanto Road Car Wash and Power Road Car Wash. See **Item 2.7.11 – Arizona Car Wash I Commercial Real Estate Loan**.

As of April 16, 2015, Bell Road Car Wash LP, as borrower, entered into the Arizona Car Wash II Commercial Real Estate Loan with an arm's length lender, the terms and conditions of which were finalized in connection with the completion of the Bell Road Car Wash acquisition and which loan is secured by the Bell Road Car Wash. See **Item 2.7.12 – Arizona Car Wash II Commercial Real Estate Loan**.

When it was acquired, each of the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash and Bell Road Car Wash specifically excluded all licenses, established and asserted trademarks, trade secrets, the business names and rights associated with all or part of the business name, including Quick 'N Clean or any other names used at the applicable Car Wash facility, web sites or other intellectual property used in connection with the Car Wash facility. However, in connection with the completion of each of the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash and Bell Road Car Wash acquisitions, the applicable seller granted the Scottsdale Road Car Wash LP, Encanto Road Car Wash LP, Power Road Car Wash LP and Bell Road Car Wash LP, as applicable, a license to use the Quick 'N Clean Car Wash service mark, substantially on terms and conditions previously agreed to by the parties during the 60-day financing period under the applicable Car Wash Acquisition Agreement. See **Item 2.7.13 – QNC License Agreements**.

2.1.5.1 Scottsdale Road Car Wash LP

Scottsdale Road Car Wash LP, a Car Wash LP, is a limited partnership formed on August 28, 2014 pursuant to the *Arizona Revised Uniform Limited Partnership Act*. The head office and registered office of the Scottsdale Road Car Wash LP is located at 2398 East Camelback Rd, Suite 615, Phoenix, AZ 85016.

The partners of Scottsdale Road Car Wash LP are Car Wash GP I (sole general partner holding a 0.01% economic interest in Scottsdale Road Car Wash LP) and the US Limited Partnership (limited partner holding a 99.99% economic interest in Scottsdale Road Car Wash LP), subject to a partnership/economic interest in Scottsdale Road Car Wash LP being held, directly or indirectly, by any Bridge Equity Investor(s) in connection the acquisition of or investment in one or more Car Washes.

Car Wash GP I was incorporated as of August 25, 2014 and exists pursuant to the *Arizona Business Corporation Act* and is owned or controlled, directly or indirectly, by Marcus Kurschat, Trustee and President of the Fund. Mr. Kurschat, together with Gary Doran, a Trustee of the Fund, and Tim Barrett, a beneficial shareholder (direct or indirect), director and officer of CSCA (one of the US General Partners) who may also provide General Manager services for one or more Car Washes, are directors and officers of Car Wash GP I. The head and registered office of Car Wash GP I is to be located at 2398 East Camelback Rd, Suite 615, Phoenix, AZ 85016.

Scottsdale Road Car Wash LP, as buyer, assumed at no additional cost the Scottsdale Road Car Wash acquisition agreement in connection with completing the acquisition of the Scottsdale Road Car Wash (on November 13, 2014) contemplated therein and, as a co-borrower, has entered into the Arizona Car Wash I Commercial Real Estate Loan. See **Item 2.3.1.3 – Acquired Car Washes, Item 2.7.10 – Acquired Car Wash Acquisition Agreements** and **Item 2.7.11 – Arizona Car Wash I Commercial Real Estate Loan**.

2.1.5.2 Encanto Road Car Wash LP

Encanto Road Car Wash LP, a Car Wash LP, is a limited partnership formed on August 28, 2014 pursuant to the *Arizona Revised Uniform Limited Partnership Act*. The head office and registered office of the Encanto Road Car Wash LP is located at 2398 East Camelback Rd, Suite 615, Phoenix, AZ 85016.

The partners of Encanto Road Car Wash LP are Car Wash GP I (sole general partner holding a 0.01% economic interest in Encanto Road Car Wash LP) and the US Limited Partnership (limited partner holding a 99.99% economic interest in Encanto Road Car Wash LP), subject to a partnership/economic interest in Encanto Road Car Wash LP being held, directly or indirectly, by any Bridge Equity Investor(s) in connection the acquisition of or investment in in one or more Car Washes.

Car Wash GP I was incorporated as of August 25, 2014 and exists pursuant to the *Arizona Business Corporation Act* and is beneficially owned or controlled, directly or indirectly, by Marcus Kurschat, Trustee and President of the Fund. Mr. Kurschat, together with Gary Doran, a Trustee of the Fund, and Tim Barrett, a beneficial shareholder (direct or indirect), director and officer of CSCA (one of the US General Partners) who may also provide General Manager services for one or more Car Washes, are directors and officers of Car Wash GP I. The head and registered office of Car Wash GP I is located at 2398 East Camelback Rd, Suite 615, Phoenix, AZ 85016.

Encanto Road Car Wash LP, as buyer, assumed at no additional cost the Encanto Road Car Wash acquisition agreement in connection with completing the acquisition of the Encanto Road Car Wash (on December 17, 2014) contemplated therein and, as a co-borrower, has entered into the Arizona Car Wash I Commercial Real Estate Loan. See **Item 2.3.1.3 –Acquired Car Washes, Item 2.7.10 – Acquired Car Wash Acquisition Agreements** and **Item 2.7.11 – Arizona Car Wash I Commercial Real Estate Loan**.

2.1.5.3 Power Road Car Wash LP

Power Road Car Wash LP, a Car Wash LP, is a limited partnership formed on August 28, 2014 pursuant to the *Arizona Revised Uniform Limited Partnership Act*. The head office and registered office of the Power Road Car Wash LP is located at 2398 East Camelback Rd, Suite 615, Phoenix, AZ 85016.

The partners of Power Road Car Wash LP are Car Wash GP I (sole general partner holding a 0.01% economic interest in Power Road Car Wash LP) and the US Limited Partnership (limited partner holding a 99.99% economic interest in Power Road Car Wash LP), subject to a partnership/economic interest in Power Road Car Wash LP being held, directly or indirectly, by any Bridge Equity Investor(s) in connection the acquisition of or investment in in one or more Car Washes.

Car Wash GP I was incorporated as of as of August 25, 2014 and exists pursuant to the *Arizona Business Corporation Act* and is beneficially owned or controlled, directly or indirectly, by Marcus Kurschat, Trustee and President of the Fund. Mr. Kurschat, together with Gary Doran, a Trustee of the Fund, and Tim Barrett, a beneficial shareholder (direct or indirect), director and officer of CSCA (one of the US General Partners) who may also provide General Manager services for one or more Car Washes, are directors and officers of Car Wash GP I. The head and registered office of Car Wash GP I is located at 2398 East Camelback Rd, Suite 615, Phoenix, AZ 85016.

Power Road Car Wash LP, as buyer, assumed at no additional cost the Power Road Car Wash acquisition agreement in connection with completing the acquisition of the Power Road Car Wash (on January 29, 2015) contemplated therein and, as a co-borrower, has entered into the Arizona Car Wash I Commercial Real Estate Loan. See **Item 2.3.1.3 –Acquired Car Washes, Item 2.7.10 – Acquired Car Wash Acquisition Agreements** and **Item 2.7.11 – Arizona Car Wash I Commercial Real Estate Loan**.

2.1.5.4 Bell Road Car Wash LP

Bell Road Car Wash LP, a Car Wash LP, is a limited partnership formed on February 27, 2015 pursuant to the *Arizona Revised Uniform Limited Partnership Act*. The head office and registered office of the Bell Road Car Wash LP is to be located at 2398 East Camelback Rd, Suite 615, Phoenix, AZ 85016.

The partners of Bell Road Car Wash LP are Car Wash GP I (sole general partner holding a 0.01% economic interest in Bell Road Car Wash LP) and the US Limited Partnership (limited partner holding a 99.99% economic interest in Bell Road Car Wash LP), subject to a partnership/economic interest in Bell Road Car Wash LP being held, directly or indirectly, by any Bridge Equity Investor(s) in connection the acquisition of or investment in in one or more Car Washes.

Car Wash GP I was incorporated as of as of August 25, 2014 and exists pursuant to the *Arizona Business Corporation Act* and is beneficially owned or controlled, directly or indirectly, by Marcus Kurschat, Trustee and President of the Fund. Mr. Kurschat, together with Gary Doran, a Trustee of the Fund, and Tim Barrett, a beneficial shareholder (direct or indirect), director and officer of CSCA (one of the US General Partners) who may also provide General Manager services for one or more Car Washes, are directors and officers of Car Wash GP I. The head and registered office of Car Wash GP I is located at 2398 East Camelback Rd, Suite 615, Phoenix, AZ 85016.

Bell Road Car Wash LP, as buyer, assumed at no additional cost the Bell Road Car Wash acquisition agreement in connection with completing the acquisition of the Bell Road Car Wash (on April 21, 2015) contemplated therein and, as a borrower, has entered into the Arizona Car Wash II Commercial Real Estate Loan. See **Item 2.3.1.3 –Acquired Car Washes, Item 2.7.10 – Acquired Car Wash Acquisition Agreements** and **Item 2.7.12 – Arizona Car Wash II Commercial Real Estate Loan**.

2.1.5.5 67th Avenue Car Wash LP

67th Avenue Car Wash LP, a Car Wash LP, is a limited partnership being formed pursuant to the *Arizona Revised Uniform Limited Partnership Act*. The head office and registered office of the 67th Avenue Car Wash LP is to be located at 2398 East Camelback Rd, Suite 615, Phoenix, AZ 85016.

The partners of 67th Avenue Car Wash LP are to be Car Wash GP I (sole general partner holding a 0.01% economic interest in 67th Avenue Car Wash LP) and the US Limited Partnership (limited partner holding a 99.99% economic interest in 67th Avenue Car Wash LP), subject to a partnership/economic interest in 67th Avenue Car Wash LP being held, directly or indirectly, by any Bridge Equity Investor(s) in connection the acquisition of or investment in in one or more Car Washes (including the 67th Avenue Car Wash).

Car Wash GP I was incorporated as of as of August 25, 2014 and exists pursuant to the *Arizona Business Corporation Act* and is beneficially owned or controlled, directly or indirectly, by Marcus Kurschat, Trustee and President of the Fund. Mr. Kurschat, together with Gary Doran, a Trustee of the Fund, and Tim Barrett, a beneficial shareholder (direct or indirect), director and officer of CSCA (one of the US General Partners) who may also provide General Manager services for one or more Car Washes, are directors and officers of Car Wash GP I. The head and registered office of Car Wash GP I is located at 2398 East Camelback Rd, Suite 615, Phoenix, AZ 85016.

An affiliate of Marcus Kurschat, a Trustee and the President of the Fund, has entered into the 67th Avenue Car Wash Acquisition Agreement in connection with the proposed acquisition of the 67th Avenue Car Wash. 67th Avenue Car Wash LP, as buyer, will assume at no additional cost the 67th Avenue Car Wash Acquisition Agreement in connection with completing the proposed acquisition of the 67th Avenue Car Wash (if at all). See **Item 2.3.1.1 –Acquisition of the 67th Avenue Car Wash** and **Item 2.7.8 – 67th Avenue Car Wash Acquisition Agreement**.

2.1.5.6 51st Avenue Car Wash LP

51st Avenue Car Wash LP, a Car Wash LP, is a limited partnership being formed pursuant to the *Arizona Revised Uniform Limited Partnership Act*. The head office and registered office of the 51st Avenue Car Wash LP is to be located at 2398 East Camelback Rd, Suite 615, Phoenix, AZ 85016.

The partners of 51st Avenue Car Wash LP are to be Car Wash GP I (sole general partner holding a 0.01% economic interest in 51st Avenue Car Wash LP) and the US Limited Partnership (limited partner holding a 99.99% economic interest in 51st Avenue Car Wash LP), subject to a partnership/economic interest in 51st Avenue Car Wash LP being held, directly or indirectly, by any Bridge Equity Investor(s) in connection the acquisition of or investment in in one or more Car Washes (including the 51st Avenue Car Wash).

Car Wash GP I was incorporated as of as of August 25, 2014 and exists pursuant to the *Arizona Business Corporation Act* and is beneficially owned or controlled, directly or indirectly, by Marcus Kurschat, Trustee and President of the Fund. Mr. Kurschat, together with Gary Doran, a Trustee of the Fund, and Tim Barrett, a beneficial shareholder (direct or indirect), director and officer of CSCA (one of the US General Partners) who may also provide General Manager services for one or more Car Washes, are directors and officers of Car Wash GP I. The head and registered office of Car Wash GP I is located at 2398 East Camelback Rd, Suite 615, Phoenix, AZ 85016.

An affiliate of Marcus Kurschat, a Trustee and the President of the Fund, has entered into the 51st Avenue Car Wash Acquisition Agreement in connection with the proposed acquisition of the 51st Avenue Car Wash. 51st Avenue Car Wash LP, as buyer, will assume at no additional cost the 51st Avenue Car Wash Acquisition Agreement in connection with completing the proposed acquisition of the 51st Avenue Car Wash (if at all). See **Item 2.3.1.2 – Acquisition of the 51st Avenue Car Wash** and **Item 2.7.9 – 51st Avenue Car Wash Acquisition Agreement**.

2.2 Our Business

The Fund does not and will not carry on active business. Rather, the Fund intends to own interests in subsidiary entities, which carry on the business of investing in income-producing industrial or commercial properties (and the businesses conducted on such properties), with a focus on Car Washes, located in the United States or Canada.

The Fund is and will be the sole voting limited partner of Clear Sky LP XIV. The Fund will use the Available Funds from the Offering for capital contributions as a limited partner in, or to lend funds to, Clear Sky LP XIV. Clear Sky LP XIV will, in turn, use the funds available to it (including proceeds from the sale of any Bridge Financing LP Units) for capital contributions as a limited partner in, or to lend funds to, the US Limited Partnership. As of the date of this offering memorandum, Clear Sky LP XIV, the US Investors and Pinnacle Wealth Brokers Inc. are the limited partners of the US Limited Partnership. The US Limited Partnership will, in turn, use the funds available to it for capital contributions as a limited partner in, or to lend funds to, one or more Car Wash LPs. Each Car Wash LP will, in turn, use those funds, along with amounts that may be borrowed from third-party lenders (if any) to acquire or otherwise invest in a Car Wash and for any related costs. A separate Car Wash LP will be used for the acquisition of or investment in each Car Wash or other industrial/commercial property (and the business conducted on such property). This allows the Fund to, indirectly through its subsidiary entities, earn income derived from the investment in the Car Washes. It is the intention of the Fund and its affiliates to acquire a controlling interest in each of the Car Washes acquired (or invested in) and/or to be actively involved in the management of each Car Wash. As of the date of this offering memorandum, the Fund has formed six Car Wash LPs, being Scottsdale Road Car Wash LP, Encanto Road Car Wash LP, Power Road Car Wash LP and Bell Road Car Wash LP, through which it has indirectly acquired four Car Washes (namely, the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash and Bell Road Car Wash) and 67th Avenue Car Wash LP and 51st Avenue Car Wash LP in connection with the proposed acquisitions of the 67th Avenue Car Wash and 51st Avenue Car Wash, respectively. See also **Item 2.1.1 – Organizational Chart** and **Item 2.1.2 – The Fund**.

2.2.1 Business and Growth Strategies

The Fund (through its subsidiary entities) intends to generate a stable stream of income for Trust Unitholders and US Investors by acquiring or otherwise investing in Car Washes (or proportionate interests in such Car Washes) or other industrial or commercial properties (and the businesses conducted on such properties) located in the United States or Canada. The Fund intends to provide Trust Unitholders and US Investors with ongoing positive cash flow through income derived from Car Washes (or any other industrial or commercial business) and to provide an opportunity to enhance the Trust Unitholders' return on capital through value-added enhancements to the Car Washes and ongoing market growth of such Car Washes (or any other industrial or commercial business). See also **Item 5.2 – Cash Distributions to Trust Unitholders**.

The expertise of the Fund and its affiliates is researching and acquiring (or investing in) industrial or commercial properties and the businesses (if any) for which such properties are used, including Car Washes. The Fund has identified five primary steps to be taken in respect of each Car Wash or other industrial/commercial property (and the business conducted on such property) to achieve its investment objectives:

1. **Identify Region** – The Fund intends to strategically invest in regions that demonstrate three fundamentals ideal for Car Wash or other industrial/commercial property locations:
 - high population growth;
 - historically high employment; and

- a recovering real estate market.
2. **Identify Car Wash** – The Fund carefully researches Car Washes and other industrial and commercial businesses for sale and will only acquire (or invest in) Car Washes (or other industrial/commercial businesses) that meet the strict investment criteria of the Fund and its affiliates. In order for a Car Wash (or other industrial/commercial business) to be considered for acquisition, it must provide two key methods of generating potential investment returns:
 - stable cash flow; and
 - long-term capital appreciation.
 3. **Develop Exit Strategy** – The primary purpose of acquiring (or investing in) a Car Wash or other industrial or commercial property (and the business associated with the property) will be to earn income from the Car Wash or other industrial or commercial property (and the business associated with the property). However, another goal in acquiring (or investing in) any Car Wash or other industrial/commercial property (and the business conducted thereon) will be to realize capital appreciation. At some point, a Car Wash or other industrial/commercial property may need to be, in whole or in part, in order to realize any such capital appreciation. Accordingly, the Fund and affiliates will develop an exit strategy, or strategies, for a particular Car Wash to give the Fund (through the applicable Car Wash LP) multiple exit options.
 4. **Manage the Car Wash** – Once the purchase of (or investment in) a Car Wash or other industrial or commercial property (and the business associated with the property) is completed, new management will typically be brought in. The US General Partners intend to provide General Manager services to each Car Wash LP that has acquired or otherwise invested in a Car Wash. The US Limited Partnership or the applicable Car Wash LPs, or a combination thereof, will pay or cause to be paid annually to the US General Partners, a Location Management Fee for each Car Wash to which General Manager services are provided during the year. The US General Partners, Clear Sky Capital Arizona or affiliates thereof, or a combination of them, are responsible for costs relating to the provision of such General Manager services, including salaries (if any) for such person(s). Apart from payment of Location Management Fees, no expenses related to providing such General Manager services will be incurred or reimbursed by the Fund, Clear Sky LP XIV, the US Limited Partnership or the Car Wash LPs. It is anticipated that a beneficial shareholder, director and officer of one of the US General Partners may, in his personal capacity, provide General Manager services for one or more Car Washes. New management will be tasked with:
 - increasing the total net monthly income;
 - attending to deferred maintenance; and
 - cutting operating costs.
 5. **Sell the Car Wash** – Ultimately, each Car Wash or other industrial or commercial property (and the business associated with it) will be targeted for sale or other disposition, in whole or in part, based upon management's determination that the maximum risk-adjusted return has been achieved. As each Car Wash's business grows, the Fund and its affiliates will implement an exit strategy that may involve selling two or more Car Washes together or each Car Wash or other industrial/commercial property (and the business conducted on such property) separately. For descriptions of the investment and exit strategies contemplated for the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash and Bell Road Car Wash, refer to **Item 2.3.1.3 – Acquired Car Washes** and **Item 2.3.1.3 – Acquired Car Washes**.

The Fund (through its subsidiary entities) intends to pursue the following strategies to achieve objectives for its Car Washes:

Acquisition Strategy

Our core strategy is to acquire or otherwise invest in express Car Washes located in the United States or Canada. We believe that superior returns can be achieved by targeting such Car Washes as a result of the high levels of income provided by express Car Washes in the United States, and the emerging recovery of the U.S. economy as a whole.

We may at any time and from time to time consider acquiring or investing in industrial or commercial properties (and the businesses conducted on those properties), other than Car Washes. However, our focus is on Car Washes.

We intend to acquire a controlling interest in each Car Wash or other industrial/commercial property (and the business conducted on such property) acquired (or invested in) and/or to be actively involved in managing each Car Wash or other industrial/commercial

property (and the business conducted on such property) through the US General Partners or the general partner of the applicable Car Wash LP.

Further, we believe that the opportunities exist to acquire express Car Wash facilities at attractive prices with in-place operations, and the potential for strong growth. We intend to cause the US Limited Partnership (through one or more Car Wash LPs) to acquire or otherwise invest in Car Washes in clusters and asset sizes which will ensure regional economies of scale and geographic diversification in our portfolio. Acquisitions or other investments in Car Washes will be primarily in the US\$1 million to US\$30 million range per Car Wash or portfolio of Car Wash facilities. We will generally focus on acquiring or otherwise investing in express Car Wash facilities which were constructed or refurbished in 2000 or later and which are located in markets with strong employment growth, have exhibited ongoing strong operations, and have the potential to provide superior cash flow. The execution of this strategy will be consistently reviewed and may also include engaging in dispositions of properties and optimizing the Fund's capital structure.

Pending the acquisition of or investment in any Car Wash(s) or other industrial or commercial property (and the business associated with such property), the Fund intends to invest such funds in Permitted Investments pursuant to the Declaration of Trust.

Financing Strategy

We (through the Fund's subsidiary entities) will operate our investments in a disciplined manner, with a focus on a conservative financial profile. Five, seven and ten-year fixed rate amortizing debt will primarily be used, with interest only and short-term floating rate loans to be used in appropriate circumstances. We intend to use the currently favorable debt and interest rate environment to prudently manage the overall financial leverage. Our preference is to ultimately stagger our debt maturities to mitigate the interest rate risk and limit re-financing exposure in any particular period.

Asset Management Strategy

Our asset management strategy asset is focused on acquiring or investing in Car Washes located in the United States or Canada at attractive prices, providing the potential for strong growth and maximizing cash flow. Further, our strategy is focused on maximizing cash flow from the Car Washes, through maximizing revenues and average ticket after taking into account local market conditions, as well as effectively and efficiently managing our operating costs. The US General Partners or the general partner of the applicable Car Wash LP will provide asset management services, including General Manager services. The US Limited Partnership's experienced management team plans to capture the economic upside potential in each Car Wash through strategic management, upgrades to each Car Wash where warranted, and increasing revenues as the market allows.

It is anticipated that for a Car Wash that is acquired (or otherwise invested in) by a Car Wash LP, the Car Wash LP (relying, in whole or in part, on services and resources from the US General Partners, as well as its own general partner) is to operate, manage, improve or otherwise deal with the Car Wash it owns, including the sale or development of such Car Wash, with a view to making a profit, and may exercise powers in furtherance thereof. In other circumstances where investment in a Car Wash is indirect or a minority interest is acquired, the operation, management, improving or other dealing with the Car Wash may be undertaken by the direct owner of the Car Wash or by an independent property manager.

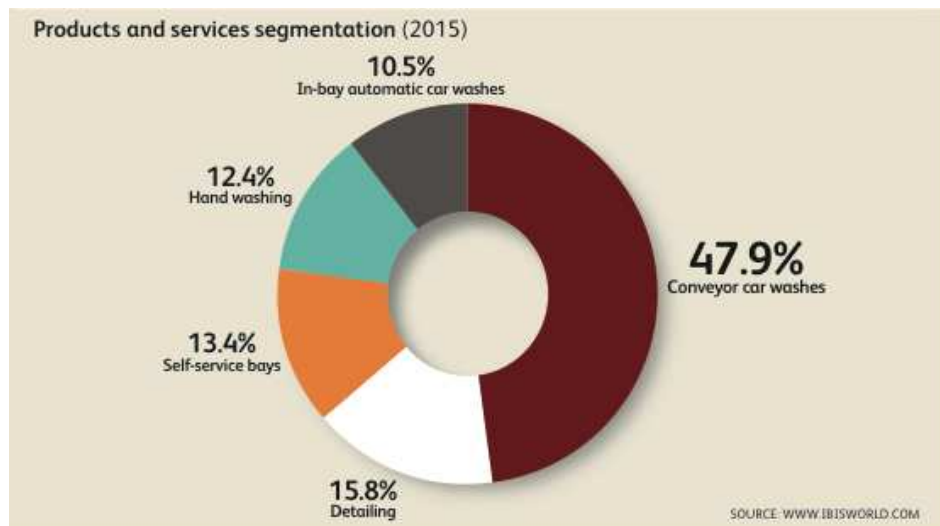
The US General Partners intend to provide General Manager services to each Car Wash LP that has acquired or otherwise invested in a Car Wash. The US Limited Partnership or the applicable Car Wash LPs, or a combination thereof, will pay or cause to be paid annually to the US General Partners, a Location Management Fee for each Car Wash to which General Manager services are provided during the year. The US General Partners, Clear Sky Capital Arizona or affiliates thereof, or a combination of them, are responsible for costs relating to the provision of such General Manager services, including salaries (if any) for such person(s), separate from the Fund and its affiliates. Apart from payment of Location Management Fees, no expenses related to providing such General Manager services will be incurred or reimbursed by the Fund, Clear Sky LP XIV, the US Limited Partnership or the Car Wash LPs. It is anticipated that a beneficial shareholder, director and officer of one of the US General Partners may, in his personal capacity, provide General Manager services for one or more Car Washes.

Pending the acquisition of or investment in any Car Wash or other industrial or commercial property (and the business associated with such property), the Fund intends to invest such funds in Permitted Investments pursuant to the Declaration of Trust.

2.2.2 Industry Overview

The Exterior Express Car Wash Industry

The Car Wash industry can be broken down into numerous categories. For simplicity the fund categorizes the various types into four basic car wash types, with various combinations of differences between:



- Exterior Express facilities consist of a mechanized (conveyor system), automatic exterior wash, which moves the vehicle through the wash tunnel on a conveyor while the equipment cleans the vehicle's exterior. Upon exiting the wash the customer is usually provided with a number of free vacuums to choose from. Equipment in these types of facilities is usually higher quality than automatic bay facilities. The value proposition for a facility of this type is to provide a location with all necessary equipment for a customer to clean the inside and outside of the vehicle. Facilities of this type typically include three to four employees at the point of sale, at the entry to the facility and an employee or two cleaning the site and assisting customers with the vacuums. A wash of this type typically takes 2-5 minutes with additional time spent by the customer at the vacuums. The cost of a wash of this type range from US\$3 to US\$15+ depending on the cleaning options selected by the customer. Exterior express car wash facilities are commonly found in combination with full-service conveyor washes.
- Full-Service facilities provide a mechanized (conveyor system), automatic exterior wash, as well as extra (optional) services such as waxing or hand wash, and interior cleaning of the vehicle. Mechanized car wash facilities pull the vehicle on a conveyor through the wash tunnel conveyor while the equipment automatically cleans the vehicle's exterior. Additionally, however, individuals may perform other car wash services along the way, including various levels of interior detailing. Full-serviced facilities often require a dozen or more employees to operate at one time. Once a customer selects the car wash services he wants, he leaves the vehicle with an attendant and enters a building where he pays a cashier and waits for the car wash services to be completed. Customers expect to wait 15 minutes to a few hours. Inside the building, a full-service car wash typically sells items found in a convenience store such as food, drinks, and greeting cards. The cost of a wash of full service car wash can range from US\$8 to US\$200+ depending on the services rendered, from a basic wash to a full detailing of the vehicle.
- Stationary Automatic facilities consist of a boom or contact roll-over mechanism, which can be cloth or touch-less depending on the equipment type, that passes over the vehicle applying cleaning products to the vehicle's exterior using cloth or high-pressure applicators while the vehicle remains stationary. Stationary automatic car washes are often found as an ancillary service of a retail gasoline outlet and, despite coin-operated vacuums being provided (often upon exit of the facility), car washes of this type are often considered a "touch up" and not a full wash due to the gas station location not being fully conducive to washing vehicles. The station attendant may be the only employee on site. The value proposition of a stationary automatic facility is that it provides a convenient exterior wash along with a fuel refill. The cost for a wash of this type can range from free with fill up to US\$7+ and typically takes 2-5 minutes (excluding waiting time). Stationary automatic car wash facilities are also commonly found in combination with self-service car washes.
- Self-service manual facilities consist of coin-operated washing equipment (spray wands, brushes and hoses for hands-on washing) located in a drive-in bay, providing customers with the space and necessary equipment to wash their vehicles to the extent desired. Typically, coin-operated vacuums are provided, as well. Additionally, there are also vending machines or kiosks, where customers can purchase various wash products. Self-serve car wash facilities typically have no employees (unless there is a kiosk attendant). The time and cost to wash a vehicle depends solely on the customer.

We believe the most attractive opportunity exists in Exterior Express facilities due to the value proposition when considering the alternatives. Full-Service facilities are typically much more expensive and time consuming. Stationary Automatic bay facilities found

at gas stations are considered inferior in cleaning. In comparison, Exterior Express facilities provide a unique value proposition with their price and quality of wash.

Number of Car Wash Locations in the U.S.

Estimates of the number of car washes in the United States vary wildly depending on the source from which the information is obtained. IBIS World, in their February 2015 report estimates that there are approximately 62,000 car wash businesses in the U.S., while The most recent report from the International Car Wash Association counts 113,000 car wash operations of various types in the U.S. Despite the large discrepancy between these estimates what is agreed is that the car wash industry is highly fragmented with the largest four operators making up less than 6% of the car wash locations in the country.

Mister Car Wash - Estimated market share: 2.5% (136 locations)

Autobell Car Wash - Estimated market share: 1.2% (65 locations)

Wash Depot Holdings - Estimated market share: 1.1% (58 locations)

Mike's Express Car Wash - Estimated market share: less than 1.0% (40 locations)

The industry is characterized by a large number of small-scale local and regional operators, with the majority of companies operating on a local basis and owning just one establishment. The Fund believes that the current market conditions are highly opportunistic to acquire a portfolio of car washes with established operations and consistent cash flow.

Exterior Express Car Wash Description

Express exterior tunnels are designed to generate a high volume of customers at a lower average price by providing exterior cleaning only and typically offering vacuums for interior cleaning after exiting the car wash facilities. These facilities are typically configured to maximize traffic flow and minimize the labor required.

Typically, an exterior express customer pays at the point of entry tied to gates that control traffic flow. However, some operators elect to have an individual greeter who collects payment, which adds a personal touch and avoids having customers struggle with the entrance mechanism and slow down traffic flow on busy days.

Express Exterior Considerations

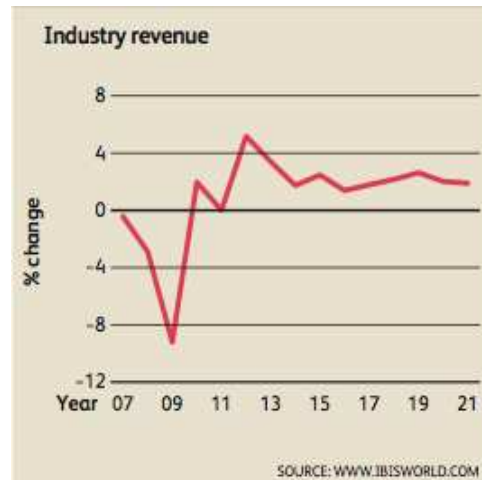
- Utilizes new equipment technology to avoid prepping and finishing labour.
- Typically offers free vacuums to attract customers.
- Requires less land than flex-serve facilities but more than full-serve facilities due to the free vacuum stations.
- Base wash package is typically US\$3 to US\$5.
- Average sale price is US\$6 - US\$10 depending upon the market and menu pricing.

Industry Size

The car wash industry in the U.S. is estimated to be a US\$9 billion industry according to a research report by IBIS World, an independent research consulting firm. The industry's primary drivers are new car sales and a general trend away from washing vehicles at home and in favour of professional washes. The industry is projected to grow at a rate of 2.5%, annually.

According to the February 2015 IBIS Car Wash & Auto Detailing Report, "steadily improving per capita disposable income over the five years to 2015 has enabled consumers to spend more on discretionary services, such as car washes. As a result, industry revenue is expected to increase at an annualized rate of 2.5% to \$9.1 billion over the period." The report goes on to say "Over the five years to 2020, revenue for the Car Wash and Auto Detailing industry is forecast to rise at an average annual rate of 2.0% to \$10.0 billion. Industry operators will benefit from rising per capita disposable income, which will fuel increased spending on discretionary services, including car washing and auto detailing. Furthermore, local regulations prohibiting residential car washing are expected to become more common, generating a larger client base for industry operators. The number of vehicles in use in the United States is projected to rise steadily over the next five years, expanding the industry's customer base." The report continues to state "Per capita disposable income growth is one of the main demand determinants for this industry's services. As unemployment declines, per capita disposable income is expected to grow at an annualized rate of 2.5% over the five years to 2020. Therefore, consumers will be more likely to

spend on discretionary services, such as car washing and auto detailing."



Express Wash Secular Growth/ Site Conversion Trend

The Exterior Express trend should continue with the same emphasis of building larger scale facilities.

The self-service category remains positioned for the taking. Today, assimilation occurs mostly through growth of express exterior tunnels as well as firms that acquire and renovate distressed self-service properties that can support express volume.



The 2015 IBIS World report states "Express tunnel washers are becoming more popular in the industry. This type of conveyor car wash provides exterior cleaning only and free access to vacuums after exiting the tunnel. The typical wait time averages five minutes, while full- service tunnel washes have a much longer wait time of 10 to 15 minutes, according to industry operator Carwash & Detail."

Customer Analysis and Trends

The International Car Wash Association ("ICA") has since 1996 published six research studies on car wash consumer trends in the U.S., the primary objectives of such studies being to collect and disseminate to ICA members reliable information on car wash customers and to obtain knowledge about public perceptions regarding car washers. According to 2008 International Car Wash Association Study of Consumer Car Washing Attitudes and Habits, five results stood out as particularly interesting:

1. The continuing decline in consumers who responded that they most frequently wash their car at home;

2. The increase in consumers identifying themselves as most frequent users of full-service and stationary automatic car washes – as well as the decline in consumers identifying themselves as self-service car washers;
3. A general lack of consumer awareness of the environmental benefits of professional car washing;
4. The increase in consumers who identify professional car washing as "more enjoyable" and "less work";
5. Despite a trend in favour of professional car washing, a persistent percentage of consumers who do not identify professional car washing as more "convenient" or safe, or of a higher "value" or "quality" than home washing.

The 2008 ICA study evaluated and commented on each of these key findings.

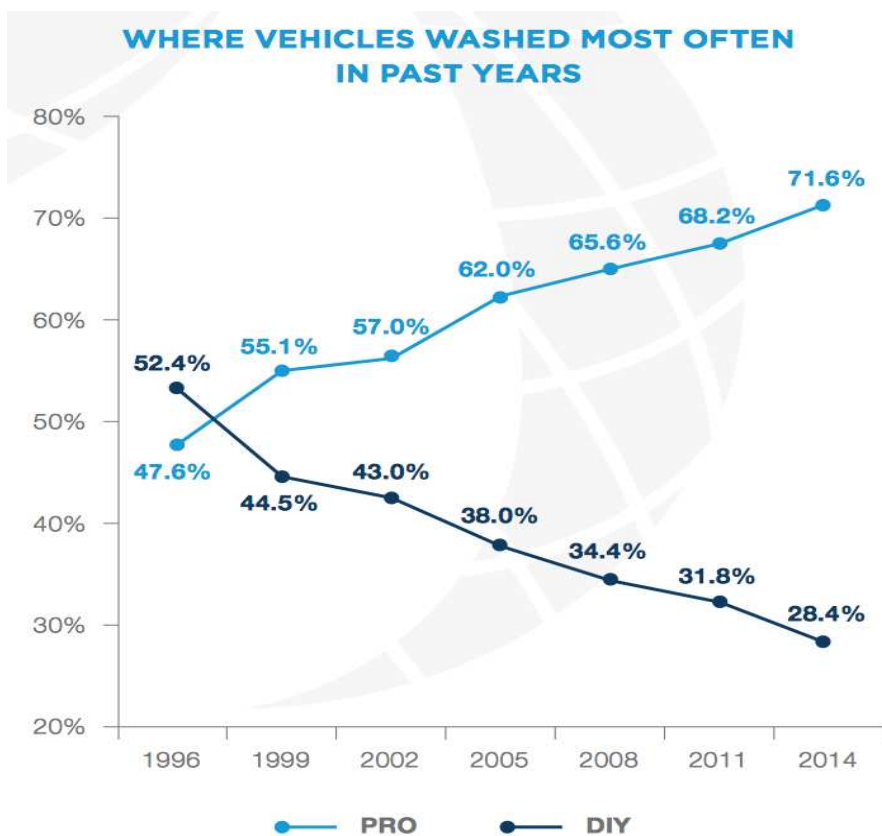
In addition, the ICA contemplated the study results in the context of the entire U.S. market, with some interesting results. For example, the Federal Highway Administration estimated that in 2007 there were 134,510,252 private and commercial vehicles registered (including taxicabs, but excluding buses, trucks or motorcycles). Applying the 2008 consumer data to this total, it was projected that if 65.6% of these vehicles are most frequently washed at a professional car wash, there would have been approximately 88,238,725 "professionally washed vehicles" ("PWVs") in the U.S. (this further assumes that the vehicles owned by consumers who most frequently wash their vehicles at home never wash at a professional car wash and that no other vehicle types are washed, which assumptions are refutable). Further, looking at segment utilization statistics from the 2008 research, one can project the following "professionally washed vehicles by car wash type":

- Full-service: 29,118,779 PWVs
- Exterior Express: 16,765,358 PWVs
- Stationary Automatic: 23,824,456 PWVs
- Self-service: 18,530,132 PWVs

Also assumed in these projections is that the behavior reported by the respondents is the same for their additional vehicles as it is for the behavior they report for their primary vehicles, which was the focus of the 2008 study.

Home versus Professional Car Washing

Arguably the most important statistic for the automotive wash and detailing industry in the U.S. is the amount of vehicle drivers who are actually using professional car wash facilities. The 2014 Consumer Study completed by the ICA revealed a continuing increase in the number of people who usually wash their vehicles at a professional car wash. The 2014 ICA study indicated a trend in the car wash industry of the decline of vehicle owners/drivers washing their cars at home while using a professional car wash has become increasingly popular. The chart below depicts this trend:

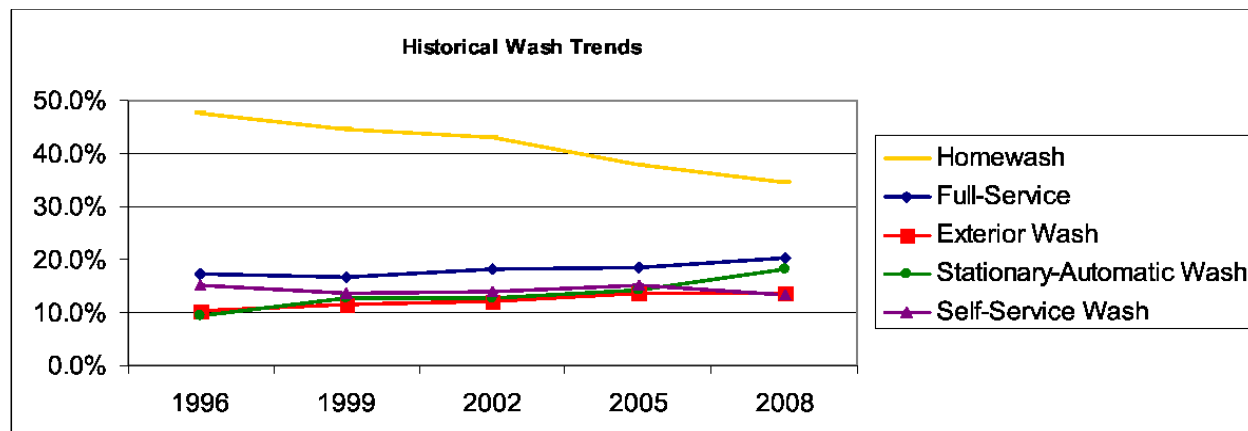


In 1996, when the ICA's consumer research began, nearly one-half (47.6%) reported that they most frequently washed their vehicles at home. The number of "home washers" has declined every year and, in 2014, was closer to only one-third (28.4%) of the respondents. This trend, together with the fact that there are more vehicles on the road than ever, supports a presumption of continued growth of the professional car wash industry.

Car Wash Segment Trends

Other trends apparent from the 2008 and 2014 ICA studies include the increasing use of both exterior express washes and stationary automatic washes. In 1996, only 10.4% of survey respondents said they used exterior washes more often, a number that rose to 13.7% by 2005. Likewise, 9.5% of survey respondents said that they used stationary automatic stations more often in 1996, increased to 14.3% by 2005.

While the number of home washers continues to decline steadily, utilization trends within the professional car wash industry, as measured by car wash type, are more varied.



Type of Car Wash Usually Used by Those who Use Professional Car Washes	
Full-service conveyor car wash	33%
Stationary automatic car wash	27%
Self-service car wash	21%
Exterior conveyor car wash	19%

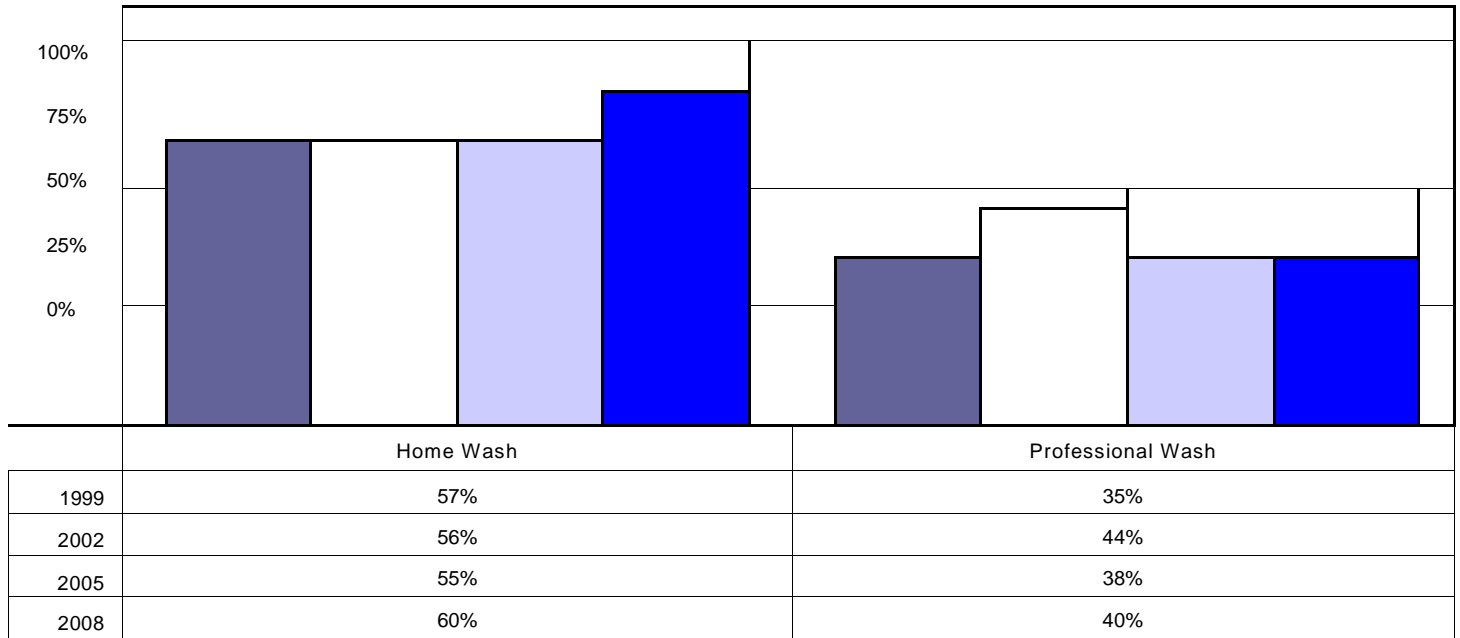
Despite the generally higher cost of a full-service car wash, consumers reported using this model more frequently in 2008. The largest relative increase though was in the stationary automatic segment, where usage increased from 9.5% in 1996 to 18.3% in 2008.

Results in the other two car wash segments are just as interesting. While the exterior segment experienced significant attention (particularly the "express exterior" concept), utilization of this segment was reported to be relatively flat from 2005. The self-service segment experienced the most notable decline in utilization amongst professional car washers, declining from 15.2% in 1996 to 13.4% in 2008.

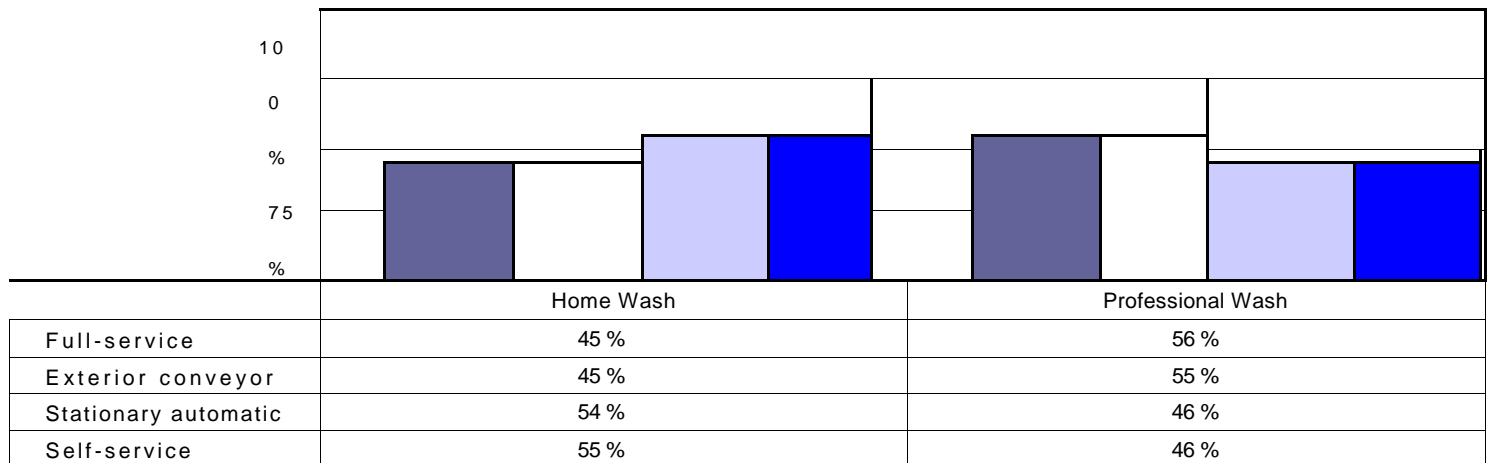
Recognition of Environmental Benefits

From a water usage and treatment perspective, professional car washing is the most environmentally conscious way to wash a vehicle. According to the 2015 IBISWorld Industry Report 81119a – Car Wash and Auto Detailing in the US (the "**2015 IBISWorld report**") "Over the next five years, citywide regulations prohibiting residential car washing will likely become more common. The majority of these regulations are implemented to conserve water, as the average household car wash uses 140.0 gallons of water, compared with 45.0 gallons used in professional car washes for large vehicles." The 2015 IBISWorld report goes on to say "citywide regulations are expected to ultimately boost demand for the industry's services." Unfortunately, the 2015 IBISWorld report would suggest that this message is not reaching the car wash consumers. Since 1999, the number of car wash consumers who have identified professional car washing as safer for the environment has ranged between 35% and 44%, but it has not consistently trended upward. Digging into the results from 2008, it is interesting to look at the attitudes of consumer by segment (that is, by the type of wash they most frequently use).

Safer for the Environment



Safer for the Environment



Safer for the environment

Car Wash Type	Car Wash	Home Wash
Full-service conveyor car wash	55.5%	44.5%
Exterior conveyor car wash	55.3%	44.7%
Stationary automatic car wash	45.9%	54.1%
Self-service car wash	45.5%	54.5%

In the 2008 ICA study, consumers of conveyorized car washes (full-service and exterior express car washes) had the highest levels of awareness of the environmental impact of professional car washes – 55.5% and 55.3%, respectively, whereas only 45.9% of stationary automatic and 45.5% of self-service customers identified professional car washing as safer for the environment. There is no data to develop conclusions as to why conveyorized customers are not more cognizant of this issue, or if customers who are more environmentally sensitive themselves select conveyorized car washes more frequently. An interesting comparison was the exceptionally high number of home washers who believed that home washing is better for the environment. Common sense would dictate that the majority of these respondents are not collecting and treating effluent or using water recycling technologies. Therefore, and though there are expectedly other factors that make home washers prefer washing their vehicles themselves, there does exist an opportunity to educate this demographic on the environmental benefits of professional car washing – 20% of home washers in 2008 responded that knowing that a professional car wash was safer for the environment would "greatly influence" their decision.

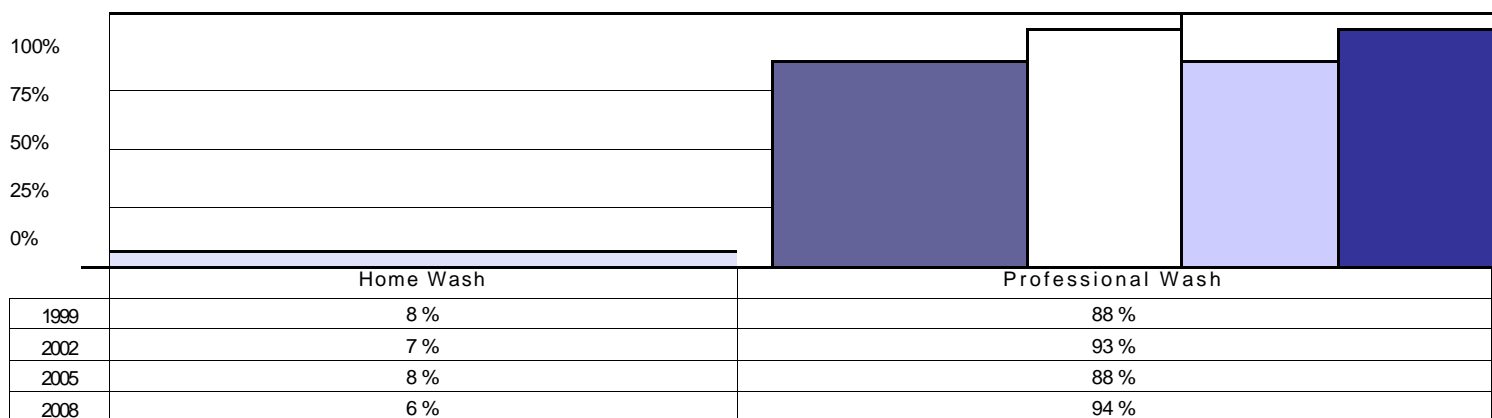
Overall, like most industries, the automotive wash and detailing industry is moving towards being more environmentally and socially responsible. There is a movement towards using green products and recycled water in automotive wash and detailing services. With the new trend of "going green" and the advancements of eco-friendly products, the automotive wash and detailing industry is continually devising new ways of becoming more environmentally responsible.

The Professional Car Wash Experience

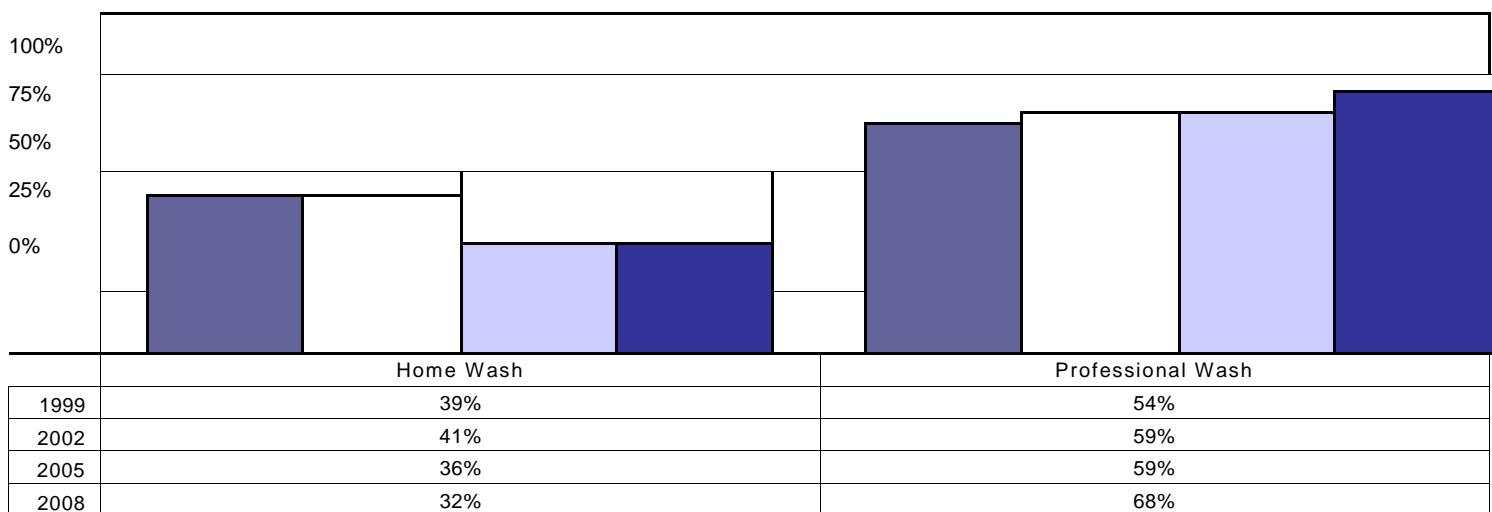
Much has been made in recent years about the importance of creating an experience for the customer. This speaks to the intangible benefits that customers receive from using a product or service that aren't necessarily a primary function of the product or service itself.

In 1999, barely a majority (54.4%) responded that professional car washing was "more enjoyable" than home washing. In 2008, that number is at an all-time high of 68.1% - an increase of nearly 10% from 2005. At the same time, the number of respondents who identified professional car washing as "less work" was an all-time high of 94.2%.

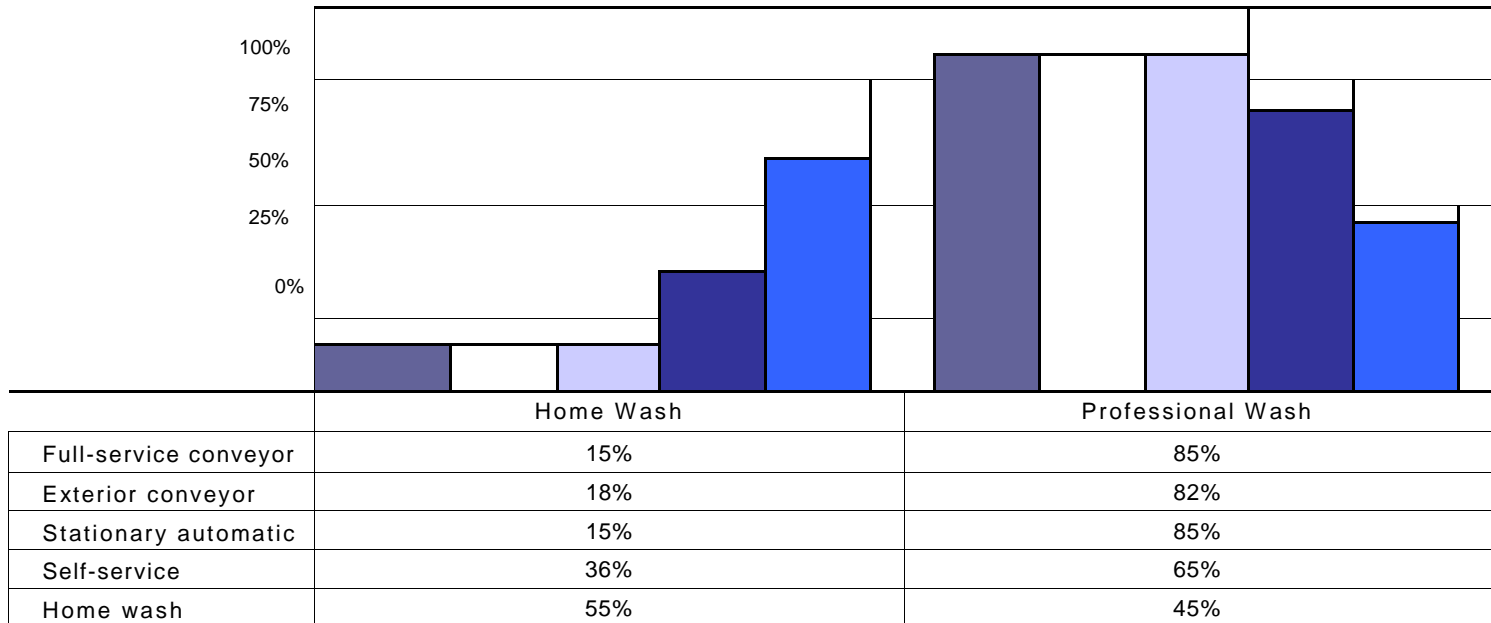
Less Work



More Enjoyable



More Enjoyable



More Enjoyable

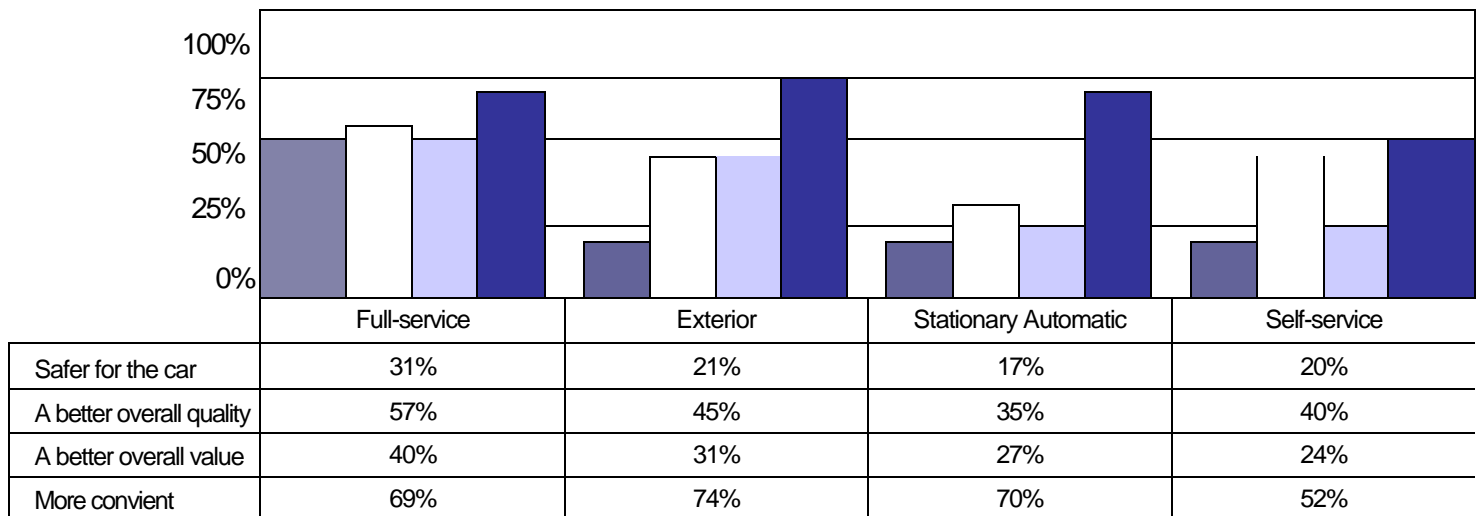
Car Wash Type	Car Wash	Home Wash
Full-service conveyor car wash	84.6%	15.4%
Exterior conveyor car wash	82.3%	17.7%
Stationary automatic car wash	84.7%	15.3%
Self-service car wash	64.5%	35.5%
Home wash	44.7%	55.3%

Convenience, Quality, Safety and Value

While professional car wash usage continues to increase, it seems to do so in spite of some rather important factors.

Which is better in the following areas?	1999		2002		2005		2008	
	Home Wash	Car Wash	Home Wash	Car Wash	Home Wash	Car Wash	Home Wash	Car Wash
Safer for the car	81.2%	13.3%	82.7%	17.3%	80.5%	14.5%	83.7%	16.3%
A better overall quality of wash	67.6%	28.7%	61.3%	38.7%	63.5%	32.9%	65.4%	34.6%
A better overall value	78.7%	16.7%	78.8%	21.2%	76.8%	18.5%	78.3%	21.7%
More convenient	42.1%	54.8%	47.9%	52.1%	46.3%	51.3%	49.3%	50.7%

2008 Percent that Perceive Car Wash to be Better



Since 1999, the percentage of respondents who have identified professional car washing as more convenient than home washing has declined from 55% to 51%. Looking at the same results from the opposite direction makes the results even more counterintuitive – the number of consumers who responded that washing their car at home was more convenient than going to a professional car wash has increased.

While technologies, chemicals and processes have improved significantly since 1999, the number of consumers who identify professional car washing as of a better overall quality remains at only 35%. Only one type of professional car wash was identified as being of higher quality than home washing by more than 50% - full-service customers (56.7%). The lowest response by car wash type was in the stationary automatic segment, where only one-third (34.8%) identified their wash as of a higher quality than home washing.

Again considering the advances that continue to be made in professional car washing, it is surprising that vehicle safety scores continue to lag. In 1999, 13% of 2008 ICA study respondents identified professional car washes as safer for their vehicle. By 2008, that number had only increased to 16%. Looking within the segment data, only full-service customers scored professional car washes above 25% (30.7%). The lowest response by car wash type was again in the stationary automatic segment, where nearly 83.2% identified home washing as safer for their vehicle.

The final area for opportunity is in value perception. In 2008, only one in five respondents identified professional car washing as the better overall value (21.7%). Looking within the segments, full-service customers gave their model the highest relative score vis-à-vis home washing (39.5%) while self-service customers scored their model the lowest (24.2%).

Market Demographics

- Household customers account for the largest share of automotive wash & detailing industry revenues at approximately 76%. Automotive wash & detailing household customers are broadly defined as consumers that have a driver's license, own a car, and are older than 16 years of age. This demographic is further segmented by income brackets, with households in the highest division representing the greatest demand for automotive wash & detailing services.
- Business customers contribute 22% of industry revenue. Revenue from this segment is largely derived from servicing delivery vans and taxi cabs. This segment includes businesses that depend on motor vehicles for the daily running of the company, as well as taxi and rental car companies, and truck businesses — many of whom cannot afford in-house repair and maintenance shops.
- Government customers comprise approximately 2% of the automotive wash & detailing industry revenue. This segment includes federal, state, and local government organizations.

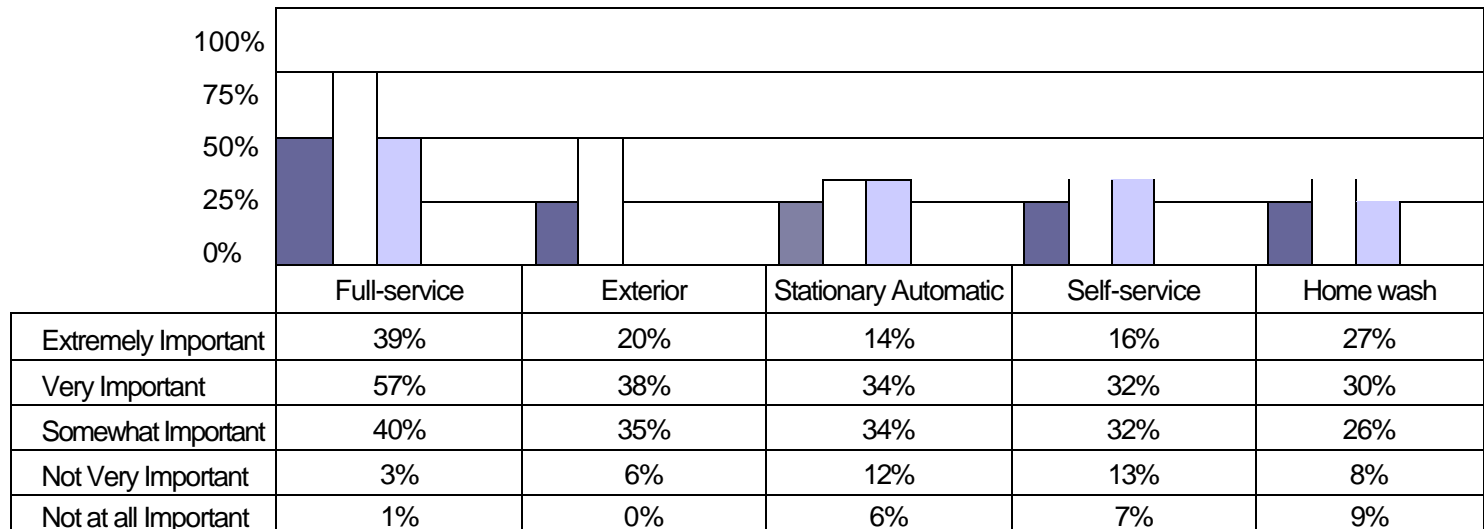
The 2008 ICA Study of Consumer Car Washing Attitudes and Habits reported its key findings based on several demographic indicators, including customer service, price sensitivity, quality, family experience, gender, and household income. Generally, and as may be expected, responses varied most significantly by segment when comparing full-service customers to self-service customers. In

fact, self-service customers are in many respects more similar to home washers than full-service customers. Some of the highlights by car wash type include the following:

Customer Service

The 2008 ICA study results show significant variation over the importance of customer service not only between full-service, self-service and stationary automatic car wash facilities (which would be expected given the attributes and value proposition of those models) but also between customers of full-service and exterior car washes. Again, given the model and value proposition, the difference between the two conveyerized segments may be inferred, but this highlights the real different between those two car wash types.

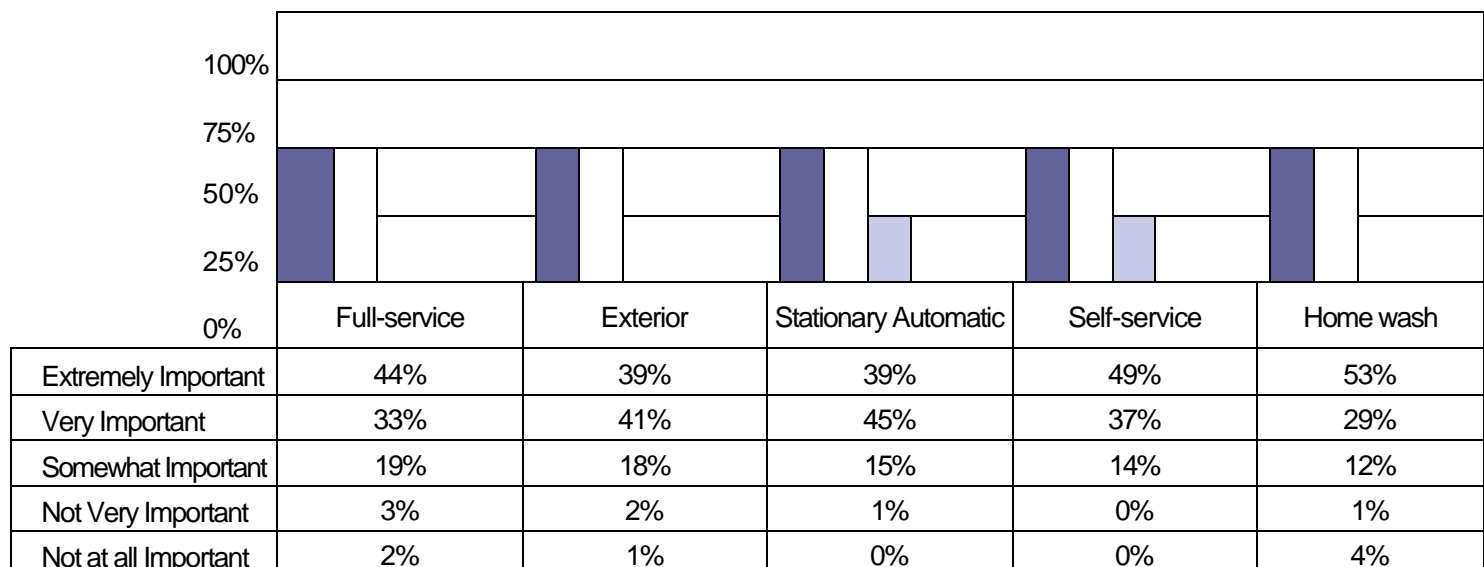
Customer Service



Price Sensitivity

The 2008 ICA study results show that the self-service customers are nearly as price sensitive as home washers, and significantly less than the other professional car wash segment customers.

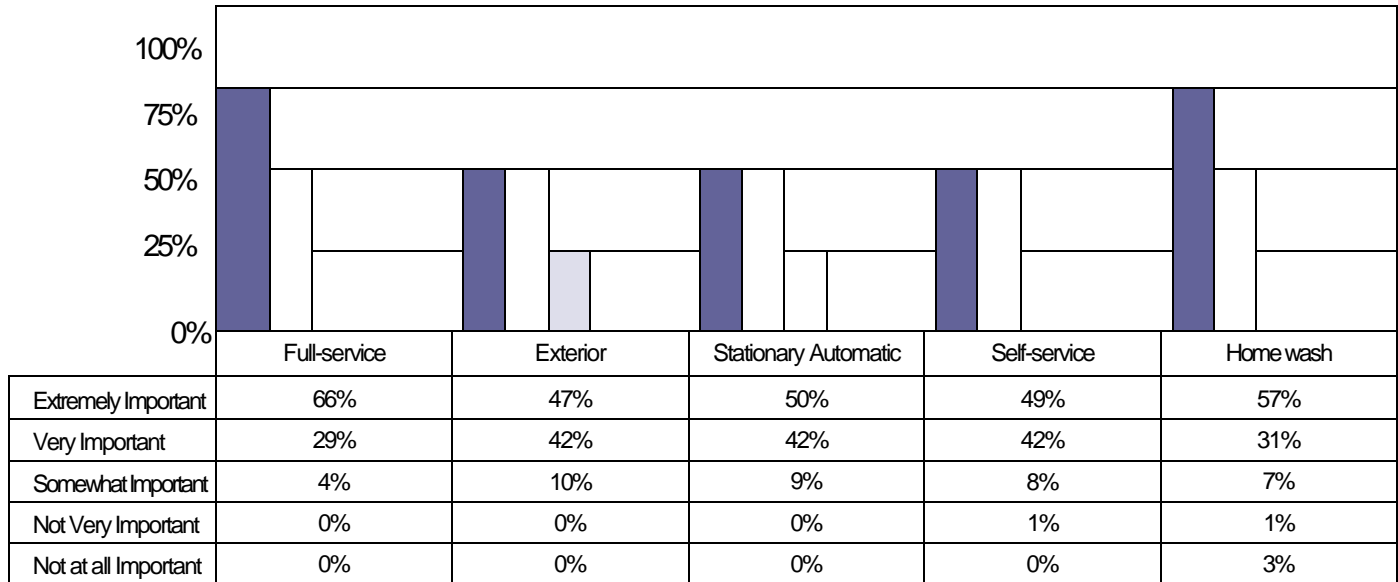
Price Sensitivity



Quality of Wash

The 2008 ICA study results show that full-service car wash customers report the quality of the wash as being "extremely important" at a much higher response level than any other segment.

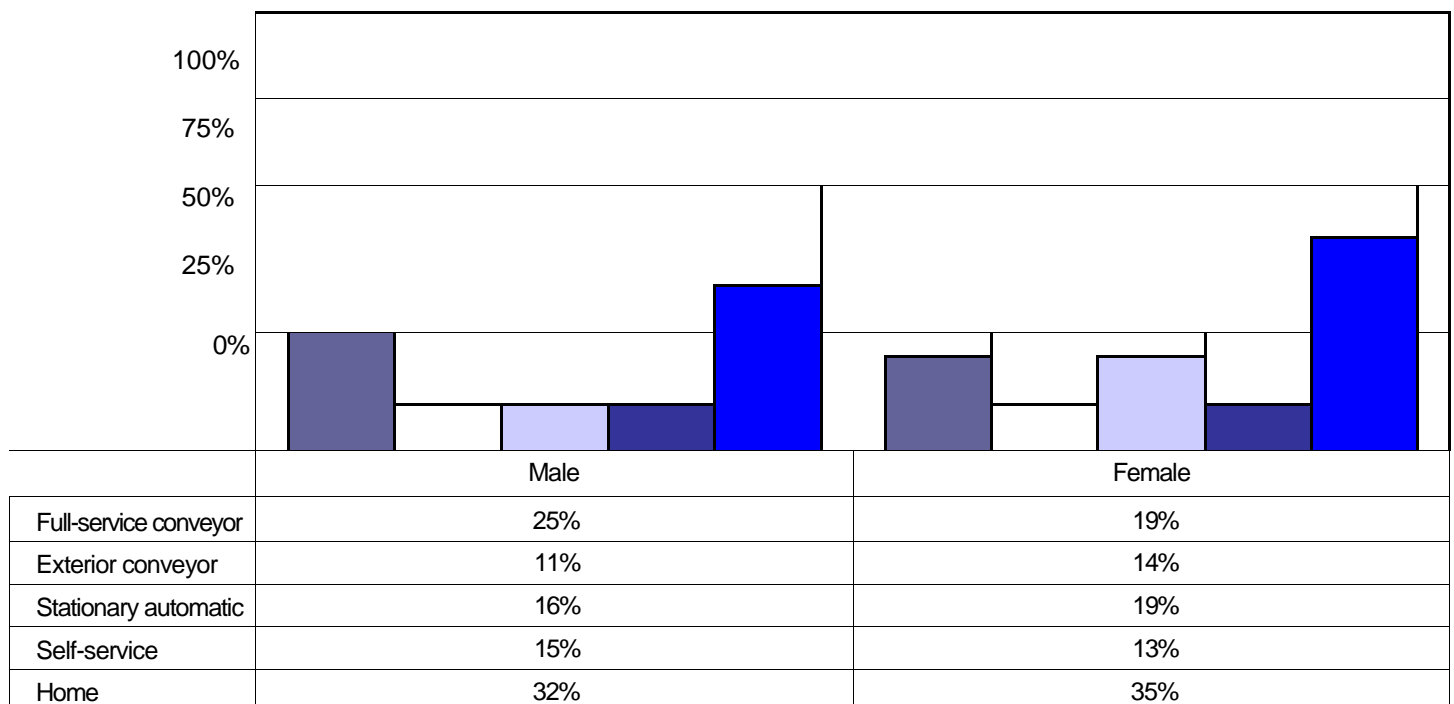
Quality of Wash



Gender

The 2008 ICA study results indicated difference in consumer practices based on gender in several areas.

Type of Car Wash Used Most Often by Gender



When using a professional car wash, women preferred stationary automatics and full-service car washes, while men clearly preferred full-service car washes to any other type.

Car Wash was Safer for the Environment						
Gender	A great deal of influence	(4)	(3)	(2)	No Influence	Mean
Male	16.9%	22.1%	31.4%	11.5%	18.1%	3.08
Female	27.5%	28.0%	26.8%	7.0%	10.7%	3.55

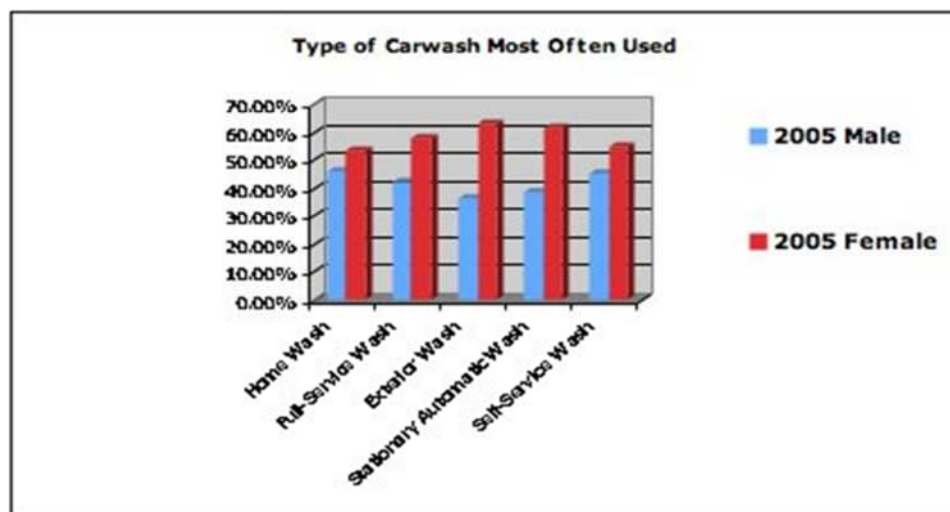
Female respondents also seemed to be the most responsive to environmental messaging, with more than 56% reporting that knowing that a professional car wash was safer for the environment would influence them to use a professional car wash over home washing, versus 39% for men.

Car Wash wouldn't Damage the Vehicle						
Gender	A great deal of influence	(4)	(3)	(2)	No Influence	Mean
Male	36.8%	31.7%	20.5%	4.5%	6.5%	3.88
Female	49.9%	27.3%	15.4%	2.7%	4.6%	4.15

Women more than men also appear to be more focused on vehicle damage when comparing professional washing to home washing.

I don't have to do it myself						
Gender	A great deal of influence	(4)	(3)	(2)	No influence	Mean
Male	38.8%	28.7%	20.1%	4.5%	7.9%	3.86
Female	46.5%	25.4%	17.2%	4.7%	6.2%	4.01

The weather was nice						
Gender	A great deal of influence	(4)	(3)	(2)	No influence	Mean
Male	19.2%	31.7%	27.2%	10.2%	11.7%	3.37
Female	30.1%	30.3%	23.1%	7.1%	9.5%	3.64

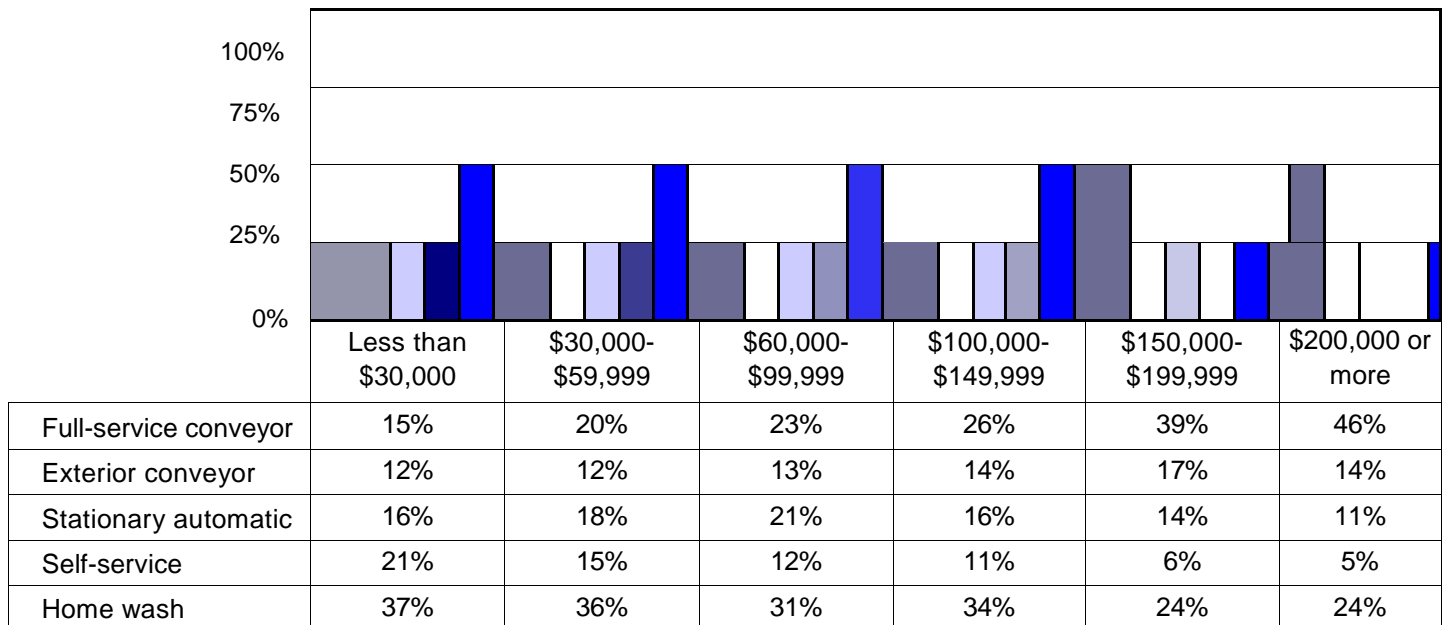


In considering whether to use a professional car wash, men were much less influenced by nice weather or having someone else handle the service for them than women.

Household Income

The 2008 ICA study results indicate that similar to how the differences in car wash type were most significant at the opposite ends of model type (*i.e.*, full-service and self-service car washes), similar results were found when analyzing responses based on customers' household income.

Type of Wash Used Most Often by Household Income



Higher-income respondents were significantly more likely to sometimes or always visit a full-service car wash and rarely or never visit a self-service car wash, while the inverse was true for respondents in lowest income brackets.

Use of Full-Service Conveyor Car Wash

Annual Household Income	Always	Sometimes	Rarely	Never	Mean
Less than \$30,000	8.3%	16.1%	21.4%	54.3%	1.78
\$30,000-\$59,999	10.5%	20.3%	20.3%	49.0%	1.92
\$60,000-\$99,999	10.5%	26.2%	18.8%	44.5%	2.03
\$100,000-\$149,999	13.5%	28.6%	24.0%	33.9%	2.22
\$150,000-\$199,999	19.1%	38.2%	10.6%	32.2%	2.44
\$200,000 or more	31.2%	32.4%	11.8%	24.6%	2.70

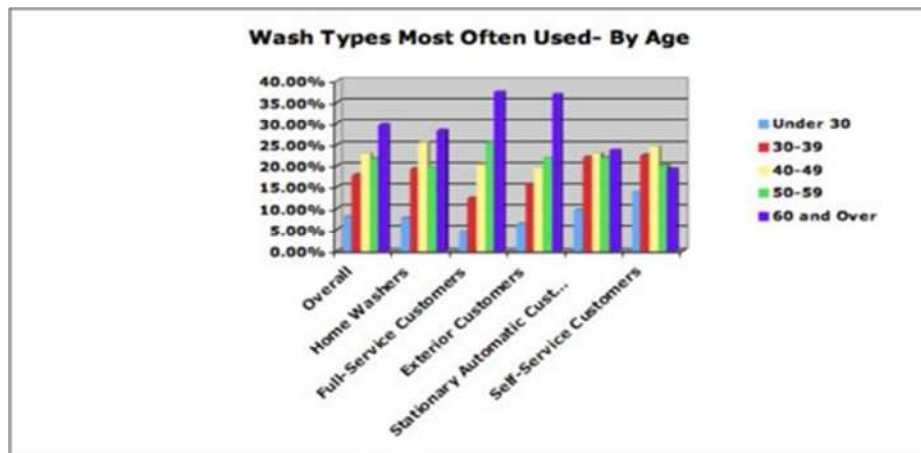
Use of Self-Service Car Wash

Annual Household Income	Always	Sometimes	Rarely	Never	Mean
Less than \$30,000	10.6%	31.1%	21.0%	37.3%	2.15
\$30,000-\$59,999	6.9%	31.5%	23.7%	37.9%	2.07
\$60,000-\$99,999	5.8%	27.3%	26.0%	40.9%	1.98
\$100,000-\$149,999	4.2%	21.4%	28.5%	45.9%	1.84
\$150,000-\$199,999	2.1%	23.3%	23.7%	50.8%	1.77
\$200,000 or more	5.7%	13.2%	24.0%	57.1%	1.68

Variation was observed in different income earners' preference for getting out of their vehicles or not to wash them. Those making less than US\$30,000 per year were more than twice as likely as those making US\$200,000 or more (34.4% versus 14.0%) to be influenced in selecting a car wash by whether they did not have to get out of the vehicle.

Price Sensitivity

People over the age of 60 made up the highest percentage of consumers using some sort of car wash service, including home wash, at 29.7%. Consumers between the ages of 40-49 and 50-59 make up 44.6% of those using some type of service.



In the ICA survey, the factor that was most influential among respondents in using a car wash were special prices and discount coupons. Other notable influences were special occasions, the appearance of the car wash, and discounted or free washes connection with purchasing gas.

Fragmented Ownership

The automotive wash and detailing industry is a highly fragmented market with 95% of operators owning less than five locations. The Fund believes consolidation in the industry will benefit existing Car Wash owners. The consolidation trend began in 2007 when Mister Car Wash was acquired by ONCAP, a mid-market private equity firm. Mister Car Wash now has 128 locations, which makes it the market leader. They are fifty percent larger than their next closest competitor. NNN REITs in the United States have started dedicating small portions of their portfolio to Car Washes, further reinforcing this trend of consolidation. We believe this trend will continue, similar to the consolidation trend that has occurred in the self-storage industry, which industry now includes dedicated REIT's focused exclusively on that asset class. CAP Rates in the self-storage industry have declined from over 10% to under 7%.



2.3 Development of the Business

The Fund was formed on June 23, 2014 pursuant to the Declaration of Trust. The Fund intends to use Available Funds from the Offering for capital contributions as a limited partner in, or to lend funds to, Clear Sky LP XIV.

Clear Sky LP XIV is a limited partnership formed on July 28, 2014 pursuant to the *Partnership Act* (Alberta) and is governed by a partnership agreement to be entered into as of the first Closing Date and effective as of July 28, 2014. Clear Sky LP XIV will carry on the business of investing in Car Washes or other industrial or commercial properties (and the businesses associated with those properties) located in the United States or Canada through the US Limited Partnership and one or more Car Wash LPs. Clear Sky LP XIV is to be a limited partner of the US Limited Partnership (US Investors will also be limited partners in the US Limited Partnership, as of the first Closing, and Pinnacle Wealth Brokers Inc. will also be a limited partner in the US Limited Partnership, as of the first Car Wash acquisition). The US Limited Partnership will be the sole limited partner (holding a 99.99% economic interest) of each Car Wash LP, subject to a partnership interest in a Car Wash LP being held, directly or indirectly, by any Bridge Equity Investor(s) in connection with the acquisition of the applicable Car Wash.

Clear Sky LP XIV will use funds available to it from the issue and sale of limited partnership units to, or borrowing from, the Fund, or from the issue and sale of any Bridge Financing LP Units, for capital contributions as a limited partner in, or to lend funds to, the US Limited Partnership. The US Limited Partnership, in turn, will use investment capital available to it from Clear Sky LP XIV, US Investors or any other source to capitalize one or more Car Wash LPs. The purpose of the Car Wash LPs will be to use those funds, along with amounts which may be borrowed from third-party lenders (if any), to acquire or invest in one or more Car Washes or other industrial/commercial properties (and the businesses associated with such properties) and for any related costs, including Renovation Costs. A separate Car Wash LP will be used for the acquisition of (or investment in) each Car Wash or other industrial/commercial property (and the business conducted on such property). The Fund intends to acquire a controlling interest in each Car Wash or other industrial/commercial property (and the business conducted on such property) through the applicable Car Wash LP and/or to be actively involved in the management of each Car Wash or other industrial/commercial property (and the business conducted on such property) through the US General Partners or the general partner of applicable Car Wash LP.

As of the date of this offering memorandum, four Car Wash LPs have been formed, being Scottsdale Road Car Wash LP, Encanto Road Car Wash LP, Power Road Car Wash LP, Bell Road Car Wash LP, and two additional Car Wash LPs are being formed, being 67th Avenue Car Wash LP and 51st Avenue Car Wash LP. See **Item 2.1.5 – Car Wash LPs**.

As of May 7, 2015, an affiliate an affiliate of Marcus Kurschat, Trustee and President of the Fund, entered into the 67th Avenue Car Wash Acquisition Agreement with a seller (who is at arm's length to the Fund, 67th Avenue Car Wash LP and their affiliates, and Pinnacle Wealth Brokers Inc.) for the acquisition of the 67th Avenue Car Wash. The 67th Avenue Car Wash Acquisition Agreement is to be assigned at no additional cost to 67th Avenue Car Wash LP (as buyer) in connection with completing (if at all) the acquisition of the 67th Avenue Car Wash in Phoenix, Arizona.

As of May 7, 2015, an affiliate an affiliate of Marcus Kurschat, Trustee and President of the Fund, entered into the 51st Avenue Car Wash Acquisition Agreement with a seller (who is at arm's length to the Fund, 51st Avenue Car Wash LP and their affiliates, and Pinnacle Wealth Brokers Inc.) for the acquisition of the 51st Avenue Car Wash. The 51st Avenue Car Wash Acquisition Agreement is to be assigned at no additional cost to 51st Avenue Car Wash LP (as buyer) in connection with completing (if at all) the acquisition of the 51st Avenue Car Wash in Phoenix, Arizona.

Scottsdale Road Car Wash LP acquired the Scottsdale Road Car Wash in Scottsdale, Arizona, as of November 13, 2014. Encanto Road Car Wash LP acquired the Encanto Road Car Wash in Phoenix, Arizona, as of December 17, 2014. Power Road Car Wash LP acquired the Power Road Car Wash in Mesa, Arizona as of January 29, 2015. Bell Road Car Wash LP acquired the Bell Road Car Wash in Phoenix, Arizona as of April 21, 2015.

As of November 13, 2014, Scottsdale Road Car Wash LP, Encanto Road Car Wash LP and Power Road Car Wash LP, as co-borrowers, entered into the Arizona Car Wash I Commercial Real Estate Loan with an arm's length lender, the terms and conditions of which were finalized in connection with completing the Scottsdale Road Car Wash and which loan is secured by the Scottsdale Road Car Wash, Encanto Road Car Wash and Power Road Car Wash.

As of April 16, 2015, Bell Road Car Wash LP, as borrower, entered into the Arizona Car Wash II Commercial Real Estate Loan with an arm's length lender, the terms and conditions of which were finalized in connection with completing the Bell Road Car Wash acquisition (on April 21, 2015) and which loan is secured by the Bell Road Car Wash. See **Item 2.7.12 – Arizona Car Wash II Commercial Real Estate Loan**.

2.3.1 Investment in Car Washes

The Fund is conducting the Offering and is seeking to acquire or otherwise invest in Car Washes located in the United States or Canada, indirectly through the US Limited Partnership and one or more Car Wash LPs, using Offering Proceeds. See **Item 2.2 – Our Business** and **Item 2.3.1.3 – Acquired Car Washes**.

As of the date of this offering memorandum:

- an affiliate of Marcus Kurschat, Trustee and President of the Fund, has entered into the 67th Avenue Car Wash Acquisition Agreement for the proposed acquisition of the 67th Avenue Car Wash;
- an affiliate of Marcus Kurschat, Trustee and President of the Fund, has entered into the 51st Avenue Car Wash Acquisition Agreement for the proposed acquisition of the 51st Avenue Car Wash; and
- four Car Washes have been acquired, being the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash and Bell Road Car Wash.

Each of the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash, Bell Road Car Wash, 67th Avenue Car Wash and 51st Avenue Car Wash is an Exterior Express facility located in a well-traveled, high traffic location with easy access into and out of the facility. The site has frontage along main thoroughfares. Upon entering these Car Wash facilities, a customer is met with an automated point of sale system, which accepts cash, debit, or credit cards. An employee is available at the point of sale to assist the customer with the transaction and to suggest upgrade options, which may include a disposable towel to wipe the interior while the customer goes through the wash or a scented car freshener. After the point of sale, the customer drives his vehicle forward into the facility guided by an employee directing the vehicle onto the conveyor track. Once on the track the vehicle is shifted into neutral and the conveyor pulls it through the various machines which rinse, apply soap, scrub the vehicle, rinse again and then dry the vehicle with large air dryers. After the vehicle exits the Car Wash facility, parking spaces are provided for the customer to park the vehicle and use free vacuums that are available to clean the vehicle's interior.

The Fund has determined the following CAP Rates for the acquisitions of the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash and Bell Road Car Wash, and the proposed acquisitions of the 67th Avenue Car Wash and 51st Avenue Car Wash:

<u>Car Wash</u>	<u>Net Ordinary Income⁽¹⁾</u>	<u>Purchase Price</u>	<u>CAP Rate</u>
Scottsdale Road Car Wash	US\$450,769 ⁽²⁾	US\$3,800,000	11.86%
Encanto Road Car Wash	US\$406,818 ⁽²⁾	US\$3,200,000	12.71%
Power Road Car Wash	US\$339,637 ⁽³⁾	US\$3,000,000	11.32%
Bell Road Car Wash	US\$398,932 ⁽³⁾	US\$3,700,000	10.78%
67 th Avenue Car Wash	US\$605,612 ⁽³⁾	US\$4,844,894	12.5%
51 st Avenue Car Wash	US\$765,028 ⁽³⁾	US\$6,120,224	12.5%

Notes:

- (1) References to the Car Wash's "Net Ordinary Income" for any period are to its net income (loss) for such period before interest expense, taxes, depreciation and amortization, and finance costs, in each case to the extent reflected in such net income (loss). "Net Ordinary Income" is a metric used by some investors to determine the ability of a target business to generate cash from operations.

"Net Ordinary Income" is not an earnings measure recognized by IFRS or GAAP and does not have standardized meanings prescribed by IFRS or GAAP. Therefore, "Net Ordinary Income" may not be comparable to similar measures presented by other issuers, including other companies that operate in businesses similar to the Car Wash. Investors are cautioned that "Net Ordinary Income" should not be construed as an alternative to net income or loss determined in accordance with IFRS or GAAP as indicators of the Car Wash's performance or to cash flows from operating, investing and financing activities as measures of liquidity and cash flows.

- (2) References to these Car Wash's "Net Ordinary Income" are based on results for the 12-month period ended March 31, 2014.

- (3) References to these Car Wash's "Net Ordinary Income" are based on results for the year ended December 31, 2014.

Investment & Exit Strategies

While investment and exit strategies or plans for any of the acquired Car Washes will likely evolve as Car Wash GP I (or other general partner of the applicable Car Wash LP) becomes more familiar with the property, following the acquisition thereof, it is expected that those strategies or plans will include the following:

- **Sale or other Disposition of the Car Wash:** The applicable Car Wash LP may sell or otherwise dispose of its entire interest in its Car Wash, either as a single disposition or as part of a portfolio of Car Washes, whereupon any proceeds from such sale or other disposition would be used and distributed from the Fund's subsidiaries to the Fund (and other stakeholders) on the basis set out in **Item 5.2.2 – Flow of Funds from the Car Washes**.
- **Refinancing the Car Wash:** The applicable Car Wash LP may be in a position to refinance its Car Wash if the value of the Car Wash has increased but without the applicable Car Wash LP having sold or otherwise disposed of the Car Wash. Such refinancing may be in the form of a replacement commercial real estate loan for which the applicable Car Wash is pledged as collateral, or an additional commercial real estate loan for which the Car Wash is pledged as collateral, in either case based on the increased value of the Car Wash. Where the applicable Car Wash LP, in the sole discretion of its general partner, acting reasonably, obtains an attractive opportunity to refinance its Car Wash and does so, the Car Wash LP may make a special distribution to its partners of the proceeds from such refinancing, after reducing such amount by repaying the operating expenses and all debts and liabilities of the Car Wash LP made, accrued or incurred by the Car Wash LP, or its general partner on behalf of the Car Wash LP (including setting aside applicable cash reserves for contingent or other undetermined liabilities as reasonably determined by the general partner(s) of the Car Wash LP, in its sole discretion, and otherwise to the extent that the general partner determines that the Car Wash LP has Net Available Cash pursuant to the applicable Car Wash LP Agreement) in respect of the Car Wash. The applicable Car Wash LP may refinance some or all of its entire interest in its Car Wash, either as a single disposition or as part of a portfolio of Car Wash refinancing, whereupon any proceeds from refinancing would be used and distributed from the Fund's subsidiaries to the Fund (and other stakeholders) on the basis set out in **Item 5.2.2 – Flow of Funds from the Car Washes**.
- **Sale & Leaseback of the Car Wash:** The applicable Car Wash LP may sell or otherwise dispose of its interest in the real property on which its Car Wash is located and lease back such real property from the transferee in order to continue operating the Car Wash. Such sale/leaseback transaction may be completed as either as a single disposition or as part of a portfolio of sale/leaseback transactions involving the Car Washes, whereupon any proceeds from such sale or other disposition would be used and distributed from the Fund's subsidiaries to the Fund (and other stakeholders) on the basis set out in **Item 5.2.2 – Flow of Funds from the Car Washes**.

For information concerning the Car Wash investment strategy of the Fund's subsidiaries, see **Item 2.2.1 – Business and Growth Strategies**. See **Item 2 – Our Business** for a description of the Fund and its subsidiaries and see **Item 1 – Use of Available Funds** for a description of the anticipated use of the Offering Proceeds.

2.3.1.1 Acquisition of the 67th Avenue Car Wash

An affiliate of Marcus Kurschat, Trustee and President of the Fund, has entered into the 67th Avenue Car Wash Acquisition Agreement with a seller, who is at arm's length to the Fund, 67th Avenue Car Wash LP and their affiliates and Pinnacle Wealth Brokers Inc., to acquire the 67th Avenue Car Wash in Phoenix, Arizona for an aggregate purchase price of US\$4,844,880 (subject to adjustment under the 67th Avenue Car Wash Acquisition Agreement). The 67th Avenue Car Wash Agreement is to be assigned at no additional cost to 67th Avenue Car Wash LP (as buyer) in connection with the acquisition (if at all) of the 67th Avenue Car Wash. If the 67th Avenue Car Wash acquisition is completed pursuant to the 67th Avenue Car Wash Acquisition Agreement, it is anticipated that 67th Avenue Car Wash LP, as buyer, will have satisfied the purchase price through:

- payments of non-refundable earnest money and closing extension deposits prior to closing of up to US\$292,224 in total (based on the maximum extension of the acquisition closing date to August 20, 2015 and the subsequent acquisition of the 51st Avenue Car Wash);
- payment at closing of up to approximately US\$3,149,172, to be funded through proceeds from an arm's length lender (based on a loan-to-purchase price target of up to 65% being used for the proposed acquisition of the 67th Avenue Car Wash); and
- an additional cash payment at closing of approximately US\$1,695,708 (based on non-refundable earnest money and closing extension deposits totalling US\$292,224 having been paid and new commercial real estate term loan financing that is up to 65% of the purchase price or appraised value (whichever is lower) of the 67th Avenue Car Wash; if the loan-to-purchase price

target is not reached and the acquisition is completed with a lower loan principal, or the amount paid as deposits is lower, the cash-to-close payment will be increased).

In addition, 67th Avenue Car Wash LP, as buyer, will assume liabilities of the seller relating to monthly memberships and gift cards outstanding as part of the 67th Avenue Car Wash acquisition.

Under the 67th Avenue Car Wash Acquisition Agreement, the buyer has a 60-day period (expiring July 7, 2015) to inspect and conduct buyer's due diligence on, and during which it will seek satisfactory financing for, the 67th Avenue Car Wash acquisition. If satisfactory financing is not available or the buyer determines that it does not wish to complete the 67th Avenue Car Wash acquisition before the expiry of the financing/due diligence period, the buyer may in its sole discretion terminate the 67th Avenue Car Wash Acquisition Agreement, whereupon the buyer's earnest money and closing extension (if any) deposits are to be returned and the parties will have no further obligation. 67th Avenue Car Wash LP anticipates completing the acquisition once satisfactory arrangements are in place for financing the entire 67th Avenue Car Wash purchase price and provided the 67th Avenue Car Wash Acquisition Agreement has not been terminated on or before closing of the acquisition. The 67th Avenue Car Wash acquisition closing is scheduled for July 21, 2015 but may be extended until August 20, 2015 upon the buyer's payment of US\$242,244 as a non-refundable closing extension deposit (except in the case of the seller's default under the agreement). The buyer may accelerate the scheduled closing date for the 67th Avenue Car Wash acquisition by giving the seller at least seven days' prior notice of the newly scheduled closing date.

Under the 67th Avenue Car Wash Acquisition Agreement, the seller is not required to sell the 67th Avenue Car Wash unless 51st Avenue Car Wash LP or its affiliate has either (1) completed the 51st Avenue Car Wash acquisition under the 51st Avenue Car Wash Acquisition Agreement, or (2) paid US\$200,000 as an additional earnest money deposit in connection with the proposed acquisition of the 51st Avenue Car Wash. It is anticipated that the acquisition of sell the 67th Avenue Car Wash is to occur first (if at all) and that 51st Avenue Car Wash LP or its affiliate will have paid an additional earnest money deposit of US\$200,000 to the seller thereof under the 51st Avenue Car Wash Acquisition Agreement.

The buyer intends to obtain new amortizing commercial real estate term loan financing for each of the 67th Avenue Car Wash and 51st Avenue Car Wash acquisitions from one or more arm's length lenders, although it may avail itself of other alternative bridge financing arrangements (if available) in order to complete either the 67th Avenue Car Wash or 51st Avenue Car Wash acquisition. As of the date of this offering memorandum, none of the Fund or its affiliates has received a formal loan commitment from any arm's length lender in connection with completing the 67th Avenue Car Wash or 51st Avenue Car Wash acquisitions. However, based on discussions with prospective arm's length lenders, the Fund and its affiliates anticipate that an amortizing commercial real estate term loan secured against each of the 67th Avenue Car Wash and 51st Avenue Car Wash, if acquired, which would be finalized in completing those acquisitions, will have substantially the following terms (subject always to the finalization of such terms in definitive documentation between the parties thereto):

- loan principal of up to approximately US\$3,200,000 in respect of the 67th Avenue Car Wash. The final loan amount is expected to be limited to 65% of the lesser of loan-to-appraised value (LTV) or loan-to-purchase price (LTC);
- maturity date in 20 years after completion of the earlier of the applicable Car Wash acquisitions;
- fixed annual interest rate of 5.00% for the first five years of the loan term; adjusting every five years to a new fixed rate that is 3.50% above the then-current Federal Housing Bank five-year advance rate (e.g., FHLB rate was approximately 2.05% as of the date of this offering memorandum);
- the borrower's monthly repayments of (1) blended principal and interest calculated using a 20-year amortization period, and (2) a balloon payment to be paid at maturity consisting of all remaining principal and accrued interest;
- secured by (1) a first financial charge against the 67th Avenue Car Wash and 51st Avenue Car Wash real property, as acquired; (2) general security agreement on all furniture, fixtures and equipment at the 67th Avenue Car Wash and 51st Avenue Car Wash, as acquired; (3) guarantees from the US Limited Partnership and the US General Partner; and (4) limited guarantees from Marcus Kurschat, Trustee and President of the Fund, and Tim Barrett, a Clear Sky Capital Arizona employee who provides General Manager services for one or more acquired Car Washes;
- the loan may be prepaid at any time, in whole or in part, without penalty, except where the 67th Avenue Car Wash or 51st Avenue Car Wash (as acquired) is refinanced through a loan from another lender, in which case there is a 5% penalty if repaid during the first year of the loan, a 4% penalty if repaid during the second year of the loan, a 3% penalty if repaid during the third year of the loan, a 2% penalty if repaid during the fourth year of the loan, and a 1% penalty if repaid during the fifth or sixth year of the loan. No prepayment penalty will apply if the loan is repaid after the sixth year of the loan or if the Car Wash(es) is sold after the second year of the loan;

- customary covenants in favour of the mortgagee/lender, including that the proceeds will be due to the lender upon the sale of the 67th Avenue Car Wash or 51st Avenue Car Wash (as acquired), restrictions on change of control of the borrower, insurance coverage, receiver rights, and covenants that (which may also be conditions precedent to lender advancing funds) each of the 67th Avenue Car Wash and 51st Avenue Car Wash, as acquired, is to have (1) a pre-distribution minimum debt service coverage ratio of approximately 1.5 times EBITDA (calculated as earnings before interest, taxes, depreciation and amortization expense (EBITDA) divided by the borrower's aggregate interest expense, current portions of the subject loan and any other term debt or capitalized leases of the borrower and its affiliates) from the 67th Avenue Car Wash and 51st Avenue Car Wash, as acquired, on a year-to-date basis during the year of acquisition and, thereafter, on a pre-distribution, trailing 12-month basis, measured quarterly; (2) a minimum post-distribution debt service coverage ratio of approximately 1.1 times EBITDA (calculated as earnings before interest, taxes, depreciation and amortization expense (EBITDA) divided by the borrower's aggregate interest expense, current portions of the subject loan and any other term debt or capitalized leases of the borrower and its affiliates) from the 67th Avenue Car Wash and 51st Avenue Car Wash, as acquired, on a year-to-date basis during the year of acquisition and, thereafter, on a, trailing 12-month basis, measured quarterly; and (3) a loan-to-value ratio of 65.00% (based on the fair market value of the 67th Avenue Car Wash and 51st Avenue Car Wash, as acquired, determined by an appraisal ordered by, reviewed by and accepted by the lender, in its sole discretion);
- the 67th Avenue Car Wash and 51st Avenue Car Wash loans are to be cross-defaulted with other obligations, direct or indirect, of the US Limited Partnership, including the Arizona Car Wash I Commercial Real Estate Loan and the Arizona Car Wash II Commercial Real Estate Loan; and
- customary events of default (the occurrence of which will allow the mortgagee/lender to demand payment of all amounts owing or realise upon its security).

It is anticipated that the applicable Car Wash LPs or the US Limited Partnership will be required to maintain on deposit with the arm's length lender a cash balance of not less than 10% of the outstanding loan principal during the term of the loan. Consequently, Available Funds that would be available to the Fund and its affiliates for acquiring or investing in additional Car Washes or other income-producing industrial and commercial properties located in the United States or Canada, or funds that would otherwise be available for distribution or Working Capital, regardless of the source, will be reduced, so long as such cash balance is maintained. The lender requirement to maintain such a cash balance on deposit during the term of the loan may materially restrict the distribution of funds from the Fund's subsidiaries to the Fund and, ultimately, to Investors, set out in **Item 5.2.2 – Flow of Funds from the Car Washes**. The ability of the applicable Car Wash LP or the US Limited Partnership to pay cash distributions to its partners and, ultimately, the Fund, may be adversely affected while maintaining such a cash balance on deposit during the term of the loan. The Fund may realize lower distributions from its subsidiaries, and consequently distribute a lower amount to Investors, than if such Available Funds or other funds had been used to acquire or invest in additional Car Washes, or other income-producing industrial and commercial properties. Further, any Available Funds or other funds that are used to maintain the cash balance on deposit during the term of the loan will not be available to pay, in whole or in part, expenses and other obligations of the Fund, cash redemptions or repurchases of Trust Units, any tax liability, or fund any reserves established by the Trustees, in their sole discretion. Consequently, the lender requirement to maintain such a cash balance on deposit during the term of the loan may adversely affect the ability of the Fund, Clear Sky LP XIV and the US Limited Partnership or the applicable Car Wash LP to pay, in whole or in part, expenses in connection with the Offering, start-up and operational costs, costs associated with acquiring (or investing in) and operating the Car Washes (including the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash, Bell Road Car Wash and the proposed acquisitions of the 67th Avenue Car Wash and 51st Avenue Car Wash), and the general and administrative, marketing and operating expenses of the Fund and its affiliates.

See **Item 2.1.1 – Organizational Chart**, **Item 2.1.5.5 – 67th Avenue Car Wash LP** and **Item 2.7.8 – 67th Avenue Car Wash Acquisition Agreement**.

The total acquisition costs for the 67th Avenue Car Wash are anticipated to be approximately as follows:

67th Avenue Car Wash Acquisition Costs⁽¹⁾⁽²⁾	Amount
Purchase price for the 67 th Avenue Car Wash	US\$4,844,880
Fees & charges relating to the commercial real estate term loan (e.g., lender's due diligence, legal, appraisals, surveys, engineering, inspection reports) ⁽¹⁾	US\$20,000
Due Diligence Charges (e.g., appraisals, surveys, engineering, inspection reports)	US\$20,000
Title/Escrow Charges (e.g., escrow agent's fee, title insurance)	US\$5,000
Miscellaneous disbursements	US\$5,000
67th Avenue Car Wash Purchase Price:	US\$4,894,880
1.75% Acquisition Fee payable	US\$84,785
Fees to the commercial real estate term loan lender ⁽²⁾	US\$31,492

67th Avenue Car Wash Acquisition Costs⁽¹⁾⁽²⁾

	Amount
Accounting & Legal Fees	US\$85,000
APPROXIMATE TOTAL:	US\$5,096,157

Notes:

- (1) To be funded using new commercial real estate term loan proceeds from an arm's length lender in connection with the acquisition of the Car Wash (based on a target of up to 65% of the purchase price or appraised value, whichever is lower, for the each of the proposed 67th Avenue Car Wash and 51st Avenue Car Wash acquisitions) together with Offering proceeds and funds from other sources, as needed.
- (2) It is anticipated that fees of approximately US\$71,273 are to be paid on behalf of 67th Avenue Car Wash LP (US\$31,492) and 51st Avenue Car Wash LP (US\$39,781) to the arm's length lender(s) in connection with new commercial real estate loan financing on the 67th Avenue Car Wash and the 51st Avenue Car Wash, a portion of which is non-refundable in the event that either the 67th Avenue Car Wash acquisition or 51st Avenue Car Wash contemplated as of the date of this offering memorandum is not completed.

The 67th Avenue Car Wash

The 67th Avenue Car Wash is an Exterior Express facility located in a well-traveled, high traffic location with easy access into and out of the facility. The site has frontage along main thoroughfares. Upon entering the 67th Avenue Car Wash facility, a customer is met with an automated point of sale system, which accepts cash, debit, or credit cards. An employee is available at the point of sale to assist the customer with the transaction and to suggest upgrade options, which may include a disposable towel to wipe the interior while the customer goes through the wash or a scented car freshener. After the point of sale, the customer drives his vehicle forward into the facility guided by an employee directing the vehicle onto the conveyor track. Once on the track the vehicle is shifted into neutral and the conveyor pulls it through the various machines which rinse, apply soap, scrub the vehicle, rinse again and then dry the vehicle with large air dryers. After the vehicle exits the Car Wash facility, parking spaces are provided for the customer to park the vehicle and use free vacuums that are available to clean the vehicle's interior.

Any renovation/upgrade plans for the 67th Avenue Car Wash will likely evolve as Car Wash GP I becomes more familiar with the property.

Due Diligence on the 67th Avenue Car Wash

As contemplated in the 67th Avenue Car Wash Acquisition Agreement, the US General Partners and Car Wash GP I had a 60-day inspection period (expiring July 7, 2015) during which they propose to conduct, on behalf of 67th Avenue Car Wash LP (as buyer), a title review and other due diligence on the 67th Avenue Car Wash (including the completion of any and all inspections, surveys, environmental studies, appraisals, reviews of operations contracts, tests, and other due diligence the buyer desired upon the 67th Avenue Car Wash, but excluding any intrusive investigations of the subsurface of the 67th Avenue Car Wash), in advance of completing the acquisition.

As part of its due diligence on the 67th Avenue Car Wash, the Fund has compiled and prepared the following financial statements for the 67th Avenue Car Wash:

- Unaudited financial statements for 67th Avenue Car Wash as at and for the interim period ended March 31, 2015;
- Audited financial statements for the 67th Avenue Car Wash as at and for the financial year ended December 31, 2014; and
- Unaudited financial statements for 67th Avenue Car Wash as at and for the financial year ended December 31, 2013.

See **Item 12 – Financial Statements**.

2.3.1.2 Acquisition of the 51st Avenue Car Wash

An affiliate of Marcus Kurschat, Trustee and President of the Fund, has entered into the 51st Avenue Car Wash Acquisition Agreement with a seller, who is at arm's length to the Fund, 51st Avenue Car Wash LP and their affiliates and Pinnacle Wealth Brokers Inc., to acquire the 51st Avenue Car Wash in Phoenix, Arizona for an aggregate purchase price of US\$6,120,216 (subject to adjustment under the 51st Avenue Car Wash Acquisition Agreement). The 51st Avenue Car Wash Agreement is to be assigned at no additional cost to 51st Avenue Car Wash LP (as buyer) in connection with acquisition (if at all) of the 51st Avenue Car Wash. If the 51st Avenue Car

Wash acquisition is completed pursuant to the 51st Avenue Car Wash Acquisition Agreement, it is anticipated that 51st Avenue Car Wash LP, as buyer, will have satisfied the purchase price through:

- payments of non-refundable earnest money and closing extension deposits prior to closing of up to US\$556,011 in total (based on the maximum extension of the acquisition closing date to August 20, 2015 and the prior acquisition of the 67th Avenue Car Wash);
- payment at closing of up to approximately US\$3,978,140, to be funded through proceeds from an arm's length lender (based on a loan-to-purchase price target of up to 65% being used for the proposed acquisition of the 51st Avenue Car Wash); and
- an additional cash payment at closing of approximately US\$1,586,065 (based on non-refundable earnest money and closing extension deposits totalling US\$556,011 having been paid and new commercial real estate term loan financing that is up to 65% of the purchase price or appraised value (whichever is lower) of the 51st Avenue Car Wash; if the loan-to-purchase price target is not reached and the acquisition is completed with a lower loan principal, or the amount paid as deposits is lower, the cash-to-close payment will be increased).

In addition, 51st Avenue Car Wash LP, as buyer, will assume liabilities of the seller relating to monthly memberships and gift cards outstanding as part of the 51st Avenue Car Wash acquisition.

Under the 51st Avenue Car Wash Acquisition Agreement, the buyer has a 60-day period (expiring July 7, 2015) to inspect and conduct buyer's due diligence on, and during which it will seek satisfactory financing for, the 51st Avenue Car Wash acquisition. If satisfactory financing is not available or the buyer determines that it does not wish to complete the 51st Avenue Car Wash acquisition before the expiry of the financing/due diligence period, the buyer may in its sole discretion terminate the 51st Avenue Car Wash Acquisition Agreement, whereupon the buyer's earnest money and closing extension (if any) deposits are to be returned and the parties will have no further obligation. 51st Avenue anticipates completing the acquisition once satisfactory arrangements are in place for financing the entire 51st Avenue Car Wash purchase price and provided the 51st Avenue Car Wash Acquisition Agreement has not been terminated on or before closing of the acquisition. The 51st Avenue Car Wash acquisition closing is scheduled for July 21, 2015 but may be extended until August 20, 2015 upon the buyer's payment of US\$242,244 as a non-refundable closing extension deposit (except in the case of the seller's default under the agreement). The buyer may accelerate the scheduled closing date for the 51st Avenue Car Wash acquisition by giving the seller at least seven days' prior notice of the newly scheduled closing date.

Under the 51st Avenue Car Wash Acquisition Agreement, the seller is not required to sell the 51st Avenue Car Wash unless 67th Avenue Car Wash LP or its affiliate has either (1) completed the 67th Avenue Car Wash acquisition under the 67th Avenue Car Wash Acquisition Agreement, or (2) paid US\$200,000 as an additional earnest money deposit in connection with the proposed acquisition of the 51st Avenue Car Wash. It is anticipated that the acquisition of sell the 67th Avenue Car Wash is to occur first (if at all) and that 51st Avenue Car Wash LP or its affiliate will have paid an additional earnest money deposit of US\$200,000 to the seller thereof under the 51st Avenue Car Wash Acquisition Agreement.

The buyer intends to obtain new amortizing commercial real estate term loan financing for each of the 67th Avenue Car Wash and 51st Avenue Car Wash acquisitions from one or more arm's length lenders, although it may avail itself of other alternative bridge financing arrangements (if available) in order to complete either the 67th Avenue Car Wash or 51st Avenue Car Wash acquisition. As of the date of this offering memorandum, none of the Fund or its affiliates has received a formal loan commitment from any arm's length lender in connection with completing the 67th Avenue Car Wash or 51st Avenue Car Wash acquisitions. However, based on discussions with prospective arm's length lenders, the Fund and its affiliates anticipate that an amortizing commercial real estate term loan secured against each of the 67th Avenue Car Wash and 51st Avenue Car Wash, if acquired, which would be finalized in completing those acquisitions, will have substantially the following terms (subject always to the finalization of such terms in definitive documentation between the parties thereto):

- loan principal of up to approximately US\$4,000,000 in respect of the 52nd Avenue Car Wash. The final loan amount is expected to be limited to 65% of the lesser of loan-to-appraised value (LTV) or loan-to-purchase price (LTC);
- maturity date in 20 years after completion of the earlier of the applicable Car Wash acquisitions;
- fixed annual interest rate of 5.00% for the first five years of the loan term; adjusting every five years to a new fixed rate that is 3.50% above the then-current Federal Housing Bank five-year advance rate (*e.g.*, FHLB rate was approximately 2.05% as of the date of this offering memorandum);

- the borrower's monthly repayments of (1) blended principal and interest calculated using a 25-year amortization period, and (2) a balloon payment to be paid at maturity consisting of all remaining principal and accrued interest;
- secured by (1) a first financial charge against the 67th Avenue Car Wash and 51st Avenue Car Wash real property, as acquired; (2) general security agreement on all furniture, fixtures and equipment at the 67th Avenue Car Wash and 51st Avenue Car Wash, as acquired; (3) guarantees from the US Limited Partnership and the US General Partner; and (4) limited guarantees from Marcus Kurschat, Trustee and President of the Fund, and Tim Barrett, a Clear Sky Capital Arizona employee who provides General Manager services for one or more acquired Car Washes;
- the loan may be prepaid at any time, in whole or in part, without penalty, except where the 67th Avenue Car Wash or 51st Avenue Car Wash (as acquired) is refinanced through a loan from another lender, in which case there is a 5% penalty if repaid during the first year of the loan, a 4% penalty if repaid during the second year of the loan, a 3% penalty if repaid during the third year of the loan, a 2% penalty if repaid during the fourth year of the loan, and a 1% penalty if repaid during the fifth or sixth year of the loan. No prepayment penalty will apply if the loan is repaid after the sixth year of the loan or if the Car Wash(es) is sold after the second year of the loan;
- customary covenants in favour of the mortgagee/lender, including that the proceeds will be due to the lender upon the sale of the 67th Avenue Car Wash or 51st Avenue Car Wash (as acquired), restrictions on change of control of the borrower, insurance coverage, receiver rights, and covenants that (which may also be conditions precedent to lender advancing funds) each of the 67th Avenue Car Wash and 51st Avenue Car Wash, as acquired, is to have (1) a pre-distribution minimum debt service coverage ratio of approximately 1.5 times EBITDA (calculated as earnings before interest, taxes, depreciation and amortization expense (EBITDA) divided by the borrower's aggregate interest expense, current portions of the subject loan and any other term debt or capitalized leases of the borrower and its affiliates) from the 67th Avenue Car Wash and 51st Avenue Car Wash, as acquired, on a year-to-date basis during the year of acquisition and, thereafter, on a pre-distribution, trailing 12-month basis, measured quarterly; (2) a minimum post-distribution debt service coverage ratio of approximately 1.1 times EBITDA (calculated as earnings before interest, taxes, depreciation and amortization expense (EBITDA) divided by the borrower's aggregate interest expense, current portions of the subject loan and any other term debt or capitalized leases of the borrower and its affiliates) from the 67th Avenue Car Wash and 51st Avenue Car Wash, as acquired, on a year-to-date basis during the year of acquisition and, thereafter, on a, trailing 12-month basis, measured quarterly; and (3) a loan-to-value ratio of 65.00% (based on the fair market value of the 67th Avenue Car Wash and 51st Avenue Car Wash, as acquired, determined by an appraisal ordered by, reviewed by and accepted by the lender, in its sole discretion);
- the 67th Avenue Car Wash and 51st Avenue Car Wash loans are to be cross-defaulted with other obligations, direct or indirect, of the US Limited Partnership, including the Arizona Car Wash I Commercial Real Estate Loan and the Arizona Car Wash II Commercial Real Estate Loan; and
- customary events of default (the occurrence of which will allow the mortgagee/lender to demand payment of all amounts owing or realise upon its security).

It is anticipated that the applicable Car Wash LPs or the US Limited Partnership will be required to maintain on deposit with the arm's length lender a cash balance of not less than 10% of the outstanding loan principal during the term of the loan. Consequently, Available Funds that would be available to the Fund and its affiliates for acquiring or investing in additional Car Washes or other income-producing industrial and commercial properties located in the United States or Canada, or funds that would otherwise be available for distribution or Working Capital, regardless of the source, will be reduced, so long as such cash balance is maintained. The lender requirement to maintain such a cash balance on deposit during the term of the loan may materially restrict the distribution of funds from the Fund's subsidiaries to the Fund and, ultimately, to Investors, set out in **Item 5.2.2 – Flow of Funds from the Car Washes**. The ability of the applicable Car Wash LP or the US Limited Partnership to pay cash distributions to its partners and, ultimately, the Fund, may be adversely affected while maintaining such a cash balance on deposit during the term of the loan. The Fund may realize lower distributions from its subsidiaries, and consequently distribute a lower amount to Investors, than if such Available Funds or other funds had been used to acquire or invest in additional Car Washes, or other income-producing industrial and commercial properties. Further, any Available Funds or other funds that are used to maintain the cash balance on deposit during the term of the loan will not be available to pay, in whole or in part, expenses and other obligations of the Fund, cash redemptions or repurchases of Trust Units, any tax liability, or fund any reserves established by the Trustees, in their sole discretion. Consequently, the lender requirement to maintain such a cash balance on deposit during the term of the loan may adversely affect the ability of the Fund, Clear Sky LP XIV and the US Limited Partnership or the applicable Car Wash LP to pay, in whole or in part, expenses in connection with the Offering, start-up and operational costs, costs associated with acquiring (or investing in) and operating the Car Washes (including the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash, Bell Road Car Wash and the proposed acquisitions of the 67th Avenue Car Wash and 51st Avenue Car Wash), and the general and administrative, marketing and operating expenses of the Fund and its affiliates.

See **Item 2.1.1 – Organizational Chart**, **Item 2.1.5.6 – 51st Avenue Car Wash LP** and **Item 2.7.9 – 51st Avenue Car Wash Acquisition Agreement**.

The total acquisition costs for the 51st Avenue Car Wash are anticipated to be approximately as follows:

51st Avenue Car Wash Acquisition Costs⁽¹⁾⁽²⁾	Amount
Purchase price for the 51 st Avenue Car Wash	US\$6,120,216
Fees & charges relating to the commercial real estate term loan (<i>e.g.</i> , lender's due diligence, legal, appraisals, surveys, engineering, inspection reports) ⁽¹⁾	US\$20,000
Due Diligence Charges (<i>e.g.</i> , appraisals, surveys, engineering, inspection reports)	US\$20,000
Title/Escrow Charges (<i>e.g.</i> , escrow agent's fee, title insurance)	US\$5,000
Miscellaneous disbursements	US\$5,000
51st Avenue Car Wash Purchase Price:	US\$6,170,216
1.75% Acquisition Fee payable	US\$107,104
Fees to the commercial real estate term loan lender ⁽²⁾	US\$39,781
Accounting & Legal Fees	US\$85,000
APPROXIMATE TOTAL:	US\$6,402,101

Notes:

- (1) To be funded using new commercial real estate term loan proceeds from an arm's length lender in connection with the acquisition of the Car Wash (based on a target of up to 65% of the purchase price or appraised value, whichever is lower, for the each of the proposed 67th Avenue Car Wash and 51st Avenue Car Wash acquisitions) together with Offering proceeds and funds from other sources, as needed.
- (2) It is anticipated that fees of approximately US\$71,273 are to be paid on behalf of 67th Avenue Car Wash LP (US\$31,492) and 51st Avenue Car Wash LP (US\$39,781) to the arm's length lender(s) in connection with new commercial real estate loan financing on the 67th Avenue Car Wash and the 51st Avenue Car Wash, a portion of which is non-refundable in the event that either the 67th Avenue Car Wash acquisition or 51st Avenue Car Wash contemplated as of the date of this offering memorandum is not completed.

The 51st Avenue Car Wash

The 51st Avenue Car Wash is an Exterior Express facility located in a well-traveled, high traffic location with easy access into and out of the facility. The site has frontage along main thoroughfares. Upon entering the 51st Avenue Car Wash facility, a customer is met with an automated point of sale system, which accepts cash, debit, or credit cards. An employee is available at the point of sale to assist the customer with the transaction and to suggest upgrade options, which may include a disposable towel to wipe the interior while the customer goes through the wash or a scented car freshener. After the point of sale, the customer drives his vehicle forward into the facility guided by an employee directing the vehicle onto the conveyor track. Once on the track the vehicle is shifted into neutral and the conveyor pulls it through the various machines which rinse, apply soap, scrub the vehicle, rinse again and then dry the vehicle with large air dryers. After the vehicle exits the Car Wash facility, parking spaces are provided for the customer to park the vehicle and use free vacuums that are available to clean the vehicle's interior.

Any renovation/upgrade plans for the 51st Avenue Car Wash will likely evolve as Car Wash GP I becomes more familiar with the property.

Due Diligence on the 51st Avenue Car Wash

As contemplated in the 51st Avenue Car Wash Acquisition Agreement, the US General Partners and Car Wash GP I had a 60-day inspection period (expiring July 7, 2015) during which they propose to conduct, on behalf of 51st Avenue Car Wash LP (as buyer), a title review and other due diligence on the 51st Avenue Car Wash (including the completion of any and all inspections, surveys, environmental studies, appraisals, reviews of operations contracts, tests, and other due diligence the buyer desired upon the 51st Avenue Car Wash, but excluding any intrusive investigations of the subsurface of the 51st Avenue Car Wash), in advance of completing the acquisition.

As part of its due diligence on the 51st Avenue Car Wash, the Fund has compiled and prepared the following financial statements for the 51st Avenue Car Wash:

- Unaudited financial statements for 51st Avenue Car Wash as at and for the interim period ended March 31, 2015;
- Audited financial statements for the 51st Avenue Car Wash as at and for the financial year ended December 31, 2014; and
- Unaudited financial statements for 51st Avenue Car Wash as at and for the financial year ended December 31, 2013.

See **Item 12 – Financial Statements**.

2.3.1.3 Acquired Car Washes

As of the date of this offering memorandum, four Car Washes have been acquired:

Name & Location	Purchase Price	Acquisition Date
Scottsdale Road Car Wash 301 North Scottsdale Road Scottsdale, Arizona 85257	US\$3,800,000. The purchase price and related closing costs were satisfied by payments of approximately: <ul style="list-style-type: none"> • US\$1,564,151⁽¹⁾, funded with Offering Proceeds and the buyer's earnest money and closing extension deposits applied to the purchase price; and • US\$2,235,849⁽²⁾, funded through new commercial real estate financing under the Arizona Car Wash I Commercial Real Estate Loan. 	November 13, 2014
Encanto Road Car Wash 8301 West Encanto Blvd. Phoenix, Arizona 85037	US\$3,200,000. The purchase price and related closing costs were satisfied by payments of approximately: <ul style="list-style-type: none"> • US\$1,310,849⁽¹⁾, funded with Offering Proceeds and the buyer's earnest money and closing extension deposits applied to the purchase price; and • US\$1,889, 151⁽²⁾, funded through new commercial real estate financing under the Arizona Car Wash I Commercial Real Estate Loan. 	December 17, 2014
Power Road Car Wash 243 North Power Road Mesa, Arizona 85206	US\$3,000,000. The purchase price and related closing costs were satisfied by payments of approximately: <ul style="list-style-type: none"> • US\$1,125,000⁽¹⁾, funded with Offering Proceeds and the buyer's earnest money and closing extension deposits applied to the purchase price; and • US\$1,875,000⁽²⁾, funded through new commercial real estate financing under the Arizona Car Wash I Commercial Real Estate Loan. 	January 29, 2015
Bell Road Car Wash 17001 North 26 Street Phoenix, Arizona 85032	US\$3,700,000. The purchase price and related closing costs were satisfied by payments of approximately: <ul style="list-style-type: none"> • US\$1,295,000⁽¹⁾, funded with Offering Proceeds and the buyer's earnest money and closing extension deposits applied to the purchase price; and • US\$2,405,000⁽³⁾, funded through new commercial real estate financing under the Arizona Car Wash II Commercial Real Estate Loan. 	April 21, 2015

Notes:

- (1) See also **Item 2.7.10 – Acquired Car Wash Acquisition Agreements.**
- (2) See also **Item 2.7.11 – Arizona Car Wash I Commercial Real Estate Loan.**
- (3) See also **Item 2.7.12 – Arizona Car Wash II Commercial Real Estate Loan.**

Each of the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash and Bell Road Car Wash included:

- all that real property, improvements, personal property, and inventory thereon as of the acquisition thereof contained within the boundaries of the applicable parcel, as legally described in the official records of Maricopa County, Arizona; and
- the structures and other improvements for the car wash facilities thereon for which such property is used as a car wash business, including (i) all and singular, the rights, benefits, privileges, easements, tenements, hereditaments, and appurtenances thereon or in any way appurtenant to such real property, (ii) without warranty, all the seller's right, title, and interest in and to all strips and gores and any land lying in the bed of any street, road or alley, open or proposed, adjoining such real property, (iii) all buildings, structures, signs, fixtures, equipment, goods, products, and inventory upon the property, (iv) all contracts, agreements, licenses, and permits relating to the operation of the business expressly accepted by the applicable Car Wash LP, as buyer, and (v) all of the seller's right, title and interest in, to and under all other assets, properties, and rights of every kind and nature, whether real, personal, or mixed, tangible or intangible (including goodwill), wherever located and whether now existing or thereafter acquired, which relate to, or are used or held for use in connection with, the operation of the business being operated on the property as of the acquisition thereof.

However, each of the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash and Bell Road Car Wash specifically excluded (1) all of seller's cash, bank deposits, certificates of deposit, securities, investments, and claims for tax refunds, including the cash on hand at the applicable Car Wash facility on the applicable closing date; (2) all of the seller's corporate documents and records, employee files, operating manuals, handbooks, and any similar documents; (3) licenses, established and asserted trademarks, trade secrets, the business names and rights associated with all or part of the business name including Quick 'N Clean or any other names used at the applicable Car Wash facility, web sites or other intellectual property used in connection with the Car Wash facility; and (4) all accounts receivable generated by the seller at the applicable Car Wash facility through the applicable closing date.

Scottsdale Road Car Wash

Scottsdale Road Car Wash LP assumed at no additional cost, as buyer, the Scottsdale Road Car Wash acquisition agreement whereby it acquired the Scottsdale Road Car Wash as of November 13, 2014 from a seller (who is at arm's length to the Fund, Scottsdale Road Car Wash LP and their affiliates, and Pinnacle Wealth Brokers Inc.) for an aggregate purchase price of US\$3,800,000 (subject to adjustment under the Scottsdale Road Car Wash acquisition agreement). Scottsdale Road Car Wash LP completed the acquisition of the Scottsdale Road Car Wash pursuant to the Scottsdale Road Car Wash acquisition agreement, after due diligence and making satisfactory arrangements for financing for the Scottsdale Road Car Wash purchase price, including the seller's discharge of the existing mortgage on the Scottsdale Road Car Wash. The Scottsdale Road Car Wash purchase price and related closing costs (including the discharge of the existing mortgage on the Scottsdale Road Car Wash and fees associated with such defeasance) were satisfied by payment of approximately US\$1,564,151.00 in cash (funded with Offering Proceeds and the buyer's earnest money and closing extension deposits totalling US\$240,000, which deposits were applied to the Scottsdale Road Car Wash purchase price) and US\$2,235,849.00 through new commercial real estate financing under the Arizona Car Wash I Commercial Real Estate Loan. Scottsdale Road Car Wash LP, as a co-borrower, has entered into the Arizona Car Wash I Commercial Real Estate Loan. The closing amounts paid by Scottsdale Road Car Wash LP included additional earnest money deposits of US\$25,000 for each of the Encanto Road Car Wash and Power Road Car Wash, paid on behalf of the proposed buyers of those Car Washes, respectively, and fees of US\$60,000 to the arm's length mortgage lender in connection with the Arizona Car Wash I Commercial Real Estate Loan for the Scottsdale Road Car Wash, Encanto Road Car Wash and Power Road Car Wash, each of which has been acquired.

See **Item 2.1.1 – Organizational Chart**, **Item 2.1.5.1 – Scottsdale Road Car Wash LP**, and **Item 2.7.10 – Acquired Car Wash Acquisition Agreements**, **Item 2.7.11 – Arizona Car Wash I Commercial Real Estate Loan** and **Item 4.2 – Long-Term Debt Securities**.

Any renovation/upgrade plans for the Scottsdale Road Car Wash will likely evolve as Car Wash GP I becomes more familiar with the property.

The total acquisition costs for the Scottsdale Road Car Wash are as follows:

Scottsdale Road Car Wash Acquisition Costs⁽¹⁾⁽²⁾	Amount
Purchase price for the Scottsdale Road Car Wash	US\$3,800,000
Fees & charges relating to the commercial real estate loan (e.g., lender's due diligence, legal, appraisals, surveys, engineering, inspection reports) ⁽³⁾	US\$6,035
Title/Escrow Charges (e.g., escrow agent's fee, title insurance)	US\$5,870
Miscellaneous disbursements	US\$2,971
Scottsdale Road Car Wash Purchase Price:	US\$3,824,876
1.75% Acquisition Fee paid	US\$66,500
Fees to the Scottsdale Road Car Wash lender ⁽¹⁾	US\$22,800
Accounting & Legal Fees	US\$85,000
APPROXIMATE TOTAL:	US\$3,999,176⁽²⁾

Notes:

- (1) Origination fees totaling US\$60,000 were paid on behalf of Scottsdale Road Car Wash LP, Encanto Road Car Wash LP and Power Road Car Wash LP to the arm's length lender in connection with arranging new commercial real estate term loan financing for the acquisitions of Scottsdale Road Car Wash, Encanto Road Car Wash and Power Road Car Wash, all of which have been acquired.
- (2) This amount does not represent the carrying amount for the Scottsdale Road Car Wash in the Carve-Out Financial Statements for that Car Wash. Reference should be made to the most recent Carve-Out Statement of Financial Position of the Scottsdale Road Car Wash and the notes thereto, contained in this offering memorandum for further details on the carrying value of the Car Wash. See **Item 12 – Financial Statements**.
- (3) This amounts represents up-front fees paid f to the arm's length lender in connection with arranging new commercial real estate term loan financing for the acquisitions of Scottsdale Road Car Wash, Encanto Road Car Wash and Power Road Car Wash.

In connection with the completion of the Scottsdale Road Car Wash acquisition, the seller granted Scottsdale Road Car Wash LP a license to use the Quick 'N Clean Car Wash service mark, substantially on terms and conditions previously agreed to by the parties during the 60-day financing period under the Scottsdale Road Car Wash acquisition agreement. See **Item 2.7.13 – QNC License Agreements**.

As contemplated in the Scottsdale Road Car Wash acquisition agreement, the US General Partners and Car Wash GP I had a 30-day inspection period (expired August 18, 2014) during which they conducted, on behalf of Scottsdale Road Car Wash LP (as buyer), a title review and other due diligence on the Scottsdale Road Car Wash (including the completion of any and all inspections, surveys, environmental studies, appraisals, reviews of operations contracts, tests, and/or other due diligence the buyer may desire upon the Scottsdale Road Car Wash, but excluding any intrusive investigations of the subsurface of the Scottsdale Road Car Wash) in advance of completing the acquisition.

As part of its due diligence on the Scottsdale Road Car Wash, the Fund has compiled and prepared the following financial statements for the Scottsdale Road Car Wash:

- Unaudited financial statements for Scottsdale Road Car Wash as at and for the ten months ended October 31, 2014;
- Audited financial statements for the Scottsdale Road Car Wash as at and for the financial year ended December 31, 2013; and
- Unaudited financial statements for Scottsdale Road Car Wash as at and for the financial year ended December 31, 2012.

See **Item 12 – Financial Statements**.

Encanto Road Car Wash

Encanto Road Car Wash LP assumed at no additional cost, as buyer, the Encanto Road Car Wash acquisition agreement whereby it acquired the Encanto Road Car Wash as of December 17, 2014 from a seller (who is at arm's length to the Fund, Encanto Road Car Wash LP and their affiliates, and Pinnacle Wealth Brokers Inc.) for an aggregate purchase price of US\$3,200,000 (subject to adjustment under the Encanto Road Car Wash acquisition agreement). Encanto Road Car Wash LP completed the acquisition of the Encanto Road Car Wash pursuant to the Encanto Road Car Wash acquisition agreement, after due diligence and making satisfactory arrangements for financing for the Encanto Road Car Wash purchase price, including the seller's discharge of the existing mortgage on the Encanto Road Car Wash. The Encanto Road Car Wash purchase price and related closing costs (including the discharge of the

existing mortgage on the Encanto Road Car Wash and fees associated with such defeasance) were satisfied by payment of approximately US\$1,310,849 in cash (funded with Offering Proceeds and the buyer's earnest money and closing extension deposits totalling US\$75,000, which deposits were applied to the Encanto Road Car Wash purchase price) and US\$1,889,151 through new commercial real estate financing under the Arizona Car Wash I Commercial Real Estate Loan. Encanto Road Car Wash LP, as a co-borrower, has entered into the Arizona Car Wash I Commercial Real Estate Loan. The closing amounts paid by Encanto Road Car Wash LP include an additional earnest money deposit of \$75,000 for the Power Road Car Wash, paid on behalf of the proposed buyer of that Car Wash.

See **Item 2.1.1 – Organizational Chart**, **Item 2.1.5.2 – Encanto Road Car Wash LP**, **Item 2.7.10 – Acquired Car Wash Acquisition Agreements**, **Item 2.7.11 – Arizona Car Wash I Commercial Real Estate Loan** and **Item 4.2 – Long-Term Debt Securities**.

Any renovation/upgrade plans for the Encanto Road Car Wash will likely evolve as Car Wash GP I becomes more familiar with the property.

The total acquisition costs for the Encanto Road Car Wash are as follows:

Encanto Road Car Wash Acquisition Costs⁽¹⁾⁽²⁾	Amount
Purchase price for the Encanto Road Car Wash	US\$3,200,000
Title/Escrow Charges (<i>e.g.</i> , escrow agent's fee, title insurance)	US\$5,241
Miscellaneous disbursements	US\$702
Encanto Road Car Wash Purchase Price:	US\$3,205,943
1.75% Acquisition Fee paid	US\$56,000
Fees to the Encanto Road Car Wash lender ⁽¹⁾	US\$19,200
Accounting & Legal Fees	US\$85,000
APPROXIMATE TOTAL:	US\$3,366,143⁽¹⁾⁽²⁾

Notes:

- (1) Fees totaling US\$60,000 were paid on behalf of Scottsdale Road Car Wash LP, Encanto Road Car Wash LP and Power Road Car Wash LP to the arm's length lender in connection with arranging new commercial real estate term loan financing for the acquisitions of the Scottsdale Road Car Wash, Encanto Road Car Wash and Power Road Car Wash all of which have been acquired.
- (2) This amount does not represent the carrying amount for the Encanto Road Car Wash in the Carve-Out Financial Statements for that Car Wash. Reference should be made to the most recent Carve-Out Statement of Financial Position of the Encanto Road Car Wash and the notes thereto, contained in this offering memorandum for further details on the carrying value of the Car Wash. See **Item 12 – Financial Statements**.

In connection with the completion of the Encanto Road Car Wash acquisition, the seller granted Encanto Road Car Wash LP a license to use the Quick 'N Clean Car Wash service mark, substantially on terms and conditions previously agreed to by the parties during the 60-day financing period under the Encanto Road Car Wash acquisition agreement. See **Item 2.7.13 – QNC License Agreements**.

As contemplated in the Encanto Road Car Wash acquisition agreement, the US General Partners and Car Wash GP I had a 30-day inspection period (expired on August 18, 2014) during which they conducted, on behalf of Encanto Road Car Wash LP (as buyer), a title review and other due diligence on the Encanto Road Car Wash (including the completion of any and all inspections, surveys, environmental studies, appraisals, reviews of operations contracts, tests, and other due diligence the buyer desired upon the Encanto Road Car Wash, but excluding any intrusive investigations of the subsurface of the Encanto Road Car Wash, in advance of completing the acquisition. An initial earnest money deposit of US\$50,000 was paid into escrow under the Encanto Road Car Wash acquisition agreement pending the expiry of the 30-day inspection period, whereupon such earnest money deposit became non-refundable (but was applied to the purchase price upon completion of the Encanto Road Car Wash acquisition). An additional earnest money deposit of US\$25,000 was paid into escrow under the Encanto Road Car Wash acquisition agreement upon completion of the Scottsdale Road Car Wash acquisition, which deposit was non-refundable (but was applied to the purchase price upon completion of the Encanto Road Car Wash acquisition).

As part of its due diligence on the Encanto Road Car Wash, the Fund has compiled and prepared the following financial statements for the Encanto Road Car Wash:

- Unaudited financial statements for Encanto Road Car Wash as at and for the ten months ended October 31, 2014;
- Audited financial statements for the Encanto Road Car Wash as at and for the financial year ended December 31, 2013; and

- Unaudited financial statements for Encanto Road Car Wash as at and for the financial year ended December 31, 2012.

See **Item 12 – Financial Statements**.

Power Road Car Wash

Power Road Car Wash LP assumed at no additional cost, as buyer, the Power Road Car Wash acquisition agreement whereby it acquired the Power Road Car Wash as of January 29, 2015 from a seller (who is at arm's length to the Fund, Power Road Car Wash LP and their affiliates, and Pinnacle Wealth Brokers Inc.) to acquire the Power Road Car Wash for an aggregate purchase price of US\$3,000,000 (subject to adjustment under the Power Road Car Wash acquisition agreement). Power Road Car Wash LP completed the acquisition of the Power Road Car Wash pursuant to the Power Road Car Wash acquisition agreement, after due diligence and making satisfactory arrangements for financing for the Power Road Car Wash purchase price, including the seller's discharge of the existing mortgage on the Power Road Car Wash. The Power Road Car Wash purchase price and related closing costs (including the discharge of the existing mortgage on the Power Road Car Wash and fees associated with such defeasance) were satisfied by payment of approximately US\$1,125,000 in cash (funded with Offering Proceeds and the buyer's earnest money and closing extension deposits totalling US\$100,000, which deposits were applied to the Power Road Car Wash purchase price) and US\$1,875,000 through new commercial real estate financing under the Arizona Car Wash I Commercial Real Estate Loan. Power Road Car Wash LP, as a co-borrower, has entered into the Arizona Car Wash I Commercial Real Estate Loan. See **Item 2.1.1 – Organizational Chart, Item 2.1.5.3 – Power Road Car Wash LP** and **Item 2.7.10 – Acquired Car Wash Acquisition Agreements, Item 2.7.11 – Arizona Car Wash I Commercial Real Estate Loan** and **Item 4.2 – Long-Term Debt Securities**.

Any renovation/upgrade plans for the Power Road Car Wash will likely evolve as Car Wash GP I becomes more familiar with the property.

The total acquisition costs for the Power Road Car Wash are as follows:

Power Road Car Wash Acquisition Costs⁽¹⁾⁽²⁾	Amount
Purchase price for the Power Road Car Wash	US\$3,000,000
Title/Escrow Charges (e.g., escrow agent's fee, title insurance)	US\$5,263
Miscellaneous disbursements	US\$100
Power Road Car Wash Purchase Price:	US\$3,005,363
1.75% Acquisition Fee paid	US\$52,500
Fees to the Power Road Car Wash lender ⁽¹⁾	US\$18,000
Accounting & Legal Fees	US\$85,000
APPROXIMATE TOTAL:	US\$3,161,163⁽²⁾

Notes:

- (1) Fees totaling US\$60,000 were paid on behalf of Scottsdale Road Car Wash LP, Encanto Road Car Wash LP and Power Road Car Wash LP to the arm's length lender in connection with arranging new commercial real estate term loan financing for the acquisitions of the Scottsdale Road Car Wash, Encanto Road Car Wash and Power Road Car Wash acquisitions, all of which have been acquired.
- (2) This amount does not represent the carrying amount for the Power Road Car Wash in the Carve-Out Financial Statements for that Car Wash. Reference should be made to the most recent Carve-Out Statement of Financial Position of the Power Road Car Wash and the notes thereto, contained in this offering memorandum for further details on the carrying value of the Car Wash. See **Item 12 – Financial Statements**.

In connection with the completion of the Power Road Car Wash acquisition, the seller granted Power Road Car Wash LP a license to use the Quick 'N Clean Car Wash service mark, substantially on terms and conditions previously agreed to by the parties during the 60-day financing period under the Power Road Car Wash acquisition agreement. See **Item 2.7.13 – QNC License Agreements**.

As contemplated in the Power Road Car Wash acquisition agreement, the US General Partners and Car Wash GP I had a 30-day inspection period (expired on August 18, 2014) during which they conducted, on behalf of Power Road Car Wash LP (as buyer), a title review and other due diligence on the Power Road Car Wash (including the completion of any and all inspections, surveys, environmental studies, appraisals, reviews of operations contracts, tests, and other due diligence the buyer desired upon the Power Road Car Wash, but excluding any intrusive investigations of the subsurface of the Power Road Car Wash), in advance of completing the acquisition.

An initial earnest money deposit of US\$50,000 was paid into escrow under the Power Road Car Wash acquisition agreement pending the expiry of the 30-day inspection period, whereupon such earnest money deposit became non-refundable (but was applied to the

purchase price upon completion of the Power Road Car Wash acquisition). Additional earnest money deposits of US\$25,000 and US\$75,000 were paid into escrow under the Power Road Car Wash acquisition agreement upon completion of the Scottsdale Road Car Wash and Encanto Road Car Wash acquisitions, respectively, which deposits were non-refundable (but were applied to the purchase price upon completion of the Power Road Car Wash acquisition).

As part of its due diligence on the Power Road Car Wash, the Fund has compiled and prepared the following financial statements for the Power Road Car Wash:

- Audited financial statements for Power Road Car Wash as at and for the financial year ended December 31, 2014;
- Audited financial statements for the Power Road Car Wash as at and for the financial year ended December 31, 2013; and
- Unaudited financial statements for Power Road Car Wash as at and for the financial year ended December 31, 2012.

See **Item 12 – Financial Statements**.

Bell Road Car Wash

Bell Road Car Wash LP assumed at no additional cost, as buyer, the Bell Road Car Wash acquisition agreement whereby it acquired the Bell Road Car Wash as of April 21, 2015 from a seller (who is at arm's length to the Fund, Bell Road Car Wash LP and their affiliates, and Pinnacle Wealth Brokers Inc.) to acquire the Bell Road Car Wash for an aggregate purchase price of US\$3,000,000 (subject to adjustment under the Bell Road Car Wash acquisition agreement). Bell Road Car Wash LP completed the acquisition of the Bell Road Car Wash pursuant to the Bell Road Car Wash acquisition agreement, after due diligence and making satisfactory arrangements for financing for the Bell Road Car Wash purchase price, including the seller's discharge of the existing mortgage on the Bell Road Car Wash. The Bell Road Car Wash purchase price and related closing costs (including the discharge of the existing mortgage on the Bell Road Car Wash and fees associated with such defeasance) were satisfied by payment of approximately US\$1,125,000 in cash (funded with Offering Proceeds and the buyer's earnest money and closing extension deposits totalling US\$100,000, which deposits were applied to the Bell Road Car Wash purchase price) and US\$1,875,000 through new commercial real estate financing under the Arizona Car Wash I Commercial Real Estate Loan. Bell Road Car Wash LP, as a co-borrower, has entered into the Arizona Car Wash I Commercial Real Estate Loan. See **Item 2.1.1 – Organizational Chart**, **Item 2.1.5.4 – Bell Road Car Wash LP** and **Item 2.7.10 – Acquired Car Wash Acquisition Agreements**, **Item 2.7.12 – Arizona Car Wash II Commercial Real Estate Loan** and **Item 4.2 – Long-Term Debt Securities**.

Any renovation/upgrade plans for the Bell Road Car Wash will likely evolve as Car Wash GP I becomes more familiar with the property.

The total acquisition costs for the Bell Road Car Wash are anticipated to be approximately as follows:

Bell Road Car Wash Acquisition Costs⁽¹⁾⁽²⁾	Amount
Purchase price for the Bell Road Car Wash	US\$3,700,000
Fees & charges relating to the commercial real estate term loan (e.g., lender's due diligence, legal, appraisals, surveys, engineering, inspection reports)	US\$10,000
Due Diligence Charges (e.g., appraisals, surveys, engineering, inspection reports)	US\$12,000
Title/Escrow Charges (e.g., escrow agent's fee, title insurance)	US\$3,000
Miscellaneous disbursements	US\$3,000
	Bell Road Car Wash Purchase Price:
	US\$3,728,000
1.75% Acquisition Fee payable	US\$64,750
Fees to the Bell Road Car Wash lender ⁽¹⁾	US\$24,050
Accounting & Legal Fees	US\$85,000
	APPROXIMATE TOTAL: US\$3,901,800⁽²⁾

Notes:

- (1) Fees of US\$24,050 were paid on behalf of Bell Road Car Wash LP to the arm's length lender in connection with new commercial real estate loan financing on the Bell Road Car Wash, a portion of which is non-refundable in the event that the Bell Road Car Wash acquisition contemplated as of the date of this offering memorandum is not completed.

- (2) This amount does not represent the carrying amount for the Bell Road Car Wash in the Carve-Out Financial Statements for that Car Wash. Reference should be made to the most recent Carve-Out Statement of Financial Position of the Bell Road Car Wash and the notes thereto, contained in this offering memorandum for further details on the carrying value of the Car Wash. See **Item 12 – Financial Statements**.

In connection with the completion of the Bell Road Car Wash acquisition, the seller granted Bell Road Car Wash LP a license to use the Quick 'N Clean Car Wash service mark, substantially on terms and conditions previously agreed to by the parties during the 60-day financing period under the Bell Road Car Wash acquisition agreement. See **Item 2.7.13 – QNC License Agreements**.

As contemplated in the Bell Road Car Wash acquisition agreement, the US General Partners and Car Wash GP I had a 30-day inspection period (expired March 20, 2015) during which they conducted, on behalf of Bell Road Car Wash LP (as buyer), a title review and other due diligence on the Bell Road Car Wash (including the completion of any and all inspections, surveys, environmental studies, appraisals, reviews of operations contracts, tests, and other due diligence the buyer desired upon the Bell Road Car Wash, but excluding any intrusive investigations of the subsurface of the Bell Road Car Wash), in advance of completing the acquisition.

An initial earnest money deposit of US\$50,000 was paid into escrow under the Bell Road Car Wash acquisition agreement pending the expiry of the 30-day inspection period, whereupon such earnest money deposit became non-refundable (but was applied to the purchase price upon completion of the Bell Road Car Wash acquisition).

As part of its due diligence on the Bell Road Car Wash, the Fund has compiled and prepared the following financial statements for the Bell Road Car Wash:

- Unaudited financial statements for Bell Road Car Wash as at and for the interim period ended March 31, 2015;
- Audited financial statements for the Bell Road Car Wash as at and for the financial year ended December 31, 2014; and
- Unaudited financial statements for Bell Road Car Wash as at and for the financial year ended December 31, 2013.

See **Item 12 – Financial Statements**.

2.4 Long-term Objectives

The Fund's long term objectives are:

- (a) to conduct the Offering, including the issue and sale of Trust Units (for a breakdown of anticipated costs see **Item 1.1 – Funds**);
- (b) to acquire and establish (through one or more Car Wash LPs) a portfolio of Car Washes or other industrial/commercial properties (and the businesses associated with those properties) located in the United States or Canada (see **Item 2.3 – Development of Business**);
- (c) to earn, and allocate and distribute to Trust Unitholders and US Investors in accordance with the Declaration of Trust, income derived from the investment in the Car Wash LPs (see **Item 5.2 – Cash Distributions to Trust Unitholders**); and
- (d) to sell, refinance or enter into a sale / leaseback arrangement for each Car Wash, whether as a single transaction or as part of a portfolio of Car Wash transactions, when and if the market conditions are favourable (see **Item 2.3.1 – Investment in Car Washes**).

The time and cost to complete these events cannot be confirmed until the Fund or its subsidiaries identify suitable Car Washes to acquire. There is no assurance that any of these events will occur. The specific Car Washes that the Fund's subsidiaries have acquired or anticipate acquiring (or otherwise investing in) as of the date of this offering memorandum are described in **Item 2.3.1 – Investment in Car Washes**.

2.5 Short-term Objectives

The Fund's objectives for the 12 months following the date of this offering memorandum are discussed below.

What we must do and how we will do it	Target completion date or number of months to complete	Our cost to complete
Raise up to CD\$5,500,000 under the Offering to: ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾		Notes 1 and 2. CD\$900,000 (including incremental Selling Commissions on the Offering Proceeds raised for this objective and allocations of Offering costs, Performance Fees and other acquisition costs for proposed acquisitions)
<ul style="list-style-type: none"> purchase the 67th Avenue Car Wash under the 67th Avenue Car Wash Acquisition Agreement⁽¹⁾ 	Scheduled completion date of July 21, 2015 ⁽¹⁾	
<ul style="list-style-type: none"> purchase the 51st Avenue Car Wash under the 51st Avenue Car Wash Acquisition Agreement⁽²⁾ 	Scheduled completion date of July 21, 2015 ⁽²⁾	
<ul style="list-style-type: none"> to purchase one or more additional Car Washes and provide Working Capital expenses incurred to date in connection with the ongoing Offering (including Offering costs)⁽³⁾ 	Ongoing, as soon as the US General Partners have identified one or more suitable Car Washes for acquisition and, for any proposed acquisition, an acquisition agreement has been entered into and sufficient funds obtained to complete the proposed Car Wash acquisition ⁽³⁾	
Raise up to the Maximum Offering to: ⁽³⁾⁽⁴⁾		Notes 2 and 3. CD\$1,590,000 (including incremental Selling Commissions on the Offering Proceeds raised for this objective and allocations of Offering costs, Performance Fees and other acquisition costs for proposed acquisitions)
<ul style="list-style-type: none"> provide Working Capital to renovate, upgrade and reposition the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash, Bell Road Car Wash or any other Car Washes that may be acquired (including the 67th Avenue Car Wash and the 51st Avenue Car Wash) 	Ongoing.	
<ul style="list-style-type: none"> purchase, renovate, upgrade, and reposition one or more additional Car Washes or other industrial/commercial properties (and the businesses associated with those properties) 	Ongoing, as soon as the Fund's subsidiaries have identified a suitable Car Wash or other industrial/commercial business for acquisition, entered into an acquisition agreement and have sufficient funds to acquire the Car Wash	
<ul style="list-style-type: none"> provide Working Capital for expenses incurred with the ongoing Offering (including Offering costs) 		
Pay distributions (if any) to Trust Unitholders and US Investors based upon Clear Sky LP XIV's payment of distributions to the Fund ⁽⁵⁾⁽⁶⁾	On each distribution date established by the Fund	No specific costs. However, see Item 5.2.2 – Flow of Funds from the Car Washes

Notes:

- (1) An affiliate of Marcus Kurschat, Trustee and President of the Fund, has entered into the 67th Avenue Car Wash Acquisition Agreement with a seller, who is at arm's length to the Fund, 67th Avenue Car Wash LP and their affiliates, and Pinnacle Wealth Brokers Inc., to acquire the 67th Avenue Car Wash for a purchase price of US\$4,844,880 (subject to adjustment pursuant to the 67th Avenue Car Wash Acquisition Agreement), which purchase and sale agreement is to be assigned at no additional cost to 67th Avenue Car Wash LP, as buyer, in connection with completion (if at all) of the acquisition. The buyer has paid an initial earnest money deposit of US\$50,000 in connection with the commencement of its 60-day inspection /financing period (expiring July 7, 2015) for title review and due diligence purposes and securing financing. The 67th Avenue Car Wash Acquisition Agreement has a condition in favour of the buyer that satisfactory financing to complete the acquisition be available within such 60-day financing period, expiring July 7, 2015. 67th Avenue Car Wash LP anticipates completing the 67th Avenue Car Wash acquisition (if at all) once satisfactory arrangements are in place for financing the entire 67th Avenue

Car Wash purchase price and provided the 67th Avenue Car Wash Acquisition Agreement has not been terminated on or before closing of the acquisition. The 67th Avenue Car Wash acquisition closing is scheduled for July 21, 2015 but may be extended until August 20, 2015 upon the buyer's payment of US\$292,224 as a non-refundable closing extension deposit. The buyer may accelerate the closing date for the 67th Avenue Car Wash acquisition by giving at least seven days' prior notice of the newly scheduled closing date. The earnest money deposit and the closing extension deposit (if any) will be applied to the purchase price for the 67th Avenue Car Wash if the acquisition is completed. The Fund anticipates a cash payment at closing of at least approximately US\$1,695,708 (based on non-refundable earnest money and closing extension deposits totaling US\$292,224 having been paid and loan financing under the a new commercial real estate loan that is up to 65% of the purchase price or appraised value (whichever is lower) of the 67th Avenue Car Wash; if the loan-to-value target is not reached and the acquisition is completed with a lower commercial real estate loan principal, or the amount paid as deposits is lower, the cash-to-close payment will be increased). See **Item 2.3.1.1 – Acquisition of the 67th Avenue Car Wash** and **Item 2.7.8 – 67th Avenue Car Wash Acquisition Agreement**.

- (2) An affiliate of Marcus Kurschat, Trustee and President of the Fund, has entered into the 51st Avenue Car Wash Acquisition Agreement with a seller, who is at arm's length to the Fund, 51st Avenue Car Wash LP and their affiliates, and Pinnacle Wealth Brokers Inc., to acquire the 51st Avenue Car Wash for a purchase price of US\$6,120,216 (subject to adjustment pursuant to the 51st Avenue Car Wash Acquisition Agreement), which purchase and sale agreement is to be assigned at no additional cost to 51st Avenue Car Wash LP, as buyer, in connection with completion (if at all) of the acquisition. The buyer has paid an initial earnest money deposit of US\$50,000 in connection with the commencement of its 60-day inspection/financing period (expiring July 7, 2015) for title review and due diligence purposes and securing financing. The 51st Avenue Car Wash Acquisition Agreement has a condition in favour of the buyer that satisfactory financing to complete the acquisition be available within such 60-day financing period, expiring July 7, 2015. 51st Avenue Car Wash LP anticipates completing the 51st Avenue Car Wash acquisition (if at all) once satisfactory arrangements are in place for financing the entire 51st Avenue Car Wash purchase price and provided the 51st Avenue Car Wash Acquisition Agreement has not been terminated on or before closing of the acquisition. The 51st Avenue Car Wash acquisition closing is scheduled for July 21, 2015 but may be extended until August 20, 2015 upon the buyer's payment of US\$306,011 as a non-refundable closing extension deposit. The buyer may accelerate the closing date for the 51st Avenue Car Wash acquisition by giving at least seven days' prior notice of the newly scheduled closing date. Additionally, it is anticipated that the 67th Avenue Car Wash will be acquired first (if at all) and that 51st Avenue Car Wash LP (or its affiliate) will have paid an additional earnest money deposit of US\$200,000 to the seller thereof. The earnest money deposits and the closing extension deposit (if any) will be applied to the purchase price for the 51st Avenue Car Wash if the acquisition is completed. The Fund anticipates a cash payment at closing of at least approximately US\$1,586,065 (based on non-refundable earnest money and closing extension deposits totaling US\$556,011 having been paid and loan financing under the a new commercial real estate loan that is up to 65% of the purchase price or appraised value (whichever is lower) of the 51st Avenue Car Wash; if the loan-to-value target is not reached and the acquisition is completed with a lower commercial real estate loan principal, or the amount paid as deposits is lower, the cash-to-close payment will be increased). See **Item 2.3.1.2 – Acquisition of the 51st Avenue Car Wash** and **Item 2.7.8 – 51st Avenue Car Wash Acquisition Agreement**.
- (3) Available Funds may be used, among other things, to fund, in whole or in part, the purchase price of one or more additional Car Washes or other industrial/commercial properties (and the businesses associated with such properties), Clear Sky LP XIV's redemption or other acquisition of outstanding Bridge Financing LP Units that may be created and issued in connection with the acquisition, or to satisfy debt obligations of Scottsdale Road Car Wash LP, Encanto Road Car Wash LP, Power Road Car Wash LP or Bell Road Car Wash LP (including any commercial real estate loan financing obtained in connection with the acquisition of the Car Washes). For a breakdown of anticipated costs see **Item 1.1 – Funds**.

See also **Item 2 – Business of the Fund**, **Item 2.7.2 – Clear Sky LP XIV Agreement – Capital of Clear Sky LP XIV**, **Item 2.7.10 – Acquired Car Wash Acquisition Agreements**, **Item 2.7.11 – Arizona Car Wash I Commercial Real Estate Loan**, and **Item 2.7.12 – Arizona Car Wash II Commercial Real Estate Loan**.

- (4) The Fund is not restricted in any way from conducting the Offering on a continuous basis until the Maximum Offering (which may be increased in the Fund's sole discretion at any time without notice to Trust Unitholders) is reached. The time and cost to complete this event cannot be confirmed until the Fund or its subsidiaries identify one or more suitable Car Washes or other industrial/commercial properties (and the businesses associated with such properties) to acquire or invest in. The Offering is a "blind pool" offering. The specific Car Washes in which the Fund's subsidiaries intend to invest as of the date of this offering memorandum are described in **Item 2.3.1 – Investment in Car Washes** but other acquisition or investment opportunities may arise at any time and from time to time. For information concerning the Car Wash investment strategy of the Fund and its affiliates, see **Item 2.2.1 – Business and Growth Strategies**.
- (5) The Fund intends to distribute all or any part of the distributable cash of the Fund (if any) that the Trustees prudently determine as being available for distributions, to Trust Unitholders of record on the last day of each calendar year. The Fund may also distribute cash (if any) that the Trustees prudently determine as being available for distributions, to Trust Unitholders (and concurrently to US Investors) for other distribution periods, as the Trustees determine, in their discretion, from time to time. It is expected that no cash will be distributed to Trust Unitholders until cash flows are sufficiently stabilized. Once cash flows are stabilized, the Fund intends to distribute cash quarterly to Trust Unitholders, provided that the Fund may distribute cash (if any) that the Trustees prudently determine as being available for distributions (if any), to Trust Unitholders for other distribution periods, as the Trustees determine, in their discretion, from time to time, whether or not quarterly distributions are declared and paid. Where a distribution of distributable cash is declared by the Fund, such distribution will be made on a day within 30 days of the date of declaration. See **Item 5.2 – Cash Distributions to Trust Unitholders**.

The ability of the Fund to make cash distributions and the actual amount distributed depends, ultimately, on the operations of the Car Washes acquired by the Car Wash LPs, and will be subject to various factors including those referenced in **Item 8 – Risk Factors**.

The Fund and its affiliates may agree, in connection with the acquisition of or investment in any Car Wash or other industrial/commercial property (and the business conducted on such property), to material restrictions regarding their use of Available Funds and funds that would otherwise be available for distribution or Working Capital, regardless of the source, for any purpose other than the redemption of Bridge Financing LP Units that may be created and issued in connection with the acquisition/investment, so long as any of the Bridge Financing LP Units remains outstanding. Among other things, such restrictions on the use of Available Funds and funds that would otherwise be available for distribution or Working Capital, regardless of the source, might be imposed on Clear Sky LP XIV through the provisions of the Bridge Financing LP Units. These restrictions may materially restrict the distribution of funds from the Fund's subsidiaries to the Fund set out in **Item 5.2.2 – Flow of Funds from the Car Washes**. In such a case, the Fund may not be in a position to pay cash distributions to Trust Unitholders so long as any Bridge Financing LP Units have not been redeemed. Similarly, neither the applicable Car Wash LP nor the US Limited Partnership may be in a position to pay cash distributions to its partners except in connection with the redemption of outstanding Bridge Financing LP Units. These restrictions may materially adversely affect the Fund's ability to pay, in whole or in part, expenses and other obligations of the Fund, cash redemptions or repurchases of Trust Units, any tax liability, or fund any reserves established by the Trustees, in their sole discretion, so long as any Bridge Financing LP Units have not been redeemed. These restrictions may adversely affect the ability of the Fund, Clear Sky LP XIV and the US Limited Partnership or the applicable Car Wash LP to pay, in whole or in part, expenses in connection with the Offering, start-up and operational costs, costs associated with acquiring (or investing in) and operating the Car Washes (including the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash, Bell Road Car Wash and the proposed acquisitions of the 67th Avenue Car Wash and 51st Avenue Car Wash), and the general and administrative, marketing and operating expenses of the Fund and its affiliates including, costs associated with establishing and organizing the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs and their general partners and their respective affiliates, legal, consulting, accounting and audit costs, advertising and marketing costs, fees and costs associated with offices and sites for the Fund and its affiliates, Renovation Costs, costs (including wages and benefits) associated with personnel of the Fund and its affiliates, Location Management Fees, fees and costs associated with banking and borrowing of the Fund and its affiliates, debt payments and accrued interest, investor reporting costs, printing and mailing costs, costs in connection with governmental and regulatory requirements, Performance Fees, Asset Management Fees, and taxes.

As of the date of this memorandum, the Fund has declared the following cash distributions on the Participating Trust Units (subject to pro-rating for Participating Trust Unitholders who have held their Participating Trust Units for less than the entire distribution period):

Distribution Date	Distribution Period	Distributable Cash (approximately)
February 4, 2015	October 1, 2014 through December 31, 2014	CD\$71,715
April 8, 2015	January 1, 2015 through March 31, 2015	CD\$190,692

- (6) The return on an investment in the Trust Units is not comparable to the return on an investment in fixed-income securities. Cash distributions to Trust Unitholders are not guaranteed and are not fixed obligations of either Trust; any receipt of cash distributions by a Trust Unitholder is at any time subject to the terms of the Declaration of Trust. Any anticipated return on investment is based upon many performance assumptions. Although the Fund intends to distribute its available cash to Trust Unitholders, cash distributions may be reduced or suspended at any time and from time to time. The ability of the Fund to make cash distributions and the actual amount distributed depends on the operations of the Car Washes acquired by the Car Wash LPs, and will be subject to various factors including those referenced in **Item 8 – Risk Factors**. The value of the Trust Units may decline if the Fund is unable to meet its cash distribution targets in the future and that decline may be significant.

2.6 Insufficient Proceeds

The Available Funds may not be sufficient to accomplish the Fund's proposed objectives and there is no assurance that alternative financing will be available. The Fund intends to raise sufficient funds through debt or equity financing to fund the business of its subsidiaries. The Fund or its subsidiaries may, to the extent available on acceptable terms, obtain institutional financing or other arm's length, third party financing. No alternate financing has been arranged for the Fund or its subsidiaries. There is no assurance that alternative financing will be available on acceptable terms or at all. There is no assurance that the Fund will have adequate Working Capital to meet the anticipated requirements described in this offering memorandum. See **Item 8 – Risk Factors**.

2.7 Material Agreements

The following summarizes all formal, written agreements or commercial instruments that can reasonably be regarded as material, currently or upon being entered into, to the Fund in connection with the Offering, the use of Offering Proceeds or with a related party:

- 2.7.1 Declaration of Trust;
- 2.7.2 Clear Sky LP XIV Agreement;
- 2.7.3 US LP Agreement;
- 2.7.4 Car Wash LP Agreements;

- 2.7.5 Cost Sharing & Support Agreement;
- 2.7.6 US Staffing and Administrative Services Agreement;
- 2.7.7 Canadian Staffing and Administrative Services Agreement;
- 2.7.8 67th Avenue Car Wash Acquisition Agreement;
- 2.7.9 51st Avenue Car Wash Acquisition Agreement;
- 2.7.10 Acquired Car Wash Acquisition Agreements;
- 2.7.11 Arizona Car Wash I Commercial Real Estate Loan;
- 2.7.12 Arizona Car Wash II Commercial Real Estate Loan;
- 2.7.13 QNC License Agreements; and
- 2.7.14 Subscription Agreements with Investors.

Prospective Investors may inspect a copy of each of the material agreements listed above, to the extent any such agreement has been entered into by the parties thereto, during normal business hours at the offices of the Fund, located at Suite 1900, 520 - 3rd Avenue SW, Calgary, Alberta T2P 0R3.

2.7.1 Declaration of Trust

The Declaration of Trust, which is dated June 23, 2014, contains the terms and conditions governing the relationship between the Trustees, as trustees, and the Trust Unitholders, as beneficiaries, and among the Trust Unitholders. The following description of Declaration of Trust and the descriptions set out elsewhere in this offering memorandum are a summary only of certain material terms and conditions of the Declaration of Trust, and do not purport to be complete. **The Fund may, without prior notice to Trust Unitholders or prospective Investors, make changes to the terms and conditions of the Declaration of Trust that are different than as summarized in this offering memorandum, provided such changes would not reasonably be considered materially adverse to the Fund. Prospective Investors are advised to discuss the Declaration of Trust and related matters in detail with their own legal and investment advisors and should not rely solely on the summary of the terms and conditions of the Declaration of Trust in this offering memorandum alone.**

The following is a summary only of certain provisions of the Declaration of Trust and is qualified in its entirety by the Declaration of Trust. Prospective Investors may inspect a copy of the Declaration of Trust, during normal business hours at the offices of the Fund, Suite 1900, 520 - 3rd Avenue SW, Calgary, Alberta T2P 0R3. In addition, each Trust Unitholder has the right to obtain from the Fund, on request without fee, a copy of the Declaration of Trust and any amendments thereto.

Purpose of the Fund

The Declaration of Trust provides that the purpose of the Fund is restricted to:

- (a) acquiring, investing in, holding, transferring, disposing of and otherwise dealing with securities of whatever nature or kind (other than a general partnership interest) of, or issued by, any other corporation, partnership, trust or other person involved, directly or indirectly, in the business of acquiring, holding, maintaining, developing, improving, leasing, managing or investing in industrial or commercial property, real or personal, including Clear Sky LP XIV, and such other investments as the Trustees may determine, from time to time, and to borrow funds and issue debt securities, directly or indirectly, for that purpose, and to enter into hedging arrangements in relation to its own indebtedness;
- (b) temporarily holding cash and other short term investments in connection with and for the purposes of the Fund's activities, including Permitted Investments, paying administration and trust expenses, paying any amounts required in connection with the redemption of Trust Units or other securities of the Fund and making distributions to Trust Unitholders and borrowing funds and issuing Redemption Notes or other debt securities for those purposes, directly or indirectly;

- (c) issuing Trust Units, Class B Trust Units, Special Voting Units and other securities of the Fund (including warrants, options, subscription receipts or other rights to acquire Trust Units, debt securities or other securities of the Fund), for the purposes of:
 - (i) obtaining funds to conduct the undertakings and activities described above, including raising funds for further investments, acquisitions or development;
 - (ii) repaying any indebtedness or borrowings of the Fund and its subsidiaries;
 - (iii) establishing and implementing unitholder rights plans, distribution reinvestment plans, Trust Unit purchase plans, incentive option plans or other compensation plans, if any, established by the Fund or an affiliate of the Fund;
 - (iv) making non-cash distributions to holders of Trust Units as contemplated by the Declaration of Trust, including in specie redemptions and distributions pursuant to distribution reinvestment plans, if any, established by the Fund;
 - (v) giving effect to any arrangement, reorganization, routine acquisition or routine disposition (as those terms are defined in the Declaration of Trust); or
 - (vi) satisfying obligations under exchangeable securities instruments, if any;
- (d) guaranteeing the obligations of its affiliates pursuant to any good faith debt for borrowed money or any other obligation incurred by such entity in good faith for the purpose of carrying on its business, and pledging securities and other property owned by the Fund as security for any obligations of the Fund, including obligations under any such guarantee. The Fund may only provide a guarantee in respect of the indebtedness of another person if the Fund does not, directly or indirectly, receive any fees or other consideration for providing the guarantee and the Trustees have determined that such guarantee forms part of the core investment undertakings of the Fund; provided that the Fund will not, in any event, provide a guarantee which would result in the Fund not being considered a "unit trust" or a "mutual fund trust" for purposes of the Tax Act;
- (e) granting security in any form, over any or all of the Fund assets to secure any or all of the obligations of the Fund or its affiliates;
- (f) purchasing or redeeming securities of the Fund, including Trust Units, subject to the provisions of this Declaration of Trust and applicable law;
- (g) carrying out any of the transactions, and entering into and performing any of the obligations of the Fund under any agreements contemplated by the Declaration of Trust, including pursuant exchangeable securities instruments, if any;
- (h) engaging in all activities ancillary or incidental to any of those activities set forth in paragraphs (a) through (g) above; and
- (i) undertaking such other activities or taking such actions, including investing in securities, as is to be approved by the Trustees from time to time,

provided that the Fund will not, in any event, undertake any activity, take any action, or make any investment which would result in the Fund not being considered a "unit trust" or a "mutual fund trust" for purposes of the Tax Act.

Trustees

Under the Declaration of Trust, the majority of the Trustees must be resident in Canada. The Fund must have not less than one and no more than five Trustees at all times.

The Declaration of Trust provides that, subject to its terms and conditions, the Trustees are to supervise the activities of and manage the affairs of the Fund and, as trustees, the Trustees have full, absolute and exclusive power, control, authority and discretion over the Fund's assets and over, and management of, the affairs of the Fund to the same extent as if the Trustees were the sole and absolute legal and beneficial owner of the Fund's assets. Subject only to express limitations in the Declaration of Trust, and provided that the

exercise of such powers and authorities does not adversely affect the status of the Fund as a "unit trust" or a "mutual fund trust" for purposes of the Tax Act, the Trustees' powers and authorities include, but are not limited to, the following:

- (a) supervising the activities and managing the investments and affairs of the Fund;
- (b) maintaining records and providing reports to Trust Unitholders;
- (c) possessing and exercising all rights, powers and privileges pertaining to ownership (including voting privileges) of any securities comprising the assets of the Fund;
- (d) causing Trust Units to be issued for such consideration as the Trustees, in their sole discretion, may deem appropriate;
- (e) determining conclusively the allocation to capital, income or other appropriate accounts of all receipts, expenses and disbursements;
- (f) determining conclusively the value of any or all of the Fund's assets from time to time and, in determining such value, considering such information and advice as the Trustees, in their sole judgment, may deem material and reliable;
- (g) engaging or employing on behalf of the Fund any persons as agents, representatives, employees or independent contractors (including investment advisors, registrars, underwriters, accountants, lawyers, appraisers, brokers, consultants, depositories, custodians, transfer agents or otherwise) in one or more capacities;
- (h) engaging in, intervening in, prosecuting, joining, defending, compromising, abandoning or adjusting, by arbitration or otherwise, any actions, suits, disputes, claims, demands or other litigation or proceedings, regulatory or judicial, relating to the Fund, the Fund's assets, activities or affairs, entering into agreements therefor, whether or not any suit or proceeding is commenced or claim asserted and, in advance of any controversy, entering into agreements regarding the arbitration, adjudication or settlement thereof;
- (i) effecting payments of distributions (if any) from the Fund to Trust Unitholders;
- (j) delegating any of the powers and duties of the Trustees to any one or more agents, representatives, officers, employees, independent contractors or other persons the doing of such things and the exercise of such powers hereunder as the Trustees may from time to time reasonably require;
- (k) causing title to any of the Fund assets to be drawn up in the name of such person on behalf of the Fund or, to the extent permitted by applicable law, in the name of the Fund, as the Trustees determine;
- (l) ensuring that the Fund qualifies at all times as a "mutual fund trust" pursuant to subsection 132(6) of the Tax Act;
- (m) ensuring that the Fund is at all times not a SIFT trust pursuant to Tax Act;
- (n) guaranteeing the obligations of any of Clear Sky LP XIV and any subsidiary of Clear Sky LP XIV and any other subsidiary of the Fund and granting security interests in the Fund's assets as security for such guarantee;
- (o) subdividing or consolidating from time to time the issued and outstanding Trust Units or Special Voting Units;
- (p) providing indemnities for Trustees and the directors and officers of any affiliate of the Fund; and
- (q) forming any subsidiary or affiliate of the Fund for the purpose of making any subsequent investment and entering into or amending any unanimous shareholders agreement or other agreement on such terms as may be approved by the Trustees.

Management of the business and affairs of the Fund resides with the Trustees. The initial Trustees are appointed as the initial Trustees of the Fund for an initial term of office which expires (subject to further appointment, election or resignation) at the close of the first annual meeting (if any) of Trust Unitholders. The Fund may but is not required to hold annual meetings of Trust Unitholders or any Trust Unitholder meetings on a periodic basis. The Fund does not, at this time, intend to call annual meetings for the election of Trustees or otherwise.

At annual meetings of Trust Unitholders (if any), Trustees are to be elected by Voting Unitholders. Such election or appointment is to be made by ordinary resolution passed at a meeting of Trust Unitholders convened and held for the purpose of electing Trustees or an ordinary resolution in writing in lieu of a meeting of Voting Unitholders. The Trustees may appoint additional Trustees at any time and from time to time provided the maximum number of Trustees so appointed does not exceed one half of the number of Trustees who held office as of the effective date of the Declaration of Trust and the last meeting of Trust Unitholders at which Trustees were elected, whichever is later. A Trustee may resign upon 30 days' written notice to the Fund. If a Trustee resigns, is removed as a trustee of the Fund, becomes incapable of acting or otherwise vacates such office, the remaining Trustees may fill the resulting vacancy without the need for a Trust Unitholders' meeting. Alternatively, a successor trustee may be appointed by resolution of the Voting Unitholders to fill the vacancy.

The Declaration of Trust provides that the Trustees must, as trustees, act honestly and in good faith with a view to the best interests of the Fund and will exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Declaration of Trust provides that, as trustees, the Trustees and officers of the Fund are entitled to indemnification from the Fund in respect of the exercise of the Trustees' power and the discharge of the Trustees' duties, provided that the Trustee(s) seeking indemnity (or officer of the Fund seeking indemnity), acted honestly and in good faith with a view to the best interests of the Fund or, in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, where the Trustees (or officer of the Fund seeking indemnity) had reasonable grounds for believing that its conduct was lawful.

Meetings and Resolutions of Trust Unitholders

The Fund may but is not required to hold annual meetings of Trust Unitholders or any Trust Unitholder meetings on a periodic basis. The Trustees may call special meetings of the Trust Unitholders at any time and from time to time and for any purpose. The Fund does not, at this time, intend to call annual meetings for the election of Trustees or otherwise.

A meeting of Trust Unitholders may be convened at any time and for any purpose by the Trustees and must be convened, if requisitioned by a written requisition of Trust Unitholders holding not less than 99.99% of the total of the voting Trust Units then outstanding. A written meeting requisition must set forth the name and address of each person who is supporting the requisition and the number of Voting Units held, state in reasonable detail the business proposed to be transacted at the meeting, and be sent to the Trustees in accordance with the Declaration of Trust.

Voting Unitholders may attend and vote at all meetings of the Trust Unitholders either in person or by proxy and a proxyholder need not be a Trust Unitholder. At any meeting of the Trust Unitholders, a quorum consists of two or more individuals present in person either holding personally or representing by proxy not less in aggregate than 5% of the votes attached to the total of the Trust Units then outstanding and entitled to vote at the meeting.

Certain Rights of Trustees Subject to Special Resolution

The Declaration of Trust provides that the Trustees will not, on behalf of the Fund or otherwise, without the authorization of the Voting Unitholders by a Special Resolution, take any action with respect to authorizing, or otherwise permit through action or inaction any amalgamation, arrangement, recapitalization, business combination or other merger of Clear Sky LP XIV or any other affiliate of the Fund with any other person, except:

- (a) in conjunction with an internal reorganization as a result of which the Fund has the same interest, whether direct or indirect, in the Fund assets as the interest, whether direct or indirect, it had prior to the reorganization;
- (b) in conjunction with a routine acquisition or routine disposition;
- (c) in conjunction with an arrangement; and
- (d) in conjunction with the dissolution of the Fund.

Issuance of Trust Units

The Fund may issue new Trust Units from time to time. Trust Unitholders do not have any pre-emptive rights whereby additional Trust Units proposed to be issued are first offered to existing Trust Unitholders. New Trust Units may be issued for cash through public offerings, through rights offerings to existing Trust Unitholders (*i.e.*, in which Trust Unitholders receive rights to subscribe for new Trust Units in proportion to their existing holdings of the Trust Units) or through private placements (*i.e.*, offerings to specific investors which are not made generally available to the public or existing Trust Unitholders). The Fund may also issue new Trust Units as consideration for the acquisition of new properties or assets by it (to the extent permitted) or its subsidiaries. The Trustees, in

their sole discretion, will determine the price or the value of the consideration for which Trust Units may be issued. See **Item 5.1 – Trust Units**.

Transfer of Trust Units

Trust Units may only be transferred in accordance with applicable securities laws and the Declaration of Trust. The Declaration of Trust provides that no Trust Units are to be transferred without the express consent of the Trustees and otherwise in accordance with the Declaration of Trust. Further, the Declaration of Trust restricts the transfer of Trust Units to Non-Residents in certain circumstances. See **Item 8 – Risk Factors** and **Item 10.4 – Restrictions in the Declaration of Trust**.

Redemption of Trust Units

Trust Units are redeemable at the option of the Trust Unitholder. A Trust Unitholder who wishes to exercise his redemption right must complete and deliver a redemption notice form (available from the Trustees or the Fund) to the Fund. Upon the Fund's receipt of the redemption notice, all rights to and under the Trust Units tendered for redemption are surrendered (including the right to receive any distributions thereon that are declared payable to the Trust Unitholders after the day of the Fund's receipt of the redemption notice) and the former holder thereof is entitled only to receive a redemption price per Trust Unit calculated as follows (the "**Redemption Price**"):

- (a) if the Redemption Date (defined below) is on or before the first anniversary of the date that such Trust Unit was acquired by the Trust Unitholder (the "**First Redemption Period**"), the Redemption Price is equal to 91% of the subscription price (or other acquisition price approved by the Trustees at the time of transfer of such Trust Unit) per Trust Unit for which the Trust Unitholder acquired such Trust Unit;
- (b) if the Redemption Date is after the First Redemption Period but on or before the date that is one year after the last day of the First Redemption Period (the "**Second Redemption Period**"), the Redemption Price is equal to 92.5% of the subscription price (or other acquisition price approved by the Trustees at the time of transfer of such Trust Unit) per Trust Unit for which the Trust Unitholder acquired such Trust Unit;
- (c) if the Redemption Date is after the Second Redemption Period but on or before the date that is one year after the last day of the Second Redemption Period (the "**Third Redemption Period**"), the Redemption Price is equal to 94% of the subscription price (or other acquisition price approved by the Trustees at the time of transfer of such Trust Unit) per Trust Unit for which the Trust Unitholder acquired such Trust Unit;
- (d) if the Redemption Date is after the Third Redemption Period but on or before the date that is one year after the last day of the Third Redemption Period (the "**Fourth Redemption Period**"), the Redemption Price equal to 95.5% of the subscription price (or other acquisition price approved by the Trustees at the time of transfer of such Trust Unit) per Trust Unit for which the Trust Unitholder acquired such Trust Unit; and
- (e) if the Redemption Date is any time after the Fourth Redemption Period, the Redemption Price is equal to 100% of the subscription price (or other acquisition price approved by the Trustees at the time of transfer of such Trust Unit) per Trust Unit for which the Trust Unitholder acquired such Trust Unit,

plus any declared but unpaid distributions attributable to such Trust Unit.

Trust Units are considered to be tendered for redemption on the date that the Fund has, to the satisfaction of the Trustees, received the Trust Unitholder's redemption notice and further documents or evidence that the Trustees may reasonably require with respect to the identity, capacity or authority of the person giving the redemption notice ("**Redemption Date**"). The aggregate Redemption Price payable by the Fund in respect of Trust Units tendered for redemption is to be satisfied by way of a cash payment (to be paid by cheque) on the last day of the calendar month following the calendar quarter in which the Trust Units were tendered for redemption, provided that the entitlement of a Trust Unitholder to receive cash upon the redemption of such holder's Trust Units is subject to limitations, including that:

- (a) the total amount payable by the Fund in respect of such Trust Units and all other Trust Units tendered for redemption in the same calendar quarter exceeds CD\$50,000; provided that the Trustees may, in their sole discretion, waive such limitation in respect of all Trust Units tendered for redemption in any calendar quarter; or

- (b) in the Trustees' opinion (in their sole discretion), the Fund has insufficient liquid assets to fund such redemptions or that the dissolution and liquidation of assets at such time would be to the detriment of the remaining Trust Unitholders or the Fund generally.

If, as a result of any such limitations under the Declaration of Trust, a Trust Unitholder is not entitled to receive cash upon the redemption of some or all of the Trust Units tendered for redemption, then the Redemption Price per Trust Unit to which the Trust Unitholder would otherwise be entitled, is to be paid and satisfied by the delivery to holders of Trust Units tendered for redemption of a distribution in specie of Redemption Notes (subject to any applicable regulatory approvals) in integral multiples of the applicable Redemption Trust Unit. In such circumstances, the Fund will issue a cheque to the Trust Unitholder for the amount (if any) that is not subject to limitation or it will distribute Redemption Notes in satisfaction of the redemption price or portion thereof that is subject to limitation. No fractional Redemption Notes in integral multiples of less than the applicable Redemption Price are to be distributed and where the number of such Redemption Notes to be received by a Trust Unitholder includes a fraction or multiple less than the applicable Redemption Price, the Fund shall issue a cheque to the Trust Unitholder for such amount.

The Declaration of Trust provides that the Fund shall redeem Trust Units according to the order in which redemption notices are received by the Trustees. In addition, Trust Units tendered for redemption in any calendar quarter in which the total amount payable by the Fund exceeds CD\$50,000 (provided that certain other limitations on cash redemptions do not apply) are to be redeemed for a combination of cash and a distribution of Redemption Notes on a *pro rata* basis; provided however that, if the CD\$50,000 quarterly cash limit has not been exhausted by redemptions which pre-date the redeeming Trust Unitholder's redemption notice, then the minimum cash to be distributed to such redeeming Trust Unitholder is to be not less than CD\$1,000 (unless waived by the Trustees, in their sole discretion, or the entire Redemption Price is paid in cash). For example if the Fund receives more than 50 redemption requests in a calendar quarter, then (provided that certain other limitations on cash redemptions do not apply) the first 50 redeeming Trust Unitholders are to receive the first \$1,000 of their Redemption Price in cash (provided the other limitations on cash redemptions described above do not apply) and the remainder of the Redemption Price by a distribution in specie, and each redeeming Trust Unitholder beyond the first 50 is to receive the entire Redemption Price by a distribution in specie.

The Fund may from time to time purchase for cancellation some or all of the Trust Units (or other securities of the Fund which may be issued and outstanding from time to time) in the market, by private agreement or upon any recognized stock exchange on which such Trust Units are traded or pursuant to tenders received by the Fund upon request for tenders addressed to all holders of record of Trust Units, provided in each case that the Trustees have determined that such purchases are in the best interests of the Fund and are completed in accordance with applicable law (including applicable securities laws). Any such purchase by the Fund may constitute an "issuer bid" under Canadian securities legislation and must be conducted in accordance with the applicable requirements.

However, the Fund and its affiliates may agree, in connection with the acquisition of or investment in any Car Wash or other industrial/commercial property (and the business conducted on such property), to material restrictions regarding their use of Available Funds and funds that would otherwise be available for distribution or Working Capital, regardless of the source, for any purpose other than the redemption of Bridge Financing LP Units that may be created and issued in connection with the acquisition/investment, so long as any of the Bridge Financing LP Units remains outstanding. Among other things, such restrictions on the use of Available Funds and funds that would otherwise be available for distribution or Working Capital, regardless of the source, might be imposed on Clear Sky LP XIV through the provisions of the Bridge Financing LP Units. These restrictions may materially restrict the distribution of funds from the Fund's subsidiaries to the Fund set out in **Item 5.2.2 – Flow of Funds from the Car Washes**. In such a case, the Fund may not be in a position to pay cash distributions to Trust Unitholders so long as any Bridge Financing LP Units have not been redeemed. Similarly, neither the applicable Car Wash LP nor the US Limited Partnership may be in a position to pay cash distributions to its partners except in connection with the redemption of outstanding Bridge Financing LP Units. These restrictions may materially adversely affect the Fund's ability to pay, in whole or in part, expenses and other obligations of the Fund, cash redemptions or repurchases of Trust Units, any tax liability, or fund any reserves established by the Trustees, in their sole discretion, so long as any Bridge Financing LP Units have not been redeemed. These restrictions may adversely affect the ability of the Fund, Clear Sky LP XIV and the US Limited Partnership or the applicable Car Wash LP to pay, in whole or in part, expenses in connection with the Offering, start-up and operational costs, costs associated with acquiring (or investing in) and operating the Car Washes (including the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash, Bell Road Car Wash and the proposed acquisitions of the 67th Avenue Car Wash and 51st Avenue Car Wash), and the general and administrative, marketing and operating expenses of the Fund and its affiliates including, costs associated with establishing and organizing the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs and their general partners and their respective affiliates, legal, consulting, accounting and audit costs, advertising and marketing costs, fees and costs associated with offices and sites for the Fund and its affiliates, Renovation Costs, costs (including wages and benefits) associated with personnel of the Fund and its affiliates, Location Management Fees, fees and costs associated with banking and borrowing of the Fund and its affiliates, debt payments and accrued interest, investor reporting costs, printing and mailing costs, costs in connection with governmental and regulatory requirements, Performance Fees, Asset Management Fees, and taxes.

See **Item 4.1 – Capital Structure – Equity Capital** for a description of any Trust Unit redemptions as of the date of this offering memorandum.

Principals of the Fund and its affiliates (including persons who are Trustees and directors and officers of the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs or the general partners thereof, and their affiliates) have indicated an interest in making further investments, directly or indirectly, in limited partnership interests in the US Limited Partnership as US Investors, at any time and from time when the Fund redeems, purchases otherwise acquires Trust Units, in amounts up to the Fund's cost of redeeming, purchasing or acquiring such Trust Units. Investment Capital received by the US Limited Partnership in such circumstances may be paid to the Fund to offset, in whole or in part, the Fund's cost of redeeming, purchasing or acquiring such Trust Units. However, none of the principals of the Fund or its affiliates is guaranteeing the payment of any amount for the Trust Units of any Trust Unitholder who wishes to dispose of such securities, whether pursuant to the exercise of redemption or purchase rights or otherwise; there is no assurance that any principals of the Fund or its affiliates will acquire additional limited partnership interests in the US Limited Partnership as US Investors at any time when the Fund redeems, purchases or otherwise acquires Trust Units. For clarity, no offer to purchase any Trust Units has been or is being made and no person has solicited or is soliciting any offer to sell any Trust Units. If any such individual (or an entity beneficially owned or controlled by him) acquires additional limited partnership interests in the US Limited Partnership at any time when the Fund redeems, purchases or otherwise acquires Trust Units from a Trust Unitholder, he will beneficially hold, as a US Investor, a larger proportionate share (based on the respective levels of Investment Capital) in US Limited Partnership distributions of Net Available Cash or other payments, if any, that may be made to Participating Trust Unitholders (through Clear Sky LP XIV and the Fund) and the US Investors, and the remaining Trust Unitholders (through Clear Sky LP XIV and the Fund) will hold a proportionately smaller share. Further, in the event that any such individual (or an entity beneficially owned or controlled by him) acquires additional limited partnership interests in the US Limited Partnership as a US Investor at any time when the Fund redeems, purchases or otherwise acquires Trust Units from a Trust Unitholder, he will have done so in his personal capacity and for his own investment purposes. If any principal of the Fund or its affiliates acquires beneficial ownership, directly or indirectly, of additional limited partnership interests in the US Limited Partnership as a US Investor in such a circumstance, he is not to be considered as acting jointly or in concert with the Fund or any other offeror in connection with the Fund's redemption, purchase or otherwise acquisition of Trust Units from any Trust Unitholder.

Redemption at the Option of the Fund

The Fund may at any time and from time to time, upon giving a retraction notice, redeem one or more of the then outstanding Trust Units as if such Trust Units were tendered by the applicable Trust Unitholder(s) for redemption as at the date of the retraction notice, provided that in the Trustees' opinion (in their sole discretion), the Fund has sufficient liquid assets to fund such redemptions or that the dissolution and liquidation of assets at such time would not be to the detriment of the remaining Trust Unitholders or the Fund generally. The Fund may pay a price to redeem or purchase one or more Trust Units from one or Trust Unitholders in such circumstance that is not less than the subscription price (or other acquisition price approved by the Trustees at the time of transfer of the Trust Unit) per Trust Unit for which the Trust Unitholder acquired such Trust Unit, in otherwise the same manner as it would pursuant to a Trust Unitholder's request for redemption, including by a distribution *in specie* of any Trust Assets.

Principals of the Fund and its affiliates (including persons who are Trustees and directors and officers of the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs or the general partners thereof, and their affiliates) have indicated an interest in making further investments, directly or indirectly, in limited partnership interests in the US Limited Partnership as US Investors, at any time and from time when the Fund redeems, purchases otherwise acquires Trust Units, in amounts up to the Fund's cost of redeeming, purchasing or acquiring such Trust Units. Investment Capital received by the US Limited Partnership in such circumstances may be paid to the Fund to offset, in whole or in part, the Fund's cost of redeeming, purchasing or acquiring such Trust Units. However, none of the principals of the Fund or its affiliates is guaranteeing the payment of any amount for the Trust Units of any Trust Unitholder who wishes to dispose of such securities, whether pursuant to the exercise of redemption or purchase rights or otherwise; there is no assurance that any principals of the Fund or its affiliates will acquire additional limited partnership interests in the US Limited Partnership as US Investors at any time when the Fund redeems, purchases or otherwise acquires Trust Units. For clarity, no offer to purchase any Trust Units has been or is being made and no person has solicited or is soliciting any offer to sell any Trust Units. If any such individual (or an entity beneficially owned or controlled by him) acquires additional limited partnership interests in the US Limited Partnership at any time when the Fund redeems, purchases or otherwise acquires Trust Units from a Trust Unitholder, he will beneficially hold, as a US Investor, a larger proportionate share (based on the respective levels of Investment Capital) in US Limited Partnership distributions of Net Available Cash or other payments, if any, that may be made to Participating Trust Unitholders (through Clear Sky LP XIV and the Fund) and the US Investors, and the remaining Trust Unitholders (through Clear Sky LP XIV and the Fund) will hold a proportionately smaller share. Further, in the event that any such individual (or an entity beneficially owned or controlled by him) acquires additional limited partnership interests in the US Limited Partnership as a US Investor at any time when the Fund redeems, purchases or otherwise acquires Trust Units from a Trust Unitholder, he will have done so in his personal capacity and for his own investment purposes. If any principal of the Fund or its affiliates acquires beneficial ownership, directly or indirectly, of additional limited partnership interests in the US Limited Partnership

as a US Investor in such a circumstance, he is not to be considered as acting jointly or in concert with the Fund or any other offeror in connection with the Fund's redemption, purchase or otherwise acquisition of Trust Units from any Trust Unitholder.

Takeover Bids

The Declaration of Trust contains provisions relating to takeover bids made to acquire Trust Units. Under the Declaration of Trust, if a takeover bid is made to acquire Trust Units and at least 90% of the Trust Units on a fully-diluted basis (other than Trust Units beneficially owned, or over which control or direction is exercised, on the date of the takeover bid, by the offeror or affiliates or associates of the offeror or any person or company acting jointly or in concert with the offeror) are taken up and paid for by the offeror, then the offeror is entitled to acquire the Trust Units held by Trust Unitholders who did not accept the takeover bid on the terms offered by the offeror, pursuant to the procedures set out in the Declaration of Trust. The Declaration of Trust does not provide a mechanism for Trust Unitholders who do not tender their Trust Units to a takeover bid to apply to a court to fix the fair value of their Trust Units.

Court-Approved Arrangements

The Declaration of Trust contains provisions substantially analogous to section 193 of the ABCA, which allow the Fund to be arranged by an order of the Court of Queen's Bench of Alberta. To do so, the Fund must make an application to the Court for an order approving the arrangement. In such event, the Fund would hold a meeting of Trust Unitholders to vote on the arrangement. In addition, the Court may also require a meeting of other parties affected by the arrangement. In most circumstances, the securityholder approval at such meeting would be at least 66⅔% of each class or affected group, in the Court's discretion. If the securityholder resolution(s) are in writing and signed by all of the persons entitled to vote, then the Fund would not need to hold the meeting and the arrangement resolution would be as valid as if it had been passed at a meeting. Upon the required securityholder approval of the arrangement, the Court has discretion to approve the arrangement. The arrangement would become effective upon the filing of the articles of arrangement with the registrar. See **Item 5.1.5 – Rights of Trust Unitholders**.

Notices to Trust Unitholders and Trustees

The Declaration of Trust provides that any notice or other document required to be given or sent to Trust Unitholders under the Declaration of Trust is to be given or sent through ordinary post addressed to each registered holder at his or her last address appearing on the Trust Unitholder register or in any other manner from time to time permitted by applicable law including Internet-based or other electronic communications; provided that if there is a general discontinuance of postal service due to strike, lockout or otherwise, such notice may be given by personal service or by Internet-based or other electronic communication (provided it is done in accordance with applicable law) or by publication twice in the Report on Business section of the National Edition of The Globe and Mail or similar section of any other newspaper having national circulation in Canada; provided further that if there is no newspaper having national circulation, then by publishing twice in the business section of a newspaper in each city where the Trust Unitholder register or a branch register is maintained. Any notice so given is deemed to have been given:

- (a) on the day following that on which the letter or circular was posted;
- (b) in the case of notice being given by publication, after publishing such notice twice in the designated newspaper or newspapers; or
- (c) in the case of notice given by Internet-based or other electronic communication, on the later of
 - (i) the business day following the day on which such notice is sent or made available; and
 - (ii) the earliest time and date permissible under applicable governing Internet-based or other electronic communications.

In proving notice was posted, it is sufficient to prove that such letter or circular was properly addressed, stamped and posted.

In addition, the Declaration of Trust provides that any written notice or written communication given to the Trustees is to be given at the head office of the Fund or, if the Fund has appointed and retained a transfer agent, such notice is to be addressed to the Trustees c/o the transfer agent with a copy to the head office of the Fund, and (in any case) is deemed to have been given on the date of delivery or, if mailed, five days from the date of mailing. If any such notice or communication has been mailed and if regular mail service is interrupted by strikes or other irregularities, such notice or communication is deemed to have been received 48 hours after 12:01 a.m. on the day following the resumption of normal mail service, provided that during the period that regular mail service is

interrupted any notice or other communication is given by personal delivery or by fax or other prepaid, transmitted or recorded communication.

Further, the Declaration of Trust provides that the failure by the Trustees, by accident or omission or otherwise unintentionally, to give any Trust Unitholder any notice provided for Declaration of Trust does not affect the validity, effect or taking effect of any action referred to in such notice, and the Trustees are not liable to any Trust Unitholder for any such failure. As well, service of a notice or document on any one of several joint holders of Trust Units is deemed effective service on the other joint holders. Any notice or document sent by post to or left at the address of a Trust Unitholder pursuant to the Declaration of Trust is, notwithstanding the death or bankruptcy of such Trust Unitholder, and whether or not the Trustees have notice of such death or bankruptcy, deemed to have been fully served and such service is deemed sufficient service on all persons having an interest in the Trust Units concerned.

Special Voting Units

The Declaration of Trust allows for the creation of Special Voting Units that enable the Fund to provide voting rights to holders of Exchangeable Securities (being securities of a direct or indirect subsidiary of the Fund that are convertible into or exchangeable for Trust Units). Special Voting Units may be created and issued pursuant to the Declaration of Trust to a voting and exchange trustee, as determined by the Trustees, in their discretion.

A Special Voting Unitholder is not entitled to any interest or share in the distributions or net assets of the Fund and is only entitled to such number of votes at Trust Unitholder meetings as is equal to the number of Trust Units into which the Exchangeable Securities to which such Special Voting Unit relates or are exchangeable or convertible.

The Special Voting Units will be subject to such other rights and limitations as may be determined by the Trustees at the time of issuance of the Special Voting Units. Special Voting Units may only be transferred by the holders thereof together with the related Exchangeable Securities and such transfer is effective only upon the transferee becoming the registered owner of the related Exchangeable Securities.

As of the date of this offering memorandum, no Special Voting Units have been created or issued.

Class B Trust Units

The Fund is authorized to issue an unlimited number of Class B Trust Units, which may be issued from time to time in one or more series having the number of Class B Trust Units comprised in each series and the designation, rights, privileges, restrictions and conditions attaching to each series of Class B Trust Units, as determined by the Trustees at any time and from time to time before the issuance thereof, including that:

- (a) the Trustee(s) may determine and fix at any time and from time to time before the issue of any Class B Trust Units of a particular series, by resolving to approve and authorize an instrument setting forth the number of Class B Trust Units comprised in the series and the designation, limitations, rights, privileges, restrictions and conditions attaching to the series of Class B Trust Units, and upon such approval by resolution such instrument is deemed to be attached to and forms an integral part of the Declaration of Trust as a schedule, all without approval or authorization of any of the Trust Unitholders; and
- (b) without limiting the generality of the foregoing, the Trustees may determine and fix from time to time before the issue of any of Class B Trust Units of the series on the basis contemplated in paragraph (a) above, any voting rights, the right to, or rate or amount of, allocations (cumulative or otherwise) of net income, net loss, taxable income and tax loss in proportion to all other Participating Trust Units, the right to share in, or rate or amount of, advances or distributions of cash and any other distributions to participating unitholders (cumulative or otherwise) and to receive the remaining Fund assets on dissolution in proportion to all other Participating Trust Units, the dates of payment of distributions, any preferential rights over other another class of Trust units, including preferential or cumulative rights to distributions or assets upon dissolution of the Fund, the terms and conditions of redemption, purchase and conversion (if any), sinking fund provisions (if any), the rate or amount of the remaining Fund assets to be returned to Class B Trust Unitholders of such series upon liquidation, dissolution or winding-up of the Fund.

As of the date of this offering memorandum, the Trustees have not created any series of Class B Trust Units and no Class B Trust Units have been issued or sold. In determining any series of Class B Trust Units (if any), the Trustees may establish certain limitations, rights, privileges, restrictions or conditions in view of the effect on the Fund's status as a "mutual fund trust" under the Tax Act.

Amendments to the Declaration of Trust

The Declaration of Trust contains provisions that allow it to be amended or altered from time to time by the Trustees with the consent of the Trust Unitholders by a Special Resolution. However, the Trustees, at their discretion and without the approval of the Trust Unitholders, are entitled to make certain amendments to the Declaration of Trust, including amendments for the purposes of:

- (a) ensuring continuing compliance with applicable law, regulations or policies of any authorized authority having jurisdiction over the Trustees, the Fund or Trust Unitholders (or any class or series thereof) or Special Voting Unitholders;
- (b) providing additional protection or added benefits, in the opinion of counsel, for the Trust Unitholders (or any class or series thereof) or Special Voting Unitholders (including a change in the governing law of the Fund);
- (c) providing for the creation and issue of additional classes or series of Trust Units;
- (d) removing any conflicts or inconsistencies in the Declaration of Trust or to make minor corrections which are, in the opinion of the Trustees, necessary or desirable and not prejudicial to the Trust Unitholders (or any class or series thereof) or Special Voting Unitholders;
- (e) changing the situs of, or the laws governing, the Fund which, in the opinion of the Trustees, is desirable in order to provide Trust Unitholders (or any class or series thereof) or Special Voting Unitholders (if any) with the benefit of any legislation limiting their liability provided that such change does not introduce a material disadvantage to the Trust Unitholders (or any class or series thereof) or Special Voting Unitholders (if any) that did not exist prior to such change;
- (f) making amendments that, in the Trustees' opinion, are necessary or desirable as a result of changes in taxation laws or policies of any authorized authority having jurisdiction over the Trustees, the Fund or the Trust Unitholders (or any class or series thereof) or Special Voting Unitholders; or
- (g) ensuring that the Fund qualifies or continues to qualify as a "mutual fund trust" under the Tax Act.

Notwithstanding the foregoing, no such amendment, alteration, supplement or restatement is valid under the Declaration of Trust or binds the Trustees or any Trust Unitholder (or any class or series thereof) or Special Voting Unitholder to the extent that it purports to:

- (a) modify the voting rights in the Declaration of Trust without the approval or consent of the Voting Unitholders by resolution passed by the affirmative votes of the holders of more than 90% of the total of the Voting Units then outstanding and represented at a meeting called for such purpose;
- (b) reduce the percentage of votes required to be cast at a meeting of the Voting Unitholders for any Voting Unitholder approval or Special Resolution, without the approval or consent of the Voting Unitholders by resolution passed by the affirmative votes of the holders of more than 90% of the total of the Voting Units then outstanding and represented at the meeting called for such purpose;
- (c) reduce the equal undivided interest in the Fund's assets represented by any participating Trust Unit (of any class or series thereof) without the approval or consent of the participating Trust Unitholders of the same class or series by resolution passed by the affirmative votes of the holders of more than 90% of the total of the participating Trust Units of the same class or series then outstanding and represented at the meeting called for such purpose; or
- (d) results in the Fund failing to qualify as a "mutual fund trust" under the Tax Act at any time.

Fiscal Year End

The Fund's financial year-end is December 31.

Other

For a description of and other information about the Trust Units, including the terms of the Declaration of Trust regarding Trust Unitholder meetings and resolutions, withholding taxes, issue and sale of Trust Units, purchases of Trust Units by the Fund, see **Item**

5.1 – Trust Units. For information regarding distributions by the Fund on Trust Units, see **Item 5.2 – Cash Distributions to Trust Unitholders.**

For information about the terms of the Declaration of Trust regarding restrictions on any transfer of Trust Units, see **Item 10.2 – Transfer Restrictions in the Declaration of Trust.**

2.7.2 Clear Sky LP XIV Agreement

The mutual rights and obligations of Clear Sky GP (sole general partner), the Fund (sole voting limited partner holding Class A LP Units), and any holders of Class B LP Units (including any arm's length Bridge Equity Investor(s) holding Bridge Financing LP Units) as the partners of Clear Sky LP XIV are to be governed by the Clear Sky LP XIV Agreement, which is to be entered into as of the first Closing Date with effect from the date of formation, July 28, 2014. Marcus Kurschat beneficially owns or controls, directly or indirectly, all of the securities of Clear Sky GP. Consequently, Mr. Kurschat may receive income (indirectly) from his beneficial ownership of Clear Sky GP. See **Item 5.2.2 – Flow of Funds from the Car Washes** for a description of the distributions from the Car Wash LPs to their partners, the US Limited Partnership to its partners, including Clear Sky LP XIV as limited partner, and distributions by Clear Sky LP XIV to its partners, including the Fund as limited partner.

The following description of the Clear Sky LP XIV Agreement and the descriptions set out elsewhere in this offering memorandum are a summary only of certain material terms and conditions of the Clear Sky LP XIV Agreement, and do not purport to be complete. **Clear Sky LP XIV may, without prior notice to Trust Unitholders make changes to the terms and conditions of the Clear Sky LP XIV Agreement that are different than as summarized in this offering memorandum, provided such changes would not reasonably be considered materially adverse to the Fund.**

The following is a summary only of certain provisions of the Clear Sky LP XIV Agreement and is qualified in its entirety by the Clear Sky LP XIV Agreement. Prospective Investors may after the first Closing Date inspect a copy of the Clear Sky LP XIV Agreement, during normal business hours at the offices of the Fund, Suite 1900, 520 - 3rd Avenue SW, Calgary, Alberta T2P 0R3. In addition, each Trust Unitholder has the right to obtain from the Fund, on request without fee, a copy of the Clear Sky LP XIV Agreement and any amendments thereto.

Business of Clear Sky LP XIV

Clear Sky LP XIV was formed to carry on, with a view to making a profit, the business to be conducted by Clear Sky LP XIV and its affiliates as more particularly described in the this offering memorandum, including:

- (a) investing in the US Limited Partnership, which will invest in one or more Car Wash LPs, and the Car Wash LPs will carry on the business of acquiring, holding, developing, renovating, managing, repairing, maintaining, upgrading or otherwise making operation-ready, operating, leasing, renting, disposing of (including resale in whole or in part of refinancing), or otherwise dealing with the Car Washes or other industrial or commercial properties (and the businesses conducted on those properties), including the sale of a Car Wash (or other industrial or commercial property and the business conducted thereon) or the development of property of all kinds, whether real or personal, tangible or intangible, indirectly through holding ownership interests in one or more other persons (irrespective of the business conducted by such other persons), as determined solely by the General Partner or the US Limited Partnership's general partner, including the acquisition, development, renovation, operation and use, and disposition, directly or indirectly, of Car Washes, with a view to making a profit from each Car Wash through its generation of rental income or from disposition of each Car Wash;
- (b) engaging in such other activities that (i) the Clear Sky GP deems incidental, necessary or appropriate, and (ii) are permitted by applicable law, in order to carry out the business and purpose specified in paragraph (a); and
- (c) carrying on any other business which, in the sole determination of the Clear Sky GP, should be carried on by the Clear Sky LP XIV.

The purposes of Clear Sky LP XIV set forth in the Clear Sky LP XIV Agreement are to be construed as both purposes and powers of Clear Sky LP XIV. Clear Sky LP XIV has, without limitation, the power to do any and every act and thing necessary, convenient or incidental to the accomplishment of the purposes and exercise of the powers of the Partnership.

Capital of Clear Sky LP XIV

The capital of Clear Sky LP XIV consists of the aggregate of all sums of money or other property contributed by the Clear Sky LP XIV limited partners as capital contributions and not withdrawn by or returned to them. The limited partners' capital contributions are made through investment in limited partnership units. See **Item 2.7.2 – Clear Sky LP XIV Agreement – Capital Accounts**.

The interest of the limited partners in Clear Sky LP XIV is divided into:

- (a) an unlimited number of Class A voting limited partnership units (the "**Class A LP Units**"), each of which Class A LP Units of Clear Sky LP XIV has attached to it (in addition to all other limitations, rights, privileges, restrictions and conditions ascribed thereto under Clear Sky LP XIV Agreement):
 - (i) Right to Vote - except as otherwise expressly provided in Clear Sky LP XIV Agreement, the right of the Fund to receive notice of and to attend any meetings of limited partners and to one vote for each Class A LP Unit held by such limited partner;
 - (ii) Participation in Allocations - the right, privilege, restriction or condition of the Fund (as the Class A LP Unitholder) to allocations of 99.99% of the net income, net loss, taxable income and tax loss as provided in Clear Sky LP XIV Agreement; and
 - (iii) Participation in Distributions - the right of the Fund (as the Class A LP Unitholder) to receive 99.99% of all advances or distributions of property or assets (including Net Available Cash) and any other distributions to partners and to receive 99.99% of the remaining property or assets of Clear Sky LP XIV on dissolution in accordance with the terms of Clear Sky LP XIV Agreement,subject to the specific limitations, rights, privileges, restrictions and conditions ascribed to any series of Class B LP Units, including any Bridge Financing LP Units that may be created and issued in connection with the acquisition of or investment in any Car Wash; and
- (b) an unlimited number of Class B limited partnership units (the "**Class B LP Units**"), which may from time to time be issued in one or more series having the number of Class B LP Units comprised in each series and the designation, limitations, rights, privileges, restrictions and conditions attaching to each series of Class B LP Units, as determined by the Clear Sky GP at any time and from time to time.

The Fund holds and will hold all the outstanding Class A LP Units that may be issued from time to time and, accordingly, the Fund is and will be the sole voting limited partner of Clear Sky LP XIV.

Offering Proceeds may be used by Clear Sky LP XIV to fund, in whole or in part, the redemption, purchase or other acquisition of Bridge Financing LP Units, at any time and from time to time. See **Item 1.1 – Available Funds** and **Item 1.2 – Use of Available Funds**.

The Fund, Clear Sky LP XIV Fund and its affiliates may agree, in connection with the acquisition of or investment in any Car Wash or other industrial/commercial property (and the business conducted on such property), to material restrictions regarding their use of Available Funds and funds that would otherwise be available for distribution or Working Capital, regardless of the source, for any purpose other than the redemption of Bridge Financing LP Units that may be created and issued in connection with the acquisition/investment, so long as any of the Bridge Financing LP Units remains outstanding. Among other things, such restrictions on the use of Available Funds and funds that would otherwise be available for distribution or Working Capital, regardless of the source, might be imposed on Clear Sky LP XIV through the provisions of the Bridge Financing LP Units. These restrictions may materially restrict the distribution of funds from the Fund's subsidiaries to the Fund set out in **Item 5.2.2 – Flow of Funds from the Car Washes**. In such a case, the Fund may not be in a position to pay cash distributions to Trust Unitholders so long as any Bridge Financing LP Units have not been redeemed. Similarly, neither the applicable Car Wash LP nor the US Limited Partnership may be in a position to pay cash distributions to its partners except in connection with the redemption of outstanding Bridge Financing LP Units. These restrictions may materially adversely affect the Fund's ability to pay, in whole or in part, expenses and other obligations of the Fund, cash redemptions or repurchases of Trust Units, any tax liability, or fund any reserves established by the Trustees, in their sole discretion, so long as any Bridge Financing LP Units have not been redeemed. These restrictions may adversely affect the ability of the Fund, Clear Sky LP XIV and the US Limited Partnership or the applicable Car Wash LP to pay, in whole or in part, expenses in connection with the Offering, start-up and operational costs, costs associated with acquiring (or investing in) and operating the Car Washes (including the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash, Bell Road Car Wash and the proposed acquisitions of the 67th Avenue Car Wash and 51st Avenue Car Wash), and the general and administrative, marketing and

operating expenses of the Fund and its affiliates including, costs associated with establishing and organizing the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs and their general partners and their respective affiliates, legal, consulting, accounting and audit costs, advertising and marketing costs, fees and costs associated with offices and sites for the Fund and its affiliates, Renovation Costs, costs (including wages and benefits) associated with personnel of the Fund and its affiliates, Location Management Fees, fees and costs associated with banking and borrowing of the Fund and its affiliates, debt payments and accrued interest, investor reporting costs, printing and mailing costs, costs in connection with governmental and regulatory requirements, Performance Fees, Asset Management Fees, and taxes.

Authority and Liability of Clear Sky GP

Under the terms of the Clear Sky LP XIV Agreement, Clear Sky GP, as general partner, will carry on the business of Clear Sky LP XIV and is given full and exclusive power and authority to manage, control, administer, advise and operate the business and affairs of Clear Sky LP XIV and to make decisions regarding the undertaking and business of Clear Sky LP XIV, subject to the provisions of the *Partnership Act* (Alberta) and except for certain matters being subject to approval of the Clear Sky LP XIV limited partners.

Clear Sky GP, as general partner, has unlimited liability for the debts, liabilities and obligations of Clear Sky LP XIV to the extent required by but subject always to the provisions of the *Partnership Act* (Alberta) and other applicable legislation and terms of the Clear Sky LP XIV Agreement.

Clear Sky GP will exercise its powers and authorities, discharge its duties and manage and operate Clear Sky LP XIV and the undertaking, property and assets thereof, honestly, in good faith and in the best interests of the limited partners of Clear Sky LP XIV, and will exercise the care, diligence and skill of a reasonably prudent person, and will maintain the confidentiality of financial and other information and data which it may obtain through or on behalf of Clear Sky LP XIV, the disclosure of which may adversely affect the interests of Clear Sky LP XIV or the limited partners of Clear Sky LP XIV, except to the extent that disclosure is required by law or is in the best interests of Clear Sky LP XIV, and it will utilize the information and data only for the business and affairs of Clear Sky LP XIV.

Clear Sky GP, as the general partner of Clear Sky LP XIV, may, in its discretion and to the extent desired or considered necessary by Clear Sky GP, provide administrative, advisory, management, operational and other services to Clear Sky LP XIV in connection with a Car Wash LP acquiring (or investing in) and, thereafter, renovating, repairing, maintaining, upgrading or otherwise making operation-ready, operating, leasing, renting or disposing of (including resale in whole or in part) or refinancing the Car Washes and otherwise managing the Car Washes portfolio.

No Clear Sky LP XIV limited partner is permitted to take part in the management of the business of Clear Sky LP XIV. A Clear Sky LP XIV limited partner is not liable for any debts, liabilities or obligations of Clear Sky LP XIV in excess of such Clear Sky LP XIV limited partner's paid capital contributions and any unpaid capital contributions agreed to be paid in respect of such Clear Sky LP XIV limited partner's units, provided such Clear Sky LP XIV limited partner does not take part in the control or management of the business of Clear Sky LP XIV. Any action taken by Clear Sky GP on behalf of Clear Sky LP XIV is deemed to be an act of Clear Sky LP XIV and binds Clear Sky LP XIV.

Reimbursement of Costs and Expenses

Clear Sky LP XIV will pay all costs, disbursements and other fees and expenses incurred in connection with all matters under the Clear Sky LP XIV Agreement and incurred in managing, controlling, administering and operating the business and affairs of Clear Sky LP XIV, including the organization of Clear Sky LP XIV, the registration of Clear Sky LP XIV under the *Partnership Act* (Alberta) and under similar legislation of other jurisdictions, the issue and sale of Clear Sky LP XIV limited partnership units, the admission of Clear Sky LP XIV limited partners, the transfer of Clear Sky LP XIV limited partnership units, Clear Sky LP XIV's purchase, redemption or other acquisition of Clear Sky LP XIV limited partnership units, maintenance and updates of the Clear Sky LP XIV register, maintenance and updates of all capital or current accounts, all allocations of net income, net loss, taxable income and tax loss, all distributions of assets of Clear Sky LP XIV (including cash available for distribution), and the dissolution of Clear Sky LP XIV.

Clear Sky LP XIV will reimburse Clear Sky GP for all direct costs and expenses incurred on Clear Sky LP XIV's behalf by Clear Sky GP in the exercise of its rights or performance of its duties under the Clear Sky LP XIV Agreement, provided that Clear Sky GP is not in default of its rights or duties, in connection with such costs and expenses.

Specific Powers of Clear Sky GP

Clear Sky GP is authorized on behalf of and without further authority from the limited partners of Clear Sky LP XIV to do all things which in its sole judgment are necessary, proper or desirable to carry on the business and purposes of Clear Sky LP XIV, including the following:

- invest in the US Limited Partnership for the purpose of carrying out any acquisition (or investment in), development, management and sale of Car Washes or other industrial or commercial property (and the business(es) associated with such industrial or commercial property);
- see to the management, control, administration and operation of Clear Sky LP XIV, and to develop, manage, control, administer and operate all activities of Clear Sky LP XIV and take all measures necessary or appropriate for the business of Clear Sky LP XIV or ancillary thereto;
- incur and pay all costs, taxes, fees and other expenses, in connection with Clear Sky LP XIV or relating to the orderly maintenance, repair, management and operation of the business of Clear Sky LP XIV;
- employ, retain, engage or dismiss from employment, personnel, agents, representatives or professionals or other investment participants, or otherwise subcontract any of its functions as Clear Sky GP, with the powers and duties upon the terms and for the compensation as in the discretion of Clear Sky GP may be necessary or advisable in the carrying on of the business and affairs of Clear Sky LP XIV;
- negotiate, execute and perform all agreements which require execution by or on behalf of Clear Sky LP XIV involving matters or transactions with respect to Clear Sky LP XIV's business, affairs or purpose (and such agreements may limit the liability of Clear Sky LP XIV to the assets of Clear Sky LP XIV, with the other party to have no recourse to the assets of Clear Sky GP, even if the same results in the terms of the agreement being less favourable to Clear Sky LP XIV);
- open and operate, either in its own name or in the name of Clear Sky LP XIV, bank accounts in order to deposit and to spend the capital of Clear Sky LP XIV in the exercise of any right or power exercisable by Clear Sky GP hereunder;
- provide administration, advisory, management, operational and other services to Clear Sky LP XIV, the US Limited Partnership or to the general partner of any Car Wash LP in connection with acquiring (or investing in) and, thereafter, renovating, repairing, maintaining, a Car Wash and otherwise managing the Car Washes portfolio;
- mortgage, charge, assign, hypothecate, pledge or otherwise create a security interest in all or any assets or property of Clear Sky LP XIV now owned or hereafter acquired, to secure any present and future borrowings and related expenses of Clear Sky LP XIV and to sell all or any of such property pursuant to a foreclosure or other realization upon the foregoing encumbrances;
- borrow funds in the name of Clear Sky LP XIV from time to time, from Clear Sky GP or its affiliates or from financial institutions or other lenders as Clear Sky GP may determine without limitation with regard to amount, cost or conditions of reimbursement of such loan;
- acquire securities of entities engaged primarily in businesses which are permitted businesses for Clear Sky LP XIV, including the US Limited Partnership or any Car Wash LP;
- hold any Clear Sky LP XIV assets or property, or any interest therein, in the name of Clear Sky GP, Clear Sky LP XIV or other designated person;
- purchase or acquire (or otherwise invest in), maintain, improve, renovate, repair, upgrade or expand, assets or property on behalf of Clear Sky LP XIV or, subject to Clear Sky LP XIV Agreement, sell, transfer or otherwise dispose of the whole or any part of Clear Sky LP XIV's assets or property, all on such terms and conditions as Clear Sky GP may determine;
- act as the registrar and transfer agent for Clear Sky LP XIV, or retain another person to so act;
- invest cash assets of Clear Sky LP XIV that are not immediately required for the business of Clear Sky LP XIV in investments which Clear Sky GP considers appropriate, including Permitted Investments;

- act as attorney in fact or agent of Clear Sky LP XIV in disbursing and collecting moneys for Clear Sky LP XIV, paying debts and fulfilling the obligations of Clear Sky LP XIV and handling and settling any claims of Clear Sky LP XIV;
- grant and execute debentures, promissory notes, mortgages, documents and other instruments charging the whole or any part of Clear Sky LP XIV's assets and undertaking and any undivided interest of the Clear Sky LP XIV limited partners in such assets and undertaking;
- retain legal counsel, experts, advisors or consultants as Clear Sky GP considers appropriate and rely upon the advice of such persons;
- commence or defend any action or proceeding in connection with Clear Sky LP XIV, including acting on behalf of Clear Sky LP XIV with respect to commencing or defending any and all actions and other proceedings pertaining to Clear Sky LP XIV, its loans or other aspects of the business or the Car Washes;
- determine the amount and type of insurance coverage to be maintained in order to protect Clear Sky LP XIV from all usual perils of the type covered in respect of properties and businesses comparable to that of Clear Sky LP XIV and in order to comply with the requirements of any of Clear Sky LP XIV's lenders;
- determine the amount, if any, to be claimed by Clear Sky LP XIV in any year in respect of capital cost allowance and expenses incurred by Clear Sky LP XIV;
- make distributions in accordance with the Clear Sky LP XIV Agreement and as disclosed in this offering memorandum;
- file returns or other documents required by any governmental or like authority;
- execute, acknowledge and deliver any and all documents and instruments necessary or desirable to effectuate any or all of the foregoing or otherwise in connection with the business of Clear Sky LP XIV;
- do or cause to be done anything that is in furtherance of or incidental to the business of Clear Sky LP XIV or that is provided for in Clear Sky LP XIV Agreement; and
- generally carry out the intent, objects, purposes and business of Clear Sky LP XIV, including retaining qualified agents or representatives to carry out any of the foregoing.

Clear Sky GP may contract with any person or entity to carry out any of the duties of Clear Sky GP and may delegate to such person any power and authority of Clear Sky GP, but no such contract or delegation relieves Clear Sky GP of any of its obligations under the Clear Sky LP XIV Agreement. Clear Sky GP may, on behalf of Clear Sky LP XIV, pay reasonable costs incurred in delegating such duties.

The Fund, Clear Sky LP XIV and their affiliates may agree, in connection with the acquisition of or investment in any Car Wash or other industrial or commercial property (and the business conducted thereon), to material restrictions regarding their use of Available Funds and funds that would otherwise be available for distribution or Working Capital, regardless of the source, for any purpose other than the redemption of Bridge Financing LP Units that may be created and issued in connection with acquisition/investment, so long as any of the Bridge Financing LP Units remains outstanding. Among other things, such restrictions on the use of Available Funds and funds that would otherwise be available for distribution or Working Capital, regardless of the source, might be imposed on Clear Sky LP XIV through the provisions of the Bridge Financing LP Units. These restrictions may materially restrict the distribution of funds from the Fund's subsidiaries to the Fund set out in **Item 5.2.2 – Flow of Funds from the Car Washes**. In such a case, the Fund may not be in a position to pay cash distributions to Trust Unitholders so long as any Bridge Financing LP Units have not been redeemed. Similarly, neither the Car Wash LPs nor the US Limited Partnership may be in a position to pay cash distributions to its partners except in connection with redeeming any Bridge Financing LP Units that remain outstanding. These restrictions may materially adversely affect the Fund's ability to pay, in whole or in part, expenses and other obligations of the Fund, cash redemptions or repurchases of Trust Units, any tax liability, or fund any reserves established by the Trustees, in their sole discretion. These restrictions may adversely affect the ability of the Fund, Clear Sky LP XIV, the US Limited Partnership and the Car Wash LPs to pay, in whole or in part, expenses in connection with the Offering and the general and administrative, marketing and operating expenses, including administration fees and costs associated with offices for the Fund and its affiliates and personnel, expenses related to portfolio transactions, legal, banking, audit and accounting fees, investor reporting costs, printing and mailing costs and costs incurred in connection with any governmental or regulatory filing requirements, any Renovation Costs, Asset Management Fees, Location Management Fees and Performance Fees.

Allocations for Tax Purposes

The taxable income of Clear Sky LP XIV, for a given fiscal year is to be allocated on the following basis:

- 0.01% of such income is to be allocated to Clear Sky GP; and
- 99.99% of such income is to be allocated to the Fund, as the sole Class A LP Unitholder in Clear Sky LP XIV,

subject to the specific limitations, rights, privileges, restrictions and conditions ascribed to any series of Class B LP Units, including Bridge Financing LP Units, whose participating limited partnership units participate in allocations under the Clear Sky LP XIV Agreement.

The taxable loss of Clear Sky LP XIV, for a given fiscal year of Clear Sky LP XIV is to be allocated on the following basis:

- 0.01% of such loss is to be allocated to Clear Sky GP; and
- 99.99% of such loss is to be allocated to the Fund, as the sole Class A LP Unitholder in Clear Sky LP XIV,

subject to the specific limitations, rights, privileges, restrictions and conditions ascribed to any series of Class B LP Units, including Bridge Financing LP Units whose participating limited partnership units participate in allocations under the Clear Sky LP XIV Agreement.

The amount of taxable income allocated to a Clear Sky LP XIV limited partner may exceed or be less than the amount of the cash distributed by Clear Sky LP XIV to that limited partner in respect of a given fiscal year.

All allocations provided for purposes of the Tax Act are to be made as at the end of each fiscal year of Clear Sky LP XIV.

No Clear Sky LP XIV limited partner is to be responsible for any of the losses of any other Clear Sky LP XIV limited partner, nor share in the income, loss, or allocation of tax deductible expenses attributable to the limited partnership units of any other Clear Sky LP XIV limited partner.

In calculating taxable income or tax loss (and for the purposes calculating net income or net loss) allocated to each Clear Sky LP XIV limited partner, Clear Sky GP has discretion, acting in good faith:

- to allocate revenue and expenses on a daily, incremental basis to ensure equitable treatment among Clear Sky LP XIV limited partners;
- to allocate taxable income or tax loss (and for the purposes of allocating net income or net loss) among Clear Sky LP XIV limited partners to ensure they are treated equitably taking into account differences that may arise as a result of the acquisition or disposition of Clear Sky LP XIV limited partnership units at different times in a year or in different years;
- to make adjustments to ensure that allocations to any Clear Sky LP XIV limited partner in respect of fees and expenses incurred by Clear Sky LP XIV do not, on a cumulative basis, exceed such Clear Sky LP XIV limited partner's proportionate share of the aggregate amount of such fees paid by Clear Sky LP XIV;
- to make adjustments in respect of revenue earned or expenses incurred prior to the time each Clear Sky LP XIV limited partner became a limited partner of Clear Sky LP XIV; or
- to make adjustments in respect of fees paid in years prior to the fiscal year in which the Clear Sky LP XIV limited partner became a Clear Sky LP XIV limited partner.

Allocations of Net Income and Net Losses

The net income or net loss of Clear Sky LP XIV for accounting purposes is to be allocated to Clear Sky GP and each Clear Sky LP XIV limited partner whose participating units participate in Clear Sky LP XIV allocations under Clear Sky LP XIV Agreement in the same proportion as taxable income or tax loss is allocated for tax purposes to the Clear Sky LP XIV limited partner, subject in the same manner to the specific limitations, rights, privileges, restrictions and conditions ascribed to any series of Class B LP Units,

including Bridge Financing LP Units whose participating limited partnership units participate in allocations under the Clear Sky LP XIV Agreement.

Subject to the specific limitations, rights, privileges, restrictions and conditions ascribed to any series of Class B LP Units (including any Bridge Financing LP Units), Clear Sky GP will, in respect of the capital account maintained for each Clear Sky LP XIV limited partner whose participating units participate in Clear Sky LP XIV allocations under the Clear Sky LP XIV Agreement:

- add to the capital account maintained for the Clear Sky LP XIV limited partner all net income allocated to a Clear Sky LP XIV limited partner; and
- deduct from the capital account maintained for the Clear Sky LP XIV limited partner any net losses allocated to the Clear Sky LP XIV limited partner and any amounts distributed to the Clear Sky LP XIV limited partner.

In calculating net income and net loss allocated to each Clear Sky LP XIV limited partner, Clear Sky GP has discretion, acting in good faith:

- to allocate revenue and expenses on a daily, incremental basis to ensure equitable treatment among Clear Sky LP XIV limited partners;
- to allocate net income and net loss among Clear Sky LP XIV limited partners to ensure they are treated equitably taking into account differences that may arise as a result of the acquisition or disposition of limited partnership units at different times in a year or in different years;
- to make adjustments to ensure that allocations to any Clear Sky LP XIV limited partner in respect of fees and expenses incurred by Clear Sky LP XIV do not, on a cumulative basis, exceed such Clear Sky LP XIV limited partner's proportionate share of the aggregate amount of such fees paid by Clear Sky LP XIV;
- to make adjustments in respect of revenue earned or expenses incurred prior to the time each Clear Sky LP XIV limited partner became a limited partner of Clear Sky LP XIV; or
- to make adjustments in respect of fees paid in years prior to the fiscal year in which the Clear Sky LP XIV limited partner became a Clear Sky LP XIV limited partner.

Distributions

See **Item 5.2.2 – Flow of Funds from the Car Washes** for a description of, among other things, distributions by Clear Sky LP XIV to the Fund.

Capital Accounts

The contribution to the capital of each Clear Sky LP XIV limited partner is the total amount of money paid or the fair value of other property contributed to Clear Sky LP XIV in respect of the limited partnership units held by such Clear Sky LP XIV limited partner or a predecessor Clear Sky LP XIV limited partner, which capital contribution is to be increased or reduced from time to time pursuant to the provisions of the Clear Sky LP XIV Agreement. See **Item 2.7.2 – Clear Sky LP XIV Agreement – Capital of Clear Sky LP XIV**.

Clear Sky GP will maintain a separate capital account for each Clear Sky LP XIV limited partner and will, subject to the specific rights, privileges, restrictions and conditions ascribed to any series of Class B LP Units:

- (a) credit the capital account of the applicable Clear Sky LP XIV limited partner with:
 - (i) on receipt of an amount in respect of a capital contribution, such capital contribution; and
 - (ii) the amount of any net income allocated to the Clear Sky LP XIV limited partner in accordance with the Clear Sky LP XIV Agreement; and
- (b) debit the capital account of the applicable Clear Sky LP XIV limited partner with:

- (iii) the amount of any net loss allocated to the Clear Sky LP XIV limited partner in accordance with the Clear Sky LP XIV Agreement; and
- (iv) any amount withdrawn or distributed (as a return of capital or otherwise) from time to time by Clear Sky LP XIV to the Clear Sky LP XIV limited partner.

No Clear Sky LP XIV limited partner is responsible for any losses of any other Clear Sky LP XIV limited partner, nor will it share in the allocation of income or loss attributable to the limited partnership units of any Clear Sky LP XIV limited partner.

Except as expressly provided for in the Clear Sky LP XIV Agreement, the interest of a Clear Sky LP XIV limited partner in Clear Sky LP XIV does not terminate by reason of the return of capital contribution or by reason of there being a negative or nil balance in the Clear Sky LP XIV limited partner's capital account.

Clear Sky LP XIV will not pay interest on any credit balance of the capital account or capital contribution of a Clear Sky LP XIV limited partner. Except as provided in the Clear Sky LP XIV Agreement or the *Partnership Act* (Alberta) or similar applicable legislation in Canada, no Clear Sky LP XIV limited partner is required to pay interest to Clear Sky LP XIV on any capital contribution returned to the Clear Sky LP XIV limited partner or on any negative balance in his capital account.

Dissolution

Clear Sky LP XIV will exist indefinitely until:

- (a) Clear Sky GP elects to dissolve Clear Sky LP XIV, if such dissolution is approved by an extraordinary resolution of the limited partners; or
- (b) Clear Sky GP and the Clear Sky LP XIV limited partners mutually and expressly agree, in writing, to the dissolution of Clear Sky LP XIV;
- (c) a Car Wash LP has not acquired a Car Wash within 30 months after the first Closing Date of the Offering of Trust Units; or
- (d) Marcus Kurschat were to die or become permanently disabled prior to the acquisition by any Car Wash LP of a Car Wash,

but Clear Sky LP XIV will not terminate until its assets have been distributed in accordance with the Clear Sky LP XIV Agreement.

Fiscal Year End

Clear Sky LP XIV's financial year-end is December 31.

2.7.3 US LP Agreement

The partners in the US Limited Partnership entered into the US LP Agreement as of November 12, 2014, with effect from date of formation of the US Limited Partnership (August 19, 2014). The mutual rights and obligations of the US General Partners (sole general partners), Clear Sky LP XIV (limited partner holding a Class A limited partnership interest), the US Investors (limited partners holding Class B limited partnership interests) and Pinnacle Wealth Brokers Inc. (non-voting limited partner holding a Class C limited partnership interest), as the partners of the US Limited Partnership are governed by the US LP Agreement.

Marcus Kurschat, a Trustee and President of the Fund, Kevin Wheeler, a Trustee and Vice President, Investor Relations of the Fund, and Tim Barrett (who provides General Manager services for one or more Car Washes), beneficially own or control, directly or indirectly, all the US General Partners. The same individuals are also, directly or indirectly, US Limited Partners. Consequently, such individuals will share (indirectly) in US Limited Partnership distributions, if any, resulting from such beneficial ownership of the US General Partners or as US Limited Partners. The US General Partners' economic interests in the US Limited Partnership are subject to reduction based on any partnership interest(s) held in any Car Wash LP(s) by any Bridge Equity Investor(s).

Clear Sky LP XIV is a limited partner in the US Limited Partnership who derives its investment capital for investment in a Class A limited partnership interest in the US Limited Partnership from net Offering Proceeds (invested by the Fund) or the issue and sale of Bridge Financing LP Units. The US Investors (including individuals who are Trustees, directors, officers and shareholders of the US General Partners and affiliates thereof, as well as arm's length investors) are limited partners in the US Limited Partnership, having

invested a total of US\$300,000 in Class B limited partnership interests in the US Limited Partnership, as of the date of this offering memorandum. Participating Trust Unitholders may receive income (indirectly) through Clear Sky LP XIV's beneficial ownership of a Class A limited partnership interest in the US Limited Partnership; the US Investors may receive income (indirectly) from their beneficial ownership of a Class B limited partnership interest in the US Limited Partnership. Participating Trust Unitholders (through Clear Sky XIV) and US Investors hold economic interests in the US Limited Partnership intended to receive a 12% Investor ROI each year, if at all, prior to the economic participation of other partners in the US Limited Partnership. If a 12% Investor ROI is not paid for a particular year, the shortfall does not accrue in favour of Participating Trust Unitholders or US Investors in subsequent years.

Pinnacle Wealth Brokers Inc., the registered dealer appointed by the Fund as its agent to offer Trust Units for sale under the Offering, is, as of the completion of the Scottsdale Road Car Wash acquisition, a limited partner of the US Limited Partnership, holding a Class C non-voting limited partnership interest in the US Limited Partnership. Consequently, Pinnacle Wealth Brokers Inc. will share (indirectly) in distributions, if any, resulting from the beneficial ownership of a Class C limited partnership interest in the US Limited Partnership.

The percentage interest of each partner in the US Limited Partnership at any particular time, is represented as his or its Ownership Percentage, which Ownership Percentage is calculated in accordance with, and is subject to adjustments made pursuant to, the US LP Agreement); provided, however, that CSCA (as controlling general partner) may amend the calculation formula from time to time without the approval of any other partners of the US Limited Partnership to account for issuances, redemptions, and assignments of interests, admissions and withdrawals of partners, and to otherwise reflect changes in Investment Capital, contributions, and distributions, all as CSCA (as controlling general partner) deems necessary or appropriate. As of the date of this offering memorandum, the Ownership Percentages of the partners of the US Limited Partnership are: (a) Participating Trust Unitholders (through Clear Sky LP XIV and the Fund) – 9.7344%; (b) US Investors – 0.4754%; (c) US General Partners – 61.1871%, subject to reduction based on any economic interest(s) in any Car Wash LP(s) held by any Bridge Equity Investor(s); and (d) Pinnacle Wealth Brokers Inc. – 28.6032%.

The economic participation of the partners in the US Limited Partnership is subject to the prior receipt of a 12% Investor ROI each year by Participating Trust Unitholders and US Investors. See **Item 5.2.2 – Flow of Funds from the Car Washes**. Until Participating Trust Unitholders and US Investors realize a prescribed return or hurdle rate in an amount equal to an Investor ROI of 12% on the their Investment Capital (not compounded) for a particular year (taking into account any prior distributions of Net Available Cash, return-of-capital distributions or other amounts previously paid by the US Limited Partnership during the year, and any U.S. taxes paid on behalf of Participating Trust Unitholders), no Interested Stakeholders (being Clear Sky GP, the US General Partners and Pinnacle Wealth Brokers Inc., as partners in the US Limited Partnership, and the general partners of each Car Wash LP, including Car Wash GP I) will participate in any cash distributions or other amounts returned to Participating Trust Unitholders and US Investors, subject to any Car Wash LP partnership interest(s) that may be created and issued in connection with the acquisition of or investment in the applicable Car Wash (or other industrial/commercial property and the business conducted thereon) being held, directly or indirectly, by any Bridge Equity Investor(s).

The 12% Investor ROI is to be paid annually (but not compounded), if at all, to Participating Trust Unitholders and US Investors in priority to Interested Stakeholders for each year following the first Car Wash acquisition until all of the Investor's capital is returned to the Investor. If a 12% Investor ROI is not paid for a particular year, the shortfall does not accrue in favour of Participating Trust Unitholders or US Investors in subsequent years. It is anticipated that capital will be returned to Investors periodically upon the sale, dissolution and liquidation, or refinancing of Car Washes unless such capital is reinvested in other Car Washes or assets. For Participating Trust Unitholders, US Limited Partnership distributions (if any) will be received after payment of applicable U.S. taxes by Clear Sky LP XIV on any amounts allocated to it by the US Limited Partnership, as a limited partner or an unsecured creditor. To the extent that Clear Sky LP XIV pays applicable U.S. taxes, Participating Trust Unitholders will be allocated their proportionate share of such taxes paid as a foreign tax credit; however, non-taxable Trust Unitholders, such as RRSPs and other Exempt Plans, will not benefit from any allocation of foreign tax credits. Trust Unitholders, whose Trust Units are held outside an RRSP or other Exempt Plan, might consider such payment of taxes as having been made on their behalf and without requiring those Trust Unitholders to prepare and file U.S. tax returns (and pay applicable U.S. taxes) themselves. By comparison, US Investors will participate in distributions from the US Limited Partnership without Clear Sky LP XIV paying applicable U.S. taxes on their behalf. However, US Investors are required to prepare and file their own U.S. tax returns each year and pay applicable U.S. taxes, themselves. For taxable investors, part of their 12% Investor ROI would be in the form of foreign tax credits based on the U.S. tax paid by Clear Sky LP XIV.

After a 12% Investor ROI has been achieved for a particular year (following the first Car Wash acquisition), further Car Wash LP distributions (if any) that are received by the US Limited Partnership during that year will be distributed or otherwise paid as to the US General Partners (subject to reduction based on an economic interest(s) in the Car Wash LP held by any Bridge Equity Investor(s)), Pinnacle Wealth Brokers Inc., Participating Trust Unitholders (through Clear Sky LP XIV and the Fund) and US Investors, collectively, for the year *pro rata* based on their Ownership Percentages. However, Investors whose Trust Units are held in RRSPs or other Exempt Plans may not receive US Limited Partnership distributions (if any) that are equivalent to a 12% Investor ROI before

other partners in the US Limited Partnership (*i.e.*, the US General Partners and Pinnacle Wealth Brokers Inc.) begin to participate in further distributions and the US Investors' and Participating Trust Unitholders' participation in such further distributions reverts to their Ownership Percentages.

See **Item 5.2.2 – Flow of Funds from the Car Washes** for a description of the distributions from the Car Wash LPs to their partners, the US Limited Partnership to its partners (including Clear Sky LP XIV, the US Investors and Pinnacle Wealth Brokers Inc., as limited partners, and the US General Partners, as general partners), and distributions by Clear Sky LP XIV to its partners (including the Fund as limited partner).

The US LP Agreement includes provisions that allow accelerated depreciation to be specially allocated to the US General Partners, in certain circumstances. Any such allocation could increase the amount of US tax payable by Clear Sky LP XIV. This increase in tax payable by Clear Sky LP XIV could reduce the amount of cash available for distribution to the Fund and, in turn, to the Trust Unitholders. Mr. Kurschat, Mr. Wheeler and Mr. Barrett will share (indirectly) in any allocations of income, gain, loss, or deduction associated with the US General Partners' economic interests in the US Limited Partnership, including any special allocations of accelerated depreciation deductions from the US Limited Partnership or a Car Wash LP that are made to the US General Partners instead of to the limited partners.

Principals of the Fund and its affiliates (including persons who are Trustees and directors and officers of the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs or the general partners thereof, and their affiliates) may, at any time and from time, make further investments, directly or indirectly, in Class B limited partnership interests in the US Limited Partnership as US Investors. If any such individual (or an entity beneficially owned or controlled by him) acquires additional Class B limited partnership interests in the US Limited Partnership at any time, he will beneficially hold, as a US Investor, a larger proportionate share (based on the respective levels of Investment Capital) in US Limited Partnership distributions of Net Available Cash or other payments, if any, that may be made to Participating Trust Unitholders (through Clear Sky LP XIV and the Fund) and the US Investors, and the remaining Trust Unitholders (through Clear Sky LP XIV and the Fund) will hold a proportionately smaller share. Further, in the event that any such individual (or an entity beneficially owned or controlled by him) acquires additional limited partnership interests in the US Limited Partnership as a US Investor, he will have done so in his personal capacity and for his own investment purposes.

If the US Limited Partnership needs additional capital contributions for or any reason, the US Limited Partnership must first offer Clear Sky LP XIV and US Investors (including persons who are Trustees and directors and officers of the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs or the general partners thereof, and their affiliates) the right to contribute their share of such additional capital to maintain their relative Ownership Percentages prior to obtaining capital contributions or loans from other sources. Further, it is anticipated that Clear Sky LP XIV will make additional capital contributions as a limited partner of, or lend fund to, the US Limited Partnership on an ongoing basis as it receives Offering Proceeds from the Fund, which will increase its Investment Capital and effect its Ownership Percentage.

Without limiting the generality of the foregoing, principals of the Fund and its affiliates (including persons who are Trustees and directors and officers of the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs or the general partners thereof, and their affiliates) have indicated an interest in making further investments, directly or indirectly, in Class B limited partnership interests in the US Limited Partnership as US Investors, at any time and from time when the Fund redeems, purchases otherwise acquires Trust Units, in amounts up to the Fund's cost of redeeming, purchasing or acquiring such Trust Units. Investment Capital received by the US Limited Partnership in such circumstances may be paid to the Fund to offset, in whole or in part, the Fund's cost of redeeming, purchasing or acquiring such Trust Units. However, none of the principals of the Fund or its affiliates is guaranteeing the payment of any amount for the Trust Units of any Trust Unitholder who wishes to dispose of such securities, whether pursuant to the exercise of redemption or purchase rights or otherwise; there is no assurance that any principals of the Fund or its affiliates will acquire additional limited partnership interests in the US Limited Partnership as US Investors at any time when the Fund redeems, purchases or otherwise acquires Trust Units. For clarity, no offer to purchase any Trust Units has been or is being made and no person has solicited or is soliciting any offer to sell any Trust Units. If any such individual (or an entity beneficially owned or controlled by him) acquires additional Class B limited partnership interests in the US Limited Partnership at any time when the Fund redeems, purchases or otherwise acquires Trust Units from a Trust Unitholder, he will beneficially hold, as a US Investor, a larger proportionate share (based on the respective levels of Investment Capital) in US Limited Partnership distributions of Net Available Cash or other payments, if any, that may be made to Participating Trust Unitholders (through Clear Sky LP XIV and the Fund) and the US Investors, and the remaining Trust Unitholders (through Clear Sky LP XIV and the Fund) will hold a proportionately smaller share. Further, in the event that any such individual (or an entity beneficially owned or controlled by him) acquires additional limited partnership interests in the US Limited Partnership as a US Investor at any time when the Fund redeems, purchases or otherwise acquires Trust Units from a Trust Unitholder, he will have done so in his personal capacity and for his own investment purposes. If any principal of the Fund or its affiliates acquires beneficial ownership, directly or indirectly, of additional limited partnership interests in the US Limited Partnership as a US Investor in such a circumstance, he is not to be considered as

acting jointly or in concert with the Fund or any other offeror in connection with the Fund's redemption, purchase or otherwise acquisition of Trust Units from any Trust Unitholder.

Clear Sky LP XIV may create and issue Bridge Financing LP Units (typically non-voting limited partnership units, redeemable by Clear Sky LP XIV at its discretion) to one or more Bridge Equity Investors. Funds available to Clear Sky LP XIV (whether as net Offering Proceeds or distributions from the Car Wash LPs) may be used, in the discretion of Clear Sky GP, to redeem such Bridge Financing LP Units, from time to time, prior to any further cash distributions being made to Trust Unitholder), any US Investors or Pinnacle Wealth Brokers Inc. It is anticipated that any Bridge Equity Investor will also hold, directly or indirectly, a partnership interest, as a limited or general partner, in the applicable Car Wash LP. Any partnership interest in a Car Wash LP that is held, directly or indirectly, by a Bridge Equity Investor, will effectively and proportionately reduce the economic interests of the US General Partners in the US Limited Partnership. The interests of the Participating Trust Unitholders (e.g., Investors), US Investors and Pinnacle Wealth Brokers Inc. in Car Wash LP distributions (if any) will not be adversely affected. However, to the extent Clear Sky LP XIV uses Car Wash LP distributions to redeem Bridge Financing LP Units, amounts otherwise available from the Car Wash(es), if any, for ultimate distribution to Participating Trust Unitholders, the US General Partners, US Investors and Pinnacle Wealth Brokers Inc. will be reduced. See **Item 2.7.2 – Clear Sky LP XIV Agreement – Capital of Clear Sky LP XIV**, **Item 2.7.3 – US Limited Partnership Agreement** and **Item 2.7.4 – Car Wash LP Agreements**.

The US Limited Partnership may enter into loan agreements, as borrower, with one or more lenders from time to time. These lenders may include the partners of the US Partnership, including Mr. Kurschat, Mr. Wheeler and Mr. Barrett (or entities beneficially owned or controlled by them). Such loans are not to exceed commercially reasonable terms negotiated between the US Limited Partnership, as borrower, and the lender. The US LP Agreement requires that (1) the terms and conditions of partner loans are to be no more favorable to the lending partner than would otherwise be available to the other partners (including Clear Sky LP XIV) or observed in an transaction with an arm's length lender under substantially similar circumstances, and (2) partners (including Clear Sky LP XIV) be given the prior opportunity to satisfy the US Limited Partnership's capital requirements with a partner loan or otherwise, except short term loans (less than 180 days) at prime. Notwithstanding the foregoing, the partner lender is a related party (including, directly or indirectly, Mr. Kurschat, Mr. Wheeler and Mr. Barrett (or entities beneficially owned or controlled by them), then the interest rate for such loan will not exceed the prime rate of the US Limited Partnership's bank.

Prospective Investors may after the first Closing Date inspect a copy of the US LP Agreement, during normal business hours at the office of the Fund, Suite 1900, 520 – 3rd Avenue SW, Calgary, Alberta T2P 0R3. In addition, each Trust Unitholder has the right to obtain from the Fund, on request without fee, a copy of the US LP Agreement and any amendments thereto.

2.7.4 Car Wash LP Agreements

The Car Wash LP Agreements are the limited partnership agreements that govern the Car Wash LPs. Each Car Wash LP will be governed by a separate Car Wash LP Agreement.

The partners of each Car Wash LP will be an entity organized in Arizona or elsewhere in the United States (general partner holding a 0.01% economic interest), which will be beneficially owned or controlled, directly or indirectly, by Marcus Kurschat, and the US Limited Partnership (limited partner holding a 99.99% economic interest), subject to a partnership / economic interest (as a general partner or limited partner) in one or more Car Wash LPs being held, directly or indirectly, by the investor(s) in Bridge Financing LP Units of Clear Sky LP XIV that may be created, issued and sold from time to time in connection with the acquisition of or investment in Car Washes or other industrial/commercial properties (and the businesses conducted on those properties). Consequently, Mr. Kurschat will share (indirectly) in distributions, if any, resulting from his beneficial ownership of those entities. See **Item 5.2.2 – Flow of Funds from the Car Washes** for a description of, among other things, the distributions from the Car Wash LPs to their partners.

As of the date of this offering memorandum, the following Car Wash LPs have been formed or are being formed (in each case prior to the applicable Car Wash acquisition):

- (a) Scottsdale Road Car Wash LP pursuant to a Car Wash LP Agreement between Car Wash GP I (general partner holding a 0.01% economic interest in Scottsdale Road Car Wash LP) and the US Limited Partnership (limited partner holding a 99.99% economic interest in Scottsdale Road Car Wash LP);
- (b) Encanto Road Car Wash LP pursuant to a Car Wash LP Agreement between Car Wash GP I (general partner holding a 0.01% economic interest in Encanto Road Car Wash LP) and the US Limited Partnership (limited partner holding a 99.99% economic interest in Encanto Road Car Wash LP);

- (c) Power Road Car Wash LP pursuant to a Car Wash LP Agreement between Car Wash GP I (general partner holding a 0.01% economic interest in Power Road Car Wash LP) and the US Limited Partnership (limited partner holding a 99.99% economic interest in Power Road Car Wash LP); and
- (d) Bell Road Car Wash LP pursuant to a Car Wash LP Agreement between Car Wash GP I (general partner holding a 0.01% economic interest in Bell Road Car Wash LP) and the US Limited Partnership (limited partner holding a 99.99% economic interest in Bell Road Car Wash LP);
- (e) 67th Avenue Car Wash LP pursuant to a Car Wash LP Agreement between Car Wash GP I (general partner holding a 0.01% economic interest in 67th Avenue Car Wash LP) and the US Limited Partnership (limited partner holding a 99.99% economic interest in 67th Avenue Car Wash LP), which limited partnership is to be formed and organized in connection with the proposed 67th Avenue Car Wash acquisition; and
- (f) 51st Avenue Car Wash LP pursuant to a Car Wash LP Agreement between Car Wash GP I (general partner holding a 0.01% economic interest in 51st Avenue Car Wash LP) and the US Limited Partnership (limited partner holding a 99.99% economic interest in 51st Avenue Car Wash LP), which limited partnership is to be formed and organized in connection with the proposed 51st Avenue Car Wash acquisition.

See **Item 2.1.5 – Car Wash LPs**

2.7.5 Cost Sharing & Support Agreement

In connection with the first Closing of the Offering but with effect as of June 23, 2014, the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, Scottsdale Road Car Wash LP, Encanto Road Car Wash LP, Power Road Car Wash LP, Bell Road Car Wash LP, Clear Sky Capital BC and Clear Sky Capital Arizona have entered into the Cost Sharing & Support Agreement, whereby Clear Sky Capital BC and Clear Sky Capital Arizona agree, in connection with distribution of Trust Units under the Offering and access to Available Funds, and in connection with acquiring and, thereafter, renovating, repairing, maintaining, upgrading or otherwise preparing the Car Washes for business in the ordinary course and the ongoing operation and management of the Car Washes portfolio, to pay (subject to a specified maximum amount and the ability of Clear Sky Capital BC or Clear Sky Capital Arizona to terminate its funding obligations in certain circumstances) the costs of the Fund and its subsidiaries, including Offering costs and ongoing general and administrative expenses, which the Fund is unable to finance from its Working Capital (as may be funded, in whole or in part, with Offering Proceeds). Clear Sky Capital BC is a corporation beneficially owned, directly or indirectly, by Marcus Kurschat, that owns all the shares of Clear Sky GP. Clear Sky Capital Arizona is a corporation beneficially owned, directly or indirectly, by Marcus Kurschat. Mr. Kurschat is a Trustee, the President and a promoter of the Fund, a director and officer (President) and the sole beneficial shareholder (indirect) of Clear Sky GP, a director, officer (President) and employee and the sole beneficial shareholder (indirect) of CSCA, one of the US General Partners, and a beneficial shareholder, director and officer of Car Wash GP I, the general partner of each of Scottsdale Road Car Wash LP, Encanto Road Car Wash LP, Power Road Car Wash LP, Bell Road Car Wash LP and, once formed, 67th Avenue Car Wash LP and 51st Avenue Car Wash LP.

2.7.6 US Staffing and Administrative Services Agreement

In connection with the first Closing of the Offering, the US Limited Partnership and Clear Sky Capital Arizona have entered into the US Staffing and Administrative Services Agreement, with effect as of the first Closing Date, pursuant to which Clear Sky Capital Arizona will provide the executive, management and administrative services of Marcus Kurschat and other personnel to the US Limited Partnership and affiliates thereof. Pursuant to the US Staffing and Administrative Services Agreement, Mr. Kurschat will perform senior executive management duties for the US Limited Partnership and its affiliates.

In exchange for the services provided by Clear Sky Capital Arizona to the US Limited Partnership under the US Staffing and Administrative Services Agreement, the US Limited Partnership will pay Clear Sky Capital Arizona, in the aggregate, (i) a monthly administration fee of US\$500, and (ii) a fee based on Clear Sky Capital Arizona's compensation and benefits costs for its employees, other than Mr. Kurschat, who provide services to the US Limited Partnership or its affiliates (prorated based on the amount of time spent by such employees in providing such services to the US Limited Partnership or its affiliates) plus 3% on the foregoing. The US Limited Partnership will also be required under the US Staffing and Administrative Services Agreement to reimburse Clear Sky Capital Arizona for all reasonable travel, promotional and other business expenses incurred by Clear Sky Capital Arizona (either directly or through Mr. Kurschat or any of its other staff) in the performance of services for the US Limited Partnership or its affiliates. See also **Item 3.1 – Compensation and Securities Held**.

Clear Sky Capital Arizona is the general partner of one or more other limited partnerships with which Marcus Kurschat is affiliated or associated that indirectly owns and operates real estate in Arizona. Clear Sky Capital Arizona provides management and

administrative services, including the executive management service of Mr. Kurschat, to other limited partnerships and business organizations in Arizona and elsewhere with which Mr. Kurschat is affiliated or associated. All of Mr. Kurschat's salary is related to work conducted by him for the US Limited Partnership and any other Fund affiliate and will be paid by Clear Sky Capital Arizona. None of the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, or any Car Wash LP (or general partner thereof) pays or will be required to pay employment income directly to Mr. Kurschat or remit any amount to governmental authorities in connection with payment of his salary.

2.7.7 Canadian Staffing and Administrative Services Agreement

In connection with the first Closing of the Offering, Clear Sky LP XIV and Clear Sky Capital BC executed the Canadian Staffing and Administrative Services Agreement pursuant to which Clear Sky Capital BC will, with effect from July 28, 2014, provide the management and administrative services of Kevin Wheeler and other staff to Clear Sky LP XIV and the Fund. Pursuant to the Canadian Staffing and Administrative Services Agreement, Mr. Wheeler will perform duties for Clear Sky LP XIV and the Fund as Vice President, Investor Relations.

In exchange for the services provided by Clear Sky Capital BC to Clear Sky LP XIV under the Canadian Staffing and Administrative Services Agreement(s), Clear Sky LP XIV will pay Clear Sky Capital BC, in the aggregate, (i) a monthly administration fee of CD\$500, (ii) a monthly fee of CD\$30,000 (plus benefits), attributable to the services of Mr. Wheeler as Vice President, Investor Relations of the Fund, plus additional amounts equal to governmental remittances to be paid by Mr. Wheeler's employer in connection with paying such amount as after-tax salary, and (iii) a fee based on Clear Sky Capital BC's compensation and benefits costs for its employees who provide services to Clear Sky LP XIV and the Fund (prorated based on the amount of time spent by such employees in providing such services to Clear Sky LP XIV and the Fund), plus 3% on the foregoing.

The CD\$30,000 (plus benefits) paid monthly to Clear Sky Capital BC for Mr. Wheeler's services has a term of four months (starting July 28, 2014) and will, in turn, be paid by Clear Sky Capital BC as employment compensation to Mr. Wheeler, as Vice President, Investor Relations of Clear Sky LP XIV. However, Mr. Wheeler's monthly salary has resumed and may resume at any time and from time to time for periods during which the Fund is raising Investment Capital under the Offering or otherwise.

Clear Sky LP XIV will also be required under the Canadian Staffing and Administrative Services Agreement to reimburse Clear Sky Capital BC for all reasonable travel, promotional and other business expenses incurred by Clear Sky Capital BC (either directly or through Mr. Wheeler or any of its other staff) in the performance of services for Clear Sky LP XIV or the Fund. See also **Item 3.1 – Compensation and Securities Held**.

All of Mr. Wheeler's salary is related to work conducted by him for Clear Sky LP XIV or the Fund and any other Fund affiliate and will be paid by Clear Sky Capital BC. None of the Fund, Clear Sky LP XIV, Clear Sky GP, the US General Partners, or any Car Wash LP (or general partner thereof) pays or will be required to pay employment income directly to Mr. Wheeler or remit any amount to governmental authorities in connection with payment of their salaries.

Clear Sky Capital BC is the general partner of one or more other limited partnerships with which Marcus Kurschat is affiliated or associated and which indirectly owns and operates real estate in Arizona. Clear Sky Capital BC provides management and administrative services, including the services of Mr. Wheeler, to other limited partnerships and business organizations with which Mr. Wheeler is affiliated or associated.

2.7.8 67th Avenue Car Wash Acquisition Agreement

An affiliate of Marcus Kurschat, Trustee and President of the Fund, has entered into the 67th Avenue Car Wash Acquisition Agreement with a seller, who is at arm's length to the Fund, 67th Avenue Car Wash LP and their affiliates and Pinnacle Wealth Brokers Inc., to acquire the 67th Avenue Car Wash in Phoenix, Arizona for an aggregate purchase price of US\$4,844,880 (subject to adjustment under the 67th Avenue Car Wash Acquisition Agreement). The 67th Avenue Car Wash Agreement is to be assigned at no additional cost to 67th Avenue Car Wash LP (as buyer) in connection with the acquisition (if at all) of the 67th Avenue Car Wash. See **Item 2.3.1.1 – Acquisition of the 67th Avenue Car Wash** for a description of the 67th Avenue Car Wash.

If the 67th Avenue Car Wash acquisition is completed pursuant to the 67th Avenue Car Wash Acquisition Agreement, it is anticipated that 67th Avenue Car Wash LP, as buyer, will have satisfied the purchase price through:

- (a) payments of non-refundable earnest money and closing extension deposits prior to closing of up to US\$292,224 in total (based on the maximum extension of the acquisition closing date to August 20, 2015 and the subsequent acquisition of the 51st Avenue Car Wash) as follows:

- a US\$50,000 initial earnest money deposit paid on May 11, 2015 in connection with opening escrow and commencement of the buyer's 60-day inspection / financing period (expiring July 7, 2015); and
 - a non-refundable US\$242,224 closing extension deposit to be paid, at the buyer's option, on or before July 16, 2015 to postpone the 67th Avenue Car Wash closing date for another 30 days to August 20, 2015 (whereupon a total of US\$292,224 will have been paid as earnest money and closing extension deposits that are non-refundable, except if the seller is in default, but will be applied to the purchase price if the 67th Avenue Car Wash acquisition is completed);
- (b) payment at closing of up to approximately US\$3,149,172 to be funded through receipt of new commercial real estate term loan proceeds from one or more arm's length lenders (based on a loan-to-purchase price target of up to 65% being used for the proposed acquisition of the 67th Avenue Car Wash); and
- (c) an additional cash payment at closing of approximately US\$1,695,708 (based on new commercial real estate financing that is up to 65% of the purchase price and payment of earnest money and closing extension deposits totaling US\$292,224; if the loan-to-purchase price target is not reached and the acquisition is completed with a lower loan principal, or the earnest money and closing extension deposits are lower, the cash-to-close payment will be increased).

In addition, 67th Avenue Car Wash LP, as buyer, will assume liabilities of the seller relating to monthly memberships and gift cards outstanding as part of the 67th Avenue Car Wash acquisition.

Under the 67th Avenue Car Wash Acquisition Agreement, the buyer has a 60-day period (expiring July 7, 2015) to inspect and conduct buyer's due diligence on, and during which it will seek satisfactory financing for, the 67th Avenue Car Wash acquisition. If satisfactory financing is not available or the buyer determines that it does not wish to complete the 67th Avenue Car Wash acquisition before the expiry of the financing/due diligence period, the buyer may in its sole discretion terminate the 67th Avenue Car Wash Acquisition Agreement, whereupon the buyer's earnest money and closing extension (if any) deposits are to be returned and the parties will have no further obligation. 67th Avenue Car Wash LP anticipates completing the acquisition once satisfactory arrangements are in place for financing the entire 67th Avenue Car Wash purchase price and provided the 67th Avenue Car Wash Acquisition Agreement has not been terminated on or before closing of the acquisition.

The 67th Avenue Car Wash acquisition closing is scheduled for July 21, 2015, provided neither party terminates the 67th Avenue Car Wash Acquisition Agreement. The buyer may, not later than five days prior to the then-scheduled closing date for the 67th Avenue Car Wash acquisition, extend the closing date for 30 days to August 20, 2015, in consideration of the buyer's payment of a closing extension deposit of US\$242,244, which additional deposit is immediately non-refundable (unless the seller defaults under the agreement). The earnest money deposit and the closing extension deposit (if any) will be applied to the purchase price for the 67th Avenue Car Wash if the acquisition is completed. The buyer may accelerate the scheduled closing date for the 67th Avenue Car Wash acquisition by giving the seller at least seven days' prior notice of the newly scheduled closing date.

Under the 67th Avenue Car Wash Acquisition Agreement, the seller is not required to sell the 67th Avenue Car Wash unless 51st Avenue Car Wash LP or its affiliate has either (1) completed the 51st Avenue Car Wash acquisition under the 51st Avenue Car Wash Acquisition Agreement, or (2) paid US\$200,000 as an additional earnest money deposit in connection with the proposed acquisition of the 51st Avenue Car Wash. It is anticipated that the acquisition of the 67th Avenue Car Wash is to occur first (if at all) and that 51st Avenue Car Wash LP or its affiliate will have paid an additional earnest money deposit of US\$200,000 to the seller thereof under the 51st Avenue Car Wash Acquisition Agreement.

As of the date hereof, the 67th Avenue Car Wash Acquisition Agreement remains subject to certain customary closing conditions, which conditions include the truth and correctness in all material respects of the seller's representations and warranties, the seller's due performance and compliance with all agreements, covenants and conditions, all approvals, consents and waivers that the seller is required to obtain for the conveyance of the 67th Avenue Car Wash having been obtained, no event, occurrence, fact, condition or change is to have occurred that is materially adverse to (a) the business, results of operations, condition (financial or otherwise), or assets associated with the business operated on the applicable Car Wash, or (b) the value of the 67th Avenue Car Wash, the seller having delivered all deliverables under the agreement, and the 67th Avenue Car Wash Acquisition Agreement not having been terminated or capable (by reason of default, event or circumstance that exists thereunder) of being terminated. 67th Avenue Car Wash LP may negotiate additional concessions under such agreement. Consequently, the actual terms and conditions in the 67th Avenue Car Wash Acquisition Agreement may vary from the terms described herein, provided that such changes would not reasonably be considered materially adverse to the Fund, 67th Avenue Car Wash LP or their affiliates.

67th Avenue Car Wash LP anticipates completing the 67th Avenue Car Wash acquisition once satisfactory arrangements are in place for financing the entire 67th Avenue Car Wash purchase price, provided all other conditions to the buyer's obligation to purchase the Car Wash are satisfied or waived on or before the scheduled closing date and the 67th Avenue Car Wash Acquisition Agreement has not been terminated on or before closing of the acquisition.

The 67th Avenue Car Wash Acquisition Agreement has a condition in favour of the buyer that satisfactory financing to complete the acquisition be available within the 60-day financing period (expiring July 7, 2015). Upon expiry of the 60-day financing period, the earnest money deposit and any closing extension deposit paid under the 67th Avenue Car Wash Acquisition Agreement, become non-refundable, except in the event of the seller's default or as otherwise provided in the 67th Avenue Car Wash Acquisition Agreement. However, the non-refundable deposits are to be applied against the purchase price under the 67th Avenue Car Wash Acquisition Agreement upon the closing thereunder.

Under the 67th Avenue Car Wash Acquisition Agreement, the seller, its principals, members, managers, successors, and affiliates to maximum extent allowable by law covenant and agree that for a period of three years immediately following the 67th Avenue Car Wash acquisition closing date they will not directly or indirectly, for themselves or on behalf of others, on their own account, or as agent, or sales representative for any person, partnership, firm, corporation or any other entity own, manage, control, operate or participate in the ownership, management, or control, of any business that engages in car wash services within a three mile radius of any boundary line of the 67th Avenue Car Wash. The non-compete provisions of the 67th Avenue Car Wash Acquisition Agreement survive the closing. At the 67th Avenue Car Wash acquisition closing, the seller will deliver to buyer non-compete agreements that are reasonably satisfactory to the buyer and substantively consistent with non-compete provisions of the 67th Avenue Car Wash Acquisition Agreement, duly executed by seller and each of its principals, members, managers, successors, and affiliates, the form and content of which is to be mutually agreed upon by buyer and seller prior to expiry of the 60-day inspection period.

2.7.9 51st Avenue Car Wash Acquisition Agreement

An affiliate of Marcus Kurschat, Trustee and President of the Fund, has entered as of May 7, 2015 into the 51st Avenue Car Wash Acquisition Agreement with a seller who is at arm's length to the Fund, 51st Avenue Car Wash LP and their affiliates, and Pinnacle Wealth Brokers Inc., for the proposed acquisition of the 51st Avenue Car Wash in Phoenix, Arizona for an aggregate purchase price of US\$6,120,216 (subject to adjustment pursuant to the 51st Avenue Car Wash Acquisition Agreement). The 51st Avenue Car Wash Acquisition Agreement is to be assigned to, and assumed by, 51st Avenue Car Wash LP, as buyer, at no additional cost in connection with the completion (if at all) of the 51st Avenue Car Wash LP, as buyer. **Item 2.3.1.2 – Acquisition of the 51st Avenue Car Wash** for a description of the 51st Avenue Car Wash.

If the 51st Avenue Car Wash acquisition is completed pursuant to the 51st Avenue Car Wash Acquisition Agreement, it is anticipated that 51st Avenue Car Wash LP, as buyer, will have satisfied the purchase price through:

- (d) payments of earnest money deposits and closing extension deposits prior to the closing of the Bell Road Car Wash acquisition of up to US\$556,211 in total, as follows:
 - a US\$50,000 initial earnest money deposit paid on May 11, 2015 in connection with opening escrow and commencement of the buyer's 60-day inspection / financing period (expiring July 7, 2015); and
 - a non-refundable US\$306,211 closing extension deposit to be paid, at the buyer's option, on or before July 14, 2015 to postpone the 51st Avenue Car Wash closing date for another 30 days to August 20, 2015 (whereupon a total of up to US\$306,211 will have been paid as earnest money and closing extension deposits that are non-refundable, except if the seller is in default, but will be applied to the purchase price if the 51st Avenue Car Wash acquisition is completed);
 - a non-refundable US\$200,000 additional earnest money deposit to be paid, at the buyer's option, on or before the completion of the 67th Avenue Car Wash acquisition (whereupon a total of US\$556,211 will have been paid as earnest money and closing extension deposits that are non-refundable, except if the seller is in default, but will be applied to the purchase price if the 51st Avenue Car Wash acquisition is completed);
- (e) payment at closing of up to approximately US\$3,978,140 to be funded through receipt of new commercial real estate term loan proceeds from one or more arm's length lenders (based on a loan-to-purchase price target of up to 65% for the proposed 51st Avenue Car Wash acquisition); and
- (f) an additional cash payment at closing of approximately US\$1,585,685 (based on new commercial real estate financing that is up to 65% of the purchase price and payment of earnest money and closing extension deposits

totaling US\$556,211; if the loan-to-purchase price target is not reached and the acquisition is completed with a lower loan principal, or the earnest money and closing extension deposits are lower, the cash-to-close payment will be increased).

In addition, 51st Avenue Car Wash LP, as buyer, will assume liabilities of the seller relating to monthly memberships and gift cards outstanding as part of the 67th Avenue Car Wash acquisition.

Under the 51st Avenue Car Wash Acquisition Agreement, the buyer has a 60-day period (expiring July 7, 2015) to inspect and conduct buyer's due diligence on, and during which it will seek satisfactory financing for, the 51st Avenue Car Wash acquisition. If satisfactory financing is not available or the buyer determines that it does not wish to complete the 51st Avenue Car Wash acquisition before the expiry of the financing/due diligence period, the buyer may in its sole discretion terminate the 67th Avenue Car Wash Acquisition Agreement, whereupon the buyer's earnest money and closing extension (if any) deposits are to be returned and the parties will have no further obligation. 51st Avenue Car Wash LP anticipates completing the acquisition once satisfactory arrangements are in place for financing the entire 51st Avenue Car Wash purchase price and provided the 51st Avenue Car Wash Acquisition Agreement has not been terminated on or before closing of the acquisition.

The 51st Avenue Car Wash acquisition closing is scheduled for July 21, 2015, provided neither party terminates the 51st Avenue Car Wash Acquisition Agreement. The buyer may, not later than five days prior to the then-scheduled closing date for the 51st Avenue Car Wash acquisition, extend the closing date for 30 days to August 20, 2015, in consideration of the buyer's payment of a closing extension deposit of US\$306,211, which additional deposit is immediately non-refundable (unless the seller defaults under the agreement). The earnest money deposit and the closing extension deposit (if any) will be applied to the purchase price for the 51st Avenue Car Wash if the acquisition is completed. The buyer may accelerate the scheduled closing date for the 51st Avenue Car Wash acquisition by giving the seller at least seven days' prior notice of the newly scheduled closing date.

Under the 51st Avenue Car Wash Acquisition Agreement, the seller is not required to sell the 51st Avenue Car Wash unless 67th Avenue Car Wash LP or its affiliate has either (1) completed the 67th Avenue Car Wash acquisition under the 67th Avenue Car Wash Acquisition Agreement, or (2) paid US\$200,000 as an additional earnest money deposit in connection with the proposed acquisition of the 67th Avenue Car Wash. It is anticipated that the acquisition of the 67th Avenue Car Wash is to occur first (if at all) and that 51st Avenue Car Wash LP or its affiliate will have paid an additional earnest money deposit of US\$200,000 to the seller thereof under the 51st Avenue Car Wash Acquisition Agreement.

As of the date hereof, the 51st Avenue Car Wash Acquisition Agreement remains subject to certain customary closing conditions, which conditions include the truth and correctness in all material respects of the seller's representations and warranties, the seller's due performance and compliance with all agreements, covenants and conditions, all approvals, consents and waivers that the seller is required to obtain for the conveyance of the 51st Avenue Car Wash having been obtained, no event, occurrence, fact, condition or change is to have occurred that is materially adverse to (a) the business, results of operations, condition (financial or otherwise), or assets associated with the business operated on the applicable Car Wash, or (b) the value of the 51st Avenue Car Wash, the seller having delivered all deliverables under the agreement, and the 51st Avenue Car Wash Acquisition Agreement not having been terminated or capable (by reason of default, event or circumstance that exists thereunder) of being terminated. 51st Avenue Car Wash LP may negotiate additional concessions under such agreement. Consequently, the actual terms and conditions in the 51st Avenue Car Wash Acquisition Agreement may vary from the terms described herein, provided that such changes would not reasonably be considered materially adverse to the Fund, 51st Avenue Car Wash LP or their affiliates.

51st Avenue Car Wash LP anticipates completing the 51st Avenue Car Wash acquisition once satisfactory arrangements are in place for financing the entire 51st Avenue Car Wash purchase price, provided all other conditions to the buyer's obligation to purchase the Car Wash are satisfied or waived on or before the scheduled closing date and the 51st Avenue Car Wash Acquisition Agreement has not been terminated on or before closing of the acquisition.

The 51st Avenue Car Wash Acquisition Agreement has a condition in favour of the buyer that satisfactory financing to complete the acquisition be available within the 60-day financing period (expiring July 7, 2015). Upon expiry of the 60-day financing period, the earnest money deposit and any closing extension deposit paid under the 51st Avenue Car Wash Acquisition Agreement, become non-refundable, except in the event of the seller's default or as otherwise provided in the 51st Avenue Car Wash Acquisition Agreement. However, the non-refundable deposits are to be applied against the purchase price under the 51st Avenue Car Wash Acquisition Agreement upon the closing thereunder.

Under the 51st Avenue Car Wash Acquisition Agreement, the seller, its principals, members, managers, successors, and affiliates to maximum extent allowable by law covenant and agree that for a period of three years immediately following the 67th Avenue Car Wash acquisition closing date they will not directly or indirectly, for themselves or on behalf of others, on their own account, or as agent, or sales representative for any person, partnership, firm, corporation or any other entity own, manage, control, operate or

participate in the ownership, management, or control, of any business that engages in car wash services within a three mile radius of any boundary line of the 51st Avenue Car Wash. The non-compete provisions of the 51st Avenue Car Wash Acquisition Agreement survive the closing. At the 51st Avenue Car Wash acquisition closing, the seller will deliver to buyer non-compete agreements that are reasonably satisfactory to the buyer and substantively consistent with non-compete provisions of the 51st Avenue Car Wash Acquisition Agreement, duly executed by seller and each of its principals, members, managers, successors, and affiliates, the form and content of which is to be mutually agreed upon by buyer and seller prior to expiry of the 60-day inspection period.

2.7.10 Acquired Car Wash Acquisition Agreements

Scottsdale Road Car Wash acquisition agreement

Scottsdale Road Car Wash LP, as buyer, assumed at no additional cost (from an affiliate of Marcus Kurschat, Trustee and President of the Fund) the purchase and sale agreement dated July 10, 2014, as amended August 8, 2014 and September 8, 2014, in connection with the completion of the Scottsdale Road Car Wash acquisition, whereby Scottsdale Road Car Wash LP acquired the Scottsdale Road Car Wash in Scottsdale, Arizona as of November 13, 2014 from a seller who is at arm's length to the Fund, Scottsdale Road Car Wash LP and their affiliates, and Pinnacle Wealth Brokers Inc. for an aggregate purchase price of US\$3,800,000. See **Item 2.3.1.3 – Acquired Car Washes** for a description of the Scottsdale Road Car Wash.

The Scottsdale Road Car Wash acquisition agreement had a condition in favour of the buyer that satisfactory financing to complete the acquisition be available within the 60-day financing period, which condition was satisfied on September 15, 2014 (Scottsdale Road Car Wash LP, as a co-borrower, entered into the Arizona Car Wash I Commercial Real Estate Loan from an arm's length lender). Scottsdale Road Car Wash LP completed the acquisition of the Scottsdale Road Car Wash pursuant to the Scottsdale Road Car Wash acquisition agreement, after due diligence and making satisfactory arrangements for financing for the Scottsdale Road Car Wash purchase price, including the seller's discharge of the existing mortgage on the Scottsdale Road Car Wash. The Scottsdale Road Car Wash purchase price and related closing costs (including the discharge of the existing mortgage on the Scottsdale Road Car Wash and fees associated with such defeasance) were satisfied by payment of approximately US\$1,676,155.60 in cash (funded with Offering Proceeds and the buyer's earnest money and closing extension deposits totalling US\$240,000, which deposits were applied to the Scottsdale Road Car Wash purchase price) and US\$2,235,849.00 through new commercial real estate financing under the Arizona Car Wash I Commercial Real Estate Loan (based on the loan-to-purchase price target of up to 60% used by the Fund and its affiliates for the acquisition of the Scottsdale Road Car Wash). The closing amounts paid by Scottsdale Road Car Wash LP include additional US\$25,000 earnest money deposits for each of the Encanto Road Car Wash and Power Road Car Wash and fees of US\$60,000 to the arm's length mortgage lender under the Arizona Car Wash I Commercial Real Estate Loan for the acquisition of the Scottsdale Road Car Wash, Encanto Road Car Wash and Power Road Car Wash. For a description of the commercial real estate loan terms and conditions, see **Item 2.7.11 – Arizona Car Wash I Commercial Real Estate Loan**.

Encanto Road Car Wash acquisition agreement

Encanto Road Car Wash LP, as buyer, assumed at no additional cost (from an affiliate of Marcus Kurschat, Trustee and President of the Fund) the purchase and sale agreement dated July 10, 2014, as amended August 8, 2014 and September 8, 2014, in connection with the completion of the Encanto Road Car Wash acquisition, whereby Encanto Road Car Wash LP acquired the Encanto Road Car Wash in Phoenix, Arizona as of December 17, 2014 from a seller who is at arm's length to the Fund, Encanto Road Car Wash LP and their affiliates, and Pinnacle Wealth Brokers Inc. for an aggregate purchase price of US\$3,200,000. See **Item 2.3.1.3 – Acquired Car Washes** for a description of the Encanto Road Car Wash.

The Encanto Road Car Wash acquisition agreement had a condition in favour of the buyer that satisfactory financing to complete the acquisition be available within the 60-day financing period, which condition was satisfied on November 13, 2014 (Encanto Road Car Wash LP, as a co-borrower, entered into the Arizona Car Wash I Commercial Real Estate Loan from an arm's length lender). Encanto Road Car Wash LP completed the acquisition of the Encanto Road Car Wash pursuant to the Encanto Road Car Wash acquisition agreement, after due diligence and making satisfactory arrangements for financing for the Encanto Road Car Wash purchase price, including the seller's discharge of the existing mortgage on the Encanto Road Car Wash. The Encanto Road Car Wash purchase price and related closing costs (including the discharge of the existing mortgage on the Encanto Road Car Wash and fees associated with such defeasance) were satisfied by payment of approximately US\$1,310,849 in cash (funded with Offering Proceeds and the buyer's earnest money and closing extension deposits totalling US\$75,000, which deposits were applied to the Encanto Road Car Wash purchase price) and US\$1,889,151 through new commercial real estate financing under the Arizona Car Wash I Commercial Real Estate Loan (based on the loan-to-purchase price target of up to 60% used by the Fund and its affiliates for the acquisition of the Encanto Road Car Wash). The closing amounts paid by Encanto Road Car Wash LP include an additional US\$75,000 earnest money deposit for the Power Road Car Wash. For a description of the commercial real estate loan terms and conditions, see **Item 2.7.11 – Arizona Car Wash I Commercial Real Estate Loan**.

Power Road Car Wash acquisition agreement

Power Road Car Wash LP, as buyer, assumed at no additional cost (from an affiliate of Marcus Kurschat, Trustee and President of the Fund) the purchase and sale agreement dated July 10, 2014, as amended August 8, 2014 and September 8, 2014, in connection with the completion of the Power Road Car Wash acquisition, whereby Power Road Car Wash LP acquired the Power Road Car Wash in Mesa, Arizona as of January 29, 2015 from a seller who is at arm's length to the Fund, Power Road Car Wash LP and their affiliates, and Pinnacle Wealth Brokers Inc. for an aggregate purchase price of US\$3,000,000. See **Item 2.3.1.3 – Acquired Car Washes** for a description of the Power Road Car Wash.

The Power Road Car Wash acquisition agreement had a condition in favour of the buyer that satisfactory financing to complete the acquisition be available within the 60-day financing period, which condition was satisfied on November 13, 2014 (Power Road Car Wash LP, as a co-borrower, entered into the Arizona Car Wash I Commercial Real Estate Loan from an arm's length lender). Power Road Car Wash LP completed the acquisition of the Power Road Car Wash pursuant to the Power Road Car Wash acquisition agreement, after due diligence and making satisfactory arrangements for financing for the Power Road Car Wash purchase price, including the seller's discharge of the existing mortgage on the Power Road Car Wash. The Power Road Car Wash purchase price and related closing costs (including the discharge of the existing mortgage on the Power Road Car Wash and fees associated with such defeasance) were satisfied by payment of approximately US\$1,125,000 in cash (funded with Offering Proceeds and the buyer's earnest money and closing extension deposits totalling US\$150,000, which deposits were applied to the Power Road Car Wash purchase price) and US\$1,875,000 through new commercial real estate financing under the Arizona Car Wash I Commercial Real Estate Loan (based on the loan-to-purchase price target of up to 60% used by the Fund and its affiliates for the acquisition of the Power Road Car Wash). For a description of the commercial real estate loan terms and conditions, see **Item 2.7.11 – Arizona Car Wash I Commercial Real Estate Loan**.

Bell Road Car Wash acquisition agreement

Bell Road Car Wash LP, as buyer, assumed at no additional cost (from an affiliate of Marcus Kurschat, Trustee and President of the Fund) the purchase and sale agreement dated February 13, 2015, as amended March 20, 2015, in connection with the completion of the Bell Road Car Wash acquisition, whereby Bell Road Car Wash LP acquired the Bell Road Car Wash in Phoenix, Arizona as of April 21, 2015 from a seller who is at arm's length to the Fund, Bell Road Car Wash LP and their affiliates, and Pinnacle Wealth Brokers Inc. for an aggregate purchase price of US\$3,700,000. See **Item 2.3.1.3 – Acquired Car Washes** for a description of the Bell Road Car Wash.

The Bell Road Car Wash acquisition agreement had a condition in favour of the buyer that satisfactory financing to complete the acquisition be available within the 60-day financing period, which condition was satisfied on April 16, 2015 (Bell Road Car Wash LP, as borrower, entered into the Arizona Car Wash II Commercial Real Estate Loan from an arm's length lender). Bell Road Car Wash LP completed the acquisition of the Bell Road Car Wash pursuant to the Bell Road Car Wash acquisition agreement, after due diligence and making satisfactory arrangements for financing for the Bell Road Car Wash purchase price, including the seller's discharge of the existing mortgage on the Bell Road Car Wash. The Bell Road Car Wash purchase price and related closing costs (including the discharge of the existing mortgage on the Bell Road Car Wash and fees associated with such defeasance) were satisfied by payment of US\$1,295,000 in cash (funded with Offering Proceeds and the buyer's earnest money and closing extension deposits totalling US\$150,000, which deposits were applied to the Bell Road Car Wash purchase price) and US\$2,405,000 through new commercial real estate financing under the Arizona Car Wash II Commercial Real Estate Loan (based on the loan-to-purchase price target of up to 65% used by the Fund and its affiliates for the acquisition of the Bell Road Car Wash). For a description of the commercial real estate loan terms and conditions, see **Item 2.7.12 – Arizona Car Wash II Commercial Real Estate Loan**.

Non-Compete Agreements

Under each of the acquisition agreements for each of the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash and Bell Road Car Wash, the applicable seller, its principals, members, managers, successors, and affiliates to maximum extent allowable by law covenanted and agreed that for a period of three years immediately following the applicable Car Wash acquisition closing date, they will not directly or indirectly, for themselves or on behalf of others, on their own account, or as agent, or sales representative for any person, partnership, firm, corporation or any other entity own, manage, control, operate or participate in the ownership, management, or control, of any business that engages in car wash services within a three (3) mile radius of any boundary line of the applicable Car Wash. The non-compete provisions of the acquisition agreements for each of the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash and Bell Road Car Wash survive the applicable closings. At the respective Car Wash acquisition closings, the applicable seller delivered to the applicable Car Wash LP non-compete agreements that are reasonably satisfactory to the buyer and substantively consistent with non-compete provisions of the acquisition agreements for each of the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash and Bell Road Car Wash, as applicable, duly

executed by seller and each of its principals, members, managers, successors, and affiliates, the form and content of which was agreed upon by buyer and seller.

Intellectual Property Licenses

When it was acquired, each of the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash and Bell Road Car Wash specifically excluded all licenses, established and asserted trademarks, trade secrets, the business names and rights associated with all or part of the business name including Quick 'N Clean or any other names used at the applicable Car Wash facility, web sites or other intellectual property used in connection with the Car Wash facility. However, in connection with completing each of the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash and Bell Road Car Wash acquisitions, the applicable seller granted the Scottsdale Road Car Wash LP, Encanto Road Car Wash LP, Power Road Car Wash LP and Bell Road Car Wash LP, as applicable, a license to use the Quick 'N Clean Car Wash service mark, substantially on terms and conditions previously agreed to by the parties during the 60-day financing period under the applicable Car Wash Acquisition Agreement. See **Item 2.7.13 – QNC License Agreements**.

Borrowing for Car Wash Acquisitions

Each of the Scottsdale Road Car Wash, Encanto Road Car Wash and Power Road Car Wash was acquired using new commercial real estate financing drawn under the Arizona Car Wash I Commercial Real Estate Loan, which indebtedness is secured by each of those Car Washes. Each of Scottsdale Road Car Wash LP, Encanto Road Car Wash LP and Power Road Car Wash LP is a party, as a co-borrower, to the Arizona Car Wash I Commercial Real Estate Loan, the terms and conditions of which were finalized in connection with the Scottsdale Road Car Wash acquisition. For a description of the commercial real estate loan terms and conditions, see **Item 2.7.11 – Arizona Car Wash I Commercial Real Estate Loan**.

The Bell Road Car Wash was acquired using new commercial real estate financing drawn under the Arizona Car Wash II Commercial Real Estate Loan, which indebtedness is secured by that Car Wash. Bell Road Car Wash LP is a party, as borrower, to the Arizona Car Wash II Commercial Real Estate Loan, the terms and conditions of which were finalized in connection with the Bell Road Car Wash acquisition. For a description of the commercial real estate loan terms and conditions, see **Item 2.7.12 – Arizona Car Wash II Commercial Real Estate Loan**.

2.7.11 Arizona Car Wash I Commercial Real Estate Loan

As of November 13, 2014, Scottsdale Road Car Wash LP, Encanto Road Car Wash LP and Power Road Car Wash LP, as co-borrowers, entered into an amortizing commercial real estate term loan secured against the Scottsdale Road Car Wash, Encanto Road Car Wash and Power Road Car Wash, or any of them as it is acquired, from an arm's length lender, which commercial loan facility was finalized in completing the acquisition of the Scottsdale Road Car Wash, initially, and has the following terms (the "**Arizona Car Wash I Commercial Real Estate Loan**"):

- loan principal of US\$6,000,000 for the three Car Wash acquisitions completed or proposed as of the date of this offering memorandum, to be drawn in whole or in part, on or before March 31, 2015. It is anticipated that the final loan amount will be approximately to 60% the lesser of loan-to-appraised value (LTV) or loan-to-purchase price (LTC) of the Scottsdale Road Car Wash, Encanto Road Car Wash and Power Road Car Wash;
- maturity date in 10 years after completion of the first Car Wash acquisition, being November 13, 2024 (the Scottsdale Road Car Wash was acquired November 13, 2014);
- interest rate not lower than 4.75% per annum. The interest rate is to be fixed at 4.75% for five years and will reset on the fifth anniversary (November 13, 2019) at the 5-year Constant Maturity Treasury Rate published by the Federal Reserve Statistical Release H.15 plus 3.50%. Interest-only payments of US\$8,850.24 per month are to be paid through March 13, 2015. Thereafter, monthly principal and interest payments of US\$34,452.34 (using 4.75% as the effective interest rate) are to be paid through November 13, 2019. Commencing December 13, 2019, monthly principal and interest payments of US\$34,452.34 (using 5.28% as the effective interest rate) are to be paid through maturity with a one-time principal and interest balloon payment on November 13, 2014;
- the borrower's monthly repayments of principal and interest during the term of the commercial real estate term loan will be calculated using a 25-year amortization period;
- secured by (1) a first financial charge against those of the Scottsdale Road Car Wash, Encanto Road Car Wash or Power Road Car Wash as may be acquired; (2) general security agreement on all furniture, fixtures and equipment at the Scottsdale

Road Car Wash, Encanto Road Car Wash and Power Road Car Wash, as may be acquired; (3) assignment of rent and insurance proceeds, and (4) limited guarantees from Marcus Kurschat, Trustee and President of the Fund, and Tim Barrett, a Clear Sky Capital Arizona employee who provides General Manager services for one or more acquired Car Washes;

- if the loan is prepaid (in whole or in part) on or before the first anniversary, there will be a prepayment penalty equal to 3% of the outstanding principal that is retired. If the loan is prepaid (in whole or in part) after the first anniversary and on or before the second anniversary, there will be a prepayment penalty of 2% of the outstanding principal that is retired. If the loan is prepaid (in whole or in part) after the second anniversary and on or before the third anniversary, there will be a prepayment penalty of 1.0% of the outstanding principal that is retired. After the third anniversary, the loan may be prepaid at any time, in whole or in part, without penalty. Up to 20% of the outstanding principal amount may be paid each year without penalty;
- customary covenants in favour of the mortgagee/lender, including that the proceeds will be due to the lender upon the sale of the Scottsdale Road Car Wash, Encanto Road Car Wash and Power Road Car Wash as acquired, restrictions on change of control of the borrower, insurance coverage, receiver rights, and including covenants (which may also be conditions precedent to lender advancing funds) that each of Scottsdale Road Car Wash LP, Encanto Road Car Wash LP and Power Road Car Wash LP as acquired, is to have (1) a minimum debt service coverage ratio of 1.25 times measured annually; (2) a minimum verified liquidity of US\$150,000, measured annually; and (3) positive net income of at least US\$1.00; and
- customary events of default (the occurrence of which will allow the mortgagee/lender to demand payment of all amounts owing or realise upon its security).

As of the date of this offering memorandum, fees of approximately US\$60,000 have been paid on behalf of Scottsdale Road Car Wash LP, Encanto Road Car Wash LP and Power Road Car Wash LP to the arm's length lender in connection with new Arizona Car Wash I Commercial Real Estate Loan for the Scottsdale Road Car Wash, Encanto Road Car Wash and Power Road Car Wash, as acquired.

Each of Scottsdale Road Car Wash LP, Encanto Road Car Wash LP and Power Road Car Wash LP, as a co-borrower under the Arizona Car Wash I Commercial Real Estate Loan, used new commercial real estate financing from an arm's length lender drawn under that credit facility for the majority of the Scottsdale Road Car Wash, Encanto Road Car Wash and Power Road Car Wash, respectively. Each of Scottsdale Road Car Wash LP and Encanto Road Car Wash LP and Power Road Car Wash LP is a party, as a co-borrower, to the Arizona Car Wash I Commercial Real Estate Loan, the terms and conditions of which were finalized in connection with the Scottsdale Road Car Wash acquisition, and the indebtedness thereunder is secured by Scottsdale Road Car Wash, Encanto Road Car Wash and Power Road Car Wash.

2.7.12 Arizona Car Wash II Commercial Real Estate Loan

As of April 16, 2015, Bell Road Car Wash LP, as borrower, entered into an amortizing commercial real estate term loan secured against the Bell Road Car Wash from an arm's length lender, which commercial loan facility was finalized in completing the acquisition of the Bell Road Car Wash and has the following terms (the "**Arizona Car Wash II Commercial Real Estate Loan**"):

- loan principal of US\$2,405,000, being 65% of the lesser of loan-to-appraised value (LTV) or loan-to-purchase price (LTC) of the Bell Road Car Wash;
- maturity date in 10 years + three months after completion of the Bell Road Car Wash acquisition, being July 16, 2025 (the Bell Road Car Wash was acquired April 21, 2015);
- variable annual interest rate determined from time to time during the term of the loan as equal to 30-day LIBOR + 3.00% (provided the loan is in good standing) at a rate not less than at no time during the currency of the loan will the interest rate be set lower than 3.183% per annum (being the available LIBOR index at the time of the loan + 3.00%). If the borrower is not in default, the borrower may, at its option during the first three years of the loan term, fix the interest rate on US\$1,319,500 of loan principal at the available LIBOR index at the time + 3.00%;
- the borrower's monthly repayments are to be (1) interest-only payments of US\$6,379.26 (calculated using the initial annual interest rate of 3.183% but subject to change as the interest rate varies) during the first three months commencing May 16, 2015, (2) commencing August 16, 2015, monthly blended principal and interest payments (initial payment of US\$14,395.95, of calculated using the effective annual interest rate of 3.183% but subject to change as the interest rate varies and using a 25-year amortization) are to be paid through June 15, 2025, and (3) on July 16, 2025, a balloon payment of US\$1,458,866.28, consisting of all principal and accrued interest (subject to change as the interest rate varies). Whenever increases occur in the applicable interest rate, the lender may do one or more of the following: (A) increase the borrower's payments to ensure the

loan is paid off by its original maturity date, (B) increase the borrower's payments to cover accruing interest, (C) increase the number of payments, or (D) continue the borrower's payments at the same amount and increase the final payment;

- secured by (1) a first financial charge against the Bell Road Car Wash real property; (2) general security agreement on all furniture, fixtures and equipment at the Bell Road Car Wash; (3) guarantees from the US Limited Partnership and the US General Partner; and (4) limited guarantees from Marcus Kurschat, Trustee and President of the Fund, and Tim Barrett, a Clear Sky Capital Arizona employee who provides General Manager services for one or more acquired Car Washes;
- the loan may be prepaid at any time, in whole or in part, without penalty, except where the Bell Road Car Wash is refinanced through a loan from another lender, in which case there is a 1.00% prepayment penalty;
- customary covenants in favour of the mortgagee/lender, including that the proceeds will be due to the lender upon the sale of the Bell Road Car Wash, restrictions on change of control of the borrower, insurance coverage, receiver rights, and covenants that (which may also be conditions precedent to lender advancing funds) the Bell Road Car Wash is to have (1) a pre-distribution minimum debt service coverage ratio of 1.5 times EBITDA from Bell Road Car Wash (calculated as earnings before interest, taxes, depreciation and amortization expense (EBITDA) divided by the borrower's aggregate interest expense, current portions of the subject loan and any other term debt or capitalized leases of the borrower and its affiliates) on a year-to-date basis until December 31, 2015 and, thereafter, on a pre-distribution, trailing 12-month basis, measured quarterly; (2) a minimum post-distribution debt service coverage ratio of 1.1 times EBITDA from Bell Road Car Wash (calculated as earnings before interest, taxes, depreciation and amortization expense (EBITDA) divided by the borrower's aggregate interest expense, current portions of the subject loan and any other term debt or capitalized leases of the borrower and its affiliates) on a year-to-date basis until December 31, 2015 and, thereafter, on a trailing 12-month basis, measured quarterly; and (3) a loan-to-value ratio of 65.00% (based on the fair market value of the Bell Road Car Wash determined by an appraisal orderby, reviewed by and accepted by the lender, in its sole discretion);
- the Bell Road Car Wash loan is cross-defaulted with other obligations, direct or indirect, of the US Limited Partnership, including the Arizona Car Wash I Commercial Real Estate Loan; and
- customary events of default (the occurrence of which will allow the mortgagee/lender to demand payment of all amounts owing or realise upon its security).

2.7.13 QNC License Agreements

When it was acquired, each of the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash and Bell Road Car Wash specifically excluded all licenses, established and asserted trademarks, trade secrets, the business names and rights associated with all or part of the business name including Quick 'N Clean or any other names used at the applicable Car Wash facility, web sites or other intellectual property used in connection with the Car Wash facility.

As of November 13, 2014, an affiliate of the seller of the Scottsdale Road Car Wash, as licensor, and Scottsdale Road Car Wash LP, as licensee, entered into a service mark license agreement whereby Scottsdale Road Car Wash LP, as licensee, is entitled to use seller's Quick 'N Clean service mark and design in connection with the operation of the Scottsdale Road Car Wash, without payment of any amount in addition to the Scottsdale Road Car Wash purchase price for an indefinite period until, among other things, (i) 30 days' notice of an uncured material breach by either party, (ii) Scottsdale Road Car Wash LP's failure to operate the Scottsdale Road Car Wash for 60 days, or (iii) Scottsdale Road Car Wash LP's sale, transfer or other disposition of the Scottsdale Road Car Wash without the prior written consent of the licensor, not to be unreasonably withheld.

As of December 17, 2014, an affiliate of the seller of the Encanto Road Car Wash, as licensor, and Encanto Road Car Wash LP, as licensee, entered into a service mark license agreement whereby Encanto Road Car Wash LP, as licensee, is entitled to use seller's Quick 'N Clean service mark and design in connection with the operation of the Encanto Road Car Wash, without payment of any amount in addition to the Encanto Road Car Wash purchase price for an indefinite period until, among other things, (i) 30 days' notice of an uncured material breach by either party, (ii) Encanto Road Car Wash LP's failure to operate the Encanto Road Car Wash for 60 days, or (iii) Encanto Road Car Wash LP's sale, transfer or other disposition of the Encanto Road Car Wash without the prior written consent of the licensor, not to be unreasonably withheld.

As of January 29, 2015, an affiliate of the seller of the Power Road Car Wash, as licensor, and Power Road Car Wash LP, as licensee, entered into a service mark license agreement whereby Power Road Car Wash LP, as licensee, is entitled to use seller's Quick 'N Clean service mark and design in connection with the operation of the Power Road Car Wash, without payment of any amount in addition to the Power Road Car Wash purchase price for an indefinite period until, among other things, (i) 30 days' notice of an uncured material breach by either party, (ii) Power Road Car Wash LP's failure to operate the Power Road Car Wash for 60 days, or

(iii) Power Road Car Wash LP's sale, transfer or other disposition of the Power Road Car Wash without the prior written consent of the licensor, not to be unreasonably withheld.

As of April 21, 2015, an affiliate of the seller of the Bell Road Car Wash, as licensor, and Bell Road Car Wash LP, as licensee, entered into a service mark license agreement whereby Bell Road Car Wash LP, as licensee, is entitled to use seller's Quick N' Clean service mark and design in connection with the operation of the Bell Road Car Wash, without payment of any amount in addition to the Bell Road Car Wash purchase price for an indefinite period until, among other things, (i) 30 days' notice of an uncured material breach by either party, (ii) Bell Road Car Wash LP's failure to operate the Bell Road Car Wash for 60 days, or (iii) Bell Road Car Wash LP's sale, transfer or other disposition of the Bell Road Car Wash without the prior written consent of the licensor, not to be unreasonably withheld.

2.7.14 Subscription Agreements

Each Investor must execute and deliver to the Fund the applicable Subscription Agreement for the Offering, attached as **Schedule A**, whereby the Investor irrevocably subscribes for Trust Units from the Fund to be issued on the terms and conditions contained in the Subscription Agreement and as described in this offering memorandum. See **Item 5.3 – Subscription Procedure** and the subscription instructions set out in **Schedule A**.

ITEM 3 - INTERESTS OF TRUSTEES, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

3.1 Compensation and Securities Held

The following table sets out information about each of the trustees, officers and promoters of the Fund and each person who, directly or indirectly, beneficially owns or controls 10% or more of any class of the Fund's voting securities, being the Trust Units (a "Principal Holder"):

<u>Name and Municipality of Principal Residence</u>	<u>Position held and the date of obtaining that position</u>	<u>Compensation paid by the Fund or related party in most recently completed financial year and the compensation anticipated to be paid in current financial year</u>	<u>Number, type and percentage of securities held after completion of the Maximum Offering</u>
MARCUS KURSCHAT ⁽¹⁾⁽²⁾⁽⁷⁾⁽⁸⁾⁽⁹⁾⁽¹⁰⁾⁽¹¹⁾⁽¹²⁾ Phoenix, Arizona USA	Trustee, President & Promoter of the Fund June 23, 2014	—	No Trust Units will be held
	President and a director of Clear Sky LP XIV July 28, 2014		Beneficial ownership or control of Clear Sky GP
	President and a director of the US Limited Partnership & each Car Wash LP August 19, 2014		Class B limited partnership interest in the US Limited Partnership
			Beneficial ownership or control of one of the US General Partners & the general partner of each Car Wash LP
KEVIN WHEELER ⁽²⁾⁽³⁾⁽⁸⁾⁽⁹⁾⁽¹⁰⁾⁽¹¹⁾⁽¹²⁾ Calgary, Alberta	Trustee, Vice President, Investor Relations & Promoter of the Fund June 23, 2014	CD\$40,000 ⁽²⁾⁽³⁾	No Trust Units will be held
	Vice President, Investor Relations and director of Clear Sky LP XIV		Class B limited partnership interest in the US Limited

<u>Name and Municipality of Principal Residence</u>	<u>Position held and the date of obtaining that position</u>	<u>Compensation paid by the Fund or related party in most recently completed financial year and the compensation anticipated to be paid in current financial year</u>	<u>Number, type and percentage of securities held after completion of the Maximum Offering</u>
	July 28, 2014		Partnership
	Director and officer of one of the US General Partners August 19, 2014		Beneficial ownership or control of one of the US General Partners
TIM BARRETT ⁽²⁾⁽⁴⁾⁽⁷⁾⁽⁸⁾⁽⁹⁾⁽¹⁰⁾⁽¹¹⁾⁽¹²⁾ Phoenix, Arizona USA	Promoter of the Fund June 23, 2014	US\$80,000	No Trust Units will be held
	Director and officer of one of the US General Partners & each Car Wash LP August 29, 2014		Class B limited partnership interest in the US Limited Partnership
			Beneficial ownership of one of the US General Partners & the general partner of each Car Wash LP
GARY DORAN ⁽¹⁾⁽⁵⁾⁽¹¹⁾ Calgary, Alberta	Trustee June 23, 2014	CD\$6,000	No Trust Units will be held
PINNACLE WEALTH BROKERS INC. ⁽⁶⁾ Calgary, Alberta	Promoter July 30, 2014	Note 6	Class C limited partnership interest in the US Limited Partnership
			See Note 6
CLEAR SKY CAPITAL AND ASSOCIATES XIV INC. Calgary, Alberta	Promoter of the Fund July 30, 2014	—	See Note 7
	General Partner of Clear Sky LP XIV July 28, 2014		

Notes:

- (1) Mr. Kurschat has invested, directly or indirectly, US\$51,000 as a US Investor in a Class B limited partnership interest in the US Limited Partnership, which represents approximately 17% of the economic interests held by US Investors, collectively. Consequently, Mr. Kurschat will share in US Limited Partnership distributions, if any, resulting from his beneficial ownership or control of those securities.

Asset Management Fees: The US Limited Partnership, the applicable Car Wash LPs, or a combination thereof, will pay or cause to be paid to Marcus Kurschat (or an entity beneficially owned or controlled, directly or indirectly, by him), on a monthly basis, the Asset Management Fee commencing on the completion of the first Car Wash acquisition. As of the date of this offering memorandum, US\$42,757.98 has been paid or payable to Mr. Kurschat (or an entity beneficially owned or controlled by him) as Asset Management Fees.

Car Wash LP distributions (if any) will, in all cases be made after allowance for payment of the applicable Performance Fees, Asset Management Fees and, where applicable, Location Management Fees. However, the Fund and its affiliates may agree to certain restrictions on the use of Available Funds or funds received from any other source for any purpose other than the redemption of Bridge Financing LP Units, if any, until all the Bridge Financing LP Units have been redeemed. Among other things, such restrictions might be imposed on Clear Sky LP XIV in the provisions of the Bridge Financing LP Units.

Pursuant to the US Staffing and Administrative Services Agreement, the US Limited Partnership or one or more of the Car Wash LPs will reimburse Clear Sky Capital Arizona for all reasonable travel, promotional and other business expenses incurred by Clear Sky Capital Arizona (either directly or through Marcus Kurschat or any of its other personnel) in performing services for the US Limited Partnership or any such Car Wash LP.

Mr. Kurschat beneficially owns or controls, directly or indirectly, all of the securities of Clear Sky Capital Arizona and Clear Sky Capital BC, which companies are parties to the US Staffing and Administrative Services Agreement and the Canadian Staffing and Administrative Services Agreement, respectively. Accordingly, Mr. Kurschat may realize (indirectly) an economic benefit from payments to Clear Sky Capital Arizona and Clear Sky Capital BC pursuant to those agreements. See **Item 2.7.6 – US Staffing and Administrative Services Agreement** and **Item 2.7.7 – Canadian Staffing and Administrative Services Agreement**.

Marcus Kurschat beneficially owns or controls, directly or indirectly, all of the securities of Clear Sky GP.

Mr. Kurschat is a beneficial shareholder, directly or indirectly, director and officer of one of the US General Partners, CSCA, and, consequently, will share (indirectly) in any allocations of income, gain, loss, or deduction associated with the US General Partners' economic interests in the US Limited Partnership and, indirectly, the Car Washes, including any special allocations of accelerated depreciation deductions from the US Limited Partnership that are made to the US General Partners instead of to the limited partners.

The US LP Agreement includes provisions that allow accelerated depreciation to be specially allocated to the US General Partners, in certain circumstances. Any such allocation could increase the amount of US tax payable by Clear Sky LP XIV. This increase in tax payable by Clear Sky LP XIV could reduce the amount of cash available for distribution to the Fund and, in turn, to the Trust Unitholders. Mr. Kurschat (as well as Mr. Wheeler and Mr. Barrett) will share (indirectly) in any allocations of income, gain, loss, or deduction associated with the US General Partners' economic interests in the US Limited Partnership, including any special allocations of accelerated depreciation deductions from the US Limited Partnership or a Car Wash LP that are made to the US General Partners instead of to the limited partners.

See **Item 1.5 – Fees and Expenses, Item 2.1.5 – Car Wash LPs, Item 5.2 – Cash Distributions to Trust Unitholders and Item 5.2.2 – Flow of Funds from the Car Washes**.

It is anticipated that Marcus Kurschat will beneficially own or control, directly or indirectly, all of the securities of the general partner of each Car Wash LP. As of the date of this offering memorandum, Mr. Kurschat beneficially owns or controls, directly or indirectly, all of the securities of Car Wash GP I, the general partner (holding a 0.01% economic interest therein) of (a) Scottsdale Road Car Wash LP (b) Encanto Road Car Wash LP, (c) Power Road Car Wash LP; (d) Bell Road Car Wash LP and, once formed, (e) 67th Avenue Car Wash LP and (f) 51st Avenue Car Wash LP.

See **Item 1.5 – Fees and Expenses, Item 2.1.5 – Car Wash LPs, Item 5.2 – Cash Distributions to Trust Unitholders and Item 5.2.2 – Flow of Funds from the Car Washes**.

- (2) Clear Sky LP XIV, the US Limited Partnership or one or more of the Car Wash LPs, or the Fund, will also reimburse the Trustees and officers of the Fund, the directors, officers and employees of Clear Sky LP XIV, the US Limited Partnership, and the Car Wash LPs for all reasonable travel, promotional and other business expenses incurred by them in the performance of their duties.
- (3) Mr. Wheeler was paid a monthly salary of CDS\$10,000 plus benefits by Clear Sky Capital BC based on an equivalent amount being paid by Clear Sky LP XIV to Clear Sky Capital BC under the Canadian Staffing and Administrative Services Agreement, starting as of July 28, 2014 and ending after four months. Mr. Wheeler's monthly salary has resumed and may resume, at any time and from time to time, for periods during which the Fund is raising Investment Capital under the Offering or otherwise. In setting such amount, Clear Sky LP XIV and its affiliates have considered the contributions to be made by Mr. Wheeler on behalf of Clear Sky LP XIV and the Fund, how his compensation level relates to compensation packages that would be available to similar officers based on other employment opportunities and commercially available salary survey data, and information publicly disclosed by some of the Fund's competitors and peers. Other than as set out immediately above, the amount payable by Clear Sky LP XIV to Clear Sky Capital BC and, in turn, to Mr. Wheeler, has not been determined based on benchmarks, performance goals or a specific formula. Pursuant to the Canadian Staffing and Administrative Services Agreement, Clear Sky LP XIV will reimburse Clear Sky Capital BC for all reasonable travel, promotional and other business expenses incurred by Clear Sky Capital BC (either directly or through Mr. Wheeler or any of its other personnel) in performing services for Clear Sky LP XIV. See **Item 2.7.7 – Canadian Staffing and Administrative Services Agreement**. In addition, Mr. Wheeler's spouse is employed by Clear Sky Capital BC to provide administrative services to various organizations, including the Fund and its affiliates.

Mr. Wheeler has invested, directly or indirectly, US\$19,000 as a US Investor in a Class B limited partnership interest in the US Limited Partnership, which represents approximately 6.33% of the economic interests held by US Investors, collectively. Consequently, Mr. Wheeler will share in US Limited Partnership distributions, if any, resulting from his beneficial ownership or control of those securities.

Mr. Wheeler is a beneficial shareholder, directly or indirectly, director and officer of one of the US General Partners, Wheelerco, and, consequently, will share (indirectly) in any allocations of income, gain, loss, or deduction associated with the US General Partners' economic interests in the US Limited Partnership and, indirectly, the Car Washes, including any special allocations of accelerated

depreciation deductions from the US Limited Partnership that are made to the US General Partners instead of to the limited partners. Costs associated with establishing Wheelerco have been paid by the Fund and its affiliates.

The US LP Agreement includes provisions that allow accelerated depreciation to be specially allocated to the US General Partners, in certain circumstances. Any such allocation could increase the amount of US tax payable by Clear Sky LP XIV. This increase in tax payable by Clear Sky LP XIV could reduce the amount of cash available for distribution to the Fund and, in turn, to the Trust Unitholders. Mr. Wheeler (as well as Mr. Kurschat and Mr. Barrett) will share (indirectly) in any allocations of income, gain, loss, or deduction associated with the US General Partners' economic interests in the US Limited Partnership, including any special allocations of accelerated depreciation deductions from the US Limited Partnership or a Car Wash LP that are made to the US General Partners instead of to the limited partners.

See **Item 1.5 – Fees and Expenses, Item 2.1.5 – Car Wash LPs, Item 5.2 – Cash Distributions to Trust Unitholders and Item 5.2.2 – Flow of Funds from the Car Washes.**

- (4) Mr. Barrett has invested, directly or indirectly, US\$30,000 as a US Investor in a Class B limited partnership interest in the US Limited Partnership, which represents approximately 10% of the economic interests held by US Investors, collectively. Consequently, Mr. Barrett will share in the US Limited Partnership distributions, if any, resulting from his beneficial ownership or control of those securities.

Mr. Barrett is a beneficial shareholder, directly or indirectly, director and officer of one of the US General Partners, CSCA, and, consequently, will share (indirectly) in any allocations of income, gain, loss, or deduction associated with the US General Partners' economic interests in the US Limited Partnership and, indirectly, the Car Washes, including any special allocations of accelerated depreciation deductions from the US Limited Partnership that are made to the US General Partners instead of to the limited partners.

The US LP Agreement includes provisions that allow accelerated depreciation to be specially allocated to the US General Partners, in certain circumstances. Any such allocation could increase the amount of US tax payable by Clear Sky LP XIV. This increase in tax payable by Clear Sky LP XIV could reduce the amount of cash available for distribution to the Fund and, in turn, to the Trust Unitholders. Mr. Barrett (as well as Mr. Kurschat and Mr. Wheeler) will share (indirectly) in any allocations of income, gain, loss, or deduction associated with the US General Partners' economic interests in the US Limited Partnership, including any special allocations of accelerated depreciation deductions from the US Limited Partnership or a Car Wash LP that are made to the US General Partners instead of to the limited partners.

See **Item 1.5 – Fees and Expenses, Item 2.1.5 – Car Wash LPs, Item 5.2 – Cash Distributions to Trust Unitholders and Item 5.2.2 – Flow of Funds from the Car Washes.**

Mr. Barrett, in his personal capacity, provides General Manager services for one or more Car Washes, and receives an annual salary of US\$80,000 from the US General Partners (or an affiliate thereof) for providing such services.

- (5) Gary Doran is a Trustee of the Fund who currently serves and will serve as a director of the general partner of each Car Wash LP, including Car Wash GP I as the general partner of Scottsdale Road Car Wash LP, Encanto Road Car Wash LP, Power Road Car Wash LP, Bell Road Car Wash LP and, once formed, 67th Avenue Car Wash LP and 51st Avenue Car Wash LP. Mr. Doran receives a retainer of CD\$500 per month for serving as a Trustee.
- (6) Pinnacle Wealth Brokers Inc. is, as of the Scottsdale Road Car Wash acquisition, a non-voting limited partner of the US Limited Partnership, holding a Class C (non-voting) limited partnership interest therein. Consequently, Pinnacle Wealth Brokers Inc. will share in US Limited Partnership distributions, if any, from the beneficial ownership of a Class C limited partnership interest in the US Limited Partnership and, indirectly, the Car Washes.

The Fund, Clear Sky LP XIV, the US Limited Partnership and their affiliates may agree, in connection with the acquisition of or investment in any Car Wash or other industrial/commercial property (and the business conducted on such property), to material restrictions regarding their use of Available Funds and funds that would otherwise be available for distribution or Working Capital, regardless of the source, for any purpose other than the redemption of Bridge Financing LP Units that may be created and issued in connection with the acquisition/investment, so long as any of the Bridge Financing LP Units remains outstanding. Among other things, such restrictions on the use of Available Funds and funds that would otherwise be available for distribution or Working Capital, regardless of the source, might be imposed on Clear Sky LP XIV through the provisions of the Bridge Financing LP Units. These restrictions may materially restrict the distribution of funds from the Fund's subsidiaries to the Fund set out in **Item 5.2.2 – Flow of Funds from the Car Washes**. In such a case, the Fund may not be in a position to pay cash distributions to Trust Unitholders so long as any Bridge Financing LP Units have not been redeemed. Similarly, neither the applicable Car Wash LP nor the US Limited Partnership may be in a position to pay cash distributions to its partners except in connection with the redemption of outstanding Bridge Financing LP Units. These restrictions may materially adversely affect the Fund's ability to pay, in whole or in part, expenses and other obligations of the Fund, cash redemptions or repurchases of Trust Units, any tax liability, or fund any reserves established by the Trustees, in their sole discretion, so long as any Bridge Financing LP Units have not been redeemed. These restrictions may adversely affect the ability of the Fund, Clear Sky LP XIV and the US Limited Partnership or the applicable Car Wash LP to pay, in whole or in part, expenses in connection with the Offering, start-up and operational costs, costs associated with acquiring (or investing in) and operating the Car Washes (including the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash, Bell Road Car Wash and the proposed acquisitions of the 67th Avenue Car Wash and 51st Avenue Car Wash), and the general and administrative, marketing and operating expenses of the Fund and its affiliates including, costs associated

with establishing and organizing the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs and their general partners and their respective affiliates, legal, consulting, accounting and audit costs, advertising and marketing costs, fees and costs associated with offices and sites for the Fund and its affiliates, Renovation Costs, costs (including wages and benefits) associated with personnel of the Fund and its affiliates, Location Management Fees, fees and costs associated with banking and borrowing of the Fund and its affiliates, debt payments and accrued interest, investor reporting costs, printing and mailing costs, costs in connection with governmental and regulatory requirements, Performance Fees, Asset Management Fees, and taxes.

- (7) Mr. Kurschat, Mr. Wheeler and Tim Barrett (who provides General Manager services for one or more Car Washes) beneficially own or control, directly or indirectly, all of the US General Partners. Consequently, Mr. Kurschat, Mr. Wheeler and Mr. Barrett will share (indirectly) in distributions, if any, resulting from their beneficial ownership or control of those entities, as applicable. The economic participation of the partners in the US Limited Partnership is subject to the prior receipt of a 12% Investor ROI each year by Participating Trust Unitholders and US Investors; provided that if a 12% Investor ROI is not paid for a particular year, the shortfall does not accrue in favour of Participating Trust Unitholders or US Investors in subsequent years. After a 12% Investor ROI has been achieved for a particular year (following the first Car Wash acquisition), further Car Wash LP distributions (if any) that are received by the US Limited Partnership during that year will be distributed or otherwise paid to the US General Partners (subject to reduction based on an economic interest(s) in the Car Wash LP held by any Bridge Equity Investor(s)), Pinnacle Wealth Brokers Inc., Participating Trust Unitholders (through Clear Sky LP XIV and the Fund) and US Investors, collectively, for the year pro rata based on their Ownership Percentages. As of the date of this offering memorandum, the Ownership Percentages of the US General Partners in the US Limited Partnership are: (a) CSCA – 49.5615%; and (b) Wheelerco – 11.6256%. The US General Partners' economic interests in the US Limited Partnership are subject to reduction based on any economic interest(s) in any Car Wash LP(s) being held by any Bridge Equity Investor(s).

Location Management Fees: The US General Partners intend to provide General Manager services to each Car Wash LP that has acquired or otherwise invested in a Car Wash. The US Limited Partnership or the applicable Car Wash LPs, or a combination thereof, will pay or cause to be paid (monthly) to the US General Partners, a Location Management Fee for each Car Wash to which General Manager services are provided during the year. Marcus Kurschat, Kevin Wheeler and Tim Barrett beneficially own or control, directly or indirectly, the US General Partners and, consequently, those individuals will share (indirectly) in Location Management Fees paid, resulting from their beneficial ownership of such entities. The US General Partners, Clear Sky Capital Arizona or affiliates thereof, or a combination of them, are responsible for the costs relating to the provision of such General Manager services, including salary (if any) for such person(s). Apart from payment of Location Management Fees, no expenses related to providing such General Manager services will be incurred by the Fund, Clear Sky LP XIV, the US Limited Partnership or the Car Wash LPs. Tim Barrett, a beneficial shareholder, director and officer, of one of the US General Partners and the general partner of each Car Wash LP (including Car Wash GP I), in his personal capacity, provides General Manager services for one or more Car Washes. As of the date of this offering memorandum, US\$45,833 has been or is payable to the US General Partners as Location Management Fees.

The US LP Agreement includes provisions that allow accelerated depreciation to be specially allocated to the US General Partners, in certain circumstances. Any such allocation could increase the amount of US tax payable by Clear Sky LP XIV. This increase in tax payable by Clear Sky LP XIV could reduce the amount of cash available for distribution to the Fund and, in turn, to the Trust Unitholders. Mr. Kurschat, Mr. Wheeler and Mr. Barrett will share (indirectly) in any allocations of income, gain, loss, or deduction associated with the US General Partners' economic interests in the US Limited Partnership, including any special allocations of accelerated depreciation deductions from the US Limited Partnership or a Car Wash LP that are made to the US General Partners instead of to the limited partners.

See **Item 1.5 – Fees and Expenses, Item 2.1.4 – US Limited Partnership and the US General Partners, Item 5.2 – Cash Distributions to Trust Unitholders and Item 5.2.2 – Flow of Funds from the Car Washes.**

The Fund, Clear Sky LP XIV, the US Limited Partnership and their affiliates may agree, in connection with the acquisition of or investment in any Car Wash or other industrial/commercial property (and the business conducted on such property), to material restrictions regarding their use of Available Funds and funds that would otherwise be available for distribution or Working Capital, regardless of the source, for any purpose other than the redemption of Bridge Financing LP Units that may be created and issued in connection with acquisition/investment, so long as any of the Bridge Financing LP Units remains outstanding. Among other things, such restrictions on the use of Available Funds and funds that would otherwise be available for distribution or Working Capital, regardless of the source, might be imposed on Clear Sky LP XIV through the provisions of the Bridge Financing LP Units. These restrictions may materially restrict the distribution of funds from the Fund's subsidiaries to the Fund set out in **Item 5.2.2 – Flow of Funds from the Car Washes**. In such a case, the Fund may not be in a position to pay cash distributions to Trust Unitholders so long as any Bridge Financing LP Units have not been redeemed. Similarly, neither the Car Wash LPs nor the US Limited Partnership may be in a position to pay cash distributions to its partners except in connection with redeeming any Bridge Financing LP Units that remain outstanding. These restrictions may materially adversely affect the Fund's ability to pay, in whole or in part, expenses and other obligations of the Fund, cash redemptions or repurchases of Trust Units, any tax liability, or fund any reserves established by the Trustees, in their sole discretion. These restrictions may adversely affect the ability of the Fund, Clear Sky LP XIV and the US Limited Partnership or the applicable Car Wash LP to pay, in whole or in part, expenses in connection with the Offering, start-up and operational costs, costs associated with acquiring (or investing in) and operating the Car Washes (including the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash, Bell Road Car Wash and the proposed acquisitions of the 67th Avenue Car Wash and 51st Avenue Car Wash), and the general and administrative, marketing and operating expenses of the Fund and its affiliates including, costs associated with establishing and organizing the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs and their general partners and their respective affiliates, legal, consulting, accounting and audit costs, advertising and marketing costs, fees and costs associated with offices and sites for the Fund and its affiliates, Renovation Costs, costs (including wages and benefits) associated with personnel of the Fund and its affiliates, Location Management Fees, fees and costs associated with banking and borrowing of the Fund and its affiliates, debt payments and accrued interest,

investor reporting costs, printing and mailing costs, costs in connection with governmental and regulatory requirements, Performance Fees, Asset Management Fees, and taxes.

- (8) Upon any acquisition of or investment in a Car Wash or other industrial/commercial property (and the business conducted on such property), Clear Sky LP XIV, the US General Partners or the general partner(s) of the applicable Car Wash LP, or a combination thereof, will be obligated to pay an Acquisition Fee to, collectively, Mr. Kurschat (or an entity beneficially owned or controlled by him), Mr. Wheeler (or an entity beneficially owned or controlled by him) and Mr. Barrett (or an entity beneficially owned or controlled by him). Offering Proceeds may be used to fund, in whole or in part, directly or indirectly, payment of Acquisition Fees to these persons, which proceeds will be realized from time to time by the issue and sale of additional Trust Units under the Offering. The Fund anticipates funding its Working Capital requirements, including payment of Acquisition Fees to, collectively, Mr. Kurschat, Mr. Wheeler and Mr. Barrett (or entities controlled by any of them) through a combination of Available Funds, revenues from Car Washes (if any), and future financing efforts of it and its affiliates. To the extent that any Acquisition Fee remains unpaid, such amount will be considered to be owed, collectively, to Mr. Kurschat, Mr. Wheeler and Mr. Barrett (or an entities beneficially owned or controlled by each of them) on a non-interest bearing basis with no fixed payment terms, other than being payable on demand. See **Item 1.5.1 – Fees Payable on Acquisitions and Dispositions**.

An Acquisition Fee of US\$66,500 has been paid as to US\$33,915 to Mr. Kurschat, as to US\$12,635 to Mr. Wheeler, and as to US\$19,950 to Mr. Barrett (or entities beneficially owned or controlled by each of them) as a result of the Scottsdale Road Car Wash having been acquired.

An Acquisition Fee of US\$56,000 has been paid as to at least US\$28,560 to Mr. Kurschat, as to at least US\$10,640 to Mr. Wheeler, and as to at least US\$16,800 to Mr. Barrett (or entities beneficially owned or controlled by each of them) as a result of the Encanto Road Car Wash having been acquired.

An Acquisition Fee of US\$52,500 has been paid as to US\$26,775 to Mr. Kurschat, as to US\$9,975 to Mr. Wheeler, and as to US\$15,750 to Mr. Barrett (or entities beneficially owned or controlled by each of them) as a result of the Power Road Car Wash having been acquired.

An Acquisition Fee of US\$64,750 is payable as to US\$33,023 to Mr. Kurschat, as to US\$12,302 to Mr. Wheeler, and as to US\$19,425 to Mr. Barrett (or entities beneficially owned or controlled by each of them) as a result of the Bell Road Car Wash having been acquired.

If the 67th Avenue Car Wash acquisition is completed, an Acquisition Fee US\$84,785 (subject to adjustment of the purchase price under the 67th Avenue Car Wash Acquisition Agreement) will be payable, as to at least US\$43,240 to Mr. Kurschat, as to US\$16,109 to Mr. Wheeler, and as to US\$25,436 to Mr. Barrett (or entities beneficially owned or controlled by each of them).

If the 51st Avenue Car Wash acquisition is completed, an Acquisition Fee of US\$64,750 (subject to adjustment of the purchase price under the 51st Avenue Car Wash Acquisition Agreement) will be payable as to at least US\$43,240 to Mr. Kurschat, as to at least US\$16,109 to Mr. Wheeler, and as to at least US\$25,436 to Mr. Barrett (or entities beneficially owned or controlled by each of them).

However, the Fund and its affiliates may agree to certain restrictions on the use of Available Funds or funds received from any other source for any purpose other than the redemption of Bridge Financing LP Units, if any, that may be created and issued in connection with the acquisition/investment, so long as any of the Bridge Financing LP Units remains outstanding. Among other things, such restrictions might be imposed on Clear Sky LP XIV in the provisions of the Bridge Financing LP Units. These restrictions may materially restrict the distribution of funds from the Fund's subsidiaries to the Fund set out in **Item 5.2.2 – Flow of Funds from the Car Washes**. These restrictions may adversely affect the ability of Clear Sky LP XIV and its affiliates to fund any reserves established or other payments deemed necessary by Clear Sky GP, in its discretion, and to pay, in whole or in part, expenses and other obligations of Clear Sky LP XIV, expenses in connection with the Offering and all of the general and administrative, marketing and operating expenses, including Performance Fees.

- (9) Upon any sale or other disposition of a Car Wash or other industrial/commercial property (and the business conducted on such property), Clear Sky LP XIV, the US General Partners or the general partner(s) of the applicable Car Wash LP, or a combination thereof, will be obligated to pay a Disposition Fee to, collectively, Mr. Kurschat (or an entity beneficially owned or controlled by him), Mr. Wheeler (or an entity beneficially owned or controlled by him) and Mr. Barrett (or an entity beneficially owned or controlled by him). Offering Proceeds may be used to fund, in whole or in part, directly or indirectly, payment of Disposition Fees to these persons, which proceeds will be realized from time to time by the issue and sale of additional Trust Units under the Offering. The Fund anticipates funding its Working Capital requirements, including payment of Disposition Fees to, collectively, Mr. Kurschat, Mr. Wheeler and Mr. Barrett (or entities beneficially controlled by any of them) through a combination of Available Funds, revenues from Car Washes (if any), and future financing efforts of it and its affiliates. To the extent that any Disposition Fee remains unpaid, such amount will be considered to be owed to, collectively, Mr. Kurschat, Mr. Wheeler and Mr. Barrett (or entities beneficially owned or controlled by any of them) on a non-interest bearing basis with no fixed payment terms, other than being payable on demand. See **Item 1.5.1 – Fees Payable on Acquisitions and Dispositions**. As of the date of this offering memorandum, no amount of unpaid Disposition Fee is owed to Mr. Kurschat, Mr. Wheeler or Mr. Barrett (or entities beneficially owned or controlled by each of them).

However, the Fund and its affiliates may agree to certain restrictions on the use of Available Funds or funds received from any other source for any purpose other than the redemption of Bridge Financing LP Units, if any, that may be created and issued in connection with the acquisition/investment, so long as any of the Bridge Financing LP Units remains outstanding. Among other things, such restrictions might

be imposed on Clear Sky LP XIV in the provisions of the Bridge Financing LP Units. These restrictions may materially restrict the distribution of funds from the Fund's subsidiaries to the Fund set out in **Item 5.2.2 – Flow of Funds from the Car Washes**. These restrictions may adversely affect the ability of Clear Sky LP XIV and its affiliates to fund any reserves established or other payments deemed necessary by Clear Sky GP, in its discretion, and to pay, in whole or in part, expenses and other obligations of Clear Sky LP XIV, expenses in connection with the Offering and all of the general and administrative, marketing and operating expenses, including Performance Fees.

- (10) Principals of the Fund and its affiliates (including Marcus Kurschat, Kevin Wheeler and Tim Barrett) may, at any time and from time, make further investments, directly or indirectly, in Class B limited partnership interests in the US Limited Partnership as US Investors. If any such individual (or an entity beneficially owned or controlled by him) acquires, directly or indirectly, additional Class B limited partnership interests in the US Limited Partnership at any time, he will beneficially hold, as a US Investor, a larger proportionate share (based on the respective levels of Investment Capital) in US Limited Partnership distributions of Net Available Cash or other payments, if any, that may be made to Participating Trust Unitholders (through Clear Sky LP XIV and the Fund) and the US Investors, and the remaining Trust Unitholders (through Clear Sky LP XIV and the Fund) will hold a proportionately smaller share. Further, in the event that any of Marcus Kurschat, Kevin Wheeler or Tim Barrett (or an entity beneficially owned or controlled by him) acquires additional limited partnership interests in the US Limited Partnership as a US Investor, he will have done so in his personal capacity and for his own investment purposes.

If the US Limited Partnership needs additional capital contributions for or any reason, the US Limited Partnership must first offer Clear Sky LP XIV and US Investors (including persons who are Trustees and directors and officers of the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs or the general partners thereof, and their affiliates) the right to contribute their share of such additional capital to maintain their relative Ownership Percentages prior to obtaining capital contributions or loans from other sources. Further, it is anticipated that Clear Sky LP XIV will make additional capital contributions as a limited partner of, or lend fund to, the US Limited Partnership on an ongoing basis as it receives Offering Proceeds from the Fund, which will increase its Investment Capital and effect its Ownership Percentage.

Without limiting the generality of the foregoing, Marcus Kurschat, Kevin Wheeler and Tim Barrett have indicated their interest in making further investments, directly or indirectly, in Class B limited partnership interests in the US Limited Partnership as US Investors, at any time and from time when the Fund redeems, purchases otherwise acquires Trust Units, in amounts up to the Fund's cost of redeeming, purchasing or acquiring such Trust Units. Investment Capital received by the US Limited Partnership in such circumstances may be paid to the Fund to offset, in whole or in part, the Fund's cost of redeeming, purchasing or acquiring such Trust Units. However, none of the principals of the Fund or its affiliates is guaranteeing the payment of any amount for the Trust Units of any Trust Unitholder who wishes to dispose of such securities, whether pursuant to the exercise of redemption or purchase rights or otherwise; there is no assurance that any principals of the Fund or its affiliates will acquire additional limited partnership interests in the US Limited Partnership as US Investors at any time when the Fund redeems, purchases or otherwise acquires Trust Units. For clarity, no offer to purchase any Trust Units has been or is being made and no person has solicited or is soliciting any offer to sell any Trust Units. If any such individual (or an entity beneficially owned or controlled by him) acquires additional Class B limited partnership interests in the US Limited Partnership at any time when the Fund redeems, purchases or otherwise acquires Trust Units from a Trust Unitholder, he will beneficially hold, as a US Investor, a larger proportionate share (based on the respective levels of Investment Capital) in US Limited Partnership distributions of Net Available Cash or other payments, if any, that may be made to Participating Trust Unitholders (through Clear Sky LP XIV and the Fund) and the US Investors, and the remaining Trust Unitholders (through Clear Sky LP XIV and the Fund) will hold a proportionately smaller share. Further, in the event that any such individual (or an entity beneficially owned or controlled by him) acquires additional limited partnership interests in the US Limited Partnership as a US Investor at any time when the Fund redeems, purchases or otherwise acquires Trust Units from a Trust Unitholder, he will have done so in his personal capacity and for his own investment purposes. If any of Marcus Kurschat, Kevin Wheeler or Tim Barrett acquires beneficial ownership, directly or indirectly, of additional limited partnership interests in the US Limited Partnership as a US Investor in such a circumstance, he is not to be considered as acting jointly or in concert with the Fund or any other offeror in connection with the Fund's redemption, purchase or otherwise acquisition of Trust Units from any Trust Unitholder.

- (11) The Fund, Clear Sky LP XIV, the US Limited Partnership or one or more of the Car Wash LPs may enter into loan agreements, as borrower, with one or more lenders from time to time. These lenders may include the partners of the US Partnership, including Mr. Kurschat, Mr. Wheeler and Mr. Barrett (or entities beneficially owned or controlled by them). Such loans are not to exceed commercially reasonable terms negotiated between the borrower and lender. The US LP Agreement requires that (1) the terms and conditions of partner loans are to be no more favorable to the lending partner than would otherwise be available to the other partners (including Clear Sky LP XIV) or observed in a transaction with an arm's length lender under substantially similar circumstances, and (2) partners (including Clear Sky LP XIV) be given the prior opportunity to satisfy the US Limited Partnership's capital requirements with a partner loan or otherwise, except short term loans (less than 180 days) at prime. Notwithstanding the foregoing, if the partner lender is a related party (including, directly or indirectly, Mr. Kurschat, Mr. Wheeler and Mr. Barrett (or entities beneficially owned or controlled by them)), then the interest rate for such loan will not exceed the prime rate of the US Limited Partnership's bank.
- (12) The Fund and one or more of its affiliates intend to enter into indemnity agreements with each of the Trustees and officers of the Fund and the directors and officers of the Fund's affiliates that will indemnify each such individual in respect of the discharge of his duties, provided that the Trustee, officer or director seeking indemnity acted honestly and in good faith with a view to the best interests of the Fund and its affiliates or, in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the Trustee, officer or director seeking indemnity had reasonable grounds for believing that his or her conduct was lawful.

3.2 Management's Experience

The principal occupation and business background of each Trustee and officer of the Fund is as follows:

Name	Principal Occupations and Related Experience
MARCUS KURSCHAT President and Trustee	Mr. Kurschat is the President and a Trustee of the Fund, and has been the President and a director of Clear Sky LP XIV, since its inception. Mr. Kurschat is the President of Clear Sky Capital BC (a company that owns 100% of the outstanding shares of Clear Sky GP, that has formed and operates, among others, Clear Sky LP XIV, Clear Sky Capital Real Estate Solutions Trust, Clear Sky Arizona Multi Family Limited Partnership, Clear Sky Capital US Real Estate Opportunity Limited Partnership, Clear Sky Capital Arizona Realty Fund, Clear Sky Capital Sunbelt Strategies Fund, Clear Sky Capital Tempe Opportunity Fund (and their affiliated entities), which are invested or seeking to invest in the multi-family real estate market in Arizona and other areas of the United States. Among other positions held, Mr. Kurschat is the President and a trustee of Clear Sky Capital Real Estate Solutions Trust (formed in 2012), Clear Sky Capital Arizona Realty Fund (formed in 2013), Clear Sky Capital Sunbelt Strategies Fund (formed in 2013), Clear Sky Capital Strategic Asset Fund-Series I (formed in 2014), each an Alberta trust that is indirectly invested in Arizona multi-family real estate since its formation and has been the President, director and shareholder of the several subsidiaries thereof since their respective dates of formations in 2011 - 2014. Mr. Kurschat is also the President and a trustee of Clear Sky Capital Income Portfolio Fund-Series I (formed in 2014), an Alberta trust that is indirectly invested in Car Washes located in Arizona, since its formation in June 2014 and has been the President of the several subsidiaries thereof since their formation during 2014 2010. Mr. Kurschat is also the Financial Manager of Newlook Capital, a syndicate of real estate investment companies. Mr. Kurschat has 18+ years of experience in buying, redeveloping, managing and selling multi-family apartment buildings, as well as commercial and industrial properties, in Canada and the U.S., which are summarized below:

Project	Purchase Price	Date of Purchase	Sale Proceeds ⁽¹⁾	Date of Sale
Seacrest Apartments (109 units) ⁽²⁾ Nanaimo, British Columbia	CD\$6,300,000	February 2004	CD\$13,300,000	September 2012
Highland Townhomes (21 units) Nanaimo, British Columbia	CD\$810,000	January 2002	CD\$2,000,000	April 2008
Panoramic Tower Apartments (30 units) ⁽³⁾ Campbell River, British Columbia	Note 3	October 2002	CD\$1,680,000	July 2006
Seawind Apartments (24 units) Nanaimo, British Columbia	CD\$700,000	November 2000	CD\$1,700,000	July 2006
Georgia Towers Apartments (53 units) ⁽³⁾ Campbell River, British Columbia	Note 3	October 2002	CD\$6,400,000	March 2006
Villa Lea Apartments (24 units) Edmonton, Alberta	CD\$525,000	May 1998	CD\$745,000	July 2001
The Whitehouse Apartments (37 units) Edmonton, Alberta	CD\$624,000	March 1996	CD\$1,248,000	July 2001
Sprucedale Apartments (21 units) Edmonton, Alberta	CD\$480,000	May 1997	CD\$687,000	May 2001
Northland Arms Apartments (70 units) Edmonton, Alberta	CD\$1,700,000	October 1997	CD\$2,500,000	October 2000
Bethany Palms Apartments (22 units) ⁽⁴⁾ Phoenix, Arizona, USA	US\$547,000	July 2010	US\$1,880,000	December 2013
Heritage Square Apartments (120 units) ⁽⁵⁾ Gilbert, Arizona, USA	US\$7,500,000	July 2011	–	–
Mission Palms Apartments (125 units) ⁽⁶⁾ Phoenix, Arizona, USA	US\$6,250,000	April 2011	–	–
Parkway Apartments (24 units) ⁽⁶⁾ Scottsdale, Arizona, USA	US\$1,180,000	February 2012	–	–
Arcadia Del Sol Apartments (260 units) ⁽⁷⁾ Phoenix, Arizona, USA	US\$11,750,000	May 2012	–	–
Country Club Greens Apartments (68 units) ⁽⁵⁾ Phoenix, Arizona, USA	US\$4,000,000	February 2013	–	–
Airmont Apartments (21 units) ⁽⁸⁾ Phoenix, Arizona, USA	US\$940,000	September 2013	US\$1,585,000	June 2014
Timberline Place Apartments (102 units) ⁽⁹⁾ Flagstaff, Arizona, USA	US\$11,825,000	January 2014	–	–
Park Tower Apartments (180 units) ⁽¹⁰⁾ Chandler, Arizona, USA	US\$15,200,000	March 2014	–	–
Lexington Apartments (21 units) ⁽¹¹⁾ Phoenix, Arizona, USA	US\$1,035,000	April 2014	–	–
The Legacy at Prescott Lakes Apartments (150 units) ⁽¹²⁾ Prescott, Arizona, USA	US\$16,472,012	April 2014	–	–
The Summit at Flagstaff Apartments (168 units) ⁽¹³⁾ Flagstaff, Arizona, USA	US\$22,250,000	May 2014	–	–
The Lodge Apartments (252 units) ⁽¹⁴⁾ Flagstaff, Arizona, USA	US\$31,875,000	May 2014	–	–

Name**Principal Occupations and Related Experience**

Parkside Apartments (99 units) ⁽¹⁵⁾ Flagstaff, Arizona, USA	US\$5,950,000	June 2014	–	–
Bonfire Apartments (24 units) ⁽¹⁶⁾ Phoenix, Arizona, USA	US\$1,650,000	August 2014	–	–
Carolina Apartments (18 units) ⁽¹⁷⁾ Phoenix, Arizona, USA	US\$870,000	November 2014	–	–
Scottsdale Road Car Wash ⁽¹⁸⁾ Scottsdale, Arizona, USA	US\$3,800,000	November 2014	–	–
Encanto Road Car Wash ⁽¹⁸⁾ Mesa, Arizona, USA	US\$3,200,000	December 2014	–	–
Silverado Apartments (256 units) ⁽¹⁹⁾ Albuquerque, New Mexico, USA	US\$19,500,000	January 2015	–	–
Power Road Car Wash ⁽¹⁸⁾ Phoenix, Arizona, USA	US\$3,000,000	January 2015	–	–
Bell Road Car Wash ⁽¹⁸⁾ Phoenix, Arizona, USA	US\$3,700,000	April 2015	–	–

Notes:

- (1) The sale proceeds shown are the gross proceeds realized from dispositions to arm's length purchasers.
- (2) The purchase of Seacrest Apartments included a parcel (approximately a quarter acre) of undeveloped land, which has not been sold as part of the September 2012 disposition.
- (3) Panoramic Tower and Georgia Towers were purchased together in October 2002 for an aggregate purchase price of CD\$3,150,000. The sale proceeds from disposition of Panoramic Apartments were CD\$1,680,000. The Georgia Towers apartments were condominiumized and sold individually for aggregate sale proceeds of CD\$6,400,000. The last condominium unit sold in March 2006.
- (4) Clear Sky Capital Arizona Multi Family LP, a limited partnership in which Mr. Kurschat beneficially owns and controls the general partner, and is a director and officer, owned and recently sold this property through a subsidiary entity.
- (5) Clear Sky Capital US Real Estate Opportunity LP, a limited partnership in which Mr. Kurschat beneficially owns or controls the general partner and is a director and an officer, currently owns this property, indirectly through a subsidiary entity.
- (6) Clear Sky Capital Real Estate Solutions Trust, a trust in which Mr. Kurschat is a trustee and an officer, currently owns this property, indirectly through a subsidiary entity.
- (7) Clear Sky Real Estate Solutions Trust, a trust in which Mr. Kurschat is a trustee and an officer, currently holds a 20.0% ownership interest in the owner of this property.
- (8) Clear Sky Capital Airmont, LLC, a limited liability corporation that is beneficially owned or controlled by Mr. Kurschat and for which Mr. Kurschat is the managing member, previously owned this property, indirectly through a subsidiary entity.
- (9) Clear Sky Capital Arizona Realty Fund, a trust in which Mr. Kurschat is a trustee and an officer, currently owns this property, indirectly through a subsidiary entity.
- (10) Clear Sky Capital US Real Estate Opportunity LP, a limited partnership in which Mr. Kurschat beneficially owns or controls the general partner and is a director and an officer, currently owns this property, indirectly through a subsidiary entity.
- (11) Clear Sky Capital Lexington, LLC, a limited liability corporation that is beneficially owned or controlled by Mr. Kurschat and for which Mr. Kurschat is the managing member, currently owns this property.
- (12) Clear Sky Capital Sunbelt Strategies Fund, a trust in which Mr. Kurschat is a trustee and an officer currently owns this property, indirectly through a subsidiary entity.
- (13) An Arizona limited liability corporation in which Mr. Kurschat is beneficially invested as a member, currently owns this property.
- (14) Clear Sky Capital Lodge LP, a limited partnership in which Mr. Kurschat is beneficially invested as a limited partner and beneficially co-owns the general partner and is a director and an officer, currently owns this property.
- (15) Clear Sky Capital Tempe Opportunity LP, a limited partnership in which Mr. Kurschat beneficially owns or controls the general partner and is a director and an officer, currently owns this property, indirectly through a subsidiary entity.
- (16) Clear Sky Uptown I, LLC, a limited liability corporation that is beneficially owned or controlled by Mr. Kurschat and for which Mr. Kurschat is the managing member, currently owns this property.
- (17) Clear Sky Uptown II, LLC, a limited liability corporation that is beneficially owned or controlled by Mr. Kurschat and for which Mr. Kurschat is the managing member, currently owns this property.
- (18) Clear Sky Capital Income Portfolio Fund-Series I, a trust in which Mr. Kurschat is a trustee and an officer, currently owns these Car Washes, indirectly through subsidiary entities.
- (19) Clear Sky Capital Strategic Assets Fund-Series I, a trust in which Mr. Kurschat is a trustee and an officer currently owns this property, indirectly through a subsidiary entity.

Name	Principal Occupations and Related Experience
GARY DORAN Trustee	<p>Mr. Doran obtained a broad range of business knowledge during his tenure at Pinnacle Wealth Brokers Inc. and his previous 12 years as a partner in a public accounting firm. In addition, his five-year tenure as a School Board Trustee gave him the opportunity to expand his skills in the areas of strategic planning, governance, negotiations and teamwork. He obtained his professional accounting designation, as a Certified General Accountant, in 1997.</p> <p>Mr. Doran joined Pinnacle Wealth Brokers Inc., one of Canada's largest exempt market dealers, in the capacity of Chief Financial Officer on July 1, 2013. His responsibilities have included oversight of internal controls, member of the product approval committee, and Issuer relations. He has resigned from this position effective September 30, 2014 and will become the managing partner of Bergeron & Co, CGA, a Calgary based accounting firm on October 1st, 2014.</p> <p>Prior to joining Pinnacle Wealth Brokers Inc., Mr. Doran was a partner in the public accounting firm, Sylvain and Doran, CGA. The services provided by the firm included audit, review, and compilation engagements for municipal districts, towns, villages, school divisions, various companies in the farming industry, gas & oil, forestry, and retail; corporate taxes; personal taxes; and corporate consulting. His career history also includes a position as the comptroller for a school division. During the process of building his career in accounting and finance, Mr. Doran owned and managed one of the largest certified organic grain farms in Western Canada for 20 years.</p> <p>Mr. Doran's experience and knowledge of exempt markets were exponentially enhanced over the last 4 years as he was instrumental in organizing thousands of exempt market investors to work together to protect their investments from unethical issuers. His leadership led to extensive work with a legal team to decipher offering memorandums, contracts, and acquire a strong knowledge base of Exempt Market Regulations. The relationships he has made with investors and the stories they have shared with him over the past four years has solidified Mr. Doran's belief in the need to protect investor interests.</p>
KEVIN WHEELER Trustee Vice-President, Investor Relations of Clear Sky LP XIV	<p>Kevin Wheeler VP Investor Relations of the Clear Sky Capital Income Portfolio Fund – Series I. Mr. Wheeler is also Vice President, Investor Relations of Clear Sky Arizona Realty Fund and Clear Sky Capital Sunbelt Strategies Fund, Alberta trusts that are indirectly invested in Arizona multi-family real estate. He has a wide range of experience and background as a financial planner, investment advisor and consultant within the financial services industry. For the past six years, Mr. Wheeler has worked with hundreds of the leading financial advisors across Western Canada. He has a wide range of experience and background as a financial planner, investment advisor and consultant within the financial services industry. For over seven years, Mr. Wheeler has worked with hundreds of investment advisors and financial planners across Canada.</p> <p>Mr. Wheeler started his career as an Independent Mutual Fund and Insurance Advisor in Calgary in 2003. He brokered through a large, national investment and insurance brokerage, through 2006. In 2007, Mr. Wheeler sold his financial planning practice and joined RBC Life Insurance Company as a Senior Account Executive for Southern Alberta and increased annual premium revenues within his broker network by 100% within 18 months.</p> <p>Mr. Wheeler started a specialty financial services company in 2009 called Living Benefit Solutions Inc., a joint-case practice specializing in disability, critical illness and long-term care insurance solutions for businesses and high net-worth individuals.</p> <p>In 2011, Mr. Wheeler provided business development consulting services for a national health benefit provider on a contract basis for 14 months. During this time, Mr. Wheeler spearheaded an incredible turnaround by expanding and revitalizing this organization's financial advisor network, increasing annual sales by 30% within 12 months and expanding 4th quarter sales growth by more than 60%, year-over-year.</p> <p>Mr. Wheeler has earned numerous professional designations, which include Certified Financial Planner (CFP) through the Financial Planners Standards Council; Chartered Investment Manager (CIM) and Financial Management Advisor (FMA) designations through the Canadian Securities Institute; the Elder Planning Counselor (EPC) designation through the Canadian Initiative for Elder Planning Studies; and the Registered Health Underwriter (RHU) designation through Advocis, the Financial Advisors Association of Canada.</p> <p>Mr. Wheeler's experience with buying, redeveloping, managing and selling multi-family apartment</p>

Name**Principal Occupations and Related Experience**

buildings, as well as commercial and industrial properties, is summarized below:

Project	Purchase Price	Date of Purchase	Sale Proceeds ⁽¹⁾	Date of Sale
Timberline Place Apartments (102 units) ⁽²⁾ Flagstaff, Arizona, USA	US\$11,825,000	January 2014	–	–
The Legacy at Prescott Lakes Apartments (150 units) ⁽³⁾ Prescott, Arizona, USA	US\$16,472,012	April 2014	–	–
Parkside Apartments (99 units) ⁽⁴⁾ Flagstaff, Arizona, USA	US\$5,950,000	June 2014	–	–
Scottsdale Road Car Wash ⁽⁵⁾ Scottsdale, Arizona, USA	US\$3,800,000	November 2014	–	–
Encanto Road Car Wash ⁽⁵⁾ Mesa, Arizona, USA	US\$3,200,000	December 2014	–	–
Silverado Apartments (256 units) ⁽⁶⁾ Albuquerque, New Mexico, USA	US\$19,500,000	January 2015	–	–
Power Road Car Wash ⁽⁵⁾ Phoenix, Arizona, USA	US\$3,000,000	January 2015	–	–
Bell Road Car Wash ⁽⁵⁾ Phoenix, Arizona, USA	US\$3,700,000	April 2015	–	–

Notes:

- (1) The sale proceeds shown are the gross proceeds realized from dispositions to arm's length purchasers.
- (2) Clear Sky Capital Arizona Realty Fund, a trust in which Mr. Wheeler is a trustee and an officer, currently owns this property, indirectly through a subsidiary entity.
- (3) Clear Sky Capital Sunbelt Strategies Fund, a trust in which Mr. Wheeler is a trustee and an officer currently owns this property, indirectly through a subsidiary entity.
- (4) Clear Sky Capital Tempe Opportunity LP, a limited partnership in which Mr. Wheeler beneficially owns or controls the general partner and in respect of what Mr. Wheeler is a director and an officer, currently owns this property, indirectly through a subsidiary entity.
- (5) Clear Sky Capital Income Portfolio Fund-Series I, a trust in which Mr. Wheeler is a trustee and an officer, currently owns these Car Washes, indirectly through subsidiary entities.
- (6) Clear Sky Capital Strategic Assets Fund-Series I, a trust in which Mr. Wheeler is a trustee and an officer currently owns this property, indirectly through a subsidiary entity.

TIM BARRETT
Promoter

Tim Barrett is a Partner and holds various operating positions within a number of real estate and business related holdings of Clear Sky Capital, Inc. Mr. Barrett oversees many aspects of the operations, including the deal sourcing, underwriting, acquisition, business plan development and implementation as well as the structuring of the capital stack.

Mr. Barrett held positions with JP Morgan Chase and Co. as a commercial real estate debt underwriter, where he was on a team that managed a US\$300 Million commercial real estate loan portfolio and as a Construction Risk Administrator making construction draw funding decisions for an US\$800 Million portfolio of construction loans across the U.S.

Before holding positions in banking Mr. Barrett held positions with Remar Construction where he oversaw and managed US\$30 Million in construction projects, and Arizona Commercial Real Estate Services where he worked on the brokerage team focused on site selection for a privately held bank.

Mr. Barrett holds a Bachelor of Science degree in Global Business with an emphasis in finance from Arizona State University.

Mr. Barrett's experience with buying, redeveloping, managing and selling multi-family apartment buildings, as well as commercial and industrial properties, is summarized below:

Project	Purchase Price	Date of Purchase	Sale Proceeds ⁽¹⁾	Date of Sale
Airmont Apartments (21 units) ⁽²⁾ Phoenix, Arizona, USA	US\$940,000	September 2013	US\$1,585,000	June 2014
Lexington Apartments (21 units) ⁽³⁾ Phoenix, Arizona, USA	US\$1,035,000	April 2014	–	–
The Summit at Flagstaff Apartments (168 units) ⁽⁴⁾ Flagstaff, Arizona, USA	US\$22,250,000	May 2014	–	–
Bonfire Apartments (24 units) ⁽⁵⁾ Phoenix, Arizona, USA	US\$1,650,000	August 2014	–	–
Carolina Apartments (18 units) ⁽⁶⁾ Phoenix, Arizona, USA	US\$870,000	November 2014	–	–

Name**Principal Occupations and Related Experience**

Scottsdale Road Car Wash ⁽⁷⁾ Scottsdale, Arizona, USA	US\$3,800,000	November 2014	–	–
Encanto Road Car Wash ⁽⁷⁾ Mesa, Arizona, USA	US\$3,200,000	December 2014	–	–
Power Road Car Wash ⁽⁷⁾ Phoenix, Arizona, USA	US\$3,000,000	January 2015	–	–
Bell Road Car Wash ⁽⁷⁾ Phoenix, Arizona, USA	US\$3,700,000	April 2015	–	–

Notes:

- (1) The sale proceeds shown are the gross proceeds realized from dispositions to arm's length purchasers.
- (2) Clear Sky Capital Airmont, LLC, a limited liability corporation that is beneficially owned or controlled by Mr. Kurschat and for which Mr. Barrett is a member with an administrative and managerial role, previously owned this property, indirectly through a subsidiary entity.
- (3) Clear Sky Capital Lexington, LLC, a limited liability corporation that is beneficially owned or controlled by Mr. Kurschat and for which Mr. Barrett is a member with an administrative and managerial role, currently owns this property.
- (4) An Arizona limited liability corporation in which Mr. Barrett is beneficially invested as a member, currently owns this property.
- (5) Clear Sky Uptown I, LLC, a limited liability corporation that is beneficially owned or controlled by Mr. Kurschat and for which Mr. Barrett is a member with an administrative and managerial role, currently owns this property.
- (6) Clear Sky Uptown II, LLC, a limited liability corporation that is beneficially owned or controlled by Mr. Kurschat and for which Mr. Barrett is a member with an administrative and managerial role, currently owns this property.
- (7) Clear Sky Capital Income Portfolio Fund-Series I, a trust in which Mr. Barrett is a promoter, currently owns these Car Washes, indirectly through subsidiary entities. Mr. Barrett provides General Manager services to each of Car Washes.

3.3 Penalties, Sanctions and Bankruptcy

To the knowledge of management of the Fund, there has been: (a) no penalty or sanction that has been in effect during the last 10 years against a (i) a trustee, executive officer or control person of the Fund, or (ii) an issuer of which any of the persons or companies referred to in (i) was a trustee, director, executive officer or control person, at the time; and (b) no declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors or appointment of a receiver, receiver manager or trustee to hold assets, that has been in effect during the last 10 years with regard to any trustee, executive officer or control person of the Fund or an issuer of which a trustee, executive officer or control person of the Fund was a trustee, director, executive officer or control person at that time.

3.4 Loans

Other than as disclosed below, there is no outstanding indebtedness between the Fund and its Trustees, management, promoters or Principal Holders.

The Fund, Clear Sky LP XIV, the US Limited Partnership or one or more of the Car Wash LPs may enter into loan agreements, as borrower, with one or more lenders from time to time. These lenders may include the partners of the US Partnership, including Mr. Kurschat, Mr. Wheeler and Mr. Barrett (or entities beneficially owned or controlled by them). Such loans are not to exceed commercially reasonable terms negotiated between the borrower and the lender. The US LP Agreement requires that (1) the terms and conditions of partner loans are to be no more favorable to the lending partner than would otherwise be available to the other partners (including Clear Sky LP XIV) or observed in a transaction with an arm's length lender under substantially similar circumstances, and (2) partners (including Clear Sky LP XIV) be given the prior opportunity to satisfy the US Limited Partnership's capital requirements with a partner loan or otherwise, except short term loans (less than 180 days) at prime. Notwithstanding the foregoing, if the partner lender is a related party (including, directly or indirectly, Mr. Kurschat, Mr. Wheeler and Mr. Barrett (or entities beneficially owned or controlled by them), then the interest rate for such loan will not exceed the prime rate of the US Limited Partnership's bank.

To the extent that any Acquisition Fee remains unpaid, such amount will be considered to be owed, collectively, Mr. Kurschat, Mr. Wheeler and Mr. Barrett (or entities beneficially owned or controlled by each of them) on a non-interest bearing basis with no fixed payment terms, other than being payable on demand. As of the date of this offering memorandum, an unpaid Acquisition Fee of US\$64,750 is payable as to US\$33,023 to Mr. Kurschat, as to US\$12,302 to Mr. Wheeler, and as to US\$19,425 to Mr. Barrett (or entities beneficially owned or controlled by each of them) as a result of the Bell Road Car Wash having been acquired. See **Item 1.5.1 – Fees Payable on Acquisitions and Dispositions** and **Item 3.1 – Compensation and Securities Held**.

To the extent that any Disposition Fee remains unpaid, such amount will be considered to be owed, collectively, Mr. Kurschat, Mr. Wheeler and Mr. Barrett (or entities beneficially owned or controlled by each of them) on a non-interest bearing basis with no fixed

payment terms, other than being payable on demand. As of the date of this offering memorandum, no amount of unpaid Disposition Fees is owed to those persons. See **Item 1.5.1 – Fees Payable on Acquisitions and Dispositions** and **Item 3.1 – Compensation and Securities Held**.

To the extent that any Asset Management Fees remain unpaid, such amount will be considered as owing to Marcus Kurschat (or an entity beneficially owned or controlled by him) on a non-interest bearing basis with no fixed payment terms, other than being payable on demand. As of the date of this offering memorandum, no amount of Asset Management Fees is unpaid. See **Item 1.5.1 – Fees Payable on Acquisitions and Dispositions** and **Item 3.1 – Compensation and Securities Held**.

To the extent that any Location Management Fees remain unpaid, such amount will be considered to be owed to the US General Partners on a non-interest bearing basis with no fixed payment terms, other than being payable on demand. As of the date of this offering memorandum, no amount of Location Management Fees is unpaid. See **Item 1.5.1 – Fees Payable on Acquisitions and Dispositions** and **Item 3.1 – Compensation and Securities Held**.

ITEM 4 - CAPITAL STRUCTURE

4.1 Equity Capital

The following table sets out the outstanding equity capital of the Fund:

Description of Security	Number authorized to be issued	Number outstanding as of the date of this offering memorandum ⁽¹⁾	Number outstanding after Maximum Offering
Trust Units ⁽²⁾	Unlimited	1,301,296	3,000,000 ⁽³⁾
Class B Trust Units ⁽⁴⁾	Unlimited	nil	nil
Special Voting Units ⁽⁵⁾	Unlimited	nil	nil

Notes:

- (1) As of the date of this offering memorandum, the Fund has 521 Trust Unitholders holding a total of 1,301,296 Trust Units. The Fund has completed the Eligibility Distribution to at least 150 Trust Unitholders and has made elections under the Tax Act to qualify as a "mutual fund trust" as defined by the Tax Act, provided certain requirements in the Tax Act have been met. See **Item 6.1.1 – Certain Canadian Federal Income Tax Considerations – Eligibility for Investment** and **Item 6.1.2 – Status of the Fund**.
- (2) See **Item 2.7.1 – Declaration of Trust** and **Item 5.1 – Trust Units for a description of the Trust Units**.
- (3) Assumes the completion of the Maximum Offering, pursuant to which the Fund will realize aggregate Offering Proceeds of CD\$30,000,000 through the issue and sale of 3,000,000 Trust Units. The Fund may complete the issue and sale of additional Trust Units at any time and from time to time at one or more Closings until the Maximum Offering is reached or the Offering are otherwise terminated. There is no assurance that the Maximum Offering amount will be achieved. The Fund may, without notice to Trust Unitholders, increase the Maximum Offering. The Fund determined the pricing under the Offering for the Trust Units.
- (4) See **Item 2.7.1 – Declaration of Trust** – Class B Trust Units for a description of the Class B Trust Units.
- (5) See **Item 2.7.1 – Declaration of Trust** – Special Voting Units for a description of the Special Voting Units.

4.2 Ownership Percentages in the US Limited Partnership

The partners in the US Limited Partnership are the US General Partners (sole general partners), Clear Sky LP XIV (limited partner holding Class A limited partnership units), the US Investors (limited partners holding Class B limited partnership units) and Pinnacle Wealth Brokers Inc. (non-voting limited partner holding Class C limited partnership units).

The percentage interest of each partner in the US Limited Partnership at any particular time, is represented as his or its Ownership Percentage, which Ownership Percentage is calculated in accordance with, and is subject to adjustments made pursuant to, the US LP Agreement); provided, however, that CSCA (as controlling general partner) may amend the calculation formula from time to time without the approval of any other partners of the US Limited Partnership to account for issuances, redemptions, and assignments of interests, admissions and withdrawals of partners, and to otherwise reflect changes in Investment Capital, contributions, and distributions, all as CSCA (as controlling general partner) deems necessary or appropriate. As of the date of this offering memorandum, the Ownership Percentages of the partners of the US Limited Partnership are: (a) Participating Trust Unitholders (through Clear Sky LP XIV and the Fund) – 9.7344%; (b) US Investors - 0.4754%; (c) US General Partners - 61.1871%, subject to reduction based on any economic interest(s) in any Car Wash LP(s) held by any Bridge Equity Investor(s); and (d) Pinnacle Wealth Brokers Inc. - 28.6032%.

See **Item 2.1 – Structure, Item 2.7.4 – US LP Agreement, Item 5.2.2 – Flow of Funds from the Car Washes** for descriptions of the organizational structure of the Fund and its subsidiaries and distributions from the Car Wash LPs to their partners, the US Limited Partnership to its partners (including Clear Sky LP XIV, the US Investors and Pinnacle Wealth Brokers Inc., as limited partners, and the US General Partners, as general partners), and distributions by Clear Sky LP XIV to its partners (including the Fund as limited partner).

Principals of the Fund and its affiliates (including persons who are Trustees and directors and officers of the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs or the general partners thereof, and their affiliates) may, at any time and from time, make further investments, directly or indirectly, in Class B limited partnership interests in the US Limited Partnership as US Investors. If any such individual (or an entity beneficially owned or controlled by him) acquires additional Class B limited partnership interests in the US Limited Partnership at any time, he will beneficially hold, as a US Investor, a larger proportionate share (based on the respective levels of Investment Capital) in US Limited Partnership distributions of Net Available Cash or other payments, if any, that may be made to Participating Trust Unitholders (through Clear Sky LP XIV and the Fund) and the US Investors, and the remaining Trust Unitholders (through Clear Sky LP XIV and the Fund) will hold a proportionately smaller share. Further, in the event that any such individual (or an entity beneficially owned or controlled by him) acquires additional limited partnership interests in the US Limited Partnership as a US Investor, he will have done so in his personal capacity and for his own investment purposes.

If the US Limited Partnership needs additional capital contributions for or any reason, the US Limited Partnership must first offer Clear Sky LP XIV and US Investors (including persons who are Trustees and directors and officers of the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs or the general partners thereof, and their affiliates) the right to contribute their share of such additional capital to maintain their relative Ownership Percentages prior to obtaining capital contributions or loans from other sources. Further, it is anticipated that Clear Sky LP XIV will make additional capital contributions as a limited partner of, or lend fund to, the US Limited Partnership on an ongoing basis as it receives Offering Proceeds from the Fund, which will increase its Investment Capital and effect its Ownership Percentage.

Without limiting the generality of the foregoing, principals of the Fund and its affiliates (including persons who are Trustees and directors and officers of the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs or the general partners thereof, and their affiliates) have indicated an interest in making further investments, directly or indirectly, in Class B limited partnership interests in the US Limited Partnership as US Investors, at any time and from time when the Fund redeems, purchases otherwise acquires Trust Units, in amounts up to the Fund's cost of redeeming, purchasing or acquiring such Trust Units. Investment Capital received by the US Limited Partnership in such circumstances may be paid to the Fund to offset, in whole or in part, the Fund's cost of redeeming, purchasing or acquiring such Trust Units. However, none of the principals of the Fund or its affiliates is guaranteeing the payment of any amount for the Trust Units of any Trust Unitholder who wishes to dispose of such securities, whether pursuant to the exercise of redemption or purchase rights or otherwise; there is no assurance that any principals of the Fund or its affiliates will acquire additional limited partnership interests in the US Limited Partnership as US Investors at any time when the Fund redeems, purchases or otherwise acquires Trust Units. For clarity, no offer to purchase any Trust Units has been or is being made and no person has solicited or is soliciting any offer to sell any Trust Units. If any such individual (or an entity beneficially owned or controlled by him) acquires additional Class B limited partnership interests in the US Limited Partnership at any time when the Fund redeems, purchases or otherwise acquires Trust Units from a Trust Unitholder, he will beneficially hold, as a US Investor, a larger proportionate share (based on the respective levels of Investment Capital) in US Limited Partnership distributions of Net Available Cash or other payments, if any, that may be made to Participating Trust Unitholders (through Clear Sky LP XIV and the Fund) and the US Investors, and the remaining Trust Unitholders (through Clear Sky LP XIV and the Fund) will hold a proportionately smaller share. Further, in the event that any such individual (or an entity beneficially owned or controlled by him) acquires additional limited partnership interests in the US Limited Partnership as a US Investor at any time when the Fund redeems, purchases or otherwise acquires Trust Units from a Trust Unitholder, he will have done so in his personal capacity and for his own investment purposes. If any principal of the Fund or its affiliates acquires beneficial ownership, directly or indirectly, of additional limited partnership interests in the US Limited Partnership as a US Investor in such a circumstance, he is not to be considered as

acting jointly or in concert with the Fund or any other offeror in connection with the Fund's redemption, purchase or otherwise acquisition of Trust Units from any Trust Unitholder.

Clear Sky LP XIV may create and issue Bridge Financing LP Units (typically non-voting limited partnership units, redeemable by Clear Sky LP XIV at its discretion) to one or more Bridge Equity Investors. Funds available to Clear Sky LP XIV (whether as net Offering Proceeds or distributions from the Car Wash LPs) may be used, in the discretion of Clear Sky GP, to redeem such Bridge Financing LP Units, from time to time, prior to any further cash distributions being made to Trust Unitholder), any US Investors or Pinnacle Wealth Brokers Inc. It is anticipated that any Bridge Equity Investor will also hold, directly or indirectly, a partnership interest, as a limited or general partner, in the applicable Car Wash LP. Any partnership interest in a Car Wash LP that is held, directly or indirectly, by a Bridge Equity Investor, will effectively and proportionately reduce the economic interests of the US General Partners in the US Limited Partnership. The interests of the Participating Trust Unitholders (e.g., Investors), US Investors and Pinnacle Wealth Brokers Inc. in Car Wash LP distributions (if any) will not be adversely affected. However, to the extent Clear Sky LP XIV uses Car Wash LP distributions to redeem Bridge Financing LP Units, amounts otherwise available from the Car Wash(es), if any, for ultimate distribution to Participating Trust Unitholders, the US General Partners, US Investors and Pinnacle Wealth Brokers Inc. will be reduced. See **Item 2.7.2 – Clear Sky LP XIV Agreement – Capital of Clear Sky LP XIV**, **Item 2.7.3 – US Limited Partnership Agreement** and **Item 2.7.4 – Car Wash LP Agreements**.

4.3 Long-Term Debt Securities

As of the date hereof, the Fund and its subsidiaries had the following long-term debt obligations:

Description of long-term debt	Interest rate ⁽²⁾	Repayment terms ⁽²⁾	Amount outstanding as of the date of this offering memorandum
Arizona Car Wash I Commercial Real Estate Loan ⁽¹⁾⁽²⁾	4.75% per annum ⁽²⁾	25-year amortization; 10-year term to maturity on November 13, 2024. Monthly interest-only payments of US\$8,850.24 through March 13, 2015. Thereafter, monthly instalments of US\$34,452.34 (principal + interest) through November 13, 2019, with a one-time principal and interest balloon payment on November 13, 2014 ⁽²⁾ .	US\$6,000,000.00 ⁽¹⁾
Arizona Car Wash II Commercial Real Estate Loan ⁽³⁾⁽⁴⁾	3.183% per annum ⁽⁴⁾	25-year amortization; 123-month term to maturity on July 16, 2025. Monthly interest-only payments of US\$6,379.26 through July 16, 2015. Thereafter, monthly instalments principal + interest through June 16, 2025 (initial payment of US\$14,395.95). Balloon payment of principal and interest totalling US\$1,458,866.28 (principal + interest) on July 16, 2025 ⁽⁴⁾ .	US\$2,405,000.00 ⁽³⁾

Notes:

- (1) As of November 13, 2014, Scottsdale Road Car Wash LP, Encanto Road Car Wash LP and Power Road Car Wash LP, as co-borrowers, entered into an amortizing commercial real estate term loan, secured against the Scottsdale Road Car Wash, Encanto Road Car Wash and Power Road Car Wash, or any of them as it is acquired, with an arm's length lender, which commercial loan facility was finalized in completing the acquisition of the Scottsdale Road Car Wash, initially. Scottsdale Road Car Wash LP borrowed the principal amount of US\$2,235,849 to purchase the Scottsdale Road Car Wash. Encanto Road Car Wash LP borrowed the principal amount of US\$1,889,151 to purchase the Encanto Road Car Wash. Power Road Car Wash LP borrowed the principal amount of US\$1,875,000 to purchase the Power Road Car Wash. This debt obligation is secured by (1) a first financial charge against the Scottsdale Road Car Wash, Encanto Road Car Wash and Power Road Car Wash; (2) general security agreement on all furniture, fixtures and equipment at the Scottsdale Road Car Wash, Encanto Road Car Wash and Power Road Car Wash; (3) assignment of rent and insurance proceeds, and (4) limited guarantees from Marcus Kurschat, Trustee and President of the Fund, and Tim Barrett, a Clear Sky Capital Arizona employee who provides General Manager services for one or more of these Car Washes. See **Item 2.3.1.3 – Acquired Car Washes** and **Item 2.7.11 – Arizona Car Wash I Commercial Real Estate Loan**.

- (2) The Arizona Car Wash I Commercial Real Estate Loan requires that the variable interest rate is not lower than 4.75% per annum. The interest rate is fixed at 4.75% for five years and will reset on the fifth anniversary (November 13, 2019) at the 5-year Constant Maturity Treasury Rate published by the Federal Reserve Statistical Release H.15 plus 3.50%. The Arizona Car Wash I Commercial Real Estate Loan requires monthly interest-only payments of US\$8,850.24 through March 13, 2015. Thereafter, monthly principal and interest payments of US\$34,452.34 (using 4.75% as the effective interest rate) are to be paid through November 13, 2019, reflecting a 25-year amortization. Commencing December 13, 2019, monthly principal and interest payments of US\$34,452.34 (using 5.28% as the effective interest rate) are to be paid through maturity with a one-time principal and interest balloon payment on November 13, 2014. The borrowers also pay monthly instalments for on-going replacement reserve and a real estate tax reserve of approximately US\$9,158.
- (3) As of April 16, 2015, Bell Road Car Wash LP, as borrower, entered into an amortizing commercial real estate term loan, secured against the Bell Road Car Wash, with an arm's length lender, which commercial loan facility was finalized in completing the acquisition of the Bell Road Car Wash. Bell Road Car Wash LP borrowed the principal amount of US\$2,405,000 to purchase the Bell Road Car Wash. This debt obligation is secured by (1) a first financial charge against the Bell Road Car Wash; (2) general security agreement on all furniture, fixtures and equipment at the Bell Road Car Wash; (3) assignment of rent and insurance proceeds, and (4) limited guarantees from Marcus Kurschat, Trustee and President of the Fund, and Tim Barrett, a Clear Sky Capital Arizona employee who provides General Manager services for this Car Wash. See **Item 2.3.1.3 – Acquired Car Washes** and **Item 2.7.12 – Arizona Car Wash II Commercial Real Estate Loan**.
- (4) The Arizona Car Wash II Commercial Real Estate Loan requires that the variable interest rate is not lower than 3.183% per annum (being the available LIBOR index at the time of the loan + 3.00%). The variable annual interest rate is determined from time to time during the term of the loan as equal to 30-day LIBOR + 3.00% (provided the loan is in good standing). If the borrower is not in default, the borrower may, at its option during the first three years of the loan term, fix the interest rate on US\$1,319,500 of loan principal at the available LIBOR index at the time + 3.00. The Arizona Car Wash II Commercial Real Estate Loan requires monthly interest-only payments of US\$6,379.26 (calculated using the initial annual interest rate of 3.183% but subject to change as the interest rate varies) through July 16, 2015. Commencing August 16, 2015, monthly blended principal and interest payments (initial payment of US\$14,395.95, calculated using the effective annual interest rate of 3.183% but subject to change as the interest rate varies and using a 25-year amortization) are to be paid through June 16, 2025. On July 16, 2025, one-time balloon payment of US\$1,458,866.28, consisting of all principal and accrued interest (subject to change as the interest rate varies) is to be paid. Whenever increases occur in the applicable interest rate, the lender may do one or more of the following: (A) increase the borrower's payments to ensure the loan is paid off by its original maturity date, (B) increase the borrower's payments to cover accruing interest, (C) increase the number of payments, or (D) continue the borrower's payments at the same amount and increase the final payment.

4.4 Prior Sales

Since inception, the Fund has issued the following securities:

Date of issuance	Type of security issued	Number of securities issued ⁽¹⁾⁽²⁾	Price per security	Total funds received
June 23, 2014	Trust Unit	1 ⁽¹⁾	CD\$10 ⁽¹⁾	CD\$10 ⁽¹⁾
October 10, 2014	Trust Units	113,368	CD\$10	CD\$1,133,680
October 17, 2014	Trust Units	41,630	CD\$10	CD\$416,300
October 24, 2014	Trust Units	17,270	CD\$10	CD\$172,700
October 31, 2014	Trust Units	20,108	CD\$10	CD\$201,080
November 6, 2014	Trust Units	6,240	CD\$10	CD\$62,400
November 13, 2014	Trust Units	78,439	CD\$10	CD\$784,390
December 12, 2014	Trust Units	112,324	CD\$10	CD\$1,123,240
December 19, 2014	Trust Units	36,415	CD\$10	CD\$364,150
December 31, 2014	Trust Units	87,700	CD\$10	CD\$877,110
January 9, 2015	Trust Units	77,230	CD\$10	CD\$772,300
January 16, 2015	Trust Units	16,871	CD\$10	CD\$168,710
January 19, 2015	Trust Units	8,421	CD\$10	CD\$84,210
January 23, 2015	Trust Units	14,552	CD\$10	CD\$145,520
January 28, 2015	Trust Units	43,707	CD\$10	CD\$437,070
April 17, 2015	Trust Units	430,010	CD\$10	CD\$4,300,100
April 22, 2015	Trust Units	73,389	CD\$10	CD\$733,890
April 30, 2015	Trust Units	123,611	CD\$10	CD\$1,236,110

Notes:

- (1) On June 23, 2014, one Trust Unit was issued to constitute the Fund for CD\$10, which Trust Unit was repurchased by the Fund for CD\$10 (being the issue price) and cancelled pursuant to the Declaration of Trust as of the first Closing Date.

- (2) As of the date of this offering memorandum, the Fund has 521 Trust Unitholders holding a total of 1,301,296 Trust Units. The Fund has completed the Eligibility Distribution to at least 150 Trust Unitholders and has made elections under the Tax Act to qualify as a "mutual fund trust" as defined by the Tax Act, provided certain requirements in the Tax Act have been met. See **Item 6.1.1 – Certain Canadian Federal Income Tax Considerations – Eligibility for Investment** and **Item 6.1.2 – Status of the Fund**.

ITEM 5 - SECURITIES OFFERED

The Fund is offering Trust Units for issue and sale under the Offering. An Investor under the Offering will purchase Trust Units upon the Fund's acceptance of the Investor's Subscription Agreement and related documents and payment of the applicable subscription amounts for Trust Units, as the case may be. See **Item 5.3 – Subscription Procedure**.

The material terms of the Trust Units are summarized below. Other rights, privileges, restrictions, conditions and characteristics attaching to each Trust Unit are contained in the Declaration of Trust. See also **Item 2.7.1 – Declaration of Trust**.

Prospective Investors are advised that any description of the Trust Units in this offering memorandum is a summary only of the material terms of those Trust Units and remains subject to the Declaration of Trust. Prospective Investors are advised to review the Declaration of Trust and the Trust Unit provisions in detail with their own legal, tax and investment advisors.

5.1 Trust Units

The Declaration of Trust governs the rights and obligations of the Trust Unitholders and the Trustees. The following is a summary of certain material provisions of the Declaration of Trust. **This summary does not purport to be complete and reference should be to the Declaration of Trust itself, a copy of which is available from the Fund.**

The Fund is authorized to issue an unlimited number of Trust Units, Class B Trust Units and Special Voting Units. See **Item 2.7.1 – Declaration of Trust – Class B Trust Units** and **Item 2.7.1 – Declaration of Trust – Special Voting Units** for a description of the Class B Trust Units and Special Voting Units.

Each Trust Unit represents a holder's proportionate undivided beneficial interest in the Fund, and which carries and is entitled to the rights and is subject to the limitations, restrictions and conditions set out in the Declaration of Trust. Each Trust Unit entitles the Trust Unitholder to the same rights and obligations as any other Trust Unitholder(s) and no Trust Unitholder is entitled to any privilege, priority or preference in relation to any other Trust Unitholder(s), except with respect to withholding taxes as provided in the Declaration of Trust. In particular:

- (a) subject to any preferences established in favour of Class B Trust Unitholders of any series, each Trust Unitholder is entitled to participate equally with respect to any and all allocations, advances or distributions made by the Fund to the Trust Unitholders (including distributions of net income and net realized capital gains), subject to an adjustment in a Trust Unitholder's proportionate share of distributions in the calendar year it was issued as a result of the date such Trust Unit was issued in the calendar year. See **Item 5.2 – Cash Distributions to Trust Unitholders**;
- (b) each Trust Unit confers the right to one vote at any meeting of Trust Unitholders. See **Item 2.7.1 – Declaration of Trust – Meetings and Resolutions of Trust Unitholders**; and
- (c) in the event of termination of the Fund, each Trust Unitholder will be entitled, on a *pro rata* basis, with other Trust Unitholders, in respect of each Trust Unit, to share with other Trust Unitholders in the remaining assets and property available for distribution upon termination, after discharge of the Fund's liabilities and the return of capital.

No Trust Unitholder has or is deemed to have any right of ownership in any of the assets of the Fund.

Outstanding Trust Units may be subdivided or consolidated from time to time by the Trustees without Trust Unitholder approval. Fractional Trust Units, if any, will be issued on any subdivision or consolidation but no fractional Trust Unit entitles the holder thereof to vote in respect of such fractional interest. Trust Units are to be fully paid and non-assessable when issued (unless issued on an instalment receipt basis). Trust Unitholders cannot transfer their Trust Units except in very limited circumstances. See **Item 8 – Risk Factors – Trust Units are Not Liquid**.

5.1.2 Redemption of Trust Units

Trust Units are redeemable in certain circumstances. See **Item 2.7.1 – Declaration of Trust – Redemption of Trust Units**. See also **Item 4.1 – Capital Structure – Equity Capital** for a description of any Trust Unit redemptions as of the date of this offering memorandum.

5.1.3 Withholding Taxes

The Declaration of Trust provides that the Trustees may deduct or withhold from distributions payable to any Trust Unitholder (including distributions in specie or proceeds distributed from the redemption of Trust Units) all amounts required by law to be withheld from such distribution. Trust Unitholders who are required by applicable law to pay withholding taxes are required to pay all withholding taxes payable in respect of any distributions (including distributions in specie or proceeds distributed from the redemption of Trust Units) by the Fund, whether such distributions are in the form of cash or additional Trust Units. To the extent that amounts are deducted or withheld, such amounts are treated for all purposes of the Declaration of Trust as having been paid to the Trust Unitholders. If a Trust Unitholder, who is required by applicable law to pay withholding taxes, fails to pay all withholding taxes payable in respect of any distribution in the form of additional Trust Units, the Trustees may, on behalf of the Fund, sell Trust Units of such Trust Unitholder to pay such withholding taxes and, pursuant to the Declaration of Trust, the Trustees have the power of attorney of such Trust Unitholder to do so. Upon such sale, the affected Trust Unitholder ceases to be the holder of such Trust Units.

5.1.4 Transfers of Trust Units

Trust Unitholders cannot transfer their Trust Units except in very limited circumstances. See **Item 2.7.1 – Declaration of Trust – Transfer of Units**, **Item 8 – Risk Factors** and **Item 10 – Resale Restrictions**.

5.1.5 Rights of Trust Unitholders

Trust Unitholders are NOT shareholders and do not enjoy the rights and privileges generally offered to shareholders of a corporation incorporated under the ABCA. Although the Declaration of Trust confers upon a Trust Unitholder some of the same protections, rights and remedies that an investor would have as a voting shareholder of a corporation governed by the ABCA, significant differences do exist.

Many of the provisions of the ABCA respecting the governance and management of a corporation have been incorporated in the Declaration of Trust. For example, Trust Unitholders are entitled to exercise voting rights in certain circumstances in respect of their holdings of Trust Units in a manner comparable to voting shareholders of an ABCA corporation. The Declaration of Trust also includes provisions modeled after comparable provisions of the ABCA dealing with the calling and holding of meetings of Trust Unitholders and the right of Trust Unitholders to participate in the decision-making process where certain fundamental actions are proposed to be undertaken. The matters in respect of which Trust Unitholder approval is required under the Declaration of Trust are generally less extensive than the rights conferred on the shareholders of an ABCA corporation, but effectively extend to certain fundamental actions that may be undertaken by the Fund's subsidiary entities, as described under **Item 2.7.1 – Declaration of Trust – Certain Rights of Trustees Subject to Special Resolution**. Certain of those Trust Unitholder approval rights may be supplemented by provisions of applicable securities laws.

The Declaration of Trust contains conflict of interest provisions, similar to those contained in the ABCA, that require the Trustees and officers of the Fund to disclose to the Fund any interest in a material contract or transaction or proposed material contract or transaction with the Fund or the fact that such individual is a director or officer or employee of, or otherwise has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the Fund. In any case, a Trustee or officer of the Fund who has made disclosure to the foregoing effect is not entitled to vote on any resolution to approve the contract or transaction unless the contract or transaction is one relating primarily to (i) his, her or its remuneration as a Trustee, officer, employee or agent of the Fund, as applicable, (ii) insurance or indemnity, or (iii) a contract or transaction with an affiliate of the Fund.

Trust Unitholders do not have recourse to a dissent right under which shareholders of an ABCA corporation are entitled to receive the fair value of their shares where certain fundamental changes affecting the corporation are undertaken, such as an amalgamation, a continuance under the laws of another jurisdiction, the sale of all or substantially all of its property, a going private transaction or the addition, change or removal of provisions restricting: (i) the business or businesses that the corporation can carry on, or (ii) the issue, transfer or ownership of shares. As an alternative, but only following certain events, Trust Unitholders seeking to terminate their investment in the Fund are entitled to receive, subject to certain conditions and limitations, their *pro rata* share of the Fund's net assets through the exercise of the redemption rights provided by the Declaration of Trust, as described under **Item 2.7.1 – Declaration of Trust – Redemption of Trust Units**. However, Trust Unitholders have a right to dissent under the Declaration of Trust in respect of an arrangement (described below).

Unless dissent rights that are comparable or analogous to dissent rights under the applicable corporate legislation are provided to Trust Unitholders in connection with an arrangement, a Trust Unitholder may dissent if a Special Resolution is passed or adopted to approve an arrangement pursuant to which (a) the Declaration of Trust is amended to add, change or remove any provisions restricting or constraining the issue or transfer of Trust Units, (b) the Declaration of Trust is amended to add, change or remove any restrictions on the business or businesses that the Fund may carry on, (c) the Declaration of Trust is amended to add an express statement establishing the unlimited liability of Trust Unitholders or to add or change any provision whereby the limited liability of Trust Unitholders under applicable legislation is compromised or diminished to a material extent, (d) the Trust Units of each Trust Unitholder are to be exchanged for securities issued by another person, or (e) the Fund sells, leases or exchanges all or substantially all its property.

Trust Unitholders do not have recourse to the statutory oppression remedy that is available to shareholders of an ABCA corporation where the corporation undertakes actions that are oppressive, unfairly prejudicial or disregard the interests of security holders and certain other parties. Shareholders of an ABCA corporation may also apply to a court to order the dissolution and liquidation of the corporation in those circumstances, whereas Trust Unitholders could rely only on the general provisions of the Declaration of Trust, which permit the termination and dissolution of the Fund with the approval of a Special Resolution of the Trust Unitholders. Shareholders of an ABCA corporation may also apply to a court for the appointment of an inspector to investigate the manner in which the business of the corporation and its affiliates is being carried on where there is reason to believe that fraudulent, dishonest or oppressive conduct has occurred. The ABCA also permits shareholders to bring or intervene in derivative actions in the name of the corporation or any of its subsidiaries, with the leave of a court. The Declaration of Trust does not include a comparable right of Trust Unitholders to commence or participate in legal proceedings with respect to the Fund.

For further information on terms contained in the Declaration of Trust which affect the rights of Trust Unitholders, including provisions regarding activities of the Fund, the Trustees, certain rights of Trustees subject to Special Resolution and amendments to the Declaration of Trust, see **Item 2.7.1 – Declaration of Trust**. For information with respect to the terms of the Declaration of Trust regarding transfer of Trust Units, see **Item 2.7.1 – Declaration of Trust – Transfer of Trust Units**. For information regarding distributions by the Fund on Trust Units, see **Item 5.2 – Cash Distributions to Trust Unitholders**.

5.2 Cash Distributions to Trust Unitholders

As of the date of this offering memorandum, the Fund has declared the following cash distributions on the outstanding Participating Trust Units (subject to pro-rata for Participating Trust Unitholders who have held their Participating Trust Units for less than the entire distribution period):

Distribution Date	Distribution Period	Distributable Cash (approximately)
February 4, 2015	October 1, 2014 through December 31, 2014	CD\$71,715
April 8, 2015	January 1, 2015 through March 31, 2015	CD\$190,692

5.2.1 Distribution Policy

The Fund intends to distribute all or any part of the distributable cash of the Fund (if any) that the Trustees prudently determine as being available for distributions to Trust Unitholders of record on the last day of each calendar year. The Fund may also distribute cash (if any) that the Trustees prudently determine as being available for distributions, to Trust Unitholders for other distribution periods, as the Trustees determine, in their discretion, from time to time. It is expected that no cash will be distributed to Trust Unitholders until cash flows are sufficiently stabilized. Once cash flows are stabilized, the Fund intends to distribute cash quarterly to Trust Unitholders, provided that the Fund may distribute cash (if any) that the Trustees prudently determine as being available for distributions (if any), to Trust Unitholders for other distribution periods, as the Trustees determine, in their discretion, from time to time, whether or not quarterly distributions are declared and paid. Where a distribution of distributable cash is declared by the Fund, such distribution will be made on a day within 30 days of the date of declaration.

The amount of distributable cash will equal the amount earned or receivable by the Fund in the distribution period and received on or before the payment date in respect of the distribution period, including income from the Clear Sky LP XIV limited partnership units, interest, distributions, dividends, proceeds from the disposition (other than by way of security interest) of securities, returns of capital and repayments of indebtedness together with all amounts, if any, received by the Fund from financing activities, less amounts the Fund estimates will be required for expenses of the Fund and other obligations of the Fund, cash redemptions or repurchases of Trust Units, any tax liability and any reserves established by the Trustees, in their sole discretion. See **Item 5.2.2 – Flow of Funds from the Car Washes** below for a description of the distributions of the Fund's subsidiaries to the Fund.

The Declaration of Trust provides that there will be payable to Trust Unitholders in respect of each year ending December 31 not less than such amount (in respect of the taxable income and net realized capital gains, if any, of the Fund for such year) as is necessary to ensure that the Fund will not be liable for ordinary income taxes under the Tax Act in such year. Any income of the Fund that is

applied to repurchase or cash redemptions of Trust Units or is otherwise unavailable for cash distribution will, to the extent necessary to ensure that the Fund does not have an income tax liability under Part I of the Tax Act, be distributed to Trust Unitholders in the form of additional Trust Units. Those additional Trust Units will be issued under exemptions provided for by applicable securities laws, discretionary exemptions granted by applicable securities regulatory authorities or a prospectus or similar filing. Unless the Trustees determine otherwise, immediately after any *pro rata* distribution of these additional Trust Units, the number of outstanding Trust Units will be consolidated such that each Trust Unitholder will hold after the consolidation the same number of Trust Units as the Trust Unitholder held before the non-cash distribution, except where tax was required to be withheld in respect of the Trust Unitholder's share of the distribution.

The Declaration of Trust provides that to the extent distributions are calculated in respect of a distribution period and payable at the end of such distribution period, if for any reason, including the termination of the Fund, such distribution period is not completed or such amounts are no longer payable, then the distribution will be pro-rated to the end of the shortened distribution period and be payable at the end of such shortened distribution period. In addition, where a Trust Unitholder has held its Trust Unit for less than the entire distribution period for which a distribution is payable, the Trust Unitholder is only entitled to a proportionate share of the distributions based on the proportion that the number of days between the date of first issue of its Trust Unit and the last day of the distribution period bears to the aggregate total number of days in such distribution period.

The Trustees have the right but not the obligation to distribute and allocate distributable cash, income, capital gains and any other applicable amounts among Trust Unitholders in such a manner so as to ensure where possible that they are treated equitably taking into account differences that may arise as a result of the acquisition of Trust Units at different times in a fiscal year or in different fiscal calendar years.

The return on an investment in the Trust Units is not comparable to the return on an investment in fixed-income securities.

Cash distributions to Trust Unitholders are not guaranteed and are not fixed obligations of either Trust; any receipt of cash distributions by a Trust Unitholder is at any time subject to the terms of the Declaration of Trust. Any anticipated return on investment is based upon many performance assumptions. Although the Fund intends to distribute its available cash to Trust Unitholders, cash distributions may be reduced or suspended at any time and from time to time. The ability of the Fund to make cash distributions and the actual amount distributed depends on the operations of the Car Washes acquired by the Car Wash LPs, and will be subject to various factors including those referenced in **Item 8 – Risk Factors**. The value of the Trust Units may decline if the Fund is unable to meet its cash distribution targets in the future and that decline may be significant.

The Fund, Clear Sky LP XIV, the US Limited Partnership, the Car Wash LPs and their affiliates may agree, in connection with the acquisition of or investment in any Car Wash or other industrial/commercial property (and the business conducted on such property), to material restrictions regarding their use of Available Funds and funds that would otherwise be available for distribution or Working Capital, regardless of the source, for any purpose other than the redemption of Bridge Financing LP Units that may be created and issued in connection with acquisition or investment, so long as any of the Bridge Financing LP Units remains outstanding. Among other things, such restrictions on the use of Available Funds and funds that would otherwise be available for distribution or Working Capital, regardless of the source, might be imposed on Clear Sky LP XIV through the provisions of the Bridge Financing LP Units. These restrictions may materially restrict the distribution of funds from the Fund's subsidiaries to the Fund set out in **Item 5.2.2 – Flow of Funds from the Car Washes**. In such a case, the Fund may not be in a position to pay cash distributions to Trust Unitholders so long as any Bridge Financing LP Units have not been redeemed. Similarly, neither the Car Wash LPs nor the US Limited Partnership may be in a position to pay cash distributions to their respective partners except in connection with the redemption of Bridge Financing LP Units that remain outstanding. These restrictions may materially adversely affect the Fund's ability to pay, in whole or in part, expenses and other obligations of the Fund, cash redemptions or repurchases of Trust Units, any tax liability, or fund any reserves established by the Trustees, in their sole discretion. These restrictions may adversely affect the ability of the Fund, Clear Sky LP XIV and the US Limited Partnership or the applicable Car Wash LP to pay, in whole or in part, expenses in connection with the Offering, start-up and operational costs, costs associated with acquiring (or investing in) and operating the Car Washes (including the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash, Bell Road Car Wash and the proposed acquisitions of the 67th Avenue Car Wash and 51st Avenue Car Wash), and the general and administrative, marketing and operating expenses of the Fund and its affiliates including, costs associated with establishing and organizing the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs and their general partners and their respective affiliates, legal, consulting, accounting and audit costs, advertising and marketing costs, fees and costs associated with offices and sites for the Fund and its affiliates, Renovation Costs, costs (including wages and benefits) associated with personnel of the Fund and its affiliates, Location Management Fees, fees and costs associated with banking and borrowing of the Fund and its affiliates, debt payments and accrued interest, investor reporting costs, printing and mailing costs, costs in connection with governmental and regulatory requirements, Performance Fees, Asset Management Fees, and taxes.

5.2.2 Flow of Funds from the Car Washes

The Fund is the only limited partner of Clear Sky LP XIV that participates in distributions of distributable cash (including Net Available Cash), if any, of Clear Sky LP XIV, subject to the specific limitations, rights, privileges, restrictions and conditions ascribed to any series of any Bridge Financing LP Units that may be created and issued in connection with the acquisition of any Car Wash or other industrial/commercial property (and the business conducted on such property). Clear Sky LP XIV, the US Investors and Pinnacle Wealth Brokers Inc. are to be the limited partners of the US Limited Partnership that participate in distributions of cash (including Net Available Cash), if any, of the US Limited Partnership. The US Limited Partnership will be the sole limited partner of each Car Wash LP, subject to a partnership interest in one or more Car Wash LPs being held, directly or indirectly, by Bridge Equity Investor(s) in connection with the acquisition of or investment in the applicable Car Wash or other industrial/commercial property (and the business conducted on such property). This structure allows the Fund to earn, indirectly through its subsidiary entities, income derived from the investment in the Car Washes or other industrial/commercial properties (and the businesses conducted on such properties). The Fund is completely reliant on receiving funds from its subsidiary entities in order to realize any distributable cash from time to time.

The amount of distributable cash distributed by the Fund will equal the amount earned or receivable by the Fund in the distribution period and received on or before the payment date in respect of the distribution period less amounts the Fund estimates will be required for expenses of the Fund and other obligations of the Fund, cash redemptions or repurchases of Trust Units, any tax liability and any reserves established by the Trustees, in their sole discretion.

Set out below is a summary of the distribution of funds from the Fund's subsidiaries to the Fund, including:

- (a) distributions of Net Available Cash from the Car Wash LPs to, ultimately, Participating Trust Unitholders and US Investors exclusively until such investors have realized an annual Investor ROI of 12% (not compounded; if a 12% Investor ROI is not paid for a particular year, the shortfall does not accrue in favour of Participating Trust Unitholders or US Investors in subsequent years) and thereafter to the US General Partners, Participating Trust Unitholders and US Investors, and Pinnacle Wealth Brokers Inc., as partners (directly or indirectly) in the US Limited Partnership;
- (b) distributions of Net Available Cash from the Car Wash LPs to the US Limited Partnership and the general partners of the Car Wash LPs, including any return-of-capital distributions by a Car Wash LP as a result of the (i) sale or other disposition of a Car Wash, in whole or in part, or the sale of a Car Wash LP, (ii) refinancing of a Car Wash, or (iii) dissolution and liquidation of any Car Wash LP;
- (c) distributions of Net Available Cash from the US Limited Partnership to the US General Partners, Clear Sky LP XIV, the US Investors and Pinnacle Wealth Brokers Inc., including any return-of-capital distributions received by US Limited Partnership as a result of the (i) sale or other disposition of a Car Wash, in whole or in part, or the sale of a Car Wash LP, (ii) refinancing of a Car Wash or (iii) dissolution and liquidation of any Car Wash LP or the US Limited Partnership; and
- (d) distributions of Net Available Cash from Clear Sky LP XIV to the Fund, including any special distribution of Net Available Cash received by Clear Sky LP XIV as a result of (i) the sale or other disposition of a Car Wash, in whole or in part, or the sale of a Car Wash LP, (ii) the refinancing of a Car Wash, or (iii) dissolution and liquidation of any Car Wash LP or the US Limited Partnership.

The Fund, Clear Sky LP XIV, the US Limited Partnership, the Car Wash LPs and their affiliates may agree, in connection with the acquisition of or investment in any Car Wash or other industrial/commercial property (and the business conducted on such property), to material restrictions regarding their use of Available Funds and funds that would otherwise be available for distribution or Working Capital, regardless of the source, for any purpose other than the redemption of Bridge Financing LP Units that may be created and issued in connection with the applicable acquisition/investment, so long as any of the Bridge Financing LP Units remains outstanding. Among other things, such restrictions on the use of Available Funds and funds that would otherwise be available for distribution or Working Capital, regardless of the source, might be imposed on Clear Sky LP XIV through the provisions of the Bridge Financing LP Units. These restrictions may materially restrict the distribution of funds from the Fund's subsidiaries to the Fund set out in this **Item 5.2.2 – Flow of Funds from the Car Washes**. In such a case, the Fund may not be in a position to pay cash distributions to Trust Unitholders so long as any Bridge Financing LP Units have not been redeemed. Similarly, neither the Car Wash LPs nor the US Limited Partnership may be in a position to pay cash distributions to their respective partners except in connection with the redemption of Bridge Financing LP Units that remain outstanding. These restrictions may materially adversely affect the Fund's ability to pay, in whole or in part, expenses and other obligations of the Fund, cash redemptions or repurchases of Trust Units, any tax liability, or fund any reserves established by the Trustees, in their sole discretion. These restrictions may adversely affect the ability of

the Fund, Clear Sky LP XIV and the US Limited Partnership or the applicable Car Wash LP to pay, in whole or in part, expenses in connection with the Offering, start-up and operational costs, costs associated with acquiring (or investing in) and operating the Car Washes (including the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash, Bell Road Car Wash and the proposed acquisitions of the 67th Avenue Car Wash and 51st Avenue Car Wash), and the general and administrative, marketing and operating expenses of the Fund and its affiliates including, costs associated with establishing and organizing the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs and their general partners and their respective affiliates, legal, consulting, accounting and audit costs, advertising and marketing costs, fees and costs associated with offices and sites for the Fund and its affiliates, Renovation Costs, costs (including wages and benefits) associated with personnel of the Fund and its affiliates, Location Management Fees, fees and costs associated with banking and borrowing of the Fund and its affiliates, debt payments and accrued interest, investor reporting costs, printing and mailing costs, costs in connection with governmental and regulatory requirements, Performance Fees, Asset Management Fees, and taxes.

Distributions from Car Wash LPs to the US Limited Partnership

Subject to the special distribution of Net Available Cash attributable to (1) a Car Wash LP's sale or other disposition of its Car Wash, in whole or in part, or the sale of the Car Wash LP, (2) a Car Wash LP's refinancing of its Car Wash or (3) dissolution and liquidation of any Car Wash LP, Net Available Cash is to be distributed by a Car Wash LP *pro rata* and *pari passu* in the following manner, less any tax required to be withheld, and subject to any Car Wash LP partnership interest(s) that may be created and issued in connection with the acquisition of or investment in the applicable Car Wash (or other industrial/commercial property and the business conducted thereon) being held, directly or indirectly, by any Bridge Equity Investor(s) and subject to restrictions regarding the use of such funds for any purpose other than the redemption of Bridge Financing LP Units that may be created and issued in connection with the acquisition of or investment in the Car Wash (or other property/business), as follows:

- (a) first, solely to the US Limited Partnership until the Participating Trust Unitholders and US Investors realize a prescribed return or hurdle rate, in priority to all Interested Stakeholders, in an amount equal to an annual Investor ROI of 12% (not compounded; if a 12% Investor ROI is not paid for a particular year, the shortfall does not accrue in favour of Participating Trust Unitholders or US Investors in subsequent years) on the their Investment Capital (taking into account any prior distributions of Net Available Cash, return-of-capital distributions or other amounts previously paid by the US Limited Partnership during the year, and any U.S. taxes paid on behalf of Participating Trust Unitholders) for each year following the first Car Wash acquisition until a liquidity event, such as disposition of all Car Washes or other industrial/commercial properties (and the businesses conducted on such properties); and
- (b) thereafter: (1) as to 99.99% thereof, to the US Limited Partnership; and (2) as to 0.01% thereof, to the general partner of such Car Wash LP.

Car Wash LP distributions (if any) will, in all cases, be made after allowance for payment of the applicable Performance Fees, Asset Management Fees and Location Management Fees.

The 12% Investor ROI is to be paid annually (but not compounded), if at all, to Participating Trust Unitholders and US Investors in priority to Interested Stakeholders for each year following the first Car Wash acquisition until all of the Investor's capital is returned to the Investor. If a 12% Investor ROI is not paid for a particular year, the shortfall does not accrue in favour of Participating Trust Unitholders or US Investors in subsequent years. It is anticipated that capital will be returned to Investors periodically upon the sale, dissolution and liquidation, or refinancing of Car Washes unless such capital is reinvested in other Car Washes or assets. For Participating Trust Unitholders, US Limited Partnership distributions (if any) will be received after payment of applicable U.S. taxes by Clear Sky LP XIV on any amounts allocated to it by the US Limited Partnership, as a limited partner or an unsecured creditor. To the extent that Clear Sky LP XIV pays applicable U.S. taxes, Participating Trust Unitholders will be allocated their proportionate share of such taxes paid as a foreign tax credit; however, non-taxable Trust Unitholders, such as RRSPs and other Exempt Plans, will not benefit from any allocation of foreign tax credits. Trust Unitholders, whose Trust Units are held outside an RRSP or other Exempt Plan, might consider such payment of taxes as having been made on their behalf and without requiring those Trust Unitholders to prepare and file U.S. tax returns (and pay applicable U.S. taxes) themselves. By comparison, US Investors will participate in distributions from the US Limited Partnership without Clear Sky LP XIV paying applicable U.S. taxes on their behalf. However, US Investors are required to prepare and file their own U.S. tax returns each year and pay applicable U.S. taxes, themselves. For taxable investors, part of their 12% Investor ROI would be in the form of foreign tax credits based on the U.S. tax paid by Clear Sky LP XIV.

After a 12% Investor ROI has been achieved for a particular year (following the first Car Wash acquisition), further Car Wash LP distributions (if any) that are received by the US Limited Partnership during that year will be distributed or otherwise paid as to the US General Partners (subject to reduction based on an economic interest(s) in the Car Wash LP held by any Bridge Equity Investor(s)), Pinnacle Wealth Brokers Inc., Participating Trust Unitholders (through Clear Sky LP XIV and the Fund) and US Investors, collectively, for the year *pro rata* based on their Ownership Percentages. However, Investors whose Trust Units are held in RRSPs or

other Exempt Plans may not receive US Limited Partnership distributions (if any) that are equivalent to a 12% Investor ROI before other partners in the US Limited Partnership (*i.e.*, the US General Partners and Pinnacle Wealth Brokers Inc.) begin to participate in further distributions and the US Investors' and Participating Trust Unitholders' participation in such further distributions reverts to their Ownership Percentages.

As of the date of this offering memorandum, the Ownership Percentages of the partners of the US Limited Partnership are: (a) Participating Trust Unitholders (through Clear Sky LP XIV and the Fund) – 9.7344%; (b) US Investors – 0.4754%; (c) US General Partners – 61.1871%, subject to reduction based on any economic interest(s) in any Car Wash LP(s) held by any Bridge Equity Investor(s); and (d) Pinnacle Wealth Brokers Inc. – 28.6032%.

It is contemplated that, once cash flows are stabilized, each Car Wash LP will make quarterly distributions of Net Available Cash to its partners (being the US Limited Partnership and the general partner of such Car Wash LP), subject to any Car Wash LP partnership interest(s) that may be created and issued in connection with the acquisition of or investment in the applicable Car Wash (or other industrial/commercial property and the business conducted thereon) being held, directly or indirectly, by any Bridge Equity Investor(s). The determination of whether a Car Wash LP has Net Available Cash for distribution will be made by the general partner of the applicable Car Wash LP, in its sole discretion, acting reasonably, on or before the last business day of each quarter pursuant to the governing Car Wash LP Agreement. A Car Wash LP will not make distributions if such Car Wash LP does not have Net Available Cash.

The use of Net Available Cash may be subject to restrictions regarding the use of such funds for any purpose other than the redemption of Bridge Financing LP Units that may be created and issued in connection with the acquisition of or investment in the Car Wash or other industrial/commercial property (and the business conducted on such property), so long as any of the Bridge Financing LP Units remains outstanding.

As a result of:

- (a) Scottsdale Road Car Wash LP acquiring the Scottsdale Road Car Wash,
- (b) Encanto Road Car Wash LP acquiring the Encanto Road Car Wash,
- (c) Power Road Car Wash LP acquiring the Power Road Car Wash, and
- (d) Bell Road Car Wash LP acquiring the Bell Road Car Wash,

the partners of those Car Wash LPs, being the US Limited Partnership (limited partner holding a 99.99% economic interest) and Car Wash GP I (general partner holding a 0.01% economic interest) will participate in any distributions from those Car Wash LPs, subject to any partnership/economic interest(s) held therein by any Bridge Equity Investor(s).

If 67th Avenue Car Wash LP acquires the 67th Avenue Car Wash under the 67th Avenue Car Wash Acquisition Agreement, its partners, being the US Limited Partnership (limited partner holding a 99.99% economic interest) and Car Wash GP I (general partner holding a 0.01% economic interest) will participate in any such distributions from 67th Avenue Car Wash LP, subject to any partnership/economic interest held therein by any Bridge Equity Investor(s).

If 51st Avenue Car Wash LP acquires the 67th Avenue Car Wash under the 51st Avenue Car Wash Acquisition Agreement, its partners, being the US Limited Partnership (limited partner holding a 99.99% economic interest) and Car Wash GP I (general partner holding a 0.01% economic interest) will participate in any such distributions from 51st Avenue Car Wash LP, subject to any partnership/economic interest held therein by any Bridge Equity Investor(s).

Special Distribution of Funds by Car Wash LP on Refinancing of a Car Wash

A Car Wash LP may be in a position to refinance a Car Wash if the value of the Car Wash has increased but without the Car Wash LP having sold or otherwise disposed of the Car Wash. Such refinancing may be in the form of a replacement commercial real estate loan for which the Car Wash is pledged as collateral, or an additional commercial real estate loan for which the Car Wash is pledged as collateral, in either case based on the increased value of the Car Wash. Where the Car Wash LP, in the sole discretion of its general partner, acting reasonably, obtains an attractive opportunity to refinance a Car Wash and does so, such Car Wash LP may make a special distribution to its partners of the proceeds from such refinancing, after reducing such amount by repaying the operating expenses and all debts and liabilities of the Car Wash LP made, accrued or incurred by the Car Wash LP, or by the general partner of the Car Wash LP on behalf of the Car Wash LP (including setting aside applicable cash reserves for contingent or other undetermined liabilities as reasonably determined by the general partner of the Car Wash LP, in its sole discretion, and otherwise to the extent that

the general partner determines that the Car Wash LP has Net Available Cash pursuant to the applicable Car Wash LP Agreement) in respect of the Car Wash.

The applicable Car Wash LP may utilize proceeds from the refinancing of a Car Wash, subject to restrictions regarding the use of such funds for any purpose other than the redemption of Bridge Financing LP Units that may be created and issued in connection with the acquisition of or investment in the Car Wash (or other property/business), as follows:

- (a) first, to repay the operating expenses and all debts and liabilities of the Car Wash LP made, accrued or incurred by the Car Wash LP, or by the general partner(s) of the Car Wash LP on behalf of the Car Wash LP (including setting aside applicable cash reserves for contingent or other undetermined liabilities as reasonably determined by the general partner(s) of the Car Wash LP, in its sole discretion) in respect of the Car Wash; and
- (b) second, to pay, in whole or in part, any unpaid Performance Fees relating to Car Wash (or other property/business) acquisitions or dispositions, Asset Management Fees or Location Management Fees (where and to the extent it is determined that the Performance Fees, Asset Management Fees or Location Management Fees are payable, in whole or in part, by the Car Wash LP).

Thereafter, the general partner of the applicable Car Wash LP may declare a distribution of Net Available Cash attributable to such refinancing, if any, in favour of its partners, which funds are to be applied or distributed in the following manner and priority, subject to any Car Wash LP partnership interest(s) that may be created and issued in connection with the acquisition of or investment in the applicable Car Wash (or other industrial/commercial property and the business conducted thereon) being held, directly or indirectly, by any Bridge Equity Investor(s) and subject to any restrictions regarding the use of such funds for any purpose other than the redemption of Bridge Financing LP Units that may be created and issued in connection with the acquisition of or investment in the Car Wash (or other property/business):

- (c) third, solely to the US Limited Partnership until the Participating Trust Unitholders and US Investors realize a prescribed return or hurdle rate, in priority to all Interested Stakeholders, in an amount equal to (taking into account any prior distributions of Net Available Cash, return-of-capital distributions or other amounts previously paid by the US Limited Partnership during the year, and any U.S. taxes paid on behalf of Participating Trust Unitholders) an annual Investor ROI of 12% (not compounded; if a 12% Investor ROI is not paid for a particular year, the shortfall does not accrue in favour of Participating Trust Unitholders or US Investors in subsequent years) on the their Investment Capital, for each year following the first Car Wash acquisition until a liquidity event, such as the (i) sale or other disposition of the applicable Car Wash, in whole or in part, or the sale of a Car Wash LP, (ii) refinancing of the Car Wash, or (iii) dissolution and liquidation of the Car Wash LP; and
- (d) fourth, to the US Limited Partnership and the general partner of such Car Wash LP *pro rata* based on capital contributions until each such partner has received a return of all capital pursuant to return-of-capital distributions by the Car Wash LP as a result of the (i) sale or other disposition of the applicable Car Wash, in whole or in part, or the sale of a Car Wash LP, (ii) refinancing of the Car Wash, or (iii) dissolution and liquidation of the Car Wash LP, or a combination thereof; and
- (e) thereafter: (1) as to 99.99% thereof, to the US Limited Partnership; and (2) as to 0.01% thereof, to the general partner of such Car Wash LP.

The 12% Investor ROI is to be paid annually (but not compounded), if at all, to Participating Trust Unitholders and US Investors in priority to Interested Stakeholders for each year following the first Car Wash acquisition until all of the Investor's capital is returned to the Investor. If a 12% Investor ROI is not paid for a particular year, the shortfall does not accrue in favour of Participating Trust Unitholders or US Investors in subsequent years. It is anticipated that capital will be returned to Investors periodically upon the sale, dissolution and liquidation, or refinancing of Car Washes unless such capital is reinvested in other Car Washes or assets. For Participating Trust Unitholders, US Limited Partnership distributions (if any) will be received after payment of applicable U.S. taxes by Clear Sky LP XIV on any amounts allocated to it by the US Limited Partnership, as a limited partner or an unsecured creditor. To the extent that Clear Sky LP XIV pays applicable U.S. taxes, Participating Trust Unitholders will be allocated their proportionate share of such taxes paid as a foreign tax credit; however, non-taxable Trust Unitholders, such as RRSPs and other Exempt Plans, will not benefit from any allocation of foreign tax credits. Trust Unitholders, whose Trust Units are held outside an RRSP or other Exempt Plan, might consider such payment of taxes as having been made on their behalf and without requiring those Trust Unitholders to prepare and file U.S. tax returns (and pay applicable U.S. taxes) themselves. By comparison, US Investors will participate in distributions from the US Limited Partnership without Clear Sky LP XIV paying applicable U.S. taxes on their behalf. However, US Investors are required to prepare and file their own U.S. tax returns each year and pay applicable U.S. taxes, themselves. For taxable investors, part of their 12% Investor ROI would be in the form of foreign tax credits based on the U.S. tax paid by Clear Sky LP XIV.

After a 12% Investor ROI has been achieved for a particular year (following the first Car Wash acquisition), further Car Wash LP distributions (if any) that are received by the US Limited Partnership during that year will be distributed or otherwise paid as to the US General Partners (subject to reduction based on an economic interest(s) in the Car Wash LP held by any Bridge Equity Investor(s)), Pinnacle Wealth Brokers Inc., Participating Trust Unitholders (through Clear Sky LP XIV and the Fund) and US Investors, collectively, for the year *pro rata* based on their Ownership Percentages. However, Investors whose Trust Units are held in RRSPs or other Exempt Plans may not receive US Limited Partnership distributions (if any) that are equivalent to a 12% Investor ROI before other partners in the US Limited Partnership (*i.e.*, the US General Partners and Pinnacle Wealth Brokers Inc.) begin to participate in further distributions and the US Investors' and Participating Trust Unitholders' participation in such further distributions reverts to their Ownership Percentages.

As of the date of this offering memorandum, the Ownership Percentages of the partners of the US Limited Partnership are: (a) Participating Trust Unitholders (through Clear Sky LP XIV and the Fund) – 9.7344%; (b) US Investors – 0.4754%; (c) US General Partners – 61.1871%, subject to reduction based on any economic interest(s) in any Car Wash LP(s) held by any Bridge Equity Investor(s); and (d) Pinnacle Wealth Brokers Inc. – 28.6032%.

As a result of:

- (a) Scottsdale Road Car Wash LP acquiring the Scottsdale Road Car Wash,
- (b) Encanto Road Car Wash LP acquiring the Encanto Road Car Wash,
- (c) Power Road Car Wash LP acquiring the Power Road Car Wash, and
- (d) Bell Road Car Wash LP acquiring the Bell Road Car Wash,

the partners of those Car Wash LPs, being the US Limited Partnership (limited partner holding a 99.99% economic interest) and Car Wash GP I (general partner holding a 0.01% economic interest) will participate in any distributions from those Car Wash LPs, subject to any partnership/economic interest(s) held therein by any Bridge Equity Investor(s).

If 67th Avenue Car Wash LP acquires the 67th Avenue Car Wash under the 67th Avenue Car Wash Acquisition Agreement, its partners, being the US Limited Partnership (limited partner holding a 99.99% economic interest) and Car Wash GP I (general partner holding a 0.01% economic interest) will participate in any such distributions from 67th Avenue Car Wash LP, subject to any partnership/economic interest held therein by any Bridge Equity Investor(s).

If 51st Avenue Car Wash LP acquires the 67th Avenue Car Wash under the 51st Avenue Car Wash Acquisition Agreement, its partners, being the US Limited Partnership (limited partner holding a 99.99% economic interest) and Car Wash GP I (general partner holding a 0.01% economic interest) will participate in any such distributions from 51st Avenue Car Wash LP, subject to any partnership/economic interest held therein by any Bridge Equity Investor(s).

Special Distribution of Funds by Car Wash LP on Sale or Other Disposition of a Car Wash

Following the sale or other disposition of the entire interest in a Car Wash, the applicable Car Wash LP is to be liquidated and dissolved, subject to any legal or operational requirements to maintain the existence of such Car Wash LP for a period of time and the provisions of the applicable Car Wash LP Agreement.

In connection with such dissolution and liquidation, the net assets of the Car Wash LP, including the net proceeds from the sale or other disposition of such Car Wash, are to be applied or distributed in the following manner and priority, subject always to the provisions of the applicable Car Wash LP Agreement, any restrictions regarding the use of such funds for any purpose other than the redemption of Bridge Financing LP Units that may be created and issued in connection with the acquisition of or investment in the Car Wash (or other property/business) and subject to any Car Wash LP partnership interest(s) that may be created and issued in connection with the acquisition of or investment in the applicable Car Wash (or other industrial/commercial property and the business conducted thereon) being held, directly or indirectly, by any Bridge Equity Investor(s), less any taxes required to be withheld:

- (a) first, to repay the operating expenses and all debts and liabilities of the Car Wash LP made, accrued or incurred by the Car Wash LP, or by the general partner of the Car Wash LP on behalf of the Car Wash LP (including setting aside applicable cash reserves for contingent or other undetermined liabilities as reasonably determined by the general partner(s) of the Car Wash LP, in its sole discretion) in respect of the Car Wash;

- (b) second, to pay, in whole or in part, any unpaid Performance Fees relating to Car Wash (or other property/business) acquisitions or dispositions, Asset Management Fees or Location Management Fees (where and to the extent it is determined that the Performance Fees, Asset Management Fees or Location Management Fees are payable, in whole or in part, by the Car Wash LP);
- (c) third, distribution thereof is to be made solely to the US Limited Partnership until the Participating Trust Unitholders and US Investors realize a prescribed return or hurdle rate, in priority to all Interested Stakeholders, in an amount equal to an annual Investor ROI of 12% (not compounded; if a 12% Investor ROI is not paid for a particular year, the shortfall does not accrue in favour of Participating Trust Unitholders or US Investors in subsequent years) on the their Investment Capital (taking into account any prior distributions of Net Available Cash, return-of-capital distributions or other amounts previously paid by the US Limited Partnership during the year, and any U.S. taxes paid on behalf of Participating Trust Unitholders), for the year in which the Car Wash was sold or otherwise disposed of;
- (d) fourth, to the US Limited Partnership and the general partner of such Car Wash LP *pro rata* based on capital contributions until each such partner has received a return of all capital pursuant to return-of-capital distributions by the Car Wash LP as a result of the (i) sale or other disposition of the applicable Car Wash, in whole or in part, or the sale of a Car Wash LP, (ii) refinancing of the Car Wash, or (iii) dissolution and liquidation of the Car Wash LP, or a combination thereof; and
- (e) thereafter, the balance of the net assets of the Car Wash LP (if any) are to be distributed: (1) as to 99.99% thereof, to the US Limited Partnership; and (2) as to 0.01% thereof, to the general partner of such Car Wash LP.

The 12% Investor ROI is to be paid annually (but not compounded), if at all, to Participating Trust Unitholders and US Investors in priority to Interested Stakeholders for each year following the first Car Wash acquisition until all of the Investor's capital is returned to the Investor. If a 12% Investor ROI is not paid for a particular year, the shortfall does not accrue in favour of Participating Trust Unitholders or US Investors in subsequent years. It is anticipated that capital will be returned to Investors periodically upon the sale, dissolution and liquidation, or refinancing of Car Washes unless such capital is reinvested in other Car Washes or assets. For Participating Trust Unitholders, US Limited Partnership distributions (if any) will be received after payment of applicable U.S. taxes by Clear Sky LP XIV on any amounts allocated to it by the US Limited Partnership, as a limited partner or an unsecured creditor. To the extent that Clear Sky LP XIV pays applicable U.S. taxes, Participating Trust Unitholders will be allocated their proportionate share of such taxes paid as a foreign tax credit; however, non-taxable Trust Unitholders, such as RRSPs and other Exempt Plans, will not benefit from any allocation of foreign tax credits. Trust Unitholders, whose Trust Units are held outside an RRSP or other Exempt Plan, might consider such payment of taxes as having been made on their behalf and without requiring those Trust Unitholders to prepare and file U.S. tax returns (and pay applicable U.S. taxes) themselves. By comparison, US Investors will participate in distributions from the US Limited Partnership without Clear Sky LP XIV paying applicable U.S. taxes on their behalf. However, US Investors are required to prepare and file their own U.S. tax returns each year and pay applicable U.S. taxes, themselves. For taxable investors, part of their 12% Investor ROI would be in the form of foreign tax credits based on the U.S. tax paid by Clear Sky LP XIV.

After a 12% Investor ROI has been achieved for a particular year (following the first Car Wash acquisition), further Car Wash LP distributions (if any) that are received by the US Limited Partnership during that year will be distributed or otherwise paid as to the US General Partners (subject to reduction based on an economic interest(s) in the Car Wash LP held by any Bridge Equity Investor(s)), Pinnacle Wealth Brokers Inc., Participating Trust Unitholders (through Clear Sky LP XIV and the Fund) and US Investors, collectively, for the year *pro rata* based on their Ownership Percentages. However, Investors whose Trust Units are held in RRSPs or other Exempt Plans may not receive US Limited Partnership distributions (if any) that are equivalent to a 12% Investor ROI before other partners in the US Limited Partnership (*i.e.*, the US General Partners and Pinnacle Wealth Brokers Inc.) begin to participate in further distributions and the US Investors' and Participating Trust Unitholders' participation in such further distributions reverts to their Ownership Percentages.

As of the date of this offering memorandum, the Ownership Percentages of the partners of the US Limited Partnership are: (a) Participating Trust Unitholders (through Clear Sky LP XIV and the Fund) – 9.7344%; (b) US Investors – 0.4754%; (c) US General Partners – 61.1871%, subject to reduction based on any economic interest(s) in any Car Wash LP(s) held by any Bridge Equity Investor(s); and (d) Pinnacle Wealth Brokers Inc. – 28.6032%.

As a result of:

- (a) Scottsdale Road Car Wash LP acquiring the Scottsdale Road Car Wash,
- (b) Encanto Road Car Wash LP acquiring the Encanto Road Car Wash,

- (c) Power Road Car Wash LP acquiring the Power Road Car Wash, and
- (d) Bell Road Car Wash LP acquiring the Bell Road Car Wash,

the partners of those Car Wash LPs, being the US Limited Partnership (limited partner holding a 99.99% economic interest) and Car Wash GP I (general partner holding a 0.01% economic interest) will participate in any distributions from those Car Wash LPs, subject to any partnership/economic interest(s) held therein by any Bridge Equity Investor(s).

If 67th Avenue Car Wash LP acquires the 67th Avenue Car Wash under the 67th Avenue Car Wash Acquisition Agreement, its partners, being the US Limited Partnership (limited partner holding a 99.99% economic interest) and Car Wash GP I (general partner holding a 0.01% economic interest) will participate in any such distributions from 67th Avenue Car Wash LP, subject to any partnership/economic interest held therein by any Bridge Equity Investor(s).

If 51st Avenue Car Wash LP acquires the 67th Avenue Car Wash under the 51st Avenue Car Wash Acquisition Agreement, its partners, being the US Limited Partnership (limited partner holding a 99.99% economic interest) and Car Wash GP I (general partner holding a 0.01% economic interest) will participate in any such distributions from 51st Avenue Car Wash LP, subject to any partnership/economic interest held therein by any Bridge Equity Investor(s).

Distribution of Funds from the US Limited Partnership

Upon receipt of a distribution from a Car Wash LP, the US Limited Partnership may make a corresponding distribution to its partners (being Clear Sky LP XIV, the US Investors, Pinnacle Wealth Brokers Inc. and the US General Partners), to the extent that the US General Partners determine that the US Limited Partnership has Net Available Cash pursuant to the US LP Agreement.

Distributions received by the US Limited Partnership from a Car Wash LP are to be distributed by the US Limited Partnership *pro rata* and *pari passu* to the extent that it is determined that the US Limited Partnership has Net Available Cash for distribution, subject to restrictions regarding the use of such funds for any purpose other than the redemption of Bridge Financing LP Units that may be created and issued in connection with the acquisition of or investment in any Car Wash (or other property/business), in the following manner and priority less any tax to be withheld:

- (a) first, solely to Clear Sky LP XIV and US Investors until the Participating Trust Unitholders and US Investors realize a prescribed return or hurdle rate, in priority to all Interested Stakeholders, in an amount equal to an annual Investor ROI of 12% (not compounded; if a 12% Investor ROI is not paid for a particular year, the shortfall does not accrue in favour of Participating Trust Unitholders or US Investors in subsequent years) on the their Investment Capital (taking into account any prior distributions of Net Available Cash, return-of-capital distributions or other amounts previously paid by the US Limited Partnership during the year, and any U.S. taxes paid on behalf of Participating Trust Unitholders), for each year following the first Car Wash acquisition until a liquidity event, such as disposition of all Car Washes or other industrial/commercial properties (and the businesses conducted on such properties); and
- (b) thereafter to the partners of the US Limited Partnership *pro rata* based upon their Ownership Percentages (for clarity, Clear Sky LP XIV's Ownership Percentage will be reduced to zero upon it receiving a return of 100% of its capital contributions pursuant to return-of-capital distributions upon a sale, refinancing, or dissolution and liquidation of a Car Wash or Car Wash LP).

Car Wash LP distributions (if any) will, in all cases, be made after allowance for payment of the applicable Performance Fees, Asset Management Fees and Location Management Fees.

US Limited Partnership distributions (if any) will, in all cases, be made after allowance for payment of the applicable Performance Fees, Asset Management Fees, and Location Management Fees.

The 12% Investor ROI is to be paid annually (but not compounded), if at all, to Participating Trust Unitholders and US Investors in priority to Interested Stakeholders for each year following the first Car Wash acquisition until all of the Investor's capital is returned to the Investor. If a 12% Investor ROI is not paid for a particular year, the shortfall does not accrue in favour of Participating Trust Unitholders or US Investors in subsequent years. It is anticipated that capital will be returned to Investors periodically upon the sale, dissolution and liquidation, or refinancing of Car Washes unless such capital is reinvested in other Car Washes or assets. For Participating Trust Unitholders, US Limited Partnership distributions (if any) will be received after payment of applicable U.S. taxes by Clear Sky LP XIV on any amounts allocated to it by the US Limited Partnership, as a limited partner or an unsecured creditor. To the extent that Clear Sky LP XIV pays applicable U.S. taxes, Participating Trust Unitholders will be allocated their proportionate share of such taxes paid as a foreign tax credit; however, non-taxable Trust Unitholders, such as RRSPs and other Exempt Plans, will not

benefit from any allocation of foreign tax credits. Trust Unitholders, whose Trust Units are held outside an RRSP or other Exempt Plan, might consider such payment of taxes as having been made on their behalf and without requiring those Trust Unitholders to prepare and file U.S. tax returns (and pay applicable U.S. taxes) themselves. By comparison, US Investors will participate in distributions from the US Limited Partnership without Clear Sky LP XIV paying applicable U.S. taxes on their behalf. However, US Investors are required to prepare and file their own U.S. tax returns each year and pay applicable U.S. taxes, themselves. For taxable investors, part of their 12% Investor ROI would be in the form of foreign tax credits based on the U.S. tax paid by Clear Sky LP XIV.

After a 12% Investor ROI has been achieved for a particular year (following the first Car Wash acquisition), further Car Wash LP distributions (if any) that are received by the US Limited Partnership during that year will be distributed or otherwise paid as to the US General Partners (subject to reduction based on an economic interest(s) in the Car Wash LP held by any Bridge Equity Investor(s)), Pinnacle Wealth Brokers Inc., Participating Trust Unitholders (through Clear Sky LP XIV and the Fund) and US Investors, collectively, for the year *pro rata* based on their Ownership Percentages. However, Investors whose Trust Units are held in RRSPs or other Exempt Plans may not receive US Limited Partnership distributions (if any) that are equivalent to a 12% Investor ROI before other partners in the US Limited Partnership (*i.e.*, the US General Partners and Pinnacle Wealth Brokers Inc.) begin to participate in further distributions and the US Investors' and Participating Trust Unitholders' participation in such further distributions reverts to their Ownership Percentages.

As of the date of this offering memorandum, the Ownership Percentages of the partners of the US Limited Partnership are: (a) Participating Trust Unitholders (through Clear Sky LP XIV and the Fund) – 9.7344%; (b) US Investors – 0.4754%; (c) US General Partners – 61.1871%, subject to reduction based on any economic interest(s) in any Car Wash LP(s) held by any Bridge Equity Investor(s); and (d) Pinnacle Wealth Brokers Inc. – 28.6032%.

The Fund, Clear Sky LP XIV, the US Limited Partnership and their affiliates may agree, in connection with the acquisition of or investment in any Car Wash, to material restrictions regarding their use of Available Funds and funds that would otherwise be available for distribution or Working Capital, regardless of the source, for any purpose other than the redemption of Bridge Financing LP Units that may be created and issued in connection with such acquisition/investment, so long as any of the Bridge Financing LP Units remains outstanding. Among other things, such restrictions on the use of Available Funds and funds that would otherwise be available for distribution or Working Capital, regardless of the source, might be imposed on Clear Sky LP XIV through the provisions of the Bridge Financing LP Units. These restrictions may materially restrict the distribution of funds from the Fund's subsidiaries to the Fund set out in this **Item 5.2.2 – Flow of Funds from the Car Washes**. In such a case, the Fund may not be in a position to pay cash distributions to Trust Unitholders so long as any Bridge Financing LP Units have not been redeemed. Similarly, neither the Car Wash LPs nor the US Limited Partnership may be in a position to pay cash distributions to their respective partners except in connection with the redemption of Bridge Financing LP Units that remain outstanding. These restrictions may materially adversely affect the Fund's ability to pay, in whole or in part, expenses and other obligations of the Fund, cash redemptions or repurchases of Trust Units, any tax liability, or fund any reserves established by the Trustees, in their sole discretion. These restrictions may adversely affect the ability of the Fund, Clear Sky LP XIV and the US Limited Partnership or the applicable Car Wash LP to pay, in whole or in part, expenses in connection with the Offering, start-up and operational costs, costs associated with acquiring (or investing in) and operating the Car Washes (including the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash, Bell Road Car Wash and the proposed acquisitions of the 67th Avenue Car Wash and 51st Avenue Car Wash), and the general and administrative, marketing and operating expenses of the Fund and its affiliates including, costs associated with establishing and organizing the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs and their general partners and their respective affiliates, legal, consulting, accounting and audit costs, advertising and marketing costs, fees and costs associated with offices and sites for the Fund and its affiliates, Renovation Costs, costs (including wages and benefits) associated with personnel of the Fund and its affiliates, Location Management Fees, fees and costs associated with banking and borrowing of the Fund and its affiliates, debt payments and accrued interest, investor reporting costs, printing and mailing costs, costs in connection with governmental and regulatory requirements, Performance Fees, Asset Management Fees, and taxes.

Special Distribution of Funds by US Limited Partnership on Refinancing of a Car Wash

A Car Wash LP may be in a position to refinance a Car Wash if the value of the Car Wash has increased but without the Car Wash LP having sold or otherwise disposed of the Car Wash. Such refinancing may be in the form of a replacement commercial real estate loan for which the Car Wash is pledged as collateral, or an additional commercial real estate loan for which the Car Wash is pledged as collateral, in either case based on the increased value of the Car Wash. Where the Car Wash LP, in the sole discretion of its general partner, acting reasonably, obtains an attractive opportunity to refinance a Car Wash and does so, such Car Wash LP may make a special distribution to its partners of the proceeds from such refinancing, as described above.

Upon receipt by the US Limited Partnership of a special Car Wash LP distribution of net proceeds from the refinancing of a Car Wash, the US Limited Partnership will utilize the proceeds from such refinancing, subject to restrictions regarding the use of such funds for any purpose other than the redemption of Bridge Financing LP Units that may be created and issued in connection with the

acquisition of or investment in any Car Wash or other industrial/commercial property (and the business conducted on the property), as follows:

- (a) first, to repay the operating expenses and all debts and liabilities of the US Limited Partnership made, accrued or incurred by the US Limited Partnership, or by the US General Partners on behalf of the US Limited Partnership (including setting aside applicable cash reserves for contingent or other undetermined liabilities as reasonably determined by the US General Partners, in its sole discretion), in respect of the Car Wash LP (including any sale thereof) from which such proceeds were received;
- (b) second, to pay, in whole or in part, any unpaid Performance Fees relating to Car Wash (or the property/business) acquisitions or dispositions, Asset Management Fees or Location Management Fees (where and to the extent it is determined that the Performance Fees, Asset Management Fees or Location Management Fees are payable, in whole or in part, to the US General Partners or by the US Limited Partnership).

Thereafter, the US Limited Partnership may, to the extent that the US General Partners determine that the US Limited Partnership has Net Available Cash for distribution, make a special distribution to its partners, subject to restrictions regarding the use of such funds for any purpose other than the redemption of Bridge Financing LP Units that may be created and issued in connection with the acquisition of or investment in any Car Wash or other industrial/commercial property (and the business conducted on the property), in the following manner and priority less any tax to be withheld:

- (c) third, solely to Clear Sky LP XIV and US Investors until the Participating Trust Unitholders and US Investors realize a prescribed return or hurdle rate, in priority to all Interested Stakeholders, in an amount equal to an annual Investor ROI of 12% (not compounded; if a 12% Investor ROI is not paid for a particular year, the shortfall does not accrue in favour of Participating Trust Unitholders or US Investors in subsequent years) on the their Investment Capital (taking into account any prior distributions of Net Available Cash, return-of-capital distributions or other amounts previously paid by the US Limited Partnership during the year, and any U.S. taxes paid on behalf of Participating Trust Unitholders), for each year following the first Car Wash acquisition until a liquidity event, such as disposition of all Car Washes or other industrial/commercial properties (and the businesses conducted on such properties);
- (d) fourth, distribution thereof is to be made solely to Clear Sky LP XIV and US Investors *pro rata* based on capital contributions until they have received a return of all capital pursuant to return-of-capital distributions as a result of the (i) sale or other disposition of a Car Wash, in whole or in part, or the sale of a Car Wash LP, (ii) refinancing of a Car Wash, or (iii) dissolution and liquidation of a Car Wash LP, or a combination thereof (provided that each of Clear Sky LP XIV and the US Investors may elect to waive the right to receive such distribution (in whole or in part) and any amount so waived will be treated as if had never been distributed to such partner, including for the purposes of calculating the partner's capital in the US Limited Partnership); and
- (e) thereafter to the partners of the US Limited Partnership *pro rata* based upon their Ownership Percentages (for clarity, Clear Sky LP XIV's Ownership Percentage will be reduced to zero upon it receiving a return of 100% of its capital contributions pursuant to return-of-capital distributions upon a sale, refinancing, or dissolution and liquidation of a Car Wash or Car Wash LP).

US Limited Partnership distributions (if any) with in all cases be made after allowance for payment of the applicable Performance Fees, Asset Management Fees, and Location Management Fees.

The 12% Investor ROI is to be paid annually (but not compounded), if at all, to Participating Trust Unitholders and US Investors in priority to Interested Stakeholders for each year following the first Car Wash acquisition until all of the Investor's capital is returned to the Investor. If a 12% Investor ROI is not paid for a particular year, the shortfall does not accrue in favour of Participating Trust Unitholders or US Investors in subsequent years. It is anticipated that capital will be returned to Investors periodically upon the sale, dissolution and liquidation, or refinancing of Car Washes unless such capital is reinvested in other Car Washes or assets. For Participating Trust Unitholders, US Limited Partnership distributions (if any) will be received after payment of applicable U.S. taxes by Clear Sky LP XIV on any amounts allocated to it by the US Limited Partnership, as a limited partner or an unsecured creditor. To the extent that Clear Sky LP XIV pays applicable U.S. taxes, Participating Trust Unitholders will be allocated their proportionate share of such taxes paid as a foreign tax credit; however, non-taxable Trust Unitholders, such as RRSPs and other Exempt Plans, will not benefit from any allocation of foreign tax credits. Trust Unitholders, whose Trust Units are held outside an RRSP or other Exempt Plan, might consider such payment of taxes as having been made on their behalf and without requiring those Trust Unitholders to prepare and file U.S. tax returns (and pay applicable U.S. taxes) themselves. By comparison, US Investors will participate in distributions from the US Limited Partnership without Clear Sky LP XIV paying applicable U.S. taxes on their behalf. However, US

Investors are required to prepare and file their own U.S. tax returns each year and pay applicable U.S. taxes, themselves. For taxable investors, part of their 12% Investor ROI would be in the form of foreign tax credits based on the U.S. tax paid by Clear Sky LP XIV.

After a 12% Investor ROI has been achieved for a particular year (following the first Car Wash acquisition), further Car Wash LP distributions (if any) that are received by the US Limited Partnership during that year will be distributed or otherwise paid as to the US General Partners (subject to reduction based on an economic interest(s) in the Car Wash LP held by any Bridge Equity Investor(s)), Pinnacle Wealth Brokers Inc., Participating Trust Unitholders (through Clear Sky LP XIV and the Fund) and US Investors, collectively, for the year *pro rata* based on their Ownership Percentages. However, Investors whose Trust Units are held in RRSPs or other Exempt Plans may not receive US Limited Partnership distributions (if any) that are equivalent to a 12% Investor ROI before other partners in the US Limited Partnership (*i.e.*, the US General Partners and Pinnacle Wealth Brokers Inc.) begin to participate in further distributions and the US Investors' and Participating Trust Unitholders' participation in such further distributions reverts to their Ownership Percentages.

As of the date of this offering memorandum, the Ownership Percentages of the partners of the US Limited Partnership are: (a) Participating Trust Unitholders (through Clear Sky LP XIV and the Fund) – 9.7344%; (b) US Investors – 0.4754%; (c) US General Partners – 61.1871%, subject to reduction based on any economic interest(s) in any Car Wash LP(s) held by any Bridge Equity Investor(s); and (d) Pinnacle Wealth Brokers Inc. – 28.6032%.

The Fund, Clear Sky LP XIV, the US Limited Partnership and their affiliates may agree, in connection with the acquisition of or investment in any Car Wash or other industrial/commercial property (and the business conducted on such property), to material restrictions regarding their use of Available Funds and funds that would otherwise be available for distribution or Working Capital, regardless of the source, for any purpose other than the redemption of Bridge Financing LP Units that may be created and issued in connection with acquisition/investment, so long as any of the Bridge Financing LP Units remains outstanding. Among other things, such restrictions on the use of Available Funds and funds that would otherwise be available for distribution or Working Capital, regardless of the source, might be imposed on Clear Sky LP XIV through the provisions of the Bridge Financing LP Units. These restrictions may materially restrict the distribution of funds from the Fund's subsidiaries to the Fund set out in this **Item 5.2.2 – Flow of Funds from the Car Washes**. In such a case, the Fund may not be in a position to pay cash distributions to Trust Unitholders so long as any Bridge Financing LP Units have not been redeemed. Similarly, neither the Car Wash LPs nor the US Limited Partnership may be in a position to pay cash distributions to their respective partners except in connection with the redemption of Bridge Financing LP Units that remain outstanding. These restrictions may materially adversely affect the Fund's ability to pay, in whole or in part, expenses and other obligations of the Fund, cash redemptions or repurchases of Trust Units, any tax liability, or fund any reserves established by the Trustees, in their sole discretion. These restrictions may adversely affect the ability of the Fund, Clear Sky LP XIV and the US Limited Partnership or the applicable Car Wash LP to pay, in whole or in part, expenses in connection with the Offering, start-up and operational costs, costs associated with acquiring (or investing in) and operating the Car Washes (including the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash, Bell Road Car Wash and the proposed acquisitions of the 67th Avenue Car Wash and 51st Avenue Car Wash), and the general and administrative, marketing and operating expenses of the Fund and its affiliates including, costs associated with establishing and organizing the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs and their general partners and their respective affiliates, legal, consulting, accounting and audit costs, advertising and marketing costs, fees and costs associated with offices and sites for the Fund and its affiliates, Renovation Costs, costs (including wages and benefits) associated with personnel of the Fund and its affiliates, Location Management Fees, fees and costs associated with banking and borrowing of the Fund and its affiliates, debt payments and accrued interest, investor reporting costs, printing and mailing costs, costs in connection with governmental and regulatory requirements, Performance Fees, Asset Management Fees, and taxes.

Special Distribution of Funds by US Limited Partnership on Sale or Other Disposition of Car Wash or upon Sale of Car Wash LP

Upon receipt by the US Limited Partnership of a Car Wash LP's special distribution of net proceeds from the sale or other disposition of a Car Wash or other industrial/commercial property (and the business conducted on the property) or upon completion of the sale of a Car Wash LP by the US Limited Partnership, the US Limited Partnership will apply such net proceeds, subject to restrictions regarding the use of such funds for any purpose other than the redemption of Bridge Financing LP Units that may be created and issued in connection with the acquisition of or investment in any Car Wash (or other property/business), in the following manner and priority:

- (a) first, to repay the operating expenses and all debts and liabilities of the US Limited Partnership made, accrued or incurred by the US Limited Partnership, or by the US General Partners on behalf of the US Limited Partnership (including setting aside applicable cash reserves for contingent or other undetermined liabilities as reasonably determined by the US General Partners, in its sole discretion), in respect of the Car Wash LP (including any sale thereof) from which such proceeds were received;

- (b) second, to pay, in whole or in part, any unpaid Performance Fees relating to the Car Wash (or other property/business) acquisition or disposition, Asset Management Fees or Location Management Fees (where and to the extent it is determined that the Performance Fees, Asset Management Fees or Location Management Fees are payable, in whole or in part, to the US General Partners or by the US Limited Partnership).

Thereafter, the US Limited Partnership may, to the extent that the US General Partners determine that the US Limited Partnership has Net Available Cash for distribution, make a special distribution to its partners, subject to restrictions regarding the use of such funds for any purpose other than the redemption of Bridge Financing LP Units that may be created and issued in connection with the acquisition of or investment in any Car Wash, in the following manner and priority less any tax to be withheld:

- (c) third, solely to Clear Sky LP XIV and US Investors until the Participating Trust Unitholders and US Investors realize a prescribed return or hurdle rate, in priority to all Interested Stakeholders, in an amount equal to an annual Investor ROI of 12% (not compounded; if a 12% Investor ROI is not paid for a particular year, the shortfall does not accrue in favour of Participating Trust Unitholders or US Investors in subsequent years) on the their Investment Capital (taking into account any prior distributions of Net Available Cash, return-of-capital distributions or other amounts previously paid by the US Limited Partnership during the year, and any U.S. taxes paid on behalf of Participating Trust Unitholders), for each year following the first Car Wash acquisition until a liquidity event, such as disposition of all Car Washes or other industrial/commercial properties (and the businesses conducted on such properties);
- (d) fourth, distribution thereof is to be made solely to Clear Sky LP XIV and US Investors *pro rata* based on capital contributions until they have received a return of all capital pursuant to return-of-capital distributions as a result of the (i) sale or other disposition of a Car Wash, in whole or in part, or the sale of a Car Wash LP, (ii) refinancing of a Car Wash, or (iii) dissolution and liquidation of a Car Wash LP, or a combination thereof (provided that each of Clear Sky LP XIV and the US Investors may elect to waive the right to receive such distribution (in whole or in part) and any amount so waived will be treated as if had never been distributed to such partner, including for the purposes of calculating the partner's capital in the US Limited Partnership); and
- (e) thereafter to the partners of the US Limited Partnership *pro rata* based upon their Ownership Percentages (for clarity, Clear Sky LP XIV's Ownership Percentage will be reduced to zero upon it receiving a return of 100% of its capital contributions pursuant to return-of-capital distributions upon a sale, dissolution and liquidation, or refinancing of a Car Wash or Car Wash LP).

US Limited Partnership distributions (if any) with in all cases be made after allowance for payment of the applicable Performance Fees, Asset Management Fees and Location Management Fees.

The 12% Investor ROI is to be paid annually (but not compounded), if at all, to Participating Trust Unitholders and US Investors in priority to Interested Stakeholders for each year following the first Car Wash acquisition until all of the Investor's capital is returned to the Investor. If a 12% Investor ROI is not paid for a particular year, the shortfall does not accrue in favour of Participating Trust Unitholders or US Investors in subsequent years. It is anticipated that capital will be returned to Investors periodically upon the sale, dissolution and liquidation, or refinancing of Car Washes unless such capital is reinvested in other Car Washes or assets. For Participating Trust Unitholders, US Limited Partnership distributions (if any) will be received after payment of applicable U.S. taxes by Clear Sky LP XIV on any amounts allocated to it by the US Limited Partnership, as a limited partner or an unsecured creditor. To the extent that Clear Sky LP XIV pays applicable U.S. taxes, Participating Trust Unitholders will be allocated their proportionate share of such taxes paid as a foreign tax credit; however, non-taxable Trust Unitholders, such as RRSPs and other Exempt Plans, will not benefit from any allocation of foreign tax credits. Trust Unitholders, whose Trust Units are held outside an RRSP or other Exempt Plan, might consider such payment of taxes as having been made on their behalf and without requiring those Trust Unitholders to prepare and file U.S. tax returns (and pay applicable U.S. taxes) themselves. By comparison, US Investors will participate in distributions from the US Limited Partnership without Clear Sky LP XIV paying applicable U.S. taxes on their behalf. However, US Investors are required to prepare and file their own U.S. tax returns each year and pay applicable U.S. taxes, themselves. For taxable investors, part of their 12% Investor ROI would be in the form of foreign tax credits based on the U.S. tax paid by Clear Sky LP XIV.

After a 12% Investor ROI has been achieved for a particular year (following the first Car Wash acquisition), further Car Wash LP distributions (if any) that are received by the US Limited Partnership during that year will be distributed or otherwise paid as to the US General Partners (subject to reduction based on an economic interest(s) in the Car Wash LP held by any Bridge Equity Investor(s)), Pinnacle Wealth Brokers Inc., Participating Trust Unitholders (through Clear Sky LP XIV and the Fund) and US Investors, collectively, for the year *pro rata* based on their Ownership Percentages. However, Investors whose Trust Units are held in RRSPs or other Exempt Plans may not receive US Limited Partnership distributions (if any) that are equivalent to a 12% Investor ROI before other partners in the US Limited Partnership (*i.e.*, the US General Partners and Pinnacle Wealth Brokers Inc.) begin to participate in

further distributions and the US Investors' and Participating Trust Unitholders' participation in such further distributions reverts to their Ownership Percentages.

As of the date of this offering memorandum, the Ownership Percentages of the partners of the US Limited Partnership are: (a) Participating Trust Unitholders (through Clear Sky LP XIV and the Fund) – 9.7344%; (b) US Investors – 0.4754%; (c) US General Partners – 61.1871%, subject to reduction based on any economic interest(s) in any Car Wash LP(s) held by any Bridge Equity Investor(s); and (d) Pinnacle Wealth Brokers Inc. – 28.6032%.

The Fund, Clear Sky LP XIV, the US Limited Partnership and their affiliates may agree, in connection with the acquisition of or investment in any Car Wash or other industrial/commercial property (and the business conducted on such property), to material restrictions regarding their use of Available Funds and funds that would otherwise be available for distribution or Working Capital, regardless of the source, for any purpose other than the redemption of Bridge Financing LP Units that may be created and issued in connection with acquisition/investment, so long as any of the Bridge Financing LP Units remains outstanding. Among other things, such restrictions on the use of Available Funds and funds that would otherwise be available for distribution or Working Capital, regardless of the source, might be imposed on Clear Sky LP XIV through the provisions of the Bridge Financing LP Units. These restrictions may materially restrict the distribution of funds from the Fund's subsidiaries to the Fund set out in **Item 5.2.2 – Flow of Funds from the Car Washes**. In such a case, the Fund may not be in a position to pay cash distributions to Trust Unitholders so long as any Bridge Financing LP Units have not been redeemed. Similarly, neither the Car Wash LPs nor the US Limited Partnership may be in a position to pay cash distributions to their respective partners except in connection with the redemption of Bridge Financing LP Units that remain outstanding. These restrictions may materially adversely affect the Fund's ability to pay, in whole or in part, expenses and other obligations of the Fund, cash redemptions or repurchases of Trust Units, any tax liability, or fund any reserves established by the Trustees, in their sole discretion. These restrictions may adversely affect the ability of the Fund, Clear Sky LP XIV and the US Limited Partnership or the applicable Car Wash LP to pay, in whole or in part, expenses in connection with the Offering, start-up and operational costs, costs associated with acquiring (or investing in) and operating the Car Washes (including the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash, Bell Road Car Wash and the proposed acquisitions of the 67th Avenue Car Wash and 51st Avenue Car Wash), and the general and administrative, marketing and operating expenses of the Fund and its affiliates including, costs associated with establishing and organizing the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs and their general partners and their respective affiliates, legal, consulting, accounting and audit costs, advertising and marketing costs, fees and costs associated with offices and sites for the Fund and its affiliates, Renovation Costs, costs (including wages and benefits) associated with personnel of the Fund and its affiliates, Location Management Fees, fees and costs associated with banking and borrowing of the Fund and its affiliates, debt payments and accrued interest, investor reporting costs, printing and mailing costs, costs in connection with governmental and regulatory requirements, Performance Fees, Asset Management Fees, and taxes.

Special Distribution of Funds by US Limited Partnership upon Dissolution

In certain circumstances the US Limited Partnership might be subject to dissolution in accordance with the US LP Agreement. In connection with such dissolution, the US Limited Partnership is to be liquidated and dissolved, subject to any legal or operational requirements to maintain the existence of, the US Limited Partnership for a period of time and the provisions of the US LP Agreement.

In connection with such dissolution and liquidation, the net assets of the US Limited Partnership, including the net proceeds from the sale or other disposition of any Car Wash, are to be applied or distributed in the following manner and priority, subject always to the provisions of the US LP Agreement, any restrictions regarding the use of such funds for any purpose other than the redemption of Bridge Financing LP Units that may be created and issued in connection with the acquisition of or investment in the Car Wash (or other property/business) and subject to any US Limited Partnership partnership interest(s) that may be created and issued in connection with the acquisition of or investment in the applicable Car Wash (or other industrial/commercial property and the business conducted thereon) being held, directly or indirectly, by any Bridge Equity Investor(s), less any taxes required to be withheld:

- (a) first, to repay the operating expenses and all debts and liabilities of the US Limited Partnership made, accrued or incurred by it, or by the US General Partners the US Limited Partnership;
- (b) second, to pay, in whole or in part, any unpaid Performance Fees relating to Car Wash (or other property/business) acquisitions or dispositions, Asset Management Fees or Location Management Fees (where and to the extent it is determined that the Performance Fees, Asset Management Fees or Location Management Fees are payable, in whole or in part, by the US Limited Partnership);
- (c) third, solely to Clear Sky LP XIV and US Investors until the Participating Trust Unitholders and US Investors realize a prescribed return or hurdle rate, in priority to all Interested Stakeholders, in an amount equal to an annual

Investor ROI of 12% (not compounded; if a 12% Investor ROI is not paid for a particular year, the shortfall does not accrue in favour of Participating Trust Unitholders or US Investors in subsequent years) on the their Investment Capital (taking into account any prior distributions of Net Available Cash, return-of-capital distributions or other amounts previously paid by the US Limited Partnership during the year, and any U.S. taxes paid on behalf of Participating Trust Unitholders), for each year following the first Car Wash acquisition until a liquidity event, such as disposition of all Car Washes or other industrial/commercial properties (and the businesses conducted on such properties);

- (d) fourth, distribution thereof is to be made solely to Clear Sky LP XIV and US Investors *pro rata* based on capital contributions until they have received a return of all capital pursuant to return-of-capital distributions as a result of the (i) sale or other disposition of a Car Wash, in whole or in part, or the sale of a Car Wash LP, (ii) refinancing of a Car Wash, or (iii) dissolution and liquidation of a Car Wash LP, or a combination thereof (provided that each of Clear Sky LP XIV and the US Investors may elect to waive the right to receive such distribution (in whole or in part) and any amount so waived will be treated as if had never been distributed to such partner, including for the purposes of calculating the partner's capital in the US Limited Partnership); and
- (e) thereafter to the partners of the US Limited Partnership *pro rata* based upon their Ownership Percentages (for clarity, Clear Sky LP XIV's Ownership Percentage will be reduced to zero upon it receiving a return of 100% of its capital contributions pursuant to return-of-capital distributions upon a sale, dissolution and liquidation, or refinancing of a Car Wash or Car Wash LP).

The 12% Investor ROI is to be paid annually (but not compounded), if at all, to Participating Trust Unitholders and US Investors in priority to Interested Stakeholders for each year following the first Car Wash acquisition until all of the Investor's capital is returned to the Investor. If a 12% Investor ROI is not paid for a particular year, the shortfall does not accrue in favour of Participating Trust Unitholders or US Investors in subsequent years. It is anticipated that capital will be returned to Investors periodically upon the sale, dissolution and liquidation, or refinancing of Car Washes unless such capital is reinvested in other Car Washes or assets. For Participating Trust Unitholders, US Limited Partnership distributions (if any) will be received after payment of applicable U.S. taxes by Clear Sky LP XIV on any amounts allocated to it by the US Limited Partnership, as a limited partner or an unsecured creditor. To the extent that Clear Sky LP XIV pays applicable U.S. taxes, Participating Trust Unitholders will be allocated their proportionate share of such taxes paid as a foreign tax credit; however, non-taxable Trust Unitholders, such as RRSPs and other Exempt Plans, will not benefit from any allocation of foreign tax credits. Trust Unitholders, whose Trust Units are held outside an RRSP or other Exempt Plan, might consider such payment of taxes as having been made on their behalf and without requiring those Trust Unitholders to prepare and file U.S. tax returns (and pay applicable U.S. taxes) themselves. By comparison, US Investors will participate in distributions from the US Limited Partnership without Clear Sky LP XIV paying applicable U.S. taxes on their behalf. However, US Investors are required to prepare and file their own U.S. tax returns each year and pay applicable U.S. taxes, themselves. For taxable investors, part of their 12% Investor ROI would be in the form of foreign tax credits based on the U.S. tax paid by Clear Sky LP XIV.

After a 12% Investor ROI has been achieved for a particular year (following the first Car Wash acquisition), further Car Wash LP distributions (if any) that are received by the US Limited Partnership during that year will be distributed or otherwise paid as to the US General Partners (subject to reduction based on an economic interest(s) in the Car Wash LP held by any Bridge Equity Investor(s)), Pinnacle Wealth Brokers Inc., Participating Trust Unitholders (through Clear Sky LP XIV and the Fund) and US Investors, collectively, for the year *pro rata* based on their Ownership Percentages. However, Investors whose Trust Units are held in RRSPs or other Exempt Plans may not receive US Limited Partnership distributions (if any) that are equivalent to a 12% Investor ROI before other partners in the US Limited Partnership (*i.e.*, the US General Partners and Pinnacle Wealth Brokers Inc.) begin to participate in further distributions and the US Investors' and Participating Trust Unitholders' participation in such further distributions reverts to their Ownership Percentages.

As of the date of this offering memorandum, the Ownership Percentages of the partners of the US Limited Partnership are: (a) Participating Trust Unitholders (through Clear Sky LP XIV and the Fund) – 9.7344%; (b) US Investors – 0.4754%; (c) US General Partners – 61.1871%, subject to reduction based on any economic interest(s) in any Car Wash LP(s) held by any Bridge Equity Investor(s); and (d) Pinnacle Wealth Brokers Inc. – 28.6032%.

The Fund, Clear Sky LP XIV, the US Limited Partnership and their affiliates may agree, in connection with the acquisition of or investment in any Car Wash or other industrial/commercial property (and the business conducted on such property), to material restrictions regarding their use of Available Funds and funds that would otherwise be available for distribution or Working Capital, regardless of the source, for any purpose other than the redemption of Bridge Financing LP Units that may be created and issued in connection with acquisition/investment, so long as any of the Bridge Financing LP Units remains outstanding. Among other things, such restrictions on the use of Available Funds and funds that would otherwise be available for distribution or Working Capital, regardless of the source, might be imposed on Clear Sky LP XIV through the provisions of the Bridge Financing LP Units. These

restrictions may materially restrict the distribution of funds from the Fund's subsidiaries to the Fund set out in **Item 5.2.2 – Flow of Funds from the Car Washes**. In such a case, the Fund may not be in a position to pay cash distributions to Trust Unitholders so long as any Bridge Financing LP Units have not been redeemed. Similarly, neither the Car Wash LPs nor the US Limited Partnership may be in a position to pay cash distributions to their respective partners except in connection with the redemption of Bridge Financing LP Units that remain outstanding. These restrictions may materially adversely affect the Fund's ability to pay, in whole or in part, expenses and other obligations of the Fund, cash redemptions or repurchases of Trust Units, any tax liability, or fund any reserves established by the Trustees, in their sole discretion. These restrictions may adversely affect the ability of the Fund, Clear Sky LP XIV and the US Limited Partnership or the applicable Car Wash LP to pay, in whole or in part, expenses in connection with the Offering, start-up and operational costs, costs associated with acquiring (or investing in) and operating the Car Washes (including the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash, Bell Road Car Wash and the proposed acquisitions of the 67th Avenue Car Wash and 51st Avenue Car Wash), and the general and administrative, marketing and operating expenses of the Fund and its affiliates including, costs associated with establishing and organizing the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs and their general partners and their respective affiliates, legal, consulting, accounting and audit costs, advertising and marketing costs, fees and costs associated with offices and sites for the Fund and its affiliates, Renovation Costs, costs (including wages and benefits) associated with personnel of the Fund and its affiliates, Location Management Fees, fees and costs associated with banking and borrowing of the Fund and its affiliates, debt payments and accrued interest, investor reporting costs, printing and mailing costs, costs in connection with governmental and regulatory requirements, Performance Fees, Asset Management Fees, and taxes.

Distribution of Funds from Clear Sky LP XIV to the Fund

Upon receipt of a distribution from the US Limited Partnership, Clear Sky LP XIV may make a corresponding distribution to its partners who participate in distributions prior to dissolution (being the Fund and the Clear Sky GP, subject to the specific limitations, rights, privileges, restrictions and conditions ascribed to any series of Class B LP Units, including Bridge Financing LP Units), to the extent that the Clear Sky GP determines that Clear Sky LP XIV has Net Available Cash pursuant to the Clear Sky LP XIV Agreement. Because Clear Sky LP XIV will have elected to be taxed as a corporation for U.S. income tax purpose, Clear Sky LP XIV may have U.S. income taxes to pay in respect of profits realized. Such taxes, if any, will be deducted in determining or calculating Net Available Cash.

Clear Sky LP XIV's Net Available Cash, other than Net Available Cash attributable to the net proceeds from the refinancing, sale or other disposition of a Car Wash or from the sale of a Car Wash LP, is to be distributed, quarterly or otherwise, subject to the specific limitations, rights, privileges, restrictions and conditions ascribed to any series of Class B LP Units (including the Bridge Financing LP Units) and subject to restrictions regarding the use of such funds for any purpose other than the redemption of Bridge Financing LP Units that may be created and issued in connection with the acquisition of or investment in any Car Wash (or other property/business), in the following manner, less any tax to be withheld:

- (a) first, solely to the Fund (as Class A LP Unitholder) until the Participating Trust Unitholders and US Investors realize a prescribed return or hurdle rate, in priority to all Interested Stakeholders, in an amount equal to an annual Investor ROI of 12% (not compounded; if a 12% Investor ROI is not paid for a particular year, the shortfall does not accrue in favour of Participating Trust Unitholders or US Investors in subsequent years) on their Investment Capital (taking into account any prior distributions of Net Available Cash, return-of-capital distributions or other amounts previously paid by the US Limited Partnership during the year, and any U.S. taxes paid on behalf of Participating Trust Unitholders), for each year following the first Car Wash acquisition until a liquidity event, such as disposition of all Car Washes or industrial/commercial properties (and the businesses conducted on such properties); and
- (b) thereafter: (1) as to 99.99% thereof, to the Fund (as Class A LP Unitholder); and (2) as to 0.01% thereof, to Clear Sky GP, as the general partner of Clear Sky LP XIV.

Clear Sky LP XIV distributions (if any) will, in all cases, be made after allowance for payment of the applicable Performance Fees, Asset Management Fees and Location Management Fees.

The 12% Investor ROI is to be paid annually (but not compounded), if at all, to Participating Trust Unitholders and US Investors in priority to Interested Stakeholders for each year following the first Car Wash acquisition until all of the Investor's capital is returned to the Investor. If a 12% Investor ROI is not paid for a particular year, the shortfall does not accrue in favour of Participating Trust Unitholders or US Investors in subsequent years. It is anticipated that capital will be returned to Investors periodically upon the sale, dissolution and liquidation, or refinancing of Car Washes unless such capital is reinvested in other Car Washes or assets. For Participating Trust Unitholders, US Limited Partnership distributions (if any) will be received after payment of applicable U.S. taxes by Clear Sky LP XIV on any amounts allocated to it by the US Limited Partnership, as a limited partner or an unsecured creditor. To the extent that Clear Sky LP XIV pays applicable U.S. taxes, Participating Trust Unitholders will be allocated their proportionate share

of such taxes paid as a foreign tax credit; however, non-taxable Trust Unitholders, such as RRSPs and other Exempt Plans, will not benefit from any allocation of foreign tax credits. Trust Unitholders, whose Trust Units are held outside an RRSP or other Exempt Plan, might consider such payment of taxes as having been made on their behalf and without requiring those Trust Unitholders to prepare and file U.S. tax returns (and pay applicable U.S. taxes) themselves. By comparison, US Investors will participate in distributions from the US Limited Partnership without Clear Sky LP XIV paying applicable U.S. taxes on their behalf. However, US Investors are required to prepare and file their own U.S. tax returns each year and pay applicable U.S. taxes, themselves. For taxable investors, part of their 12% Investor ROI would be in the form of foreign tax credits based on the U.S. tax paid by Clear Sky LP XIV.

After a 12% Investor ROI has been achieved for a particular year (following the first Car Wash acquisition), further Car Wash LP distributions (if any) that are received by the US Limited Partnership during that year will be distributed or otherwise paid as to the US General Partners (subject to reduction based on an economic interest(s) in the Car Wash LP held by any Bridge Equity Investor(s)), Pinnacle Wealth Brokers Inc., Participating Trust Unitholders (through Clear Sky LP XIV and the Fund) and US Investors, collectively, for the year *pro rata* based on their Ownership Percentages. However, Investors whose Trust Units are held in RRSPs or other Exempt Plans may not receive US Limited Partnership distributions (if any) that are equivalent to a 12% Investor ROI before other partners in the US Limited Partnership (*i.e.*, the US General Partners and Pinnacle Wealth Brokers Inc.) begin to participate in further distributions and the US Investors' and Participating Trust Unitholders' participation in such further distributions reverts to their Ownership Percentages.

As of the date of this offering memorandum, the Ownership Percentages of the partners of the US Limited Partnership are: (a) Participating Trust Unitholders (through Clear Sky LP XIV and the Fund) – 9.7344%; (b) US Investors – 0.4754%; (c) US General Partners – 61.1871%, subject to reduction based on any economic interest(s) in any Car Wash LP(s) held by any Bridge Equity Investor(s); and (d) Pinnacle Wealth Brokers Inc. – 28.6032%.

See **Item 2.7.3 – Clear Sky LP XIV Agreement – Capital of Clear Sky LP XIV.**

Notwithstanding the foregoing, the Fund and Clear Sky LP XIV anticipate that net proceeds of the refinancing, sale or other disposition of a Car Wash, or from the sale of a Car Wash LP, if any, are to be used, subject to the specific rights, privileges, restrictions and conditions ascribed to any series of Class B LP Units (including the Bridge Financing LP Units) and subject to restrictions regarding the use of such funds for any purpose other than the redemption of Bridge Financing LP Units that may be created and issued in connection with the acquisition of or investment in any Car Wash (or other property/business), in the following manner:

- (c) first, to repay the operating expenses and all debts and liabilities of Clear Sky LP XIV made, accrued or incurred by Clear Sky LP XIV, or by Clear Sky GP on behalf of Clear Sky LP XIV (including setting aside applicable cash reserves for contingent or other undetermined liabilities as reasonably determined by Clear Sky GP, in its sole discretion), in respect of the Car Wash LP (including any sale thereof) from which such proceeds were received;
- (d) second, to pay, in whole or in part, any unpaid Performance Fees relating to Car Wash (or other property/business) acquisitions or dispositions, Asset Management Fees or Location Management Fees (where and to the extent it is determined that the Performance Fees, Asset Management Fees or Location Management Fees are payable, in whole or in part, to Clear Sky GP or by Clear Sky LP XIV).

Thereafter, the Net Available Cash of Clear Sky LP XIV attributable to the net proceeds of the refinancing, sale or other disposition of a Car Wash or other industrial/commercial property (and the business conducted on such property), or from the sale of a Car Wash LP, if any, is to be distributed in the following manner and priority, subject to the specific rights, privileges, restrictions and conditions ascribed to any series of Class B LP Units (including the Bridge Financing LP Units) and subject to restrictions regarding the use of such funds for any purpose other than the redemption of Bridge Financing LP Units that may be created and issued in connection with the acquisition of or investment in the Car Wash (or other property/business), in the following manner and priority, less any tax to be withheld:

- (e) third, solely to the Fund (as Class A LP Unitholder) until the Participating Trust Unitholders and US Investors realize a prescribed return or hurdle rate, in priority to all Interested Stakeholders, in an amount equal to an annual Investor ROI of 12% (not compounded) on the their Investment Capital (taking into account any prior distributions of Net Available Cash, return-of-capital distributions or other amounts previously paid by the US Limited Partnership during the year, and any U.S. taxes paid on behalf of Participating Trust Unitholders), for each year following the first Car Wash acquisition until a liquidity event, such as disposition of all Car Washes or industrial/commercial properties (and the businesses conducted on such properties); and

- (f) thereafter: (1) as to 99.99% thereof, to the Fund (as Class A LP Unitholder); and (2) as to 0.01% thereof, to Clear Sky GP, as the general partner of Clear Sky LP XIV.

See Item 2.7.3 – Clear Sky LP XIV Agreement – Capital of Clear Sky LP XIV.

Distributions of Clear Sky LP XIV's Net Available Cash, if any, are expected to be paid within 60 days following receipt by Clear Sky LP XIV of each such distribution from the US Limited Partnership.

Clear Sky LP XIV and its affiliates may, in connection with the acquisition of any Car Wash or other industrial/commercial property (and the business conducted on such property), agree to material restrictions regarding their use of Available Funds or funds that would otherwise be available for distribution for any purpose other than the redemption of Bridge Financing LP Units that may be created and issued in connection with the acquisition/investment, so long as any of the Bridge Financing LP Units remains outstanding. Among other things, such restrictions might be imposed on Clear Sky LP XIV in the provisions of the Bridge Financing LP Units. These restrictions may materially restrict the distribution of funds from the Fund's subsidiaries to the Fund set out in this **Item 5.2.2 – Flow of Funds from the Car Washes**. The Fund may not be in a position to pay cash distributions to Trust Unitholders so long as any Bridge Financing LP Units have not been redeemed. Similarly, the applicable Car Wash LP may not in a position to pay cash distributions to its partners except in connection with the redemption of Bridge Financing LP Units that remain outstanding. These restrictions may adversely affect the ability of Clear Sky LP XIV and its affiliates to fund any reserves established or other payments deemed necessary by Clear Sky GP, in its discretion, and to pay, in whole or in part, expenses in connection with the Offering, start-up and operational costs, costs associated with acquiring (or investing in) and operating the Car Washes (including the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash, Bell Road Car Wash and the proposed acquisitions of the 67th Avenue Car Wash and 51st Avenue Car Wash), and the general and administrative, marketing and operating expenses of the Fund and its affiliates including, costs associated with establishing and organizing the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs and their general partners and their respective affiliates, legal, consulting, accounting and audit costs, advertising and marketing costs, fees and costs associated with offices and sites for the Fund and its affiliates, Renovation Costs, costs (including wages and benefits) associated with personnel of the Fund and its affiliates, Location Management Fees, fees and costs associated with banking and borrowing of the Fund and its affiliates, debt payments and accrued interest, investor reporting costs, printing and mailing costs, costs in connection with governmental and regulatory requirements, Performance Fees, Asset Management Fees, and taxes.

Distribution of Funds from the Fund to Trust Unitholders

Upon receipt of a distribution from Clear Sky LP XIV, the Fund may make a corresponding distribution to the Trust Unitholders, to the extent that the Trustees determine that the Fund has Net Available Cash pursuant to the Declaration of Trust. The Fund may have Canadian income taxes to pay in respect of profits realized. Such taxes, if any, will be deducted in determining or calculating Net Available Cash. Net Available Cash, if any, is to be distributed, quarterly or otherwise, less any tax required to be withheld.

Distributions of the Fund's Net Available Cash, if any, are expected to be paid within 60 days following receipt by the Fund of each such distribution from Clear Sky LP XIV.

The Fund its affiliates may, in connection with the acquisition of any Car Wash or other industrial/commercial property (and the business conducted on such property), agree to material restrictions regarding their use of Available Funds or funds that would otherwise be available for distribution for any purpose other than the redemption of Bridge Financing LP Units that may be created and issued in connection with the acquisition/investment, so long as any of the Bridge Financing LP Units remains outstanding. Among other things, such restrictions might be imposed on Clear Sky LP XIV in the provisions of the Bridge Financing LP Units. These restrictions may materially restrict the distribution of funds from the Fund's subsidiaries to the Fund set out in this **Item 5.2.2 – Flow of Funds from the Car Washes**. The Fund may not be in a position to pay cash distributions to Trust Unitholders so long as any Bridge Financing LP Units have not been redeemed. Similarly, the applicable Car Wash LP may not in a position to pay cash distributions to its partners except in connection with the redemption of Bridge Financing LP Units that remain outstanding. These restrictions may adversely affect the ability of the Fund, Clear Sky LP XIV and the US Limited Partnership or the applicable Car Wash LP to pay, in whole or in part, expenses in connection with the Offering, start-up and operational costs, costs associated with acquiring (or investing in) and operating the Car Washes (including the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash, Bell Road Car Wash and the proposed acquisitions of the 67th Avenue Car Wash and 51st Avenue Car Wash), and the general and administrative, marketing and operating expenses of the Fund and its affiliates including, costs associated with establishing and organizing the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs and their general partners and their respective affiliates, legal, consulting, accounting and audit costs, advertising and marketing costs, fees and costs associated with offices and sites for the Fund and its affiliates, Renovation Costs, costs (including wages and benefits) associated with personnel of the Fund and its affiliates, Location Management Fees, fees and costs associated with banking and borrowing of the Fund and its affiliates, debt payments and accrued interest, investor reporting costs, printing and

mailing costs, costs in connection with governmental and regulatory requirements, Performance Fees, Asset Management Fees, and taxes.

Potential Effect of Special Allocation for Accelerated Depreciation

The US LP Agreement includes provisions that allow accelerated depreciation to be specially allocated to the US General Partners, in certain circumstances. Any such allocation could increase the amount of US tax payable by Clear Sky LP XIV. This increase in tax payable by Clear Sky LP XIV could reduce the amount of cash available for distribution to the Fund and, in turn, to the Trust Unitholders. Mr. Kurschat, Mr. Wheeler and Mr. Barrett will share (indirectly) in any allocations of income, gain, loss, or deduction associated with the US General Partners' economic interests in the US Limited Partnership, including any special allocations of accelerated depreciation deductions from the US Limited Partnership or a Car Wash LP that are made to the US General Partners instead of to the limited partners.

5.3 Subscription Procedure

The securities being offered pursuant to the Offering are Trust Units.

Each Investor must subscribe for a minimum of 500 Trust Units (CD\$5,000). There is no maximum number of Trust Units allocated to any subscriber, subject to the limits under the Maximum Offering or otherwise pursuant to the Declaration of Trust. The Maximum Offering will be reached upon the Fund realizing Offering Proceeds of CD\$30,000,000 through the issue and sale of up to 3,000,000 Trust Units under the Offering. The Fund may, without notice to Investors, increase the Maximum Offering.

Investors wishing to subscribe for Trust Units are required to enter into a Subscription Agreement with the Fund in the form attached as **Schedule A** to this offering memorandum, containing, among other things, representations, warranties, certifications, acknowledgments and covenants by you, as the Investor. The procedure for your Trust Unit subscription is set out in the Subscription Agreement attached as **Schedule A**. Please read the instructions on page SA-2, closely. You may subscribe for Trust Units by delivering the completed and signed subscription documents set out in **Schedule A** together with payment for the Trust Units to the Fund at the address set out in the instructions on page SA-2.

Subject to the rights of rescission described in **Item 11 – Investors' Rights**, your subscription, as evidenced by your completed and signed Subscription Agreement delivered to the Fund, is irrevocable. No prospective Investor has any right to withdraw his subscription for Trust Units unless the Fund terminates the offering or does not accept the subscription.

The Fund will hold your aggregate subscription price in trust until at least midnight on the second business day after the day on which you signed your Subscription Agreement, after which time those funds will be held in trust until the Fund has accepted or rejected such subscription, in whole or in part, in connection with a Closing of the Offering. Holding your aggregate subscription price in this manner does not constitute acceptance of your subscription for Trust Units.

At any Closing of the Offering:

- proceeds from subscriptions for Trust Units will be available to the Fund for its use, as described in this offering memorandum; and
- the Fund will arrange for delivery to or as directed by you (as the Investor), one or more certificates representing fully paid Trust Units, provided the aggregate subscription price has been paid in full. It is expected that certificates representing the Trust Units will be available for delivery within a reasonable period of time after the relevant Closing Date(s).

No interest will be paid to or accrued for the benefit of the subscriber for Trust Units on any portion of your aggregate subscription price held prior to closing. Any interest earned on such funds belongs to the Fund irrespective of its acceptance or rejection of your subscription for Trust Units.

By purchasing Trust Units pursuant to the Offering, you have consented to and requested that all documents evidencing or relating in any way to the sale of the Trust Units be drawn up in the English language only. *En souscrivant à des titres en vertu de ce placement, chaque souscripteur reconnaît et convient par les présentes qu'il ou elle a consenti et exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à ce placement d'unités agrafées, soient rédigés en anglais seulement.*

The Fund may, in the Trustees' discretion, reduce the number of Trust Units that any Investor must subscribe for under the Offering, at any time and from time to time.

The Fund may close the subscription books at any time without notice. Any subscription funds for subscriptions that the Fund does not accept will be returned promptly after the Fund has determined not to accept such subscription.

The Offering is open to Canadian investors and, subject to restrictions in the Declaration of Trust and under the Tax Act, certain Non-Resident investors (other than US Persons). A person or entity that is a US Person (as defined in **Item 6.2.1** of this offering memorandum) may not subscribe for or purchase Trust Units. See **Item 10.4 – Restrictions in the Declaration of Trust and Item 6.2.1 – Certain United States Federal Income Tax Consequences – General**.

This offering memorandum does not constitute an offer to sell or the solicitation of an offer to buy securities within the United States or by residents of the United States. There shall be no sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

5.4 Auditors, Transfer Agent and Registrar

The auditors of the Fund are Collins Barrow Edmonton, LLP, Chartered Accountants.

The Fund has appointed a registered trust company, Computershare Canada, through its principal office in Calgary, Alberta, as the transfer agent and registrar of the Trust Units.

ITEM 6 - INCOME TAX CONSEQUENCES

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

6.1 Certain Canadian Federal Income Tax Considerations

In the opinion of Borden Ladner Gervais LLP, counsel to the Fund ("**Counsel**"), the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to an individual (other than a trust) who acquires Trust Units pursuant to the Offering and who, for all purposes of the Tax Act, is resident in Canada, deals at arm's length and is not affiliated with the Fund and holds any applicable securities as capital property. Generally, securities will be considered to be capital property to a person provided that such person (a) does not hold such securities in the course of carrying on a business, (b) has not acquired such securities in one or more transactions considered to be an adventure in the nature of trade, and (b) does not hold such securities as "mark-to-market property". Certain persons who might not otherwise be considered to hold securities as capital property may, in certain circumstances, be entitled to have such securities and all other "Canadian securities" owned or subsequently acquired by them treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act.

This summary is based on the terms of the Offering, certain representations made by the parties thereto, the current provisions of the Tax Act, all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**"), and an understanding of the current published administrative policies and assessing practices of the CRA publicly available prior to the date hereof. This summary assumes that the Tax Proposals will be enacted as currently proposed, although no assurance can be given that such proposals will be enacted in that form or at all. Except for the Tax Proposals, this summary does not take into account or anticipate any changes in law or administrative policy and assessing practice, whether by way of legislative, governmental or judicial decision or action, nor does it take into account other federal or any provincial or foreign tax legislation or consideration, which may differ materially from those described herein.

This summary is not applicable to security holders: (a) that are "financial institutions" or "specified financial institutions" (as defined in the Tax Act); (b) that are partnerships; (c) an interest in whom would be a "tax shelter investment" (as defined in the Tax Act); (d) a holder to which the functional currency reporting rules apply; (e) who have entered into a "derivative forward agreement" (as defined in the Tax Act) with respect to the Trust Units; or (f) that are Non-Residents. The above-noted security holders should consult their own tax advisors with respect to the matters discussed herein.

This summary is of a general nature only and is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Trust Units. Moreover, the income tax and other tax consequences of acquiring, holding or disposing of securities will vary according to the status of the Investor, the province or provinces in which the Investor resides or carries on business and, generally, the investor's own particular circumstances. Accordingly, the following description of income tax matters is of a general nature only and is not intended to constitute advice to any particular Investor. Investors should consult their own tax advisors with respect to the income tax and other tax consequences of the Offering and an investment in Trust Units, based upon such security holder's particular circumstances.

6.1.1 Eligibility for Investment

In order for the Fund to qualify as a mutual fund trust, and hence be a qualified investment for Exempt Plans, it must have at least 150 Trust Unitholders, each holding at least one "block" of Trust Units (in this instance 100 Trust Units) worth not less than \$500. The Fund has completed the Eligibility Distribution prior to March 31, 2015 and, as of the date of this offering memorandum, has 521 Trust Unitholders, holding a total of 1,301,296 Trust Units. The Fund made prior to March 31, 2015 the necessary elections under subsection 132(6.1) of the Tax Act to be deemed to be a mutual fund trust from inception under the Tax Act so that the Trust Units can continue being held in Exempt Plans.

Based on certain provisions of the Tax Act and the regulations thereunder, provided that the Fund at all times qualifies as a "mutual fund trust" as defined in the Tax Act, the Trust Units will be a qualified investments for Exempt Plans.

However, the holder of a TFSA or the annuitant under a RRSP or RRIF, that holds Trust Units will be subject to a penalty tax if such Trust Units are a "prohibited investment" for the purposes of the Tax Act. Trust Units will generally be a "prohibited investment" if the holder of the TFSA (or the annuitant under a RRSP or RRIF) does not deal at arm's length with the Fund for the purposes of the Tax Act or the holder of the TFSA (or the annuitant under a RRSP or RRIF) has a "significant interest" (as defined in the Tax Act) in the Fund for the purposes of the Tax Act. A person has a significant interest in the Fund if the person, together with non-arm's length persons, holds 10% or more of the fair market value of the Trust Units. Investors should consult their own tax advisors regarding their particular circumstances.

The Redemption Notes which may be delivered to Trust Unitholders on an in specie redemption of Trust Units will not be qualified investments for Exempt Plans. Accordingly, Exempt Plans that own Trust Units should consult their own tax advisors prior to exercising redemption rights.

6.1.2 Status of the Fund

Mutual Fund Trust

This summary is based on the assumption that the Fund will at all relevant times qualify as a "mutual fund trust" (as defined in the Tax Act), that the Fund has validly elected under the Tax Act to be a mutual fund trust from the date it was established, that the Fund has not been established and will not be maintained primarily for the benefit of Non-Residents, and that not more than 50% (based on fair market value) of the Trust Units will be held by Non-Residents, partnerships that are not "Canadian partnerships", or any combination thereof, all for the purposes of the Tax Act.

If certain proposals released on September 16, 2004 are enacted as proposed (the "**September 16th Tax Proposals**"), the Fund would cease to qualify as a mutual fund trust for the purposes of the Tax Act if, at any time after 2004, the fair market value of all Trust Units held by Non-Residents, or partnerships that are not Canadian partnerships, or any combination of the foregoing, is more than 50% of the fair market value of all issued and outstanding Trust Units unless not more than 10% (based on fair market value) of the Fund's property is at any time "taxable Canadian property" within the meaning of the Tax Act and certain other types of specified property. Restrictions on the ownership of Trust Units are intended to limit the number of Trust Units held by Non-Residents such that Non-Residents, partnerships that are Canadian partnerships, or any combination of the foregoing, may not own Trust Units representing more than 45% of the fair market value of all Trust Units. The September 16th Tax Proposals have not been enacted. Pursuant to the Tax Act, the Fund would be deemed not to be a mutual fund trust after any time when it can reasonably be considered that the Fund was established or is maintained primarily for the benefit of Non-Residents unless at that time all or substantially all of its property is property other than taxable Canadian property.

Generally, to qualify as a mutual fund trust, (i) the Fund must be a Canadian resident "unit trust" for the purposes of the Tax Act, (ii) the only undertaking of the Fund must be (a) the investing of its funds in property (other than real property or interests in real property or an immovable or a real right in an immovable), (b) the acquiring, holding, maintaining, improving, leasing or managing of any real property (or interest in real property) or of any immovable (or right in immovables) that is capital property of the Fund, or (c) any combination of the activities described in (a) and (b), and (iii) the Fund must comply with certain minimum requirements respecting the ownership and dispersal of Trust Units (the "minimum distribution requirements"). It is intended that all requirements necessary for the Fund to qualify as a "mutual fund trust" will be met and continue to be met. The Trustees have advised Counsel that they intend to ensure that the Fund will meet the requirements necessary for it to qualify as a mutual fund trust no later than 90 days after the end of its first taxation year and at all times thereafter, and to file the necessary election under the Tax Act so that the Fund will qualify as a mutual fund trust throughout its first taxation year.

If the Fund were not to qualify as a mutual fund trust at all times, the income tax considerations described herein would, in some respects, be materially and adversely different.

SIFT Rules

On October 31, 2006, the Department of Finance announced proposed changes to the manner in which certain specified investment flow-through entities ("**SIFTs**") and the distributions from such entities are taxed. Bill C-52, which received Royal Assent on July 22, 2007, and Bill C-10, which received Royal Assent on March 12, 2009, contained legislation implementing these proposals (the "**SIFT Rules**").

The SIFT Rules apply to trusts that are resident in Canada for the purposes of the Tax Act and that hold one or more "non-portfolio properties" and the units of which are listed or traded on a stock exchange or other public market ("**SIFT Trust**"). Under the SIFT Rules, if the Fund were a SIFT Trust it would be subject to a special tax in respect of income from its non-portfolio properties and capital gains respecting non-portfolio properties (collectively, the "**Non-Portfolio Earnings**"). Non-Portfolio Earnings would be taxed at a rate that is generally equivalent to the federal general corporate tax rate plus a prescribed amount on account of provincial tax. Any Non-Portfolio Earnings that become payable by a SIFT Trust or SIFT partnership will be taxed as though they were a taxable dividend from a taxable Canadian corporation and will be deemed to be an "eligible dividend" eligible for the enhanced gross-up and tax credit rules.

Counsel has been advised that the Fund currently does not meet the requirements of a SIFT Trust. The Trustees intend to cause the Fund not to be characterized as a SIFT Trust. Provided that the Fund is not a SIFT Trust, it will not be subject to tax in the manner contemplated by the SIFT Rules. This summary assumes that at all material times the Fund is not a SIFT Trust.

6.1.3 Taxation of the Fund

Provided that the Fund is not a SIFT Trust, the Fund will be subject to tax in each taxation year under Part I of the Tax Act on the amount of its income for the year, including net realized capital gains and all interest that accrues to it to the end of the year, or becomes receivable or is received by it before the end of the year, except to the extent that such interest was included in computing its income for a preceding taxation year, less the portion thereof that it claims in respect of the amount paid or payable to Trust Unitholders in the year. An amount will be considered payable to a Trust Unitholder in a taxation year only if it is paid in the year by the Fund or the Trust Unitholder is entitled in the year to enforce payment of the amount.

The Fund will be entitled to deduct reasonable current administrative and other expenses that are incurred to earn income. Any losses incurred by the Fund may not be allocated to Trust Unitholders but may generally be carried forward and back and deducted in computing the taxable income of the Fund, in accordance with the detailed rules in the Tax Act.

The Fund intends to make distributions to Trust Unitholders as described in **Item 5.1.2 – Distributions by the Fund** and to deduct, in computing its income in each taxation year, such amount as will be sufficient to ensure that the Fund will not be liable for income tax under Part I of the Tax Act for each year other than such tax on net realized capital gains that will be recoverable by the Fund in respect of such year by reason of the capital gains refund mechanism. However, no assurances can be given in this regard.

6.1.4 Taxation of Trust Unitholders

Subject to the SIFT Rules, a Trust Unitholder will generally be required to include in computing income for a particular taxation year the amount of the Fund's net income for the taxation year, including net realized taxable capital gains, paid or payable to the Trust Unitholder (whether in cash or in Trust Units) in the taxation year, whether or not the amount was actually paid to the Trust Unitholder. Income of a Trust Unitholder from a Trust will generally be considered to be income from property for the purposes of the Tax Act. The non-taxable portion of the Fund's net realized capital gains paid or payable and designated to a Trust Unitholder in a taxation year will not be included in the Trust Unitholder's income for the year. Any other amount in excess of the Trust Unitholder's share of the Fund's net income for a taxation year paid or payable to the Trust Unitholder in the year will not generally be included in the Trust Unitholder's income, but will generally reduce the adjusted cost base of the Trust Unitholder's Trust Units. To the extent that the adjusted cost base of a Trust Unit would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the Trust Unitholder from the disposition of the Trust Unit, and the Trust Unitholder's adjusted cost base will be increased by the amount of such deemed capital gain to zero. Any losses of the Fund for the purposes of the Tax Act cannot be allocated to, and cannot be treated as a loss of, a Trust Unitholder.

Under the Tax Act, the Fund is permitted to deduct in computing its income for a taxation year an amount that is less than the amount of its distributions for the year. This will enable the Fund to utilize, in the taxation year, losses from prior years without affecting the ability of the Fund to distribute its income annually. The amount distributed to a Trust Unitholder but not deducted by the Fund will not be included in the Trust Unitholder's income. However, the adjusted cost base of the Trust Unitholder's Trust Units will be reduced by such amount. To the extent that the adjusted cost base of a Trust Unit would otherwise be less than nil, the negative

amount will be deemed to be a capital gain realized by the Trust Unitholder from the disposition of the Trust Unit, and the Trust Unitholder's adjusted cost base will be increased by the amount of such deemed capital gain to zero.

Provided that appropriate designations are made by the Fund, such portion of (i) net realized taxable capital gains of the Fund, (ii) the income of the Fund from foreign sources, and (iii) the taxable dividends received or deemed to be received by the Fund on shares of taxable Canadian corporations, as is paid or becomes payable to a Trust Unitholder, will effectively retain its character and be treated as such in the hands of the Trust Unitholder for the purposes of the Tax Act. The availability of foreign tax credits in respect of foreign source income designated to a Trust Unitholder by the Fund is subject to the foreign tax credit rules under the Tax Act and the Trust Unitholder's particular circumstances. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the gross-up and dividend tax credit rules will apply, including the enhanced gross-up and dividend tax credit rules in respect of eligible dividends paid by taxable Canadian corporations. Investors should consult their own tax advisors in this regard.

On the disposition or deemed disposition of a Trust Unit (whether on a sale, redemption or otherwise), a Trust Unitholder will realize a capital gain (or capital loss) to the extent that the Trust Unitholder's proceeds of disposition (other than any amount payable by the Fund which represents an amount of capital gain allocated to the Trust Unitholder or that is otherwise required to be included in the Trust Unitholder's income) exceed (or are less than) the adjusted cost base of such Trust Unit and any reasonable costs of disposition. For the purpose of determining the adjusted cost base of Trust Units to a Trust Unitholder, when Trust Units are acquired, the cost of the newly acquired Trust Units will be averaged with the adjusted cost base of the Trust Units owned by the Trust Unitholder as capital property immediately before that time. The cost of Trust Units acquired as a distribution of income or capital gains from the Fund will generally be equal to the amount of the distribution. The taxation of capital gains and capital losses is described below under **Item 6.1.5 – Taxation of Capital Gains and Capital Losses**.

A redemption of Trust Units in consideration for cash, Redemption Notes, or other property of the Fund distributed in specie, as the case may be, will be a disposition of such Trust Units for proceeds equal to the amount of such cash or the fair market value of such consideration, less any income or capital gain realized by the Fund in connection with the redemption of those Trust Units which has been designated by the Fund to the Trust Unitholder. The Declaration of Trust provides that the Trustees have the discretion to designate certain net income and any capital gain realized by the Fund as a result of the redemption of Trust Units to the Trust Unitholder redeeming Trust Units as is reasonable in the circumstances. The Trust Unitholder will be required to include in income any such net income so designated. Redeeming Trust Unitholders will consequently realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition (less any portion thereof that is considered a distribution of the Fund's income) exceeds (or is less than) the aggregate of the Trust Unitholder's adjusted cost base of the Trust Units and any reasonable costs of disposition.

In general terms, net income of the Fund paid or payable to a Trust Unitholder that is designated as taxable dividends from taxable Canadian corporations or as net realized taxable capital gains as well as taxable capital gains realized by the Trust Unitholders on the disposition of Trust Units may increase the Trust Unitholder's liability for alternative minimum tax.

6.1.5 Taxation of Capital Gains and Capital Losses

Generally, one half of any capital gain (a "**taxable capital gain**") realized on the disposition of property by a security holder must be included in income for the taxation year of disposition and one half of any capital loss (an "**allowable capital loss**") may normally be deducted by a security holder against any taxable capital gains realized in the same taxation year. Any excess of allowable capital losses over taxable capital gains for the year of disposition is generally deductible against net taxable capital gains realized in any of the three prior taxation years or in any subsequent taxation year, in the circumstances and to the extent described in the Tax Act.

A security holder that throughout the relevant taxation year is a "Canadian-controlled private corporation" (as defined in the Tax Act) may be subject to an additional refundable tax of 6 $\frac{2}{3}$ % in respect of its "aggregate investment income" (which is defined in the Tax Act to include taxable capital gains and interest income).

Taxable capital gains realized by security holders that are individuals or trusts, other than certain specified trusts, may increase the security holder's liability for alternative minimum tax under the Tax Act.

6.1.6 Taxation of Non-Residents

The Canadian tax consequences applicable to Non-Residents may be materially different from those described herein. Non-Residents should consult their own tax advisors with respect to their particular circumstances.

6.1.7 U.S. Net Investment Income Surtax

For U.S. federal income tax purposes, US Persons (defined below in **Item 6.2.1**) that are individuals, estates or trusts and whose modified adjusted gross income exceeds certain thresholds generally will be subject to a 3.9% "net investment income surtax" on unearned income, which would include dividends on, and gains from the sale or other taxable disposition of, Trust Units in the Fund. The net investment income surtax, if applicable, applies in addition to any other taxes imposed on a US Person's net investment income. The net investment income surtax does not apply to "foreign estates" (as defined in Internal Revenue Code of 1986, as amended (the "Code"), Section 7701(a)(31)(A)) or to "foreign trusts" (as defined in Code Section 7701(a)(31)(B) and U.S. Treasury Regulation Section 301.7701-7(a)(2)). However, the net investment income surtax does apply to distributions of net investment income received by beneficiaries of foreign estates and foreign trusts who are U.S. Persons. Non-U.S. holders that are foreign estates or foreign trusts with beneficiaries that are US Persons are urged to consult their own tax advisors regarding the impact of the net investment income surtax.

6.1.8 The Foreign Account Tax Compliance Act ("FATCA")

As discussed below in **Item 6.2.8 - Certain United States Federal Income Tax Considerations – FATCA**, Clear Sky LP XIV (and possibly the Fund), referred to below as a "foreign payee" (defined below in **Item 6.2.8**), may be required to provide extensive information to the IRS regarding all U.S. persons who have accounts in (or in some instances, who own debt or equity in) such foreign payee, and in certain instances enter into an agreement with the IRS. The failure of Clear Sky LP XIV (and possibly of the Fund) to comply with these information reporting rules, if applicable, will result in a new withholding tax on U.S. source payments made to Clear Sky LP XIV from the US Limited Partnership. Specifically, a foreign payee that does not comply with the FATCA requirements will generally be subject to a new 30% withholding tax with respect to "withholdable payments" (as defined below in **Item 6.2.8**). Investors are urged to consult with their own tax advisors regarding the effect, if any, of the FATCA provisions to them based on their particular circumstances and based on the circumstances of other current and potential investors, including potential investors who may be US Persons (as defined below).

6.2 Certain United States Federal Income Tax Considerations

6.2.1 General

The following is a discussion of certain material U.S. federal income and estate tax considerations for Investors who own Trust Units in the Fund. This discussion does not purport to be a comprehensive description of all the U.S. federal tax considerations that may be relevant to a decision to purchase Trust Units. Prospective Investors should consult with their own U.S. tax advisors concerning their respective situations and the impact which their participation in the Fund may have on their U.S. federal income and estate tax liability, and their state or local tax liability, if any. The United States – Canada Income Tax Convention, signed September 26, 1980, as amended, is herein referred to as the "Treaty".

In the view of the Fund, the following is, as of the date hereof, a summary of certain principal U.S. federal income tax considerations generally applicable to a non-U.S. individual who acquires Trust Units pursuant to this Offering. This discussion does not address all aspects of U.S. federal income or estate taxation nor does it address any aspects of U.S. state or local taxation. This discussion also does not consider any specific facts or circumstances that may apply to a non-U.S. holder and does not address the special U.S. tax rules applicable to particular non-U.S. holders, such as insurance companies, tax-exempt organizations, banks or other financial institutions, brokers or dealers in securities, regulated investment companies, pension plans, controlled foreign corporations, passive foreign investment companies, and certain U.S. expatriates. Each Investor acknowledges that such Investor is not a US Person (as defined below).

The following discussion is based on the current provisions of the Code, administrative rulings, judicial decisions, and final, temporary and proposed U.S. Treasury Regulations, all in effect on the date hereof and all of which are subject to change and differing interpretation. Changes to any of the foregoing subsequent to the date of this offering memorandum may affect the tax consequences described herein, possibly with retroactive effect. In addition, the Internal Revenue Service (the "IRS") could challenge one or more of the tax consequences described in this offering memorandum. Persons considering acquiring Trust Units pursuant to the Offering are urged to consult with their own tax advisers regarding the application of the U.S. federal income and estate tax laws to their particular situations as well as any tax consequences arising under the laws of any state, local, or foreign taxing jurisdiction.

This discussion is based upon the assumption that no US Person holds or is the direct or indirect beneficial owner of any Trust Units and this discussion applies only to Investors that are not US Persons. As used in this offering memorandum, the term "US Person" means:

- An individual who is a citizen or resident of the U.S., including the District of Columbia, as determined for U.S. federal tax purposes;
- A partnership created or organized in the U.S. or under the laws of the U.S. or any state or political subdivision of the U.S., including the District of Columbia, or any other entity taxable as a partnership for U.S. federal income tax purposes, which includes, but is not limited to any entity which is treated as a partnership for U.S. federal income tax purposes;
- A corporation created or organized in the U.S. or under the laws of the U.S. or any state or political subdivision of the U.S., including the District of Columbia, or any other entity taxable as a corporation for U.S. federal income tax purposes, which includes, but is not limited to any entity which is treated as a corporation for U.S. federal income tax purposes;
- An estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- A trust if (i) a court within the U.S. can exercise primary supervision over its administration and one or more U.S. persons have the authority to control all its substantial decisions, or (ii) the trust has a valid election in effect under applicable Treasury Regulations to be treated as a US Person.

An individual may be treated as a resident instead of a nonresident of the United States in any calendar year for U.S. federal income tax purposes if the individual was present in the United States for at least 31 days in that calendar year and for an aggregate of at least 183 days during the three-year period ending with the current calendar year. For purposes of this calculation, all of the days present in the current year, one-third of the days present in the immediately preceding year, and one-sixth of the days present in the second preceding year are counted. Residents are taxed for U.S. federal income tax purposes as if they were U.S. citizens.

Additionally, this discussion is based upon the following assumptions: (i) the Fund is not a US Person (as defined above), (ii) Clear Sky LP XIV is a Canadian partnership, (iii) Clear Sky LP XIV has made a timely and valid election to be treated as a taxable as a corporation for U.S. federal tax purposes effective as of the date of its formation, (iv) the US Limited Partnership in which Clear Sky LP XIV owns a limited partnership interest is taxable as a partnership for U.S. federal tax purposes and assuming Clear Sky LP XIV treats its tax items of income, gain, loss, deduction, and credit as effectively connected with a United States trade or business, Clear Sky LP XIV will be subject to tax in the United States, including the U.S. branch profits tax under Code Section 884, federal tax purposes, and (v) each applicable Car Wash GP in which the US Limited Partnership owns a limited partnership interest is taxable as a partnership for U.S. federal tax purposes.

6.2.2 U.S. Income Tax Return Filing Obligations

Based on the foregoing assumptions, Investors (each of whom is not a US Person) not otherwise required to file U.S. federal income tax returns will not be required to file such returns solely by virtue of acquiring Trust Units pursuant to this Offering.

Assuming Clear Sky LP XIV treats its tax items of income, gain, loss, deduction, and credit as effectively connected with a United States trade or business, Clear Sky LP XIV will be required to file tax returns (*e.g.*, IRS Form 1120F) in the United States and the cost of filing such returns, together with the cost of seeking advice from Canadian and United States legal and tax counsel, should also be considered by the Investors before making an investment in the Trust Units.

6.2.3 U.S. Taxes Imposed on Clear Sky LP XIV

Assuming Clear Sky LP XIV treats its tax items of income, gain, loss, deduction, and credit as effectively connected with a United States trade or business, Clear Sky LP XIV will be subject to significant taxes in the United States. For example, it is expected that Clear Sky LP XIV will be subject to (i) U.S. federal income taxes, at a corporate rate of approximately 35%, (ii) U.S. branch profits taxes, which may be as high as 30% but which may be reduced to approximately 5% if the Treaty applies, and (iii) state and local income taxes, in the state in which such Car Wash GP I is located or from which such Car Wash LP generates income (*e.g.*, the Arizona state corporate income tax rate is approximately 6.5%). The impact of such taxes should be considered by the Investors before making an investment in the Trust Units.

6.2.4 U.S. Withholding Taxes Under the Foreign Investment in Real Property Tax Act

Under the U.S. Foreign Investment in Real Property Tax Act of 1980 ("**FIRPTA**"), the disposition of an interest in U.S. real property by a foreign person generally is subject to U.S. federal income tax under Code Section 897. The collection of U.S. federal income tax on such dispositions is ensured through the imposition of U.S. withholding tax on the purchaser of the U.S. real property interest. Under Code Section 1445, the purchaser of a U.S. real property interest from a foreign seller generally is required to withhold and pay over to the IRS 10% of the gross purchase price. In the event that an interest in the US Limited Partnership is treated as a U.S. real

property interest for FIRPTA purposes, the 10% withholding tax will apply to any sale or disposition by Clear Sky LP XIV of an interest in the US Limited Partnership. The impact of any such FIRPTA withholding taxes also should be considered by the Investors before making an investment in the Trust Units.

6.2.5 U.S. Withholding Taxes on US Limited Partnership

Under Code Section 1446, if the US Limited Partnership has taxable income that is effectively connected, or treated as effectively connected, with the conduct of a United States trade or business and any portion of that income is allocable to Clear Sky LP XIV, as a foreign partner, or to other foreign partners, the US Limited Partnership will be required to pay U.S. withholding tax at the highest applicable rate of tax with respect to that allocable income. In the event that withholding taxes are paid by the US Limited Partnership under Code Section 1446, Clear Sky LP XIV will be entitled to a credit under Code Section 33 for its share of the withholding taxes paid by the US Limited Partnership. The impact of such withholding taxes also should be considered by the Investors before making an investment in the Trust Units.

6.2.6 U.S. Income Tax on Gain from the Disposition of Trust Units

Non-U.S. holders generally will not be subject to U.S. federal income tax on any gain recognized as a result of a disposition of Trust Units unless:

- The gain is effectively connected with the non-U.S. holder's conduct of a trade or business in the United States (and the gain is attributable to a permanent establishment or a fixed base maintained by the non-U.S. holder in the United States if required by an applicable treaty); in these cases, the non-U.S. holder will be taxed on a net income basis at the regular graduated rates and in the manner applicable to U.S. persons, and, if the non-U.S. holder is a foreign corporation, an additional branch profits tax at a rate of 30%, or a lower rate as may be specified by an applicable income tax treaty, may also apply;
- The non-U.S. holder is an individual present in the United States for 183 days or more in the taxable year of the disposition and some other requirements are met; or
- Clear Sky LP XIV is or has been, at any time during the five-year period preceding such disposition (or the non-U.S. holder's holding period, if shorter), a "U.S. real property holding corporation" for FIRPTA purposes. Generally, Clear Sky LP XIV would be a "U.S. real property holding corporation" if Clear Sky LP XIV made an election to be treated as a domestic U.S. corporation for purposes of Code Sections 897, 1445, and 6039C and the fair market value of Clear Sky LP XIV's "U.S. real property interests" equaled or exceeded 50% of the sum of the fair market value of its worldwide real property interests plus its other assets used or held for use in a trade or business. Clear Sky LP XIV is not currently, nor does it anticipate becoming, a "U.S. real property holding corporation" for U.S. federal income tax purposes.

6.2.7 U.S. Federal Estate Tax

Trust Units owned or treated as owned, as specially determined for U.S. estate tax purposes, by an individual at the time of death may be included in such individual's gross estate for U.S. federal estate tax purposes (unless an applicable estate tax or other treaty provides otherwise), and therefore may be subject to U.S. federal estate tax. This discussion does not further address the U.S. estate tax issues that may ultimately arise with respect to an Investor's ownership of Trust Units at the time of such individual's death, nor does this discussion address the U.S. gift or transfer tax issues that may arise with respect to a gift or similar transfer of Trust Units. Each prospective Investor should consult with such person's own U.S. estate and gift tax advisors for a detailed analysis tailored to such person's individual situation.

Trust Units owned or treated as owned, as specially determined for U.S. estate tax purposes, by an individual at the time of death may be included in such individual's gross estate for U.S. federal estate tax purposes (unless, for example, an Investor applicable estate tax or other treaty provides otherwise), and therefore may be subject to U.S. federal estate tax. Notwithstanding the foregoing, we expect that Trust Units owned or treated as owned by an individual, other than a U.S. Person, at the time of death should not be included in such individual's gross estate for U.S. estate tax purposes to the extent Clear Sky LP XIV elects to be treated as a corporation for U.S. tax purposes. This discussion does not further address the U.S. estate tax issues that may ultimately arise with respect to an Investor's ownership of Trust Units at the time of such individual's death, nor does this discussion address the U.S. gift or transfer tax issues that may arise with respect to a gift or similar transfer of Trust Units. Each prospective Investor should consult with such person's own U.S. estate and gift tax attorney for a detailed analysis tailored to such person's individual situation.

6.2.8 The Foreign Account Tax Compliance Act ("FATCA")

In 2010, Congress enacted the "Hiring Incentives to Restore Employment Act" (the "**HIRE Act**"), which includes FATCA. Pursuant to FATCA, non-U.S. entities and non-U.S. financial institutions (*e.g.*, non-U.S. entities acting as intermediaries for investors, most hedge funds, private equity funds, mutual funds, securitization vehicles and any other investment vehicles regardless of size, collectively "foreign payees") must comply with new information reporting rules with respect to such foreign payee's U.S. account holders and investors. Each of Clear Sky LP XIV, a foreign limited partnership which intends to elect to be treated as a corporation for U.S. federal income tax purposes, and the Fund, may qualify as foreign payees under these rules.

These new FATCA information reporting rules require foreign payees, such as Clear Sky LP XIV (and potentially the Fund), to provide extensive information to the IRS regarding all US Persons who have accounts in (or in some instances, who own debt or equity interests in) such foreign, payees and in certain cases to enter into an agreement with the IRS. The failure of such foreign payees to comply with these new information reporting rules will result in a new withholding tax on U.S. source payments made to such foreign payees. While we have assumed that no US Person holds or is the direct or indirect beneficial owner of any Trust Units, in the event any US Person becomes a holder or the direct or indirect beneficial owner of any Trust Units, FATCA will be applicable.

Specifically, a foreign payee that does not comply with the FATCA reporting requirements generally will be subject to a new 30% withholding tax with respect to "withholdable payments" made after certain applicable dates.

In such a case all holders of Trust Units (and not just those US Persons who failed to provide the requested information to Clear Sky LP VI or the Fund and not just US Persons) may be adversely impacted by any subsequent withholding required pursuant to FATCA. For these purposes, "withholdable payments" includes, by way of example only, payments of dividends and gross proceeds arising from the sale of securities (such as the Units or the partnership interests in Clear Sky LP XIV). This new withholding tax generally applies to withholdable payments to non-compliant foreign payees even if such payments would not have been subject to the withholding rules otherwise applicable to certain payments to non-US Persons.

No rulings have been requested from the IRS or any state taxing authorities and no opinions from counsel have been obtained with respect to the offering. No assurances can be given that the IRS or any state taxing authority will agree with the U.S. federal tax consequences and other tax consequences discussed above.

ITEM 7 - COMPENSATION PAID TO SELLERS AND FINDERS

The decision to distribute the Trust Units and the determination of the structure and pricing and other terms and conditions of the Offering have been and will continue being made by the Fund.

Any agent or sub-agent that is (i) an exempt market dealer registered under applicable securities laws in Canada, (ii) a member of the Investment Industry Regulatory Organization of Canada, or (iii) otherwise exempt from registration requirements under applicable securities laws in Canada, and has been appointed by the Fund to offer Trust Units for sale under the Offering, will be entitled to Selling Commissions, except where the payment of such commissions is prohibited, of 9% of the Offering Proceeds from an Investor's subscription for Trust Units issued and sold at the applicable Closing, payable immediately as of the Closing Date. Where the Trust Units are distributed through a registered exempt market dealer, the registered exempt market dealer will retain a 1.2% administration fee and 1% corporate finance fee from the applicable 9% Selling Commissions as an administration fee and corporate finance fee, respectively, at Closing prior to any further participation in the balance of the Selling Commission by the registered exempt market dealer, any dealing representative(s) or any other sub-agent(s) of the registered exempt market dealer.

Accordingly, the maximum amount of Selling Commissions payable is CD\$2,700,000 under the Offering (unless the Fund increases the Maximum Offering). As of the date of this offering memorandum, the Fund has paid or committed to pay Selling Commissions totaling CD\$1,171,166.40 in connection with the Offering. The Fund has paid Pinnacle Wealth Brokers Inc. approximately CD\$17,000 in connection with its due diligence review of the Fund, the Offering and the proposed Car Wash acquisitions.

Any agents or sub-agents appointed by the Fund to offer Trust Units for sale under the Offering may also be reimbursed for reasonable expenses incurred in connection with the Offering.

The Fund may enter into agency or sub-agency agreements with appropriate parties in respect of the Offering, which would be anticipated to contain terms and conditions that are customary in respect of offerings of the nature of the Offering.

No agent or sub-agent appointed by the Fund to offer Trust Units for sale under the Offering will receive any benefit in connection with the Offering other than its portion of Selling Commissions payable to it as agent for the Offering as described herein except that Pinnacle Wealth Brokers Inc., a registered dealer appointed by the Fund as its agent to offer Trust Units for sale under the Offering,

will be as of the first Car Wash acquisition a non-voting limited partner of the US Limited Partnership, holding Class C limited partnership units. Consequently, Pinnacle Wealth Brokers Inc. will share in US Limited Partnership distributions, if any, from its economic interest in the US Limited Partnership and, indirectly, the Car Washes. See **Item 5.2.2 – Flow of Funds from the Car Washes**.

From time to time, the Fund may pay or reimburse the expenses of such agents or sub-agents or their representatives, including individuals who are registered as dealing representatives or are employees of such agents or sub-agents, and their associates, in connection with on-site inspections or other due diligence tours of any Car Wash or other industrial/commercial property (and the business conducted on such property). From time to time, Clear Sky Capital BC or its affiliates may financially support one or more registered dealers or their representatives, including individuals who are registered as dealing representatives or are employees of such registered dealers, and their associates, through sponsorship or by paying or reimbursing expenses in connection with professional conferences hosted by such dealers for its representatives and employees, which support may result in payments to one or more registered dealers or their representatives (including individuals who are registered as dealing representatives or are employees of such registered dealers, and their associates) who may be acting as the Fund's agents in offering Trust Units for sale under the Offering.

The Fund and Clear Sky GP may from time to time permit representatives of one or more registered dealers to attend, as observers, meetings of the directors of Clear Sky GP, the US General Partners or a Car Wash LP general partner.

The Fund is considered a "connected issuer" and a "related issuer" under Canadian securities law with Pinnacle Wealth Brokers Inc., a registered dealer appointed by the Fund to offer Trust Units for sale under the Offering, through such registered dealer's beneficial ownership or control of a Class C limited partnership interest in the US Limited Partnership and, indirectly, the Car Washes and due to Gary Doran, currently a minority shareholder of Pinnacle Wealth Brokers Inc., serving as a Trustee of the Fund and as a director of Car Wash GP I, the general partner of each of Scottsdale Car Wash LP, Encanto Car Wash LP, Power Car Wash LP, Bell Road Car Wash LP and, once formed, 67th Avenue Car Wash LP and 51st Avenue Car Wash LP.

No person has been authorized to give any information or to make any representation not contained in this offering memorandum. Any such information or representation that is given or received must not be relied upon.

ITEM 8 - RISK FACTORS

Investment in the Trust Units at this time is highly speculative and involves a number of risks. The purchase of Trust Units pursuant to the Offering should only be made after consulting with independent and qualified investment, legal and tax advisors. Prospective Investors should review the risks associated with the Trust Units and the Fund with such advisors before investing.

The risks discussed in this offering memorandum can adversely affect the Fund's prospects, results and financial condition. These risks could cause the value of the Trust Units to decline, cause the Fund to be unable to pay distributions on the Trust Units, and also cause Investors to lose part or all of their investment. In addition to the risk factors set out below and elsewhere in this offering memorandum, other material risks and uncertainties of which the Fund is not presently aware may also harm the Fund's business and its investments. Trust Unitholders must rely on the ability, expertise, judgment, discretion, integrity and good faith of the Trustees and the management of Clear Sky LP XIV, the US Limited Partnership and the Car Wash LPs.

This offering is suitable for Investors who are willing to rely solely upon the Trustees and the management of the Fund, Clear Sky LP XIV, the US Limited Partnership and the Car Wash LPs and who can afford a total loss of their investment.

In addition to factors set forth elsewhere in this offering memorandum, potential Investors should carefully consider the following factors, many of which are inherent to the ownership of Trust Units. The following is a summary only of the risk factors involved in an investment in the Trust Units.

Blind Pool Investment

The Trust Units represent a "blind pool" investment. The Fund expects that the Available Funds from the Offering will be applied by the Car Wash LPs to purchasing, and, as is considered necessary or advisable, renovating, upgrading, and repositioning one or more Car Washes or other industrial or commercial properties (and the businesses conducted thereon). Other than the Car Washes identified in **Item 2.3.1 – Investment in Car Washes**, the specific Car Washes or other industrial or commercial properties (and the business conducted thereon) in which the Fund's subsidiaries are or will be invested have not been identified as of the date of this offering memorandum.

While the Fund anticipates that the Car Wash LPs will be able to identify and complete the purchase of industrial or commercial properties (and any businesses conducted thereon), with a focus on Car Washes, and the subsequent renovation, maintenance,

upgrading, and rental, refinancing or selling those real estate assets, on an on-going basis that satisfies the Fund's investment and business objectives and achieves acceptable returns, there is no assurance that they will be able to do so.

The US Limited Partnership will, indirectly through the Car Wash LPs, allocate capital in its own discretion. Accordingly, a Car Wash LP may find it necessary or advisable to allocate those funds to acquire or, once in the asset portfolio, renovate, repair, maintain, upgrade or otherwise make operation-ready or sale-ready or otherwise use, and eventually sell, the industrial or commercial properties (and any businesses conducted thereon), including Car Washes, or invest such funds, in a manner different than contemplated, and without notice to the Fund and Trust Unitholders.

Limited Operational History

The Fund was formed for a limited purpose and will carry on no business other than to:

- distribute Trust Units;
- invest proceeds from the issue and sale of Trust Units in and hold a limited partnership interest in, or lend funds to, Clear Sky LP XIV; and
- pay distributions to Trust Unitholders in each distribution period pursuant to the Declaration of Trust.

Clear Sky LP XIV will indirectly purchase or otherwise invest in, renovate, upgrade, reposition, make operation-ready or sale-ready, and lease or sell, in whole or in part, industrial or commercial properties (and any businesses conducted thereon), including Car Washes, through the US Limited Partnership's ownership in Car Wash LPs. See **Item 2.1.5 – Car Wash LPs**.

The Fund's business is subject to all the risks inherent in the establishment of a new business enterprise. There is no certainty that the Fund's business strategy will be successful. The likelihood of success of the Fund must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. If the Fund fails to address any of these risks or difficulties adequately, its business will likely suffer. There is no assurance that the Fund or its subsidiaries can operate profitably.

No Guarantee that Investment will be Successful

There is no guarantee that Investors will not realize losses from an investment in Trust Units and there can be no assurance that the Fund's objective of earning a profit on its investment in Car Washes or any other industrial or commercial property (or the business conducted thereon), indirectly through the Car Wash LPs, will be achieved. The success of the Fund depends to a certain extent on the efforts and abilities of the management of Clear Sky LP XIV, the US Limited Partnership and Car Wash LPs, and on external factors such as, among other things, the markets where Car Washes or other industrial or commercial properties (and the businesses conducted on those properties) are located and the general political and economic conditions that may prevail from time to time, which factors are out of the Fund's control. A return on investment for a purchaser of Trust Units depends upon the net revenues received by a Car Wash LP from its investment in Car Washes or other industrial or commercial properties (and the businesses conducted on those properties). As a result, there is no guarantee that the Fund and, correspondingly, the Trust Unitholders will earn a return on their investment.

The return on an investment in the Trust Units is not comparable to the return on an investment in fixed-income securities.

Cash distributions to Trust Unitholders are not guaranteed and are not fixed obligations of the Fund; any receipt of cash distributions by a Trust Unitholder is at any time subject to the terms of the Declaration of Trust. Any anticipated return on investment is based upon many performance assumptions. Although the Fund intends to distribute its available cash to Trust Unitholders, cash distributions may be reduced or suspended at any time and from time to time. The ability of the Fund to make cash distributions and the actual amount distributed depends on the operations of the Car Washes or other industrial or commercial businesses (and the properties conducted on those properties) acquired by the Car Wash LPs, and will be subject to various factors including those referenced in **Item 8 – Risk Factors**. The value of the Trust Units may decline if the Fund is unable to meet its cash distribution targets, if any, in the future and that decline may be significant.

Once the Fund distributions are paid in a given distribution period, the Trustees may, in their discretion, make other distributions on the Trust Units. However, the Trustees are under no obligation to make any such other distributions. Once the Fund distributions have been fully satisfied in a given distribution period, the Trust Unitholders have no entitlement to other distributions.

The Fund and its affiliates may agree, in connection with the acquisition of or investment in any Car Wash or other industrial/commercial property (and the business conducted on such property), to material restrictions regarding their use of Available Funds and funds that would otherwise be available for distribution or Working Capital, regardless of the source, for any purpose other than the redemption of Bridge Financing LP Units that may be created and issued in connection with the acquisition/investment, so long as any of the Bridge Financing LP Units remains outstanding. Among other things, such restrictions on the use of Available Funds and funds that would otherwise be available for distribution or Working Capital, regardless of the source, might be imposed on Clear Sky LP XIV through the provisions of the Bridge Financing LP Units. These restrictions may materially restrict the distribution of funds from the Fund's subsidiaries to the Fund set out in **Item 5.2.2 – Flow of Funds from the Car Washes**. In such a case, the Fund may not be in a position to pay cash distributions to Trust Unitholders so long as any Bridge Financing LP Units have not been redeemed. Similarly, neither the applicable Car Wash LP nor the US Limited Partnership may be in a position to pay cash distributions to its partners except in connection with the redemption of outstanding Bridge Financing LP Units. These restrictions may materially adversely affect the Fund's ability to pay, in whole or in part, expenses and other obligations of the Fund, cash redemptions or repurchases of Trust Units, any tax liability, or fund any reserves established by the Trustees, in their sole discretion, so long as any Bridge Financing LP Units have not been redeemed. These restrictions may adversely affect the ability of the Fund, Clear Sky LP XIV and the US Limited Partnership or the applicable Car Wash LP to pay, in whole or in part, expenses in connection with the Offering, start-up and operational costs, costs associated with acquiring (or investing in) and operating the Car Washes (including the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash, Bell Road Car Wash and the proposed acquisitions of the 67th Avenue Car Wash and 51st Avenue Car Wash), and the general and administrative, marketing and operating expenses of the Fund and its affiliates including, costs associated with establishing and organizing the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs and their general partners and their respective affiliates, legal, consulting, accounting and audit costs, advertising and marketing costs, fees and costs associated with offices and sites for the Fund and its affiliates, Renovation Costs, costs (including wages and benefits) associated with personnel of the Fund and its affiliates, Location Management Fees, fees and costs associated with banking and borrowing of the Fund and its affiliates, debt payments and accrued interest, investor reporting costs, printing and mailing costs, costs in connection with governmental and regulatory requirements, Performance Fees, Asset Management Fees, and taxes.

Trust Units held in an Exempt Plan may not realize returns comparable to Trust Units held outside Exempt Plans

Distributions equivalent to a 12% Investor ROI are to be paid annually (but not compounded), if at all, to Participating Trust Unitholders and US Investors in priority to Interested Stakeholders for each year following the first Car Wash acquisition until all of the Investor's capital is returned to the Investor. It is anticipated that capital will be returned to Investors periodically upon the sale, dissolution and liquidation, or refinancing of Car Washes unless such capital is reinvested in other Car Washes or assets. For Participating Trust Unitholders, US Limited Partnership distributions (if any) will be received after payment of applicable U.S. taxes by Clear Sky LP XIV on any amounts allocated to it by the US Limited Partnership, as a limited partner or an unsecured creditor. To the extent that Clear Sky LP XIV pays applicable U.S. taxes, Participating Trust Unitholders will be allocated their proportionate share of such taxes paid as a foreign tax credit. For taxable Trust Unitholders, whose Trust Units are held outside an RRSP or other Exempt Plan, part of their 12% Investor ROI would be in the form of foreign tax credits based on the U.S. tax paid by Clear Sky LP XIV; however, non-taxable Trust Unitholders, such as RRSPs and other Exempt Plans, will not benefit from any allocation of foreign tax credits.

After a 12% Investor ROI has been achieved for a particular year (following the first Car Wash acquisition), further Car Wash LP distributions (if at all) that are received by the US Limited Partnership during that year will be distributed or otherwise paid as to the US General Partners (subject to reduction based on an economic interest(s) in the Car Wash LP held by any Bridge Equity Investor(s)), Pinnacle Wealth Brokers Inc., Participating Trust Unitholders (through Clear Sky LP XIV and the Fund) and US Investors, collectively, for the year *pro rata* based on their Ownership Percentages. There can be no assurance that Investors whose Trust Units are held in RRSPs or other Exempt Plans will receive US Limited Partnership distributions (if any) that are equivalent to a 12% Investor ROI before other partners in the US Limited Partnership (*i.e.*, the US General Partners and Pinnacle Wealth Brokers Inc.) begin to participate in further distributions and the US Investors' and Participating Trust Unitholders' participation in such further distributions reverts to their Ownership Percentages, collectively, because any foreign tax credits that are allocated to such Exempt Plan holders will be of no benefit to them.

Trust Units are Not Liquid

There is currently no market through which the Trust Units may be sold and it is very unlikely that one will develop. The Fund intends to restrict the transfer of Trust Units to prevent the development of a market for the Trust Units. In addition, the Fund is not required to redeem all Trust Units in all circumstances. None of the Trust Units will be listed or posted for trading on a recognized stock exchange or other trading or quotation system. The Fund has not prepared, filed or delivered to potential Trust Unitholders a prospectus. The Trust Units are subject to a number of restrictions respecting transferability and resale, including a restriction on

trading imposed by applicable securities laws. Until the restriction on trading expires, you will not be able to trade the Trust Units unless you comply with an exemption from the prospectus and registration requirements under securities legislation.

Unless permitted under securities legislation, no Trust Unitholder can trade Trust Units before the date that is four months and a day after the date the Fund becomes a reporting issuer in any province or territory of Canada. The Fund is not, and currently has no intention of becoming, a reporting issuer in any province or territory of Canada, and therefore the Trust Units will be subject to an indefinite hold period. The Trust Units may only be transferred under limited exemptions under applicable securities laws. Consequently, Trust Unitholders may not be able to sell the Trust Units readily or at all, and they may not be accepted as collateral for a loan. Trust Unitholders should be prepared to hold the Trust Units indefinitely and cannot expect to be able to liquidate their investment even in the case of an emergency. Accordingly, an investment in Trust Units is suitable solely for persons able to make and bear the economic risk of a long-term investment.

As stated above, none of the Trust Units may be sold, assigned or transferred by a Trust Unitholder, in whole or in part, (i) without prior written consent of the Trustees, (ii) except to a person who is an affiliate of the Trust Unitholder; or (iii) as otherwise expressly provided in the Declaration of Trust, subject to compliance with applicable law (including applicable securities laws and regulatory policy) and the transfer requirements in the Declaration of Trust.

Redemption Right

Redemption rights under the Declaration of Trust are restricted and provide limited opportunity for Investors to liquidate their investment in Trust Units. Investors should carefully review **Item 2.7.1 – Declaration of Trust – Redemption of Trust Units**.

Upon a Trust Unitholder's redemption of Trust Units or termination of the Fund, the Trustees may in certain circumstances distribute Redemption Notes directly to the Trust Unitholder (subject to obtaining any required regulatory approvals). Redemption Notes so distributed will not be qualified investments for Exempt Plans which could give rise to adverse consequences to an Exempt Plan or the annuitant under an Exempt Plan, including the redeeming Trust Unitholder becoming subject to a penalty tax or having its tax exempt status revoked depending on the circumstances. See **Item 6.1.1 – Eligibility for Investment**.

The Redemption Price at which Trust Units are to be redeemed upon a Trust Unitholder's redemption of Trust Units is to be determined from time to time in accordance with the Declaration of Trust, based on a percentage of the subscription price (or other acquisition price approved by the Trustees at the time of transfer of such Trust Unit) per Trust Unit for which the Trust Unitholder acquired such Trust Unit, which value may be higher or lower than the net asset value (or other measure of fair value) per Trust Unit at the time of such redemption. There is no assurance that Investors will be paid the whole amount of their investment through any exercise of redemption rights or through the Fund's retraction of Trust Units.

The Fund may at any time, upon giving a notice as described in the Declaration of Trust, redeem one or more of the then outstanding Trust Units in accordance with the provisions of the Declaration of Trust as if such Trust Units were tendered by the applicable Trust Unitholders for redemption as at the date of the retraction notice. The provisions of the Declaration of Trust apply mutatis mutandis with respect to such deemed redemption, provided that the redemption price to be paid by the Fund is to equal the subscription price (or other acquisition price approved by the Trustees at the time of transfer of such Trust Unit) per Trust Unit for which the Trust Unitholder acquired such Trust Unit, which value may be higher or lower than the net asset value (or other measure of fair value) per Trust Unit at the time of such redemption and the Fund may pay the redemption price by a distribution in specie of any Fund assets.

See **Item 4.1 – Equity Capital** for a description of any Trust Unit redemptions or retractions as of the date of this offering memorandum.

The Fund and its affiliates may agree, in connection with the acquisition of or investment in any Car Wash or other industrial/commercial property (and the business conducted on such property), to material restrictions regarding their use of Available Funds and funds that would otherwise be available for distribution or Working Capital, regardless of the source, for any purpose other than the redemption of Bridge Financing LP Units that may be created and issued in connection with the acquisition/investment, so long as any of the Bridge Financing LP Units remains outstanding. Among other things, such restrictions on the use of Available Funds and funds that would otherwise be available for distribution or Working Capital, regardless of the source, might be imposed on Clear Sky LP XIV through the provisions of the Bridge Financing LP Units. These restrictions may materially restrict the distribution of funds from the Fund's subsidiaries to the Fund set out in **Item 5.2.2 – Flow of Funds from the Car Washes**. In such a case, the Fund may not be in a position to pay cash distributions to Trust Unitholders so long as any Bridge Financing LP Units have not been redeemed. Similarly, neither the applicable Car Wash LP nor the US Limited Partnership may be in a position to pay cash distributions to its partners except in connection with the redemption of outstanding Bridge Financing LP Units. These restrictions may materially adversely affect the Fund's ability to pay, in whole or in part, expenses and other obligations of the Fund, cash redemptions or repurchases of Trust Units, any tax liability, or fund any reserves established by the Trustees, in their sole discretion,

so long as any Bridge Financing LP Units have not been redeemed. These restrictions may adversely affect the ability of the Fund, Clear Sky LP XIV and the US Limited Partnership or the applicable Car Wash LP to pay, in whole or in part, expenses in connection with the Offering, start-up and operational costs, costs associated with acquiring (or investing in) and operating the Car Washes (including the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash, Bell Road Car Wash and the proposed acquisitions of the 67th Avenue Car Wash and 51st Avenue Car Wash), and the general and administrative, marketing and operating expenses of the Fund and its affiliates including, costs associated with establishing and organizing the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs and their general partners and their respective affiliates, legal, consulting, accounting and audit costs, advertising and marketing costs, fees and costs associated with offices and sites for the Fund and its affiliates, Renovation Costs, costs (including wages and benefits) associated with personnel of the Fund and its affiliates, Location Management Fees, fees and costs associated with banking and borrowing of the Fund and its affiliates, debt payments and accrued interest, investor reporting costs, printing and mailing costs, costs in connection with governmental and regulatory requirements, Performance Fees, Asset Management Fees, and taxes.

Less than Full Offering

As of the date of this offering memorandum, the Fund has only one Trust Unitholder, holding a total of one Trust Unit, and has not established a minimum level of investment by Investors for the Offering. There can be no assurance that any level of subscription by Investors, or any level of Offering Proceeds, under the Offering will be reached. The Fund may issue and sell Trust Units under the Offering from time until the Maximum Offering is reached or the Offering is otherwise terminated. However, there can be no assurance that the Maximum Offering will be reached or that the Offering will provide funding that is sufficient to permit the Fund to acquire (through its subsidiaries) any Car Wash, other than the Car Wash, or to otherwise advance the business or prospects of the Fund and its subsidiaries, in whole or in part. See **Item 2.3.1 – Investment in Car Washes** and **Item 2.5 – Short-term Objectives**. If less than all of the \$30,000,000 of Trust Units is sold pursuant to the Maximum Offering, then less than the maximum proceeds will be available to the Fund and its subsidiaries. Consequently, the Fund's business development plans and prospects could be adversely affected, since fewer Car Washes will be purchased, owned and leased and resold by the Car Wash LPs.

Upon completing your subscription for Trust Units under the Offering, you might be one of only a few Trust Unitholders. The Fund has completed the Eligibility Distribution prior to March 31, 2015 and, as of the date of this offering memorandum, has 521 Trust Unitholders, holding a total of 1,301,296 Trust Units. The Fund intends to elect under subsection 132(6.1) of the Tax Act to be deemed to be a mutual fund trust from inception, and hence be a qualified investment for Exempt Plans. See also **Item 6.1.1 – Eligibility for Investment**.

Cash Distributions

There is no assurance that there will be adequate cash flow of the Fund to meet the anticipated obligations and economic objectives described in this offering memorandum. The Fund's sources of capital are primarily subscriptions for Trust Units and distributions and loan payments from Clear Sky LP XIV. The Fund may not have any available funds to distribute cash or pay expenses, even where it has established and funded a working capital reserve for such purposes. The Fund will rely on the cash flow of the Fund to fund, in the Trustees' discretion, distributions (if any) of distributable cash (if any).

Cash distributions of the Fund will substantially depend upon the success of the investment in the Car Washes or other industrial or commercial properties (and the businesses conducted thereon). There can be no assurance that the Fund's income from the distributions and loan payments from Clear Sky LP XIV will sufficiently fund distributions (if any) to Trust Unitholders, including the Fund's payment of cash distributions during each distribution period.

If, for any reason, the Fund is unable to distribute net available cash (if any), the Fund will need to find other sources of financing to pay for its ongoing costs and expenses or to fund distributions (if any), which other sources of financing may not be available or may not be available under terms that are acceptable to the Fund. There is no assurance regarding the actual levels of distributable cash by the Fund. In addition, the composition of distributable cash for tax purposes may change over time and may affect after-tax return for Trust Unitholders.

The return on an investment in the Trust Units is not comparable to the return on an investment in fixed-income securities. Cash distributions to Trust Unitholders are not guaranteed and are not fixed obligations of the Fund; any receipt of cash distributions by a Trust Unitholder is at any time subject to the terms of the Declaration of Trust. Any anticipated return on investment is based upon many performance assumptions. Although the Fund intends to distribute its available cash to Trust Unitholders, cash distributions may be reduced or suspended at any time and from time to time. The ability of the Fund to make cash distributions and the actual amount distributed depends on the operations of the Car Washes or other industrial or commercial properties (and the businesses conducted on such properties) acquired by the Car Wash LPs, and will be subject to various factors including the other factors

referenced in **Item 8 – Risk Factors**. The value of the Trust Units may decline if the Fund is unable to meet its cash distribution targets in the future and that decline may be significant.

The Fund and its affiliates may agree, in connection with the acquisition of or investment in any Car Wash or other industrial/commercial property (and the business conducted on such property), to material restrictions regarding their use of Available Funds and funds that would otherwise be available for distribution or Working Capital, regardless of the source, for any purpose other than the redemption of Bridge Financing LP Units that may be created and issued in connection with the acquisition/investment, so long as any of the Bridge Financing LP Units remains outstanding. Among other things, such restrictions on the use of Available Funds and funds that would otherwise be available for distribution or Working Capital, regardless of the source, might be imposed on Clear Sky LP XIV through the provisions of the Bridge Financing LP Units. These restrictions may materially restrict the distribution of funds from the Fund's subsidiaries to the Fund set out in **Item 5.2.2 – Flow of Funds from the Car Washes**. In such a case, the Fund may not be in a position to pay cash distributions to Trust Unitholders so long as any Bridge Financing LP Units have not been redeemed. Similarly, neither the applicable Car Wash LP nor the US Limited Partnership may be in a position to pay cash distributions to its partners except in connection with the redemption of outstanding Bridge Financing LP Units.

The Fund has Limited Assets and Working Capital

The Fund has no assets, and will undertake no activities, other than as described in this offering memorandum (being the Fund's investment in Clear Sky LP XIV through capital contributions as a limited partner and loans). The Car Washes or other industrial or commercial properties (and the business conducted thereon), if any, will represent the primary assets of the Fund's subsidiaries (through the Car Wash LPs).

The Fund will not carry on an active business and will have limited sources of Working Capital. There is no assurance that the Fund will have adequate Working Capital to meet the anticipated requirements. In addition, there is no assurance that the Fund will have access to additional debt or equity financing when needed or at all, or on acceptable terms. It is unlikely that the Fund and its subsidiaries will have sufficient assets to satisfy any claim that a Trust Unitholder may have against such entities.

The Fund and its affiliates may agree, in connection with the acquisition of or investment in any Car Wash or other industrial/commercial property (and the business conducted on such property), to material restrictions regarding their use of Available Funds and funds that would otherwise be available for distribution or Working Capital, regardless of the source, for any purpose other than the redemption of Bridge Financing LP Units that may be created and issued in connection with the acquisition/investment, so long as any of the Bridge Financing LP Units remains outstanding. Among other things, such restrictions on the use of Available Funds and funds that would otherwise be available for distribution or Working Capital, regardless of the source, might be imposed on Clear Sky LP XIV through the provisions of the Bridge Financing LP Units. These restrictions may materially restrict the distribution of funds from the Fund's subsidiaries to the Fund set out in **Item 5.2.2 – Flow of Funds from the Car Washes**. In such a case, these restrictions may materially adversely affect the Fund's ability to pay, in whole or in part, expenses and other obligations of the Fund, cash redemptions or repurchases of Trust Units, any tax liability, or fund any reserves established by the Trustees, in their sole discretion, so long as any Bridge Financing LP Units have not been redeemed. These restrictions may adversely affect the ability of the Fund, Clear Sky LP XIV and the US Limited Partnership or the applicable Car Wash LP to pay, in whole or in part, expenses in connection with the Offering, start-up and operational costs, costs associated with acquiring (or investing in) and operating the Car Washes (including the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash, Bell Road Car Wash and the proposed acquisitions of the 67th Avenue Car Wash and 51st Avenue Car Wash), and the general and administrative, marketing and operating expenses of the Fund and its affiliates including, costs associated with establishing and organizing the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs and their general partners and their respective affiliates, legal, consulting, accounting and audit costs, advertising and marketing costs, fees and costs associated with offices and sites for the Fund and its affiliates, Renovation Costs, costs (including wages and benefits) associated with personnel of the Fund and its affiliates, Location Management Fees, fees and costs associated with banking and borrowing of the Fund and its affiliates, debt payments and accrued interest, investor reporting costs, printing and mailing costs, costs in connection with governmental and regulatory requirements, Performance Fees, Asset Management Fees, and taxes.

Reliance upon Clear Sky LP XIV, the US Limited Partnership and the Car Wash LPs

The Fund is an open-ended limited purpose investment trust that will entirely depend upon Clear Sky LP XIV, the US Limited Partnership and the Car Wash LPs since the Fund's primary asset is its interest in Clear Sky LP XIV, as a limited partner, and any loans made to Clear Sky LP XIV. Distributions, if any, to Trust Unitholders will depend upon numerous factors, including profitability, fluctuations in working capital, the sustainability of margins and capital expenditures of Clear Sky LP XIV, the US Limited Partnership and the Car Wash LPs.

The industrial/commercial property portfolio (focused on Car Washes) of Clear Sky LP XIV, held through the Car Wash LPs, will represent the primary asset of Clear Sky LP XIV. The Fund's financial performance is directly tied to the performance of Clear Sky LP XIV and, consequently, directly tied to the performance of the Car Wash LPs' holdings. Neither Clear Sky LP XIV nor the Fund has any other investments of significance; therefore, the Fund's success depends solely on the success of Clear Sky LP XIV and the Car Wash LPs.

Financing

The proceeds raised by the issuance of Trust Units may not be sufficient to accomplish all of the objectives of the Fund and its affiliates or meet all the obligations of the Fund and its affiliates and there is no assurance that alternative financing to pay for such objectives will be available, including that there can be no assurance that the Fund will realize net Offering Proceeds sufficient to complete the acquisition of any Car Wash, other than the Car Wash, or to fund the redemption, purchase or other acquisition of the Bridge Financing LP Units, in whole or in part. See **Item 2.3.1 – Investment in Car Washes** and **Item 2.5 – Short-term Objectives**. The Fund will depend upon future financing to fund its business objectives. The Fund or its subsidiaries may, to the extent available on acceptable terms, obtain institutional financing or other arm's length, third party financing to fund, in part, its objectives. No alternate financing has been arranged for the Fund or its affiliates. There is no assurance that alternative financing will be available on acceptable terms or at all. There is no assurance that the Fund will have adequate working capital to meet the anticipated requirements described in this offering memorandum.

Reliance on Assumptions

The Fund's investment objectives and strategy have been formulated based on Clear Sky LP XIV's and the US Limited Partnership's analysis and expectations regarding recent economic developments in the U.S., the future recovery of U.S. real estate markets generally, and the U.S. to Canadian dollar exchange rate. Such analysis may be incorrect and such expectations may not be realized, in which event the Fund, through its subsidiary entities, may not generate sufficient funds to pay the expected distributions.

Management's experience is not indicative of the future results of an investment in Trust Units

Certain multi-family residential real estate projects managed by Marcus Kurschat in Edmonton, Alberta, Nanaimo, British Columbia and Arizona for periods between May 1997 and July 2014 are set out in **Item 3.2 – Management's Experience**. Mr. Kurschat's experience with multi-family residential projects illustrates how those projects were able to generate returns for investors in real estate markets with depressed housing prices and high vacancy rates, which market conditions the Fund seeks to identify. Investors are cautioned that the past performance of some of the projects described in **Item 3.2 – Management's Experience** is not indicative of the future results of an investment in Trust Units. Further, the broader economic conditions in the United States, today, including the Sunbelt States, may not be the same as those in Edmonton, Alberta during 1996-1998, Nanaimo, British Columbia during 2000-2003 or Arizona during 2009-2015. In particular, the recessions in Edmonton and Nanaimo were not a result of a global recession but rather due to conditions specific to those markets. In addition, some of Mr. Kurschat's past projects did not invest in United States real estate, in all cases, and had different underlying structures. The Fund's performance will be affected by the supply and demand for Car Washes or other industrial or commercial properties (and the businesses conducted on those properties) located in the United States or Canada, which differ from multi-family residential properties. Key drivers of demand for real estate include employment levels, population growth, demographic rents and consumer confidence, which will not be the same as those in Edmonton, Nanaimo and Arizona for the periods set out in **Item 3.2 – Management's Experience**. There is no assurance that the real estate market or general economy in any of the Sunbelt States, including Arizona, Florida, Texas and California, will recover in a similar timeframe to that of the Edmonton and Nanaimo markets or at all. There is no assurance that an investment in Trust Units will have a similar return on investment as any of the projects in **Item 3.2 – Management's Experience**. There is no assurance that an investment in Trust Units will generate any returns for Investors.

Risks of Commercial Property Ownership

Real estate developments, speculation and investments are, generally, subject to numerous risks depending on the nature and location of the property that can affect attractiveness and saleability of industrial or commercial real estate assets, including Car Washes, to potential purchasers or other investors, or the owner's use of such real estate assets, all of which are beyond the control of the Fund, Clear Sky LP, the US Limited Partnership and Car Wash LPs. Such risks include:

- the highly competitive nature of the real estate industry;
- changes in general economic conditions (such as the availability and cost to the Car Wash LPs or widespread fluctuations in adjacent property values);

- changes in general or local conditions (such as the supply of competing real estate assets or the possibility of competitive overbuilding or the inability to obtain full occupancy or other usage of any real estate assets);
- governmental regulation, rules or policies (such as increased taxation on the sale of or profits from real property, environmental legislation or municipal approvals for usage, development or subdivision); and
- changes in costs or operating expenses anticipated for real estate assets.

Each segment in the real estate development industry is capital intensive and is typically sensitive to interest rates. Any proceeds generated by the sale of real estate assets depend upon general economic conditions and, accordingly, the ability of a Car Wash LP to repay its financing may be affected by changes in those conditions. Car Wash LPs will be required to make certain significant expenditures in respect of their business including, but not limited to, the payment of property taxes, maintenance costs, commercial real estate term loan payments, insurance costs and related charges which must be made regardless of whether or not real estate assets are producing sufficient income to service such expenses. If Car Wash GP I, or other general partner of a Car Wash, is unable or unwilling to meet the payment obligations on such loans, losses could be sustained as a result of the exercise by the lenders of their rights of foreclosure or sale. As a result, the Car Wash LPs' ability to make interest payments or distributions of cash to Clear Sky LP XIV, through the US Limited Partnership, could be adversely affected. In such case, the Fund's ability to make cash distributions to its Trust Unitholders would be adversely affected.

Market Risks

The economic performance and value of a Car Wash LP's investment in Car Washes or other industrial or commercial properties (and the businesses conducted on those properties) will be subject to all of the risks associated with investing in real estate, including, but not limited to:

- changes in the national, regional and local economic climate;
- local conditions, including an oversupply of properties like Car Washes or other industrial or commercial properties (and the businesses conducted on those properties), a reduction in demand for properties like real estate assets, or a reduction in demand for leased premises;
- the attractiveness of all or parts of the industrial or commercial real estate assets and the businesses carried on using such real property to customers and purchasers;
- competition from other available real estate assets; and
- changes in laws and governmental regulations, including those governing usage, zoning, the environment and taxes.

A Car Wash LP's performance will be affected by the supply and demand for property in its geographic area(s) of ownership. Key drivers of demand include employment levels, population growth, demographic rents and consumer confidence. The potential for reduced sales revenue exists in the event that demand diminishes or supply becomes overabundant thereby driving down prices for real estate assets.

Global financial and real estate markets have recently experienced dramatic change, which is often referred to as the global credit crisis or "subprime crisis". Real estate markets have recently experienced a weakened demand for real estate that has caused prices to fall dramatically. That weakened demand has been coupled with the expansion of the global credit crisis, which has had profound impact on the economies of many nations. The changes to the financial and real estate markets have been dramatic and significant in the short-term. Real estate markets may experience further dramatic changes, which may occur abruptly and unexpectedly. Economic circumstances in real estate markets may cause a Car Wash LP to hold real estate assets for a longer-than-anticipated period of time in order to realize profits from the sale thereof. There can be no guarantee that any Car Wash LP will realize a profit from real estate assets and there is no guarantee that the Fund will attain its intended results.

Real Estate Investments are Relatively Illiquid

Real property investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for, and for the perceived desirability of, the investment. Such illiquidity may tend to limit the US Limited Partnership's ability, through the Car Wash LPs, to vary its asset base promptly in response to changing economic or investment conditions. If the proceeds to a Car

Wash LP from the operation, refinancing or sale of real estate assets are significantly less than the total cost of its investment, in whole or in part, on a timely basis, the Fund's ability to pay distributions to Trust Unitholders could be adversely affected.

Fluctuations in CAP Rates

As interest rates fluctuate in the lending market, generally so too do CAP Rates which affect the underlying value of real estate. As such, when interest rates rise, generally CAP Rates should be expected to rise. Over the period of investment, capital gains and losses at the time of disposition can occur due to the increase or decrease of the CAP Rates.

Joint Ventures

The Fund will generally not participate in a joint venture unless the acquisition cost of a Car Wash or other industrial or commercial property (and the business conducted on such property), otherwise identified by Clear Sky LP XIV as a suitable investment, would prohibit the Fund from making such an investment on its own. A joint venture or partnership involves certain additional risks which could result in additional financial demands, increased liability and a reduction in a Car Wash LPs control over the Car Washes and its ability to sell its interest in a Car Wash or other industrial/commercial property (and the business conducted on such property) within a reasonable time frame, including the risk that such co-venturers/partners could experience financial difficulties or seek the protection of bankruptcy, insolvency or other laws, which could result in additional financial demands to maintain and operate such Car Washes or other industrial/commercial properties (and the businesses conducted on such properties) or repay the co-venturers'/partners' share of property debt.

U.S. Market Factors

The Car Washes or other industrial or commercial properties (and the businesses conducted thereon) will be located in the U.S. and economic conditions since the beginning of 2008 have been challenging in the North American economy. U.S. markets are currently experiencing increased levels of volatility due to a combination of many factors, including high unemployment, decreasing home prices, high levels of home foreclosures, limited access to credit markets, high fuel prices, less consumer spending, fears of a "double-dip" recession, and the slow rate of economic recovery. According to the U.S. Federal Reserve, the recession technically ended in July 2009, but the U.S. economy has not returned to operating at normal capacity and the effects of the current market dislocation may persist as governments wind down fiscal stimulus programs. Although a recovery in the real estate market is in its early stages, the Fund cannot predict when or if the real estate markets will return to their pre-downturn levels. The value of Car Washes or other industrial or commercial properties (and the businesses conducted thereon) acquired may decline if current market conditions persist or worsen.

Acquisitions and Investments

Clear Sky LP XIV's growth of Fund investment capital, through the Car Wash LPs, depends in large part on identifying suitable acquisition or investment opportunities, pursuing such opportunities and consummating acquisitions and investments. The acquisition of Car Washes or other industrial or commercial properties (and the businesses conducted thereon) entails risks that investments will fail to perform in accordance with expectations. It is not possible to manage all risks associated with such acquisitions in the terms and conditions contained in commercial agreements pertaining to such acquisitions or investments. The real estate assets may be subject to unknown, unexpected or undisclosed liabilities that may materially and adversely affect Car Wash LPs' operations and financial condition and results. The representations and warranties, if any, given by arm's length sellers to Car Wash LPs, including representations and warranties in the acquisition agreements for each of the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash and Bell Road Car Wash, the 67th Avenue Car Wash Acquisition Agreement and the 51st Avenue Car Wash Acquisition Agreement, may not adequately protect against these liabilities and any recourse against third parties may be limited by the financial capacity of such third parties. Car Washes may not achieve anticipated occupancy levels and the estimates of costs and benefits of renovations for a particular Car Wash may prove inaccurate or may not have the intended results. Moreover, real estate assets acquired or invested in by Car Wash LPs may not meet expectations of operational or financial performance due to unexpected costs associated with repositioning such Car Wash, as well as the general investment risks inherent in any real estate investment.

Reliance on Car Wash Management

The Fund will rely on various entities to perform certain property management functions in respect of each of the Car Washes or other industrial or commercial properties (and the businesses conducted thereon). It is expected that the respective property manager(s) will devote as much of their time to the management of the Car Washes as in their judgement is reasonably required, but conflicts of interest may arise in allocating management time, services and functions among the Car Washes and their other development, investment and/or management activities not related to the Car Washes.

Timing for Investment of Net Offering Proceeds

The time period for the full investment of net proceeds of the Offering is not certain. The timing of such investment will depend, among other things, upon the identification of suitable Car Washes or other industrial or commercial properties (and the businesses conducted thereon). There is a risk that the Fund, through its subsidiaries, may not invest all net proceeds of the Offering in Car Washes or other industrial or commercial properties (and the businesses conducted thereon) in a timely manner and may not be able to generate sufficient funds to pay cash distributions.

Funds from the Offering used towards the purchase price of one or more Car Washes may be made without security

Available Funds from the Offering may be used (through the Car Wash LPs) as deposits, extension fees or other pre-closing payments toward the purchase price of one or more Car Washes or other industrial or commercial properties (and the businesses conducted thereon). If a Car Wash LP uses Available Funds as a deposit, extension fees or other pre-closing payments toward the purchase price of a Car Wash or other industrial/commercial property (and the business conducted on such property), such funds will be at risk, whether such deposit is refundable or non-refundable as those deposit funds will be held by a third party who, generally, will not have granted any security interest or charge over any collateral in favour of the Fund or the Car Wash LP.

See **Item 2.3.1 – Investment in Car Washes**, **Item 2.7.8 – 67th Avenue Car Wash Acquisition Agreement**, **Item 2.7.9 – 51st Avenue Car Wash Acquisition Agreement** and **Item 2.7.10 – Acquired Car Wash Acquisition Agreements** for a description of the purchase prices and any deposits, extension fees or other pre-closing payments paid toward the purchase prices of the Car Washes contemplated as of the date of this offering memorandum.

Nature of the Trust Units

The Trust Units do not represent a direct investment in Car Washes or other industrial or commercial properties (and the businesses conducted thereon) or any Car Wash LP and should not be viewed by Trust Unitholders as a direct interest in Car Washes or other industrial or commercial properties (and the businesses conducted thereon) or any Car Wash LP. As holders of Trust Units, Trust Unitholders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative" actions. See also **Item 5.1.5 – Rights of Trust Unitholders**.

Trust Units are Not Direct Investments in Real Estate

The Trust Units are not an investment in the Car Washes or other industrial or commercial properties (and the businesses conducted thereon) or other real estate, and do not represent undivided interests in land, but an investment in equity securities, namely the Trust Units. The Fund will not be investing in Car Washes or other industrial or commercial properties (and the businesses conducted thereon) or other real estate but will be subscribing for Clear Sky LP XIV limited partnership units and loaning funds to Clear Sky LP XIV.

Trust Units are Not Insured

The Trust Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under the provisions of that act or any other legislation or any other insurance company or program.

SIFT Legislation

It is intended that the Fund not become a SIFT Trust for the purposes of the SIFT Rules. If at any time the Trust Units become listed or traded on any stock exchange or other public market, within the meaning of the SIFT Rules, the Trustees will use their reasonable commercial efforts to operate the Fund to ensure that the Fund qualifies as a "real estate investment trust" or not be characterized as a SIFT Trust for purposes of the Tax Act, including by restricting the Fund from making investments or undertaking activities prohibited by the SIFT Rules and that would cause the Fund not to meet those revenue and asset conditions set out in the SIFT Rules that exempt a "real estate investment trust" from "specified investment flow-through trust" treatment. In the event that the Fund is characterized as a SIFT Trust, the income tax considerations described in this offering memorandum would be materially and adversely different in certain respects. To mitigate this risk the Fund intends to restrict the transfer of Trust Units. There is no assurance that the Fund will not otherwise become a SIFT Trust.

Income Tax Risks

Canadian federal and provincial tax aspects and local tax aspects should be considered prior to purchasing Trust Units under the Offering. Trust Unitholders are urged to consult their own tax advisors, prior to purchasing Trust Units, with respect to the specific

tax consequences to them. No advance income tax ruling has been applied for or received with respect to the income tax consequences described in this offering memorandum.

There can be no assurance that Canadian federal income tax laws or the United States federal income tax laws or the judicial interpretation thereof or the administrative or assessing practices of the CRA or the Internal Revenue Service respecting the treatment of trusts, limited partnerships or limited partnerships electing to be classified as corporations for US federal income tax purposes will not be changed in a manner that adversely affects Trust Unitholders or fundamentally alters the income tax consequences of investing in, holding or disposing of the Trust Units. There is also a risk that CRA may reassess the returns of Trust Unitholders relating to their investments in the Trust Units.

The taxation of corporations, trusts and limited partnerships is complex. In the ordinary course of business, the Fund may be subject to ongoing audits by tax authorities. In addition, tax legislation changes periodically.

While the Fund believes that its tax filing position is appropriate and supportable, and that the Fund is not subject to the SIFT Rules, it is possible that tax matters, including the calculation and determination of revenue, expenditures, deductions, credits and other tax attributes, taxable income and taxes payable, may be reviewed and challenged by the tax authorities. If such challenge were to succeed, it could have a material adverse effect on the Fund's tax position. Further, the interpretation of and changes in tax laws, whether by legislative or judicial action or decision, and the administrative policies and assessing practices of taxation authorities, could materially adversely affect the Fund's tax position. As a consequence, the Fund is unable to predict with certainty the effect of the foregoing on its effective tax rate and earnings. The Fund will review the adequacy of its tax provisions and believes that it has adequately provided for those matters. Should the ultimate outcomes differ materially from the provisions, the Fund's effective tax rate and earnings may be affected positively or negatively in the period in which the matters are resolved.

The rules in the Tax Act relating to qualified investments for Exempt Plans are complex subject to change and subject to interpretation. Should the Trust Units not be qualified investments, material adverse tax consequences would arise with respect to Trust Units held in Exempt Plans.

Trust Unitholders should consult their own professional advisors as to the tax consequences to them of making an investment in, and of holding, Trust Units.

Although the Fund is of the view that all expenses to be claimed by it in the determination of its income under the Tax Act will be reasonable and deductible in accordance with the applicable provisions of the Tax Act and that the allocations of income and losses to be made for purposes of the Tax Act will be reasonable, there can be no assurance that the Tax Act or the interpretation of the Tax Act will not change, or that the CRA will agree with the expenses claimed. If the CRA successfully challenges the deductibility of expenses or the allocation of income and losses, the Fund's allocation of taxable income to the Trust Unitholders may change.

The possibility exists that a Trust Unitholder will receive allocations of income without receiving cash distributions from the Fund in the year sufficient to satisfy the Trust Unitholder's tax liability for the year arising from its status as a Trust Unitholder.

Taxable Income

In general, a Trust Unitholder must include in computing the Trust Unitholder's income, gain, loss and deduction the Trust Unitholder's proportionate share of income of the Fund allocated to the Trust Unitholder pursuant to the Declaration of Trust for the fiscal period of the Fund ending on or within the Trust Unitholder's taxation year. However, the cash distributed to a Trust Unitholder may not be sufficient to pay the full amount of such Trust Unitholder's tax liability in respect of its investment in the Fund. In addition, no assurances can be given that the Fund will make the cash distributions intended. Even if the Fund is unable to distribute cash in amounts that are sufficient to fund the Trust Unitholders' tax liabilities, each of the Trust Unitholders will still be required to pay income taxes on its proportionate share of Fund's taxable income allocated to the Trust Unitholders.

Differences in Canadian and U.S. Tax Laws

The Fund and Clear Sky LP XIV are required to compute their income subject to the provisions of the Tax Act which may differ materially from the applicable provisions of the United States Internal Revenue Code. In addition, the effective tax rate under the Tax Act and the United States Internal Revenue Code may differ, in which case Trust Unitholders generally will be subject to the higher effective tax rate.

Foreign Currency

For purposes of the Tax Act, the Fund generally is required to compute its Canadian tax results using Canadian currency. Where an amount that is relevant in computing a taxpayer's Canadian tax results is expressed in a currency other than Canadian currency, such amount must be converted to Canadian currency using the rate of exchange quoted by the Bank of Canada at noon on the day such amount first arose, or using such other rate of exchange as is acceptable to the CRA. As a result, the Fund may realize gains and losses for tax purposes by virtue of the fluctuation of the value of foreign currencies relative to Canadian dollars.

The US Limited Partnership and the Car Wash LPs are subject to U.S. Federal Income Tax

The US Limited Partnership and the Car Wash LPs are subject to U.S. federal income tax as U.S. partnerships engaged in a U.S. trade or business, and will generate both ECI (and may have FDAP) which are U.S. source items subject to U.S. federal income tax law. If (i) the US Limited Partnership and the Car Wash LPs' deductions were limited, (ii) the IRS were to successfully challenge a U.S. tax position that the US Limited Partnership and the Car Wash LPs were to take, (iii) the Fund or Clear Sky LP XIV were to fail to qualify for benefits under the U.S.-Canada Tax Treaty, or other applicable law, or (iv) U.S. tax laws or the U.S.-Canada Tax Treaty were to change (perhaps retroactively), then tax and withholding costs could increase, thus decreasing cash available for distribution to the Trust Unitholders and possibly the value of the Trust Units.

Redemption Notes

The Redemption Notes which may be received as a result of a redemption of Trust Units will not be qualified investments for Exempt Plans, which could give rise to adverse consequences to an Exempt Plan or the annuitant under an Exempt Plan, including the redeeming Trust Unitholder becoming subject to a penalty tax or having its tax exempt status revoked depending on the circumstances. See **Item 6.1.1 – Eligibility for Investment**.

Conflicts of Interest

The Fund is subject to various conflicts of interest arising from its relationship with other businesses run by Marcus Kurschat, Gary Doran, Kevin Wheeler and Tim Barrett and the trustees, officers, directors and promoters of the Fund and its affiliates. In addition, there may be situations where the interests of the Fund or the Trustees conflict with the interests of the Fund's affiliates and/or the officers and directors of various other organizations or businesses managed by Marcus Kurschat, Gary Doran, Kevin Wheeler or Tim Barrett or with which any of them is involved.

Without limiting the generality of the foregoing, each of Marcus Kurschat, Gary Doran and Kevin Wheeler, Trustees of the Fund, and Tim Barrett has economic interests in or acts as senior management for other organizations, some of which are investing in real estate rental properties in Arizona and, accordingly, are in direct competition with the Fund for prospective properties to be purchased. In addition, any of Marcus Kurschat, Gary Doran, Kevin Wheeler or Tim Barrett may in the future be involved with other organizations or businesses that participate in a business that directly competes with that of the Fund and its subsidiaries.

Nevertheless, the Declaration of Trust includes a covenant of the Trustees to exercise their powers in good faith and in the best interests of the Fund and, in connection therewith, to exercise the care, diligence and skill of a reasonably prudent person. The Fund and Trustees (including Marcus Kurschat, Gary Doran and Kevin Wheeler) intend to consider a number of factors to determine whether the Fund (through Car Wash LPs) will indirectly acquire or invest in a suitable Car Wash or other industrial/commercial property (and the business conducted on such property) when identified or if such Car Wash or other industrial/commercial property (and the business conducted on such property) will be acquired by another business or organization managed by Marcus Kurschat, Gary Doran or Kevin Wheeler, or with which any of them is involved. These criteria include, but are not limited to, which business or organization has adequate funds at the appropriate point in time and how well a particular Car Wash or other industrial/commercial property (and the business conducted on such property) would complement such entities portfolio of businesses.

Transactions between the Fund and the Trustees and one or more of the affiliates or associates of the Trustees may be entered into without the benefit of arm's length bargaining. Therefore, situations may arise in which the Trustees may be making determinations which could benefit themselves, affiliates or their respective associates, officers or directors to the detriment of the Fund. Trust Unitholders must rely on the standard of care owed by the Trustees to all Trust Unitholders as set out in the Declaration of Trust to prevent overreaching by others in transactions with the Fund.

Other than the standard of care specified in the Declaration of Trust, the Trustees and their affiliates are not in any way limited or affected in their ability to carry on business ventures for their own account and for the account of others and may be engaged in the ownership, acquisition and operation of businesses, which compete with the Fund and its subsidiaries. There is no obligation for Marcus Kurschat, Gary Doran, Kevin Wheeler or Tim Barrett or their affiliates to present any particular property or other business

opportunity to the Fund or its affiliates and such persons may recommend to others such investment or business opportunity to the exclusion of the Fund and its subsidiaries. In addition, Marcus Kurschat, Gary Doran, Kevin Wheeler and Tim Barrett have established and may establish, in the future, other limited partnerships or other investment vehicles which have or may have investment objectives that are the same as or similar to those of the Fund and its subsidiaries. Any of those individuals may act as adviser, manager, trustee, director, officer and/or general partner to such organizations. Although none of the Trustees or officers of the Fund devotes his full time to the business and affairs of the Fund, and none of the directors, officers or employees of Clear Sky LP XIV or the US Limited Partnership devotes his full time to the business and affairs of those entities, they will devote as much time as is necessary for the management of the business and affairs of the Fund and its subsidiaries.

The Fund's decision to acquire or investment in a Car Wash or other industrial/commercial property (and the business conducted on such property) (through a Car Wash LP) will be made or ratified by the Trustees. Certain Trustees and directors, officers and employees of Clear Sky LP XIV, the US Limited Partnership and affiliates thereof have economic interests in the Fund (through the Car Wash LPs) completing such an acquisition or investment.

Upon any acquisition of or investment in a Car Wash or other industrial/commercial property (and the business conducted on such property), Clear Sky LP XIV, the US General Partners or the general partner(s) of the applicable Car Wash LP, or a combination thereof, will be obligated to pay an Acquisition Fees to, collectively, Marcus Kurschat (or an entity beneficially owned or controlled by him), Kevin Wheeler (or an entity beneficially owned or controlled by him) and Tim Barrett (or an entity beneficially owned or controlled by him). Offering Proceeds may be used to fund, in whole or in part, directly or indirectly, payment of Acquisition Fees to these persons, which proceeds will be realized from time to time by the issue and sale of additional Trust Units under the Offering. The Fund anticipates funding its Working Capital requirements, including payment of Acquisition Fee to, collectively, Mr. Kurschat, Mr. Wheeler and Mr. Barrett (or entities controlled by each of them) through a combination of Available Funds, revenues from Car Washes or other industrial/commercial properties (and the businesses conducted on such properties), if any, and future financing efforts of it and its affiliates. To the extent that any Acquisition Fee remains unpaid, such amount will be considered to be owed, collectively, to Mr. Kurschat, Mr. Wheeler and such other beneficial shareholder, director and officer of one of the US General Partners who provides General Manager services to one or more Car Washes (or entities controlled by each of them) on a non-interest bearing basis with no fixed payment terms, other than being payable on demand. See **Item 1.5.1 – Fees Payable on Acquisitions and Dispositions**. There is no assurance that any conflicts arising or resulting from such individuals' economic interests in the completion of a Car Wash acquisition or the acquisition of any other or other industrial/commercial property (and the business conducted on such property) will be resolved in the best interests of the Fund or the Trust Unitholders. As of the date of this offering memorandum, (1) as a result of the Scottsdale Road Car Wash acquisition having been completed, an Acquisition Fee of US\$66,500 was paid to Marcus Kurschat, a Trustee and President of the Fund, Kevin Wheeler, a Trustee and Vice President, Investor Relations of the Fund, and Tim Barrett, a beneficial shareholder, director and officer of CSCA who provides General Manager services for one or more Car Washes (or entities controlled by each of them); (2) as a result of the Encanto Road Car Wash acquisition having been completed, an Acquisition Fee of US\$56,000 was paid to Mr. Kurschat, Mr. Wheeler and Mr. Barrett (or entities beneficially owned or controlled by each of them); (3) as a result of the Power Road Car Wash acquisition having been completed, an Acquisition Fee of US\$52,500 was paid to Mr. Kurschat, Mr. Wheeler and Mr. Barrett (or entities controlled by each of them); (4) as a result of the Bell Road Car Wash acquisition having been completed, an Acquisition Fee of US\$64,750 is payable to Mr. Kurschat, Mr. Wheeler and Mr. Barrett (or entities controlled by each of them); (5) if the acquisition is completed under the 67th Avenue Car Wash Acquisition Agreement, an Acquisition Fee of at least US\$84,785 (subject to adjustment of the purchase price under the 67th Avenue Car Wash Acquisition Agreement) will be payable as to Mr. Kurschat, Mr. Wheeler and Mr. Barrett (or entities controlled by each of them); and (6) if the acquisition is completed under the 51st Avenue Car Wash Acquisition Agreement, an Acquisition Fee of at least US\$107,104 (subject to adjustment of the purchase price under the 51st Avenue Car Wash Acquisition Agreement) will be payable as to Mr. Kurschat, Mr. Wheeler and Mr. Barrett (or entities controlled by each of them).

Similarly, the decision to sell or otherwise dispose of a Car Wash or other industrial/commercial property (and the business conducted on such property) (through the applicable Car Wash LP) will be made or ratified by the Trustees. Certain Trustees and directors, officers and employees of Clear Sky LP XIV, the US Limited Partnership and affiliates thereof have an economic interest in the Fund completing such sale or disposition. Upon any disposition of a Car Wash or other industrial/commercial property (and the business conducted on such property), Clear Sky LP VI, the US General Partners or the general partner(s) of the applicable Car Wash LP, or a combination thereof, will be obligated to pay a Disposition Fee to, collectively, Marcus Kurschat (or an entity beneficially owned or controlled by him), Kevin Wheeler (or an entity beneficially owned or controlled by him) and Tim Barrett, a beneficial shareholder of one of the US General Partners who may also provide General Manager services for one or more Car Washes (or an entity beneficially owned or controlled by him). Offering Proceeds may be used to fund, in whole or in part, directly or indirectly, payment of Disposition Fees to those persons, which proceeds will be realized from time to time by the issue and sale of additional Trust Units under the Offering. The Fund anticipates funding its Working Capital requirements, including payment of Disposition Fees to, collectively, Mr. Kurschat, Mr. Wheeler and Mr. Barrett (or entities beneficially owned or controlled by each of them) through a combination of Available Funds, revenues from Car Washes or other industrial/commercial properties (and the businesses conducted on such properties) (if any), and future financing efforts of it and its affiliates. To the extent that any Disposition Fee remains unpaid,

such amount will be considered to be owed to, collectively, Mr. Kurschat, Mr. Wheeler and Mr. Barrett (or entities beneficially owned or controlled by each of them) on a non-interest bearing basis with no fixed payment terms, other than being payable on demand. See **Item 1.5.1 – Fees Payable on Acquisitions and Dispositions**. There is no assurance that any conflicts arising or resulting from such individual's economic interests in the completion of a Car Wash disposition or disposition of another industrial/commercial property (or business conducted thereon) will be resolved in the best interests of the Fund or the Trust Unitholders. As of the date of this offering memorandum, no amount of unpaid Disposition Fee is owed to Mr. Kurschat, Mr. Wheeler or Mr. Barrett (or entities beneficially owned or controlled by each of them).

Therefore, Mr. Kurschat may be personally subject to a number of conflicts of interest. There is no assurance that any conflict arising between Clear Sky LP XIV, the US Limited Partnership and the Fund or any of its other affiliates will be resolved in the best interests of the Fund or the Trust Unitholders.

Marcus Kurschat is a Trustee and the President of the Fund. Mr. Kurschat is also the President and a director of, and, beneficially owns or controls, indirectly, Clear Sky GP. Mr. Kurschat beneficially owns or controls, directly or indirectly, the majority of the securities of and is a director and officer of CSCA, one of the US General Partners. He beneficially owns or controls, directly or indirectly, and is a director and officer of Car Wash GP I, the general partner of Scottsdale Road Car Wash LP, Encanto Road Car Wash LP and Power Road Car Wash LP, and is expected to similarly own or control the general partner of each of any other Car Wash LPs. He is also be a limited partner in the US Limited Partnership as a US Investor. Consequently, Mr. Kurschat will share (indirectly) in distributions, if any, from each Car Wash LP and US Limited Partnership distributions to its partners. See **Item 1.5.2 – Compensation through ownership of general partners, Item 3 – Interests of Trustees, Management, Promoters and Principal Holders** and **Item 5.2.2 – Flow of Funds from the Car Washes**. Mr. Kurschat also controls, directly or indirectly, other entities that are acquiring real estate, including multi-family residential real estate projects in Arizona and elsewhere. Mr. Kurschat will also receive (directly or indirectly) the Asset Management Fees. Therefore, Mr. Kurschat may be subject to a number of conflicts of interest. There is no assurance that such conflicts were or will be resolved in the best interests of the Fund or the Trust Unitholders.

Kevin Wheeler is a Trustee and an officer of the Fund. Mr. Wheeler beneficially owns or controls, directly or indirectly, Wheelerco, one of the US General Partners. Mr. Wheeler is also a limited partner in the US Limited Partnership as a US Investor. Consequently, Mr. Wheeler will share (indirectly) in distributions, if any, resulting from his beneficial ownership of those entities or securities, as applicable. See **Item 1.5 – Fees and Expenses** and **Item 5.2.2 – Flow of Funds from the Car Washes**. Mr. Wheeler is also a trustee (or the equivalent) with other entities that are acquiring real estate, including multi-family residential real estate projects in Arizona and elsewhere. Therefore, Mr. Wheeler may be personally subject to a number of conflicts of interest. There is no assurance that any conflict arising between Mr. Wheeler and any Car Wash LP, the US Limited Partnership, Clear Sky LP XIV, the Fund or any of its other affiliates will be resolved in the best interests of the Fund or the Trust Unitholders.

Tim Barrett beneficially owns or controls, directly or indirectly, securities of and is a director or officer of one of the US General Partners. He is also a director and officer of Car Wash GP I, the general partner of Scottsdale Road Car Wash LP, Encanto Road Car Wash LP and Power Road Car Wash LP, and is expected to similarly be a director or officer of the general partner of any other Car Wash LP. Mr. Barrett is also a limited partner in the US Limited Partnership as a US Investor. Consequently, Mr. Barrett will share (indirectly) in distributions, if any, resulting from his beneficial ownership of those entities or securities, as applicable. See **Item 1.5 – Fees and Expenses** and **Item 5.2.2 – Flow of Funds from the Car Washes**. Mr. Barrett may also provide General Manager services to one or more Car Washes. As a result, Mr. Barrett may be subject to a number of conflicts of interest. There can be no assurance that any conflict arising between Mr. Barrett and any Car Wash LP, the US Limited Partnership, Clear Sky LP XIV, the Fund or any of its other affiliates will be resolved in favour of the Fund or the Trust Unitholders.

No agent or sub-agent appointed by the Fund to offer Trust Units for sale under the Offering will receive any benefit in connection with the Offering other than its portion of Selling Commissions payable to it as agent for the Offering as described herein except that Pinnacle Wealth Brokers Inc., a registered dealer appointed by the Fund as its agent to offer Trust Units for sale under the Offering, will be a non-voting limited partner of the US Limited Partnership, holding Class C limited partnership units and a 30% economic interest therein. Consequently, Pinnacle Wealth Brokers Inc. will share in Car Wash LP distributions, if any, from its economic interest in the US Limited Partnership and, indirectly, the Car Washes or other industrial/commercial properties (and the businesses conducted on such properties).

Gary Doran, a Trustee of the Fund and a director of Car Wash GP I, the general partner of each of Scottsdale Car Wash LP, Encanto Car Wash LP and Power Car Wash LP, is currently a minority shareholder of Pinnacle Wealth Brokers Inc. Mr. Doran will share indirectly in distributions, if any, resulting from Pinnacle Wealth Brokers Inc.'s beneficial ownership (direct or indirect) of a Class C limited partnership interest in the US Limited Partnership and, directly or indirectly, Scottsdale Road Car Wash LP, Encanto Road Car Wash LP, Power Road Car Wash LP and, if acquired, Bell Road Car Wash. Therefore, Mr. Doran may be personally subject to a number of conflicts of interest. There is no assurance that any conflict arising between Mr. Doran and any Car Wash LP, the US

Limited Partnership, Clear Sky LP XIV, the Fund or any of its other affiliates will be resolved in the best interests of the Fund or the Trust Unitholders.

Additionally, from time to time, the Fund may pay or reimburse the expenses of such agents or sub-agents or their representatives, including individuals who are registered as dealing representatives or are employees of such agents or sub-agents, and their associates, in connection with on-site inspections or other due diligence tours of any Car Wash or other industrial/commercial property (and the business conducted on such property).

The Fund is considered a "connected issuer" and a "related issuer" under Canadian securities law with Pinnacle Wealth Brokers Inc., a registered dealer appointed by the Fund to offer Trust Units for sale under the Offering, through such registered dealer's beneficial ownership or control of a Class C limited partnership interest in the US Limited Partnership and, indirectly, the Car Washes and due to Gary Doran, currently a minority shareholder of Pinnacle Wealth Brokers Inc., serving as a Trustee of the Fund and as a director of Car Wash GP I, the general partner of each of Scottsdale Road Car Wash LP, Encanto Road Car Wash LP, Power Road Car Wash LP, Bell Road Car Wash LP and, once formed, 67th Avenue Car Wash LP and 51st Avenue Car Wash LP. Therefore, Pinnacle Wealth Brokers Inc. may be subject to a number of conflicts of interest. There is no assurance that any conflict arising between Pinnacle Wealth Brokers Inc. and any Car Wash LP, the US Limited Partnership, Clear Sky LP XIV or the Fund or any of its other affiliates will be resolved in the best interests of the Fund or the Trust Unitholders.

Non-Arm's Length Transactions

Certain transactions contemplated by the Fund's structure involve non-arm's length parties. As such, certain contractual terms usually contained in documentation that is negotiated at arm's length are not necessarily included in the agreements among the Fund, Clear Sky LP XIV, the US Limited Partnership and the Car Wash LPs as those terms would not have the same effect as they would have in transactions between unrelated parties.

Marcus Kurschat is a Trustee and the President of the Fund. Mr. Kurschat is also the President and a director of, and, beneficially owns or controls, indirectly, Clear Sky GP. He beneficially owns or controls, directly or indirectly, the majority of the securities of and is a director and officer of CSCA, one of the US General Partners. He beneficially owns or controls, directly or indirectly, and is a director and officer of Car Wash GP I, the general partner of Scottsdale Road Car Wash LP, Encanto Road Car Wash LP, Power Road Car Wash LP and Bell Road Car Wash LP, and is expected to similarly own or control the general partner of each of any other Car Wash LPs. He is also be a limited partner in the US Limited Partnership as a US Investor. Consequently, Mr. Kurschat will share (indirectly) in distributions, if any, from each Car Wash LP and US Limited Partnership distributions to its partners. See **Item 1.5.2 – Compensation through ownership of general partners, Item 3 – Interests of Trustees, Management, Promoters and Principal Holders** and **Item 5.2.2 – Flow of Funds from the Car Washes**. Mr. Kurschat will also receive (directly or indirectly) the Asset Management Fees. Therefore, Mr. Kurschat may be subject to a number of conflicts of interest. There is no assurance that such conflicts were or will be resolved in the best interests of the Fund or the Trust Unitholders.

As of the date of this offering memorandum, the Fund has formed four Car Wash LPs, being Scottsdale Road Car Wash LP, Encanto Road Car Wash LP, Power Road Car Wash LP and Bell Road Car Wash LP, and is forming two additional Car Wash LPs, being 67th Avenue Car Wash LP and 51st Avenue Car Wash LP and (1) as a result of the Scottsdale Road Car Wash acquisition having been completed, an Acquisition Fee of US\$66,500 was paid to Marcus Kurschat, a Trustee and President of the Fund, Kevin Wheeler, a Trustee and Vice President, Investor Relations of the Fund, and Tim Barrett, a beneficial shareholder, director and officer of CSCA who provides General Manager services for one or more Car Washes (or entities controlled by each of them); (2) as a result of the Encanto Road Car Wash acquisition having been completed, an Acquisition Fee of US\$56,000 was paid to Mr. Kurschat, Mr. Wheeler and Mr. Barrett (or entities beneficially owned or controlled by each of them); (3) as a result of the Power Road Car Wash acquisition having been completed, an Acquisition Fee of US\$52,500 was paid to Mr. Kurschat, Mr. Wheeler and Mr. Barrett (or entities controlled by each of them); (4) as a result of the Bell Road Car Wash acquisition having been completed, an Acquisition Fee of US\$64,750 is payable to Mr. Kurschat, Mr. Wheeler and Mr. Barrett (or entities controlled by each of them); (5) if the acquisition is completed under the 67th Avenue Car Wash Acquisition Agreement, an Acquisition Fee of at least US\$84,785 (subject to adjustment of the purchase price under the 67th Avenue Car Wash Acquisition Agreement) will be payable as to Mr. Kurschat, Mr. Wheeler and Mr. Barrett (or entities controlled by each of them); and (6) if the acquisition is completed under the 51st Avenue Car Wash Acquisition Agreement, an Acquisition Fee of at least US\$107,104 (subject to adjustment of the purchase price under the 51st Avenue Car Wash Acquisition Agreement) will be payable as to Mr. Kurschat, Mr. Wheeler and Mr. Barrett (or entities controlled by each of them).

The US Limited Partnership, the applicable Car Wash LPs, or a combination thereof, will pay or cause to be paid to Marcus Kurschat (or an entity beneficially owned or controlled, directly or indirectly, by him), on a monthly basis, the Asset Management Fee commencing on the completion of the first Car Wash acquisition. As of the date of this offering memorandum, Asset Management Fees totaling US\$42,757.98 have been paid to Mr. Kurschat (or an entity beneficially owned or controlled by him).

The US Limited Partnership or the applicable Car Wash LPs, or a combination thereof, will pay or cause to be paid annually to the US General Partners, a Location Management Fee for each Car Wash or other industrial/commercial property (and the business conducted on such property) to which General Manager services are provided during the year. Marcus Kurschat, Kevin Wheeler and Tim Barrett, another beneficial shareholder, director and officer of CSCA (who provides General Manager services for one or more Car Washes) beneficially own or control, directly or indirectly, the US General Partners and, consequently, those individuals will share (indirectly) in Location Management Fees paid, resulting from their beneficial ownership of such entities. As of the date of this offering memorandum, Location Management Fees totaling US\$45,833 have been paid to the US General Partners.

Mr. Kurschat beneficially owns or controls all of the securities of Clear Sky Capital Arizona and Clear Sky Capital BC, which companies are parties to the US Staffing and Administrative Services Agreement and the Canadian Staffing and Administrative Services Agreement, respectively. Accordingly, Mr. Kurschat may realize (indirectly) an economic benefit from payments to Clear Sky Capital Arizona and Clear Sky Capital BC pursuant to those agreements. See **Item 2.7.6 – US Staffing and Administrative Services Agreement** and **Item 2.7.7 – Canadian Staffing and Administrative Services Agreement**.

Kevin Wheeler is a Trustee and an officer of the Fund. Mr. Wheeler beneficially owns or controls, directly or indirectly, Wheelerco, one of the US General Partners. Mr. Wheeler is also a limited partner in the US Limited Partnership as a US Investor. Consequently, Mr. Wheeler will share (indirectly) in distributions, if any, resulting from his beneficial ownership of those entities or securities, as applicable. See **Item 1.5 – Fees and Expenses** and **Item 5.2.2 – Flow of Funds from the Car Washes**. Mr. Wheeler is also a trustee (or the equivalent) with other entities that are acquiring real estate, including multi-family residential real estate projects in Arizona and elsewhere. Therefore, Mr. Wheeler may be personally subject to a number of conflicts of interest. There is no assurance that any conflict arising between Mr. Wheeler and any Car Wash LP, the US Limited Partnership, Clear Sky LP XIV, the Fund or any of its other affiliates will be resolved in the best interests of the Fund or the Trust Unitholders.

Tim Barrett beneficially owns or controls, directly or indirectly, securities of and is a director or officer of one of the US General Partners. He is also a director and officer of Car Wash GP I, the general partner of Scottsdale Road Car Wash LP, Encanto Road Car Wash LP, Power Road Car Wash LP and Bell Road Car Wash LP, and is expected to similarly be a director or officer of the general partner of any other Car Wash LP. Mr. Barrett is also a limited partner in the US Limited Partnership as a US Investor. Consequently, Mr. Barrett will share (indirectly) in distributions, if any, resulting from his beneficial ownership of those entities or securities, as applicable. See **Item 1.5 – Fees and Expenses** and **Item 5.2.2 – Flow of Funds from the Car Washes**. Mr. Barrett may also provide General Manager services to one or more Car Washes. As a result, Mr. Barrett may be subject to a number of conflicts of interest. There can be no assurance that any conflict arising between Mr. Barrett and any Car Wash LP, the US Limited Partnership, Clear Sky LP XIV, the Fund or any of its other affiliates will be resolved in favour of the Fund or the Trust Unitholders.

The US LP Agreement includes provisions that allow accelerated depreciation to be specially allocated to the US General Partners, in certain circumstances. Any such allocation could increase the amount of US tax payable by Clear Sky LP XIV. This increase in tax payable by Clear Sky LP XIV could reduce the amount of cash available for distribution to the Fund and, in turn, to the Trust Unitholders. Mr. Kurschat, Mr. Wheeler and Mr. Barrett will share (indirectly) in any allocations of income, gain, loss, or deduction associated with the US General Partners' economic interests in the US Limited Partnership, including any special allocations of accelerated depreciation deductions from the US Limited Partnership or a Car Wash LP that are made to the US General Partners instead of to the limited partners. See **Item 5.2.2 – Flow of Funds from the Car Washes**.

No agent or sub-agent appointed by the Fund to offer Trust Units for sale under the Offering will receive any benefit in connection with the Offering other than its portion of Selling Commissions payable to it as agent for the Offering as described herein except that Pinnacle Wealth Brokers Inc., a registered dealer appointed by the Fund as its agent to offer Trust Units for sale under the Offering, is a non-voting limited partner of the US Limited Partnership, holding Class C limited partnership units and a 30% economic interest therein. Consequently, Pinnacle Wealth Brokers Inc. will share in Car Wash LP distributions, if any, from its economic interest in the US Limited Partnership and, indirectly, the Car Washes or other industrial/commercial properties (and the businesses conducted on such properties).

The Fund is considered a "connected issuer" and a "related issuer" under Canadian securities law with Pinnacle Wealth Brokers Inc., a registered dealer appointed by the Fund to offer Trust Units for sale under the Offering, through such registered dealer's beneficial ownership or control of a Class C limited partnership interest in the US Limited Partnership and, indirectly, the Car Washes and due to Gary Doran, currently a minority shareholder of Pinnacle Wealth Brokers Inc., serving as a Trustee of the Fund and as a director of Car Wash GP I, the general partner of each of Scottsdale Car Wash LP, Encanto Car Wash LP, Power Car Wash LP, Bell Road Car Wash LP and, once formed, 67th Avenue Car Wash LP and 51st Avenue Car Wash LP. Therefore, Pinnacle Wealth Brokers Inc. and Mr. Doran may be subject to a number of conflicts of interest. There is no assurance that any conflict arising between Mr. Doran, Pinnacle Wealth Brokers Inc. and any of the Car Wash LPs, the US Limited Partnership, Clear Sky LP XIV or the Fund or any of its other affiliates will be resolved in the best interests of the Fund or the Trust Unitholders.

Trust Unitholders have limited voting rights

Trust Unitholders are NOT shareholders and do not enjoy the rights and privileges offered to shareholders under corporate statutes. The Fund is not generally regulated by established corporate law and Trust Unitholders' rights are governed primarily by the specific provisions of the Declaration of Trust. Subject to the Declaration of Trust, Trust Unitholders have rights to attend and vote at meetings of Voting Unitholders. However, the Fund may but is not required to hold annual meetings of Trust Unitholders or any Trust Unitholder meetings on a periodic basis. The Fund does not, at this time, intend to call annual meetings for the election of Trustees or otherwise. Consequently, Trust Unitholders will not vote to appoint the Trustees on an annual or periodic basis.

Further, unlike an ABCA corporation, Trust Unitholders do not have the right to appoint the Fund's auditor; rather such right is held by the Trustees.

See also **Item 5.1.5 – Rights of Trust Unitholders**.

Statutory Remedies

The Fund is not generally regulated by established corporate law and Trust Unitholders' rights are governed primarily by the specific provisions of the Declaration of Trust.

Trust Unitholders are NOT shareholders and do not enjoy the rights and privileges generally offered to shareholders of a corporation incorporated under the ABCA. Although the Declaration of Trust confers upon Trust Unitholders some of the same protections, rights and remedies that an Investor would have as a non-voting shareholder of a corporation governed by the ABCA, significant differences do exist. See **Item 5.1.5 – Rights of Trust Unitholders** for additional details.

The matters in respect of which Trust Unitholder approval is required under the Declaration of Trust are generally less extensive than the rights conferred on the shareholders of an ABCA corporation.

Other than as described in the Declaration of Trust, Trust Unitholders do not have recourse to a dissent right under which shareholders of an ABCA corporation are entitled to receive the fair value of their shares where certain fundamental changes affecting the corporation are undertaken, such as an amalgamation, a continuance under the laws of another jurisdiction, the sale of all or substantially all of its property, a going private transaction or the addition, change or removal of provisions restricting: (i) the business or businesses that the corporation can carry on, or (ii) the issue, transfer or ownership of shares. See **Item 5.1.5 – Rights of Trust Unitholders** for additional details.

Trust Unitholders similarly do not have recourse to the statutory oppression remedy that is available to shareholders of an ABCA corporation where the corporation undertakes actions that are oppressive, unfairly prejudicial or disregard the interests of security holders and certain other parties. Shareholders of an ABCA corporation may also apply to a court to order the dissolution and liquidation of the corporation in those circumstances, whereas Trust Unitholders could rely only on the general provisions of the Declaration of Trust, which permit the termination of the Fund with the approval by Special Resolution. The ABCA also permits shareholders to bring or intervene in derivative actions in the name of the corporation or any of its subsidiaries, with the leave of a court. The Declaration of Trust does not include a comparable right of Trust Unitholders to commence or participate in legal proceedings with respect to the Fund.

In the event of an insolvency or restructuring of the Fund, the rights of Trust Unitholders will be different from those of shareholders of an insolvent or restructuring corporation.

Liability of Trust Unitholders

There is a risk that a party may seek to assert that Trust Unitholders be held personally liable for the obligations of the Fund or in respect of claims against the Fund. Such risks are expected to be limited since the Fund intends to limit its investments to Clear Sky LP XIV limited partnership units and loans to Clear Sky LP XIV and the Fund does not intend to carry on any business. However, there is no assurance that Trust Unitholders will not be personally liable for the obligations of the Fund.

Pursuant to the Declaration of Trust, if any Trust Unitholder is held personally liable as such to any other person in respect of any debt, liability or obligation incurred by or on behalf of the Fund, or any action taken on behalf of the Fund, such Trust Unitholder is entitled to indemnity and reimbursement out of the Fund assets to the full extent of such liability for all costs of any litigation or other proceedings in which such liability has been determined, including all fees and disbursements of counsel. The rights accruing to a Trust Unitholder do not exclude any other rights to which such Trust Unitholders may be lawfully entitled, nor does anything contained in the Declaration of Trust restrict the right of the Trustees to indemnify or reimburse a Trust Unitholder out of the Fund's

assets in any appropriate situation not specially provided herein but, for greater certainty, the Trustees have no liability to reimburse a Trust Unitholder for taxes assessed against them by reason of or arising out of his ownership of Trust Units.

Key Personnel

The Fund and its subsidiaries are highly dependent on Marcus Kurschat, Gary Doran, Kevin Wheeler and Tim Barrett, a beneficial shareholder (directly or indirectly), director and officer in one of the US General Partners who may also provide General Manager services to one or more Car Washes (or an entity beneficially owned or controlled by him), and the loss of their services may materially adversely affect the ability of the Fund to implement its business plan. In particular, prospective Investors will have to rely on the discretion and ability of Marcus Kurschat, Gary Doran, Kevin Wheeler and Tim Barrett in determining potential Car Washes or other industrial/commercial properties (and the businesses conducted on such properties), negotiating the pricing and other terms of the agreements leading to the acquisition of Car Washes and another individual who is a beneficial shareholder, director and officer of one of the US General Partners, and implementing the renovations for each Car Wash or other industrial/commercial property (and the business conducted on such property). The ability of Marcus Kurschat, Gary Doran, Kevin Wheeler and another individual who is a beneficial shareholder, director and officer of one of the US General Partners to successfully implement the Fund's investment strategy will depend in large part on the continued employment and involvement of these key executives. None of the Fund or its subsidiaries maintains key-person life insurance for any of these named individuals; however, it is anticipated that after the first Closing Date, the US General Partners will obtain key-person life insurance respecting Marcus Kurschat. If the Fund and its subsidiaries lose the services of any one or more of these individuals, the business, financial condition and results of operations of the Fund and its subsidiaries may be materially adversely affected.

Currency Fluctuations

Investors and the Fund will be affected by fluctuations in the Canadian/US dollar exchange rate because (a) all proceeds realized from the Offering will be denominated in Canadian dollars; (b) the Fund will pay certain costs and expenses (including Offering expenses) in Canadian dollars; (b) since some or all the Car Washes are to be located in the United States, the Car Wash LPs will pay the purchase prices for, and incur costs and expenses associated or incurred in connection with, or related to, purchasing, renovating, upgrading, and repositioning Car Washes in US dollars, and anticipate paying or incurring the majority of various general, administrative and operating costs and expenses associated or incurred in connection with, or related to, renting Car Washes and managing the Car Washes portfolio in US dollars; and (d) the Fund's distributions (if any) to Trust Unitholders are to be made in Canadian dollars.

The nature of the Fund's exposure to fluctuations in the Canadian/US dollar exchange rate is expected to vary going forward as distributions (if any) are made to the Trust Unitholders. Changes in the Canadian/US exchange rate may positively or negatively impact the Fund (and, consequently, Trust Unitholders) depending on the timing of the transaction and the applicable currency exchange rate.

The Fund and Trust Unitholders will have foreign exchange exposure in at least two instances. First, the Fund will receive Canadian dollars from the sale of Trust Units; after paying any Offering costs and Selling Commissions, the Fund will convert Canadian dollars to US dollars in order to fund the Fund's subsidiaries. Second, in order to pay distributions to Trust Unitholders, the Fund will be required to convert US dollars (received from distributions and loan payments from Clear Sky LP XIV) to Canadian dollars. Depending on the timing of the transaction and the applicable currency exchange rate such conversions may positively or negatively impact the Fund, and consequently, Trust Unitholders. For example, a strengthening US dollar relative to the Canadian dollar would negatively impact the aggregate value of the US dollars received by the Fund after it converts some or all of the Available Funds to US dollars. On the other hand, a strengthening Canadian dollar relative to the US dollar would negatively impact the amount of distributable cash available for distributions by the Fund to Trust Unitholders.

Environmental Matters

Under various environmental laws, ordinances and regulations, the current or previous owner or operator of Car Washes acquired, invested in or refinanced by the Car Wash LPs, may be liable for the costs of removal or remediation of hazardous or toxic substances on, under or in such Car Washes. These costs could be substantial. Such laws could impose liability whether or not the Car Wash LP 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, or restrictions imposed by environmental laws on the manner in which such properties may be operated or developed could adversely affect a Car Wash LPs ability to sell such Car Washes and pay cash distributions and could potentially also result in claims against the Car Wash LP.

Environmental laws provide for sanctions for non-compliance and may be enforced by governmental agencies or, in certain circumstances, by private parties. Certain environmental laws and common law principles could be used to impose liability for release of and exposure to hazardous substances into the air. Third parties may seek recovery from real property owners or operators for personal injury or property damage associated with exposure to released hazardous substances. The cost of defending against claims of liability, of complying with environmental regulatory requirements, of remediating any contaminated property, or of paying personal injury claims could be substantial and reduce cash distributions to the Fund.

Car Wash LPs may be subject to liability for undetected pollution or other environmental hazards against which they cannot insure, or against which they may elect not to insure where premium costs are disproportionate to the Car Wash LPs' perception of relative risk. Such factors may impact Car Wash LPs' ability to pay cash distributions, which in turn will have an adverse impact on the Fund.

Renovation Program

If the renovation, upgrading and repositioning for any one or more assets is not completed as expected or at all, monthly rents will likely decrease or remain unchanged and/or expected returns on the disposition of such assets will likely decrease.

Tenant Leasing Risk

Income producing Car Washes generate income through rent payments made by tenants of the Car Washes. Upon the expiry of any tenant lease, there can be no assurance that the lease will be renewed or the tenant replaced. The terms of any subsequent tenant lease may be less favourable to the Fund than the existing tenant lease. The Fund is dependent on leasing markets to ensure vacant residential space is leased, expiring leases are renewed and new tenants are found to fill vacancies. A disruption in the economy could have a significant impact on how much space tenants will lease and the rental rates paid by tenants. This would affect the income produced by the Car Washes as a result of downward pressure on rents.

Credit Risk

Certain significant expenditures, including property taxes, maintenance costs, commercial real estate term loan payments, insurance costs and related charges must be made throughout the period of ownership of real property regardless of whether the property is producing revenue. If the Car Wash LP and its subsidiaries are unable to meet commercial real estate term loan payments or other financing costs (if any) on any Car Wash that it owns, is invested in or operates, losses could be sustained as a result of the commercial lender's exercise of its rights of foreclosure or sale.

Uninsured Losses

The Car Wash LPs intend to carry comprehensive general liability, fire, flood, extended coverage, rental loss and vacancy insurance with policy specifications, limits and deductibles customarily carried for similar properties. However, there are certain types of risks, generally of a catastrophic nature, such as wars, terrorist attacks or environmental contamination, which are either uninsurable or not insurable on an economically viable basis. Should an uninsured or underinsured loss occur, a Car Wash LP could lose its investment in, and anticipated profits and cash flows from, one or more of its properties, but would continue to be obligated to repay any recourse commercial real estate term loan indebtedness on such properties.

From time to time a Car Wash LP may be subject to lawsuits as a result of the nature of its business. The Car Wash LPs intend to maintain business and property insurance policies in amounts and with such coverage and deductibles as are deemed appropriate, based on the nature and risks of the businesses, historical experience and industry standards. However, there can be no assurance that claims in excess of the insurance coverage or claims not covered by the insurance coverage will not arise or that the liability coverage will continue to be available on acceptable terms. A successful claim against a Car Wash LP that is not covered by, or in excess of, a Car Wash LPs insurance could materially affect such entity's operating results and financial condition, which would have an adverse effect on Trust Unitholders. Claims against a Car Wash LP, regardless of their merit or eventual outcome, will require management to devote time to matters unrelated to the operation of the business.

Real Estate Financing

The Fund anticipates that acquisitions will be financed, in whole or in part, including the assumption of an existing commercial real estate loan or other financing on a target Car Wash, under various lines of credit and other forms of secured or unsecured financing or through the issuance of additional debt or equity by the Fund or the issuance of debt by a Car Wash LP. The Fund expects periodically to review, on a consolidated basis, the Fund's financing options regarding the appropriate mix of debt and equity financing. Equity, rather than debt, financing of future developments or acquisitions could have a dilutive effect on the interests of the existing Trust Unitholders. Similarly, there are certain risks involved with financing future developments and acquisitions with debt,

including those described below. There is no assurance that the Car Wash LPs will be able to obtain sufficient debt financing to finance the acquisition of Car Washes on commercially acceptable terms or at all. In addition, if significant renovations or repositioning of a Car Wash are financed through construction loans, there is a risk that, upon completion of construction, permanent financing for such Car Wash may not be available or may be available only on disadvantageous terms, or that the cash flow from new Car Washes will be insufficient to cover debt service. If a significantly renovated or repositioned or acquired Car Wash is unsuccessful, the Fund's losses may exceed the Fund's investment in the Car Wash. Any of the foregoing could have a material adverse effect on the Fund and the Fund's ability to make distributions to Trust Unitholders and to pay amounts due on the Fund's consolidated debt.

Secured Borrowing

It is anticipated that Car Wash LPs will borrow funds from third party lenders (including assumption of existing commercial real estate loan financing on the target Car Wash (ies)) from time to time and, in connection with such debt financing, each Car Wash LP will grant those lenders security interests registered against the Car Wash LP's Car Wash and other assets. Those security interests may include, among other things: (i) first or highest available charges registered against the Car Washes; (ii) assignments of rents; (iii) assignments of insurance proceeds (in the event of loss of the Car Wash); and (iv) general security interests in all present and after-acquired property of the Car Wash LP. In addition, the Fund or its subsidiaries may provide guarantees in respect of the indebtedness of the Car Wash LPs.

See **Item 4.2 - Long-Term Debt Securities** for information concerning the Fund's and Car Wash LPs' long-term indebtedness, if any.

Mortgages on the Car Washes (including the Arizona Car Wash I Commercial Real Estate Loan) may require significant debt service payments. If the Car Wash GP is unable or unwilling to meet commercial real estate loan payments on any Car Wash, losses could be sustained as a result of the lender's exercise of its rights to enforce its security. As a secured creditor, a lender will have a variety of remedies which it may use to enforce its security, including rights to foreclose upon the Car Wash, sell the Car Wash, appoint a receiver and receive an assignment of rents and leases or pursue other remedies, all with a consequent loss of the Fund's revenues and asset value. Foreclosures could also create taxable income without accompanying cash proceeds, thereby hindering the Fund's ability to meet the Fund distribution requirements of applicable tax legislation.

In owning the Car Wash LPs, the Fund (indirectly through the Fund's structure) is an unsecured creditor of the Car Wash LPs. In the event a Car Wash LP defaults on its obligations under a secured loan and the lender subsequently enforces its security, the Fund's (indirectly through its subsidiaries) claims as an unsecured creditor of the Car Wash LP will rank behind those of the Car Wash LPs secured lenders. There is no assurance that the Car Wash (and any other secured assets of a Car Wash LP) will have sufficient value to satisfy all of the Car Wash LPs outstanding debt obligations to the lender. This risk is affected by fluctuations in the market price of the Car Wash and the cash flows generated by the tenant leases on the Car Wash. For example, as the market price of the secured Car Wash declines, it is less likely that the Car Wash will have sufficient value (or sufficient rental cash flow) to satisfy the debt obligations under the commercial real estate loan on the Car Wash. Consequently, if a Car Wash LP defaults under a secured loan, there is no assurance that the Fund (indirectly through its subsidiaries) will receive any funds or assets from the Car Wash LP. As such, default by a Car Wash LP on a secured loan could have a material adverse effect on the Fund and, correspondingly, the Trust Unitholders.

The Fund may be unable to renew, repay or refinance outstanding debt

The Fund and its subsidiaries are subject to the normal risks associated with debt financing (including the Arizona Car Wash I Commercial Real Estate Loan), including the risk that their cash flow is insufficient to meet required payments of principal and interest, the risk that indebtedness on the Car Washes, or unsecured indebtedness, will not be able to be renewed, repaid or refinanced when due or that the terms of any renewal or refinancing will not be as favourable as the existing terms of such indebtedness. If the Fund or its subsidiaries are unable to refinance their indebtedness on acceptable terms, or at all (including the Arizona Car Wash I Commercial Real Estate Loan), they might be forced to dispose of one or more of the Car Washes on disadvantageous terms, which might result in losses to the Fund. Such losses could have a material adverse effect on the Fund and the Fund's ability to make distributions to the Trust Unitholders and pay amounts due on outstanding debt.

Degree of leverage could limit the Fund's ability to obtain additional financing

The Fund's degree of leverage could have important consequences to Trust Unitholders. For example, the degree of leverage could affect the Fund's ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions, development or other general corporate purposes, making the Fund more vulnerable to a downturn in business or the economy in general.

Restrictions in Financing Agreements

Although the Fund does not currently have any contractual restrictions on its ability to make cash distributions, the Fund may in the future enter into debt financing arrangements whereunder the Fund is required to provide restrictive covenants that limit its ability to make cash distributions. In the event the Fund enters into one of these arrangements, the amount of the Fund's indebtedness could have significant consequences to holders of Trust Units, including that the ability of the Fund to obtain additional financing for working capital, capital expenditures or future acquisitions may be limited; and that a significant portion of the Fund's cash flow from operations may be dedicated to the payment of principal and interest on its indebtedness, thereby reducing funds available for future operations and distributions. Additionally, some of the Fund's consolidated debt may be at variable rates of interest or may be renewed at higher rates of interest, which may affect cash flow from operations available for distributions. Also, in the event of a significant economic downturn, there can be no assurance that the Fund will generate sufficient cash flow from operations to meet required interest and principal payments. The Fund and its subsidiaries are subject to the risk that it may not be able to refinance existing indebtedness upon maturity or that the terms of such refinancing may be onerous. These factors may adversely affect the Fund's cash distributions.

A Car Wash LP or other Fund affiliate that is encumbered by commercial real estate loan financing (including the Arizona Car Wash I Commercial Real Estate Loan) or has guaranteed a loan (if any) may be prohibited from paying distributions in the event that any commercial real estate loan on real Car Wash owned by or for the benefit of the Fund is in default in payment, unless a specific reserve in respect of such commercial real estate loan is retained. In the event that the Fund defaults in payment of any commercial real estate loan and is unable or unwilling to establish an appropriate reserve, distributions to Trust Unitholders would be prohibited. Further, while the Fund and its subsidiaries are not currently in default under any existing loan agreements or guarantee agreements, any future default could have significant consequences for Trust Unitholders.

The Fund and its affiliates may agree, in connection with the acquisition of or investment in any Car Wash or other industrial/commercial property (and the business conducted on such property), to material restrictions regarding their use of Available Funds and funds that would otherwise be available for distribution or Working Capital, regardless of the source, for any purpose other than the redemption of Bridge Financing LP Units that may be created and issued in connection with the acquisition/investment, so long as any of the Bridge Financing LP Units remains outstanding. Among other things, such restrictions on the use of Available Funds and funds that would otherwise be available for distribution or Working Capital, regardless of the source, might be imposed on Clear Sky LP XIV through the provisions of the Bridge Financing LP Units. These restrictions may materially restrict the distribution of funds from the Fund's subsidiaries to the Fund set out in **Item 5.2.2 – Flow of Funds from the Car Washes**. In such a case, the Fund may not be in a position to pay cash distributions to Trust Unitholders so long as any Bridge Financing LP Units have not been redeemed. Similarly, neither the applicable Car Wash LP nor the US Limited Partnership may be in a position to pay cash distributions to its partners except in connection with the redemption of outstanding Bridge Financing LP Units. These restrictions may materially adversely affect the Fund's ability to pay, in whole or in part, expenses and other obligations of the Fund, cash redemptions or repurchases of Trust Units, any tax liability, or fund any reserves established by the Trustees, in their sole discretion, so long as any Bridge Financing LP Units have not been redeemed. These restrictions may adversely affect the ability of the Fund, Clear Sky LP XIV and the US Limited Partnership or the applicable Car Wash LP to pay, in whole or in part, expenses in connection with the Offering, start-up and operational costs, costs associated with acquiring (or investing in) and operating the Car Washes (including the Scottsdale Road Car Wash, Encanto Road Car Wash, Power Road Car Wash, Bell Road Car Wash and the proposed acquisitions of the 67th Avenue Car Wash and 51st Avenue Car Wash), and the general and administrative, marketing and operating expenses of the Fund and its affiliates including, costs associated with establishing and organizing the Fund, Clear Sky LP XIV, Clear Sky GP, the US Limited Partnership, the US General Partners, the Car Wash LPs and their general partners and their respective affiliates, legal, consulting, accounting and audit costs, advertising and marketing costs, fees and costs associated with offices and sites for the Fund and its affiliates, Renovation Costs, costs (including wages and benefits) associated with personnel of the Fund and its affiliates, Location Management Fees, fees and costs associated with banking and borrowing of the Fund and its affiliates, debt payments and accrued interest, investor reporting costs, printing and mailing costs, costs in connection with governmental and regulatory requirements, Performance Fees, Asset Management Fees, and taxes.

Interest Rate Fluctuations

Financing by a Car Wash LPs may include indebtedness with interest rates which may fluctuate over time and which will result in fluctuations in the Car Wash LPs cost of borrowing, if any.

Rent Control

Car Wash LPs may be subject to legislation that exists or is enacted in certain jurisdictions, which restricts the right of landlords to increase rents charged to tenants. As a result, the inability to adjust rents to address higher operating costs or to improve margins on certain Car Washes may have an adverse effect on the returns available from such Car Washes.

No Review of Offering Memorandum by Regulatory Authorities

Investors will not have the benefit of a review of this offering memorandum, the Declaration of Trust, or any other documents in relation to the Offering by any regulatory authorities.

Legislative Changes

Legal, tax and regulatory changes may occur that can adversely affect the Fund or the Trust Units. There can be no assurance that income tax, securities and other laws will not be changed in a manner that adversely affects the Fund or the Trust Units.

No Independent Counsel for Trust Unitholders

Legal counsel that assisted in preparing the documentation in connection with the Offering, including the Declaration of Trust, acted as legal counsel for the Fund. No independent counsel was retained on behalf of the Trust Unitholders. There has been no review by independent counsel on behalf of the Trust Unitholders of this offering memorandum, the Declaration of Trust or any other documentation in relation to the Offering. No due diligence has been conducted on behalf of Trust Unitholders by counsel.

Dilution/Concentration

The Fund is authorized to issue an unlimited number of Trust Units. Any issuance of additional Trust Units may have a dilutive or concentrative effect on the value of Trust Units. Trust Unitholders who invest after a particular Car Wash is acquired will be entitled to receive the same distributions as a Trust Unitholder who invested before such Car Wash was acquired and will therefore be entitled to the equivalent benefits or disadvantages as each other Trust Unitholder.

Disclosure of Personal Information

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

The foregoing risk factors do not purport to be a complete explanation of all risks involved in purchasing the Trust Units. Potential investors should read this entire offering memorandum and consult with their legal and other professional advisors before determining to invest in the Trust Units.

ITEM 9 - REPORTING OBLIGATIONS

The Fund is not, and has no current intention of becoming, a reporting issuer (or holding an equivalent reporting status) in any jurisdiction in Canada or the United States and, accordingly, is not required to report, financially or otherwise, to the Trust Unitholders (except as otherwise provided in the Declaration of Trust). As a result, the Fund is not subject to the continuous disclosure requirements under applicable securities laws, and is not required, among other things, to prepare, file, disseminate or send to securities holders audited annual financial statements, unaudited interim financial statements, annual or interim versions of management's discussion and analysis of financial condition and operating results, news releases disclosing material changes or facts about the activities of the Fund.

Pursuant to the Declaration of Trust, the Fund will make available to Trust Unitholders audited annual financial statements for each fiscal year of the Fund, prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP) or International Financial Reporting Standards (IFRS) as applicable, within 120 days after the Fund's fiscal year end (currently December 31).

On or before March 31 in each year (or within such other time required by the Tax Act), the Fund will provide to Trust Unitholders who received income allocations or designations from the Fund in the prior calendar year, such information regarding the Fund required by Canadian law to be submitted to Trust Unitholders for income tax purposes to enable Trust Unitholders to complete their tax returns in respect of the prior calendar year.

The Fund will file, on behalf of itself and the Trust Unitholders, annual trust information returns and any other information returns required to be filed under the Tax Act and any other applicable tax legislation in respect of the Fund.

Financial or other information relating to the Fund and provided to you in the future may not by itself be sufficient for you to assess the performance of your investment.

Certain information regarding the Fund's distribution of securities from time to time may be publicly available at the offices of applicable securities regulatory authorities.

ITEM 10 - RESALE RESTRICTIONS

10.1 General

The Trust Units will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the Trust Units unless you comply with an exemption from the prospectus and registration requirements under securities legislation.

10.2 Investors in British Columbia, Alberta, Saskatchewan, Ontario, Quebec, Nova Scotia and New Brunswick

Unless permitted under securities legislation, you cannot trade the Trust Units before the date that is four months and a day after the date the Fund becomes a reporting issuer in any province or territory of Canada. **The Fund is not, and has no intention of becoming, a reporting issuer in any province or territory of Canada, and therefore the Trust Units will be subject to an indefinite hold period. Trust Units may only be transferred under limited exemptions under applicable securities laws. There is no market over which the Trust Units can be transferred and it is very unlikely that one will develop. An Investor is encouraged to seek independent advice from its legal advisors.**

10.3 Investors in Manitoba

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

- (a) the Fund has filed a prospectus with the regulator in Manitoba with respect to the securities you have purchased and the regulator has issued a receipt for that prospectus, or
- (b) you have held the Trust Units 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 Restrictions in Declaration of Trust

Trust Unitholders may only transfer their Trust Units in accordance with the provisions of the Declaration of Trust. The Declaration of Trust provides that no Trust Units are to be transferred without the express consent of the Trustees. See Item 8 – Risk Factors.

At no time are Non-Residents entitled to beneficially own of more than 45% of the Trust Units, whether as a result of an investor's subscription for new Trust Units or by transfer of outstanding Trust Units. The Fund (or its transfer agent, if any, at the Fund's request) may require declarations as to the jurisdiction(s) in which beneficial owners of Trust Units are resident. If the Trustees become aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 45% of the Trust Units then outstanding are, or may be, Non-Residents or that such a situation is imminent or foreseeable, the Fund (or its transfer agent) may make a public announcement thereof and shall not accept a subscription for Trust Units from or issue or register a transfer of Trust Units to a person unless the person provides a declaration that the person is not a Non-Resident. If, notwithstanding the foregoing, the Fund (or its transfer agent) determines that more than 45% of the Trust Units are held by Non-Residents, the Fund (or its transfer agent) may send a notice to Non-Resident Unitholders, chosen in inverse order to the order of acquisition or registration of the Trust Units so held by them or in such manner as the Fund may consider equitable and practicable. In such notice, the Fund (or its transfer agent) may:

- (a) require any such Non-Resident Trust Unitholder(s) to sell or otherwise dispose of his Trust Units or a portion thereof within a specified period of not less than 30 days. If any Trust Unitholder receiving such notice has not sold the specified number of Trust Units or provided the Fund with satisfactory evidence that he is not a Non-Resident within such period, the Fund (or its transfer agent) may on behalf of such Trust Unitholder sell such Trust Units and, in the interim, shall suspend the voting and distribution rights attached to such Trust Units. Forthwith, upon such sale or other disposition, the affected person ceases to be a Trust Unitholder in respect of the disposed Trust Units

and his rights are limited to receiving the net proceeds of sale upon surrender of the applicable Trust Unit certificate(s); or

- (b) advise any such Non-Resident Unitholder(s) that his Trust Units (or a specified portion thereof) are being redeemed in accordance with the Declaration of Trust as if such Trust Unitholder(s) had tendered his Trust Units (or such specified portion) for redemption as at the date of the notice in accordance with the Declaration of Trust..

The Fund may direct its transfer agent, if any, to do any of the foregoing.

In addition to the foregoing provisions, the Trustees or, where the Fund has appointed a transfer agent for any class or series of Trust Units, the transfer agent by or through the Trustees may, if determined appropriate by the Trustees, establish operating procedures for, and maintain, a reservation system which may limit the number of Trust Units that Non-Residents may hold, limit the transfer of the legal or beneficial interest in any Trust Units to Non-Residents unless selected through a process determined appropriate by the Trustees (or the transfer agent by or through the Trustees), which may either be a random selection process or a selection process based on the first to register, or such other basis as determined by the Trustees. The operating procedures relating to such reservation system are to be determined by the Trustees and, prior to implementation, the Fund shall notify the Trust Unitholders of the implementation of the same. Such operating procedures may, among other things, provide that any transfer of a legal or beneficial interest in any Trust Units contrary to the provisions of such reservation system may not be recognized by the Fund.

Unless and until the Trustees have been required to do so under the terms hereof, the Trustees are not bound to do or take any proceeding or action by virtue of the powers conferred on them by the Declaration of Trust. The Trustees are not deemed to have notice of any violation unless and until the Fund (or the Trustees on behalf of the Fund) has been given written notice of such violation and shall act only as required by the Declaration of Trust once an indemnity satisfactory to the Trustees is provided by the Fund. The Trustees are not required to actively monitor the foreign holdings of Trust Units. It is acknowledged that the Trustees may not be able to monitor the Non-Resident holders of Trust Units given that some or all of the Trust Units may be registered in the name of intermediaries holding Trust Units in trust for the beneficial owners. The Trustees are not liable for any violation of the non-resident ownership restriction which may occur during the term of the Fund.

ITEM 11 - INVESTORS' RIGHTS

The securities laws in your jurisdiction may provide you with the statutory right, in certain circumstances, to seek damages or to cancel your agreement to buy Trust Units. Most often, those rights are available, if we make a misrepresentation in this offering memorandum but, in some jurisdictions, you may have those rights in other circumstances, including if we fail to deliver the offering memorandum to you within the required time or if we make a misrepresentation in any advertisements or sales literature regarding Trust Units. Generally, a "misrepresentation" means an untrue statement about a material fact or the failure to disclose a material fact that is required to be stated or that is necessary in order to make a statement not misleading in light of the circumstances in which it was made. The meaning of "misrepresentation" may differ slightly depending on the law in your jurisdiction.

Generally, most Investors under the Offering will purchase Trust Units under a prospectus exemption that provides them with the statutory rights described below. However, if you purchase Trust Units in reliance upon a prospectus exemption that does not provide you with such statutory rights, the Fund hereby grants you the same rights, on a contractual basis, as the statutory rights of your jurisdiction that are described below.

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

11.1 Two-day cancellation right for all Investors

You can cancel your agreement to purchase these Trust Units. To do so, you must send a notice to us by midnight on the second business day after you sign the Subscription Agreement to buy the Trust Units.

11.2 Statutory and Contractual rights in the event of a misrepresentation

11.2.1 Investors in British Columbia, Alberta or Manitoba

In addition to, and not in derogation from, any other right or remedy available to you at law, if there is a misrepresentation in this offering memorandum, you have a statutory right to sue:

- (a) to cancel your agreement to buy these Trust Units; or

- (b) for damages against the Fund, and every person who was a Trustee of the Fund at the date of this offering memorandum and any other person who signed this offering memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. If you choose to rescind your purchase, you cannot then sue for damages. In addition, in an action for damages, the defendant will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of your Trust Units as a result of the misrepresentation. Further, the amount recoverable in an action for damages will not exceed the price at which the Trust Units were offered.

There are various defences available to the persons or companies that you have a right to sue. For example, they have a defence if you knew of the misrepresentation when you purchased the securities. In addition, the defendant will not be liable for a misrepresentation in forward-looking information if the defendant proves that:

- (c) this offering memorandum contains reasonable cautionary language that is proximate to such information identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
- (d) the Fund has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information.

However, in Alberta and Manitoba the above defence does not relieve a person of liability respecting forward-looking information in a financial statement.

Statutory rights for failure to deliver the offering memorandum

If you reside in British Columbia, Alberta or Manitoba and you do not receive a copy of this offering memorandum before you signed your Subscription Agreement, you have a right to sue for damages, or if you still own your Trust Units, you can choose to cancel your agreement instead of suing for damages.

Time limitations

If you intend to rely on the statutory right to sue described above, you must do so within strict time limitations.

In British Columbia or Alberta, you must commence your action to cancel the agreement within 180 days after the transaction or commence your action for damages within the earlier of: (i) 180 days after learning of the misrepresentation, or (ii) three years after the transaction.

In Manitoba, you must commence your action to cancel the agreement within 180 days after the transaction or commence your action for damages within the earlier of: (i) 180 days after learning of the misrepresentation, or (ii) two years after the day of the transaction.

11.2.2 Investors in Saskatchewan

In addition to any other right or remedy available to you at law, if there is a misrepresentation in this offering memorandum together with any amendments to the offering memorandum, you have a statutory right to sue in Saskatchewan:

- (a) the Fund to cancel your agreement to buy Trust Units; or
- (b) for damages against the Fund, every promoter of the Fund and every Trustee at the time the offering memorandum was sent or delivered, every person that signed the offering memorandum and every person who sells securities on behalf of the Fund.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. If you choose to rescind your purchase, you cannot then sue for damages. In addition, in an action for damages, the defendant will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of your Trust Units as a result of the misrepresentation. As well, the amount recoverable in an action for damages will not exceed the price at which the Trust Units were offered.

If there is a misrepresentation in any "advertising" or "sales literature" (as defined in *The Securities Act*, 1988 (Saskatchewan)) that is disseminated in connection with your purchase of Trust Units and it was a misrepresentation at the time you purchased your Trust

Units, you will be deemed to have relied on that misrepresentation and you will have a right to sue for damages against the Fund, every promoter of the Fund and every Trustee at the time the advertising or sales literature was disseminated, and every person who, at the time the advertising or sales literature was disseminated, sells securities on behalf of the Fund in the offering with respect to which the advertising or sales literature was disseminated. Alternatively, if you still own your Trust Units, and you purchased Trust Units from the Fund, you can elect to cancel your agreement instead of suing for damages.

If there is a misrepresentation in an oral statement made to you about the Trust Units either before or at the time that you purchased your Trust Units and it was a misrepresentation at the time you purchased your Trust Units, you will be deemed to have relied on the misrepresentation and you will have a right to sue the person who made the statement to you for damages.

There are various defences available to the persons or companies that you have a right to sue. For example, they have a defence if you knew of the misrepresentation when you purchased the Trust Units. Further, the defendant will not be liable for a misrepresentation in forward looking information if the defendant proves that:

- (c) this offering memorandum contains reasonable cautionary language identifying the forward looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward looking information; and
- (d) the Fund has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward looking information.

Statutory rights if Vendor Not Entitled to Trade

If you reside in Saskatchewan and the person or company who sells you your Trust Units is selling in contravention of securities laws of Saskatchewan or in contravention of an order of the Saskatchewan Financial Services Commission, you may choose to void your contract or to recover all the money paid by you for your Trust Units.

Time limitations

If you intend to rely on the rights described above, you must do so within strict time limitations.

In Saskatchewan, you must commence an action to cancel your agreement not more than 180 days after the day you purchased your Trust Units or commence your action for damages within the earlier of: (i) one year from the date that you had knowledge of the facts giving rise to the cause of action; and (ii) six years after the transaction.

11.2.3 Investors in Ontario

In addition to any other right or remedy available to you at law, if there is a misrepresentation in this offering memorandum, you have a statutory right to sue in Ontario:

- (a) against the Fund to rescind the purchase and cancel your agreement to buy Trust Units; or
- (b) for damages against the Fund.

This statutory right is available to you whether or not you relied on the misrepresentation. If you choose to rescind your purchase, you cannot then sue for damages. The Fund will not be liable if it proves that you purchased the Trust Units with knowledge of the misrepresentation. In addition, in an action for damages, the Fund will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of your Trust Units as a result of the misrepresentation. Furthermore, in no case will the amount recoverable in an action for damages exceed the price at which the Trust Units were sold to you. The Fund will not be liable for a misrepresentation in forward-looking information if it proves that: (a) this offering memorandum contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and (b) the Fund had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information. The foregoing rights do not apply if you are: (a) a Canadian financial institution (as defined in NI 45-106) or a Schedule III bank; (b) the Business Development Bank of Canada incorporated under the Business Development Bank of Canada Act (Canada); or (c) a subsidiary of any person referred to in clause (a) and (b) of

this sentence, 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.

Time limitations

If you intend to rely on the statutory rights described above, you must do so within strict time limitations.

In Ontario, you must commence your action to rescind your purchase and cancel the agreement within 180 days after the purchase or commence your action for damages within the earlier of: (i) 180 days after first having knowledge of the facts giving rise to the cause of action, and (ii) three years after the date of purchase.

11.2.4 Investors in Quebec

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

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

No person or company will be liable if it proves that:

- (c) the Investor purchased the Trust Units with knowledge of the misrepresentation; or
- (d) in an action for damages, that it acted prudently and diligently (except in an action brought against the Fund).

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

- (e) for rescission or revision of price more than three years after the date of the purchase; or
- (f) for damages later than the earlier of:
 - (i) three years after the purchaser first had knowledge of the facts giving rise to the cause of action, except on proof of tardy knowledge imputable to the negligence of the purchaser; or
 - (ii) five years from the filing of this offering memorandum with the Autorité des marchés financiers de Québec.

No person will be liable for a misrepresentation in forward-looking information if the person proves that:

- (g) this offering memorandum contains, proximate to the forward-looking information, (i) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and (ii) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection; and
- (h) the person had a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information.

An Investor resident in Québec may purchase Trust Units under the Offering relying on a prospectus exemption that provides them with the statutory rights described above. However, if you purchase Trust Units under the Offering in reliance upon a prospectus exemption that does not provide you with such statutory rights, the Issuers hereby grants you the same rights, on a contractual basis, as the statutory rights that are described above.

11.2.5 Investors in Nova Scotia

In the event that this offering memorandum, together with any amendments hereto, or any advertising or sales literature (as defined in the *Securities Act* (Nova Scotia)) contains an untrue statement of material fact or omits to state a material fact that is required to be stated or that is necessary in order to make any statements contained herein or therein not misleading in light of the circumstances in which it was made (in this Section 11.2.5, a "misrepresentation"), a purchaser of the Trust Units is deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase and has, subject to certain limitations and defences, a statutory right of action for damages against the issuer or other seller of such Trust Units, the directors of the seller and the persons who have signed the offering memorandum or, alternatively, while still the owner of the Trust Units, may elect instead to exercise a statutory right of rescission against the issuer or other seller, in which case the purchaser will have no right of action for damages against the issuer or other seller, the directors of the seller or the persons who have signed the offering memorandum, provided that, among other limitations:

- (a) no action will be commenced to enforce the right of action for rescission or damages by a purchaser resident in Nova Scotia later than 120 days after the date payment was made for the Trust Units (or after the date on which initial payment was made for the Trust Units where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment);
- (b) no person will be liable if it proves that the purchaser purchased the Trust Units with knowledge of the misrepresentation;
- (c) in the case of an action for damages, no person will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Trust Units; and
- (d) in no case will the amount recoverable in any action exceed the price at which the Trust Units were offered to the purchaser.

The liability of all persons or companies referred to above is joint and several with respect to the same cause of action. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person or company 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.

11.2.6 Investors in New Brunswick

If this offering memorandum contains a misrepresentation, a purchaser who purchases the Trust Units will be deemed to have relied on the misrepresentation and will have, subject to certain limitations and defences, a statutory right of action against the Fund for damages or, while still the owner of the Trust Units, for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages, provided that the right of action for rescission will be exercisable by the purchaser only if the purchaser commences an action against the defendant, not more than 180 days after the date of the transaction that gave rise to the cause of action, or, in the case of any action other than an action for rescission, the earlier of: (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) six years after the date of the transaction that gave rise to the cause of action. "Misrepresentation" in this Section 11.2.6 means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

The defendant will not be liable for a misrepresentation if it proves that the purchaser purchased the Trust Units with knowledge of the misrepresentation.

In an action for damages, the defendant will not be liable for all or any portion of the damages that the defendant proves do not represent the depreciation in value of the Trust Units as a result of the misrepresentation relied upon.

In no case will the amount recoverable for the misrepresentation exceed the price at which the Trust Units were offered.

ITEM 12 - FINANCIAL STATEMENTS

CLEAR SKY CAPITAL INCOME PORTFOLIO FUND-SERIES I

Unaudited consolidated financial statements of the Fund as at and for the interim period ended March 31, 2015
Audited consolidated financial statements of the Fund as at and for the period from inception to December 31, 2014

SCOTTSDALE ROAD CAR WASH

Unaudited financial statements of the Scottsdale Road Car Wash as at and for the ten months ended October 31, 2014
Audited financial statements of the Scottsdale Road Car Wash as at and for the year ended December 31, 2013
Unaudited financial statements of the Scottsdale Road Car Wash as at and for the year ended December 31, 2012

ENCANTO ROAD CAR WASH

Unaudited financial statements of the Encanto Road Car Wash as at and for the ten months ended October 31, 2014
Audited financial statements of the Encanto Road Car Wash as at and for the year ended December 31, 2013
Unaudited financial statements of the Encanto Road Car Wash as at and for the year ended December 31, 2012

POWER ROAD CAR WASH

Audited financial statements of the Power Road Car Wash as at and for the year ended December 31, 2014
Audited financial statements of the Power Road Car Wash as at and for the year ended December 31, 2013
Unaudited financial statements of the Power Road Car Wash as at and for the year ended December 31, 2012

BELL ROAD CAR WASH

Unaudited financial statements of the Bell Road Car Wash as at and for the interim period ended March 31, 2015
Audited financial statements of the Bell Road Car Wash as at and for the year ended December 31, 2014
Unaudited financial statements of the Bell Road Car Wash as at and for the year ended December 31, 2013

67th AVENUE CAR WASH

Unaudited financial statements of the 67th Avenue Car Wash as at and for the interim period ended March 31, 2015
Audited financial statements of the 67th Avenue Car Wash as at and for the year ended December 31, 2014
Unaudited financial statements of the 67th Avenue Car Wash as at and for the year ended December 31, 2013

51st AVENUE CAR WASH

Unaudited financial statements of the 51st Avenue Car Wash as at and for the interim period ended March 31, 2015
Audited financial statements of the 51st Avenue Car Wash as at and for the year ended December 31, 2014
Unaudited financial statements of the 51st Avenue Car Wash as at and for the year ended December 31, 2013

ITEM 13 - DATE AND CERTIFICATE

Dated: June 4, 2015

This offering memorandum does not contain a misrepresentation.

(Signed) MARCUS KURSCHAT
President, Acting Chief Executive
Officer of the Fund

(Signed) MARCUS KURSCHAT
Acting Chief Financial Officer of the
Fund

BY THE BOARD OF TRUSTEES

(Signed) MARCUS KURSCHAT
Trustee

(Signed) GARY DORAN
Trustee

(Signed) KEVIN WHEELER
Trustee

PROMOTERS

CLEAR SKY CAPITAL & ASSOCIATES XIV INC.

By: (Signed) MARCUS KURSCHAT
President

(Signed) MARCUS KURSCHAT

(Signed) KEVIN WHEELER

(Signed) TIM BARRETT

PINNACLE WEALTH BROKERS INC.

By: (Signed) DARVIN ZURFLUH
Chief Executive Officer

SCHEDULE B
FORM W-8BEN (Individuals)

SCHEDULE C
FORM W-8BEN-E (Entities)

SCHEDULE D

BROCHURE