

OFFERING MEMORANDUM FOR NON-QUALIFYING ISSUERS

Date: August 17, 2017.

The Issuer:

Name: **Performing Equity (Squamish) Limited Partnership** (“LP” or the “Limited Partnership”) and **Performing Equity Developments (Squamish) Ltd.** (the “GP” or the “General Partner”) (together also the “Issuer”)

Address: 638 Millbank, Vancouver, BC V5Z 4B7

Phone #: 1-604-620-3728 **Fax #:** N/A

E-mail address: Mdrever@performingequity.com

These securities do not trade on any exchange or market.

The Issuer is not a reporting issuer. The Issuer is not a SEDAR filer

The Offering

Securities offered: As permitted by the GP, up to an aggregate of two million five hundred thousand (2,500,000) securities comprised of:

- (a) Limited Partnership Units (the “Units”) each representing a limited partnership interest in the Limited Partnership and/or
 - (b) Class “B” non-voting shares (“Class B Shares” or the “Shares”) of the General Partner
- See Item 2.7 (Material Agreements) and 5.1 (Terms of Securities) herein.

Price per security: CDN \$1.00 per Unit or Share

Minimum/Maximum offering: **“There is no minimum. You may be the only purchaser”. Funds available under the offering may not be sufficient to accomplish our proposed objectives.**

Minimum subscription amount: There is no minimum subscription amount.

Payment terms: The subscriber shall provide a certified cheque, bank draft, money order or wire transfer in Canadian funds to the GP and/or the LP upon execution of the Subscription Agreement by a subscriber.

Proposed closing date(s): The LP and GP intend to close from time to time on or before September 31, 2017

Income tax consequences: You should consult your tax advisers. See item 6 (Income Tax Consequences of the Units and RRSP eligibility of the Shares).

Selling agent: There are no agents engaged by the Issuer at the date of this Offering Memorandum. In the event that some of the Units or Shares are sold with the assistance of a selling agent, then such commissions are estimated at five percent (5%) of any subscription. Any commissions will be paid by the Issuer. See Item 7 Compensation Paid to Sellers and Finders).

Resale restrictions

You will be restricted from selling your securities indefinitely (absent securities exemptions). See item 10 (Resale Restrictions).

Purchaser's rights

You have 2 business days to cancel your agreement to purchase these securities. The Issuer will hold your subscription funds in trust until midnight on the second business day after the day on which we receive your subscription agreement. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the agreement. See item 11 (Purchaser’s Rights).

NO SECURITIES REGULATORY AUTHORITY OR REGULATOR HAS ASSESSED THE MERITS OF THESE SECURITIES OR REVIEWED THIS OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE. THIS IS A RISKY INVESTMENT. SEE ITEM 8 (RISK FACTORS).

Rights of the Issuer

The Issuer reserves the right to accept, reject/return and/or pro-rate any Subscription pursuant to this Offering in its sole discretion. There is no minimum offering and the Issuer reserves the right to close in respect of individual Subscriptions at any time, as well as the right to terminate this Offering at any time.

This Offering Memorandum constitutes an offering of securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. This Offering Memorandum is not, and under no circumstances is to be construed as, a prospectus or advertisement or a public offering of these securities.

This Offering Memorandum is for the confidential use of only those persons to whom it is transmitted in connection with this Offering. By their acceptance of this Offering Memorandum, recipients agree that they will not transmit, reproduce or make available to anyone, other than their professional advisors, this Offering Memorandum or any information contained herein. 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 which is given or received must not be relied upon.

Definitions

In this Offering Memorandum, including the Schedules hereto, and in the Limited Partnership Agreement the following words have the following meanings:

“Acquisition Lender” means the lender or lenders as chosen by the General Partner in the General Partner’s discretion to provide the financing for the acquisition of the Real Property.

“Acquisition Loan” means the loan or loans which assisted in the acquisition of the Real Property obtained by the General Partner on terms determined by the General Partner as disclosed in Item 2.7(c) “Property Encumbrances”.

“Act” means the *Partnership Act*, R.S.B.C. 1996 c. 348, and amendments thereto;

“Borrower” as applicable, means the Limited Partnership or the general Partner.

"Business" means the acquisition of the Property, the construction of the Project and the eventual sale of all of the commercial and/or residential units comprising the Property as conducted by the General Partner for the LP and for its own account;

“Capital Account” means the separate accounts established for each Limited Partner with respect to such Limited Partner’s Capital Contribution.

"Capital Contribution" of a Partner means the total amount of money or the fair market value of property paid or agreed to be paid or contributed or agreed to be contributed to the Limited Partnership by such Partner in respect of Units subscribed for or otherwise by such Partner where subscriptions therefore have been accepted by the General Partner;

"Certificate" means a certificate of limited partnership of the Limited Partnership filed with the Registrar of Companies pursuant to the Act and all amendments thereto and renewals or replacements thereof as may be required or desirable at any time or from time to time;

“Construction Lender” means the lender or lenders as chosen by the General Partner in the General Partner’s sole discretion to provide the financing to construct the Project, and if deemed necessary by the General Partner including a line of credit facility up to \$300,000.00.

“Construction Loan” means the loan or loans to be obtained by the General Partner on terms to be determined by the General Partner in the General Partner’s discretion to provide the necessary funds to construct the Project.

“Contract of Purchase and Sale” or “Purchase Agreement” means the contract of purchase and sale dated September 28, 2016 between Avtar Singh Giri as Seller and 20/20 Properties Ltd. as Buyer, as amended from time to time, and assigned by 20/20 Properties Ltd., as bare trustee for the Partnership, to the General Partner as bare trustee of the Property for the Limited Partnership.

"Contribution" in respect of a Partner, means the contribution(s) made by such Partner to the Limited Partnership whether in terms of property, assets, money or supply;

"Distributable Cash" means for any Fiscal Year, the amount, if any, by which:

a. the aggregate of:

- i. the Gross Receipts for the Fiscal Year; plus
- ii. the amount of any Reserves at the beginning of that Fiscal Year;

exceed

b. the aggregate of:

- i. all operating and capital expenditures related to the development and operating of the Real Property (including fees and expenses paid to the General Partner) including without restricting the generality of the foregoing management costs, all costs of construction of the Project, asset acquisition costs, asset management costs, other general and administrative expenses and applicable taxes, sales and duties of any other nature paid or payable by the Partnership, including withholding taxes paid or payable) paid or incurred in the Fiscal Year;
- ii. debt service payments and charges paid or incurred for that Fiscal Year in accordance with the contractual obligations of the Partnership and otherwise incurred in the operation and administration of the Partnership and the Business;
- iii. the amount of all Reserves at the end of that Fiscal Year,

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

"Distribution" and "distributed" means amounts paid or other property distributed by the Limited Partnership to a Partner in respect of its interest in the Limited Partnership but specifically do not include amounts paid to a Partner in respect of property acquired by the Limited Partnership from, services provided to the Limited Partnership by or money lent to the Limited Partnership by, such Partner;

"Fiscal Year" is the fiscal year as determined by the General Partner

"General Partner" or "GP" has the same meaning as a general partner under the Act and with respect to the Limited Partnership means Performing Equity Developments (Squamish) Ltd. a duly incorporated corporation under the provisions of the *Business Corporations Act*, S.B.C. 2002 c. 57 and any other party who may become a General Partner of the Limited Partnership, pursuant to the Act, by admission or in place of or in substitution, from time to time, in each case until such partner ceases to be a General Partner of the Limited Partnership under the provisions of the Act and the terms of the Limited Partnership Agreement;

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

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

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

“Guarantee Fee” means a one-time fee equal to up to three percent (3%) of the principal amount of an applicable loan which shall be payable on terms to be determined and negotiated by the General Partner in the sole discretion of the General Partner;

"IFRS" means International Financial Reporting Standard promulgated by the International Accounting Standards Board;

“Income Tax Act” or “ITA” or “Tax Act” means the *Income Tax Act* (Canada), R.S.C. 1985, c. 1 (5th supp.), as amended thereto`;

“Initial Limited Partner” means Joe Murphy Law Corporation;

"Limited Partner" means each person who is admitted to the Limited Partnership as a Limited Partner and who is shown as a Limited Partner on the Limited Partnership Register and includes, for greater certainty, any person from time to time who is the holder of a Unit but who is not also a General Partner and upon formation of the Limited Partnership shall be the Initial Limited Partner;

"Limited Partnership" or “Partnership” means the partnership formed under the laws of the Province of British Columbia pursuant to the Limited Partnership Agreement and, subsequent to the formation hereunder, by the filing of a Certificate under the Act as may be required or desirable and as amended from time to time;

"Limited Partnership Agreement" means the agreement dated April 20, 2017 between the General Partner, the Initial Limited Partner and any persons subscribing in the Limited Partnership, as amended from time to time;

"Limited Partnership Register" means the register of the Limited Partners which the General Partner is required to maintain under the Act;

“Management Fee” means a fee totalling 4.5% of the Project Costs as defined in the Limited Partnership Agreement, payable as follows:

- i. a monthly payment of \$12,000.00 payable on the first day of each month, commencing January 1, 2017, and continuing up to and including the month in which the Development Permit* as defined in the Limited Partnership Agreement is issued and any accrued and unpaid fees shall be paid on the completion of the purchase of the Real Property pursuant to the Purchase Agreement (which occurred May 1, 2017);
- ii. a payment of \$35,000.00 upon the issuance of the Development Permit* as defined in the Limited Partnership Agreement;
- iii. a monthly payment of \$24,000.00 payable on the first day of each month commencing on the first full month after receipt of the Development Permit* and continuing until the earlier of the payment in full of the Management Fee and the completion of the Project as evidenced by an occupancy permit for the Project whether interim, conditional or final; and

- iv. the remainder, if any, payable upon completion, which is the sale of the last of the Real Property comprising the Project;

*The Squamish authorities determined to skip the “Development Permit” phase and proceed directly to building permit accordingly the Management Fee is being accrued or paid. To May 31, 2017 the General Partner has accrued \$60,000 in management fees from the Limited Partnership.

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

“Offering Memorandum” means this Offering Memorandum prepared and utilized by the General Partner with respect to providing disclosure to purchasers of the Units and Shares;

"Ordinary Resolution" means a resolution approved by more than 50% of the votes cast by those Limited Partners who vote and who are entitled to vote in person or by proxy at a duly convened meeting of Limited Partners, or at any adjournment thereof, called in accordance with this Limited Partnership Agreement, or a written resolution in one or more counterparts distributed to all Limited Partners and signed by Limited Partners holding in the aggregate more than 50% of the aggregate number of votes held by those Limited Partners who are entitled to vote.

“Partners” means the General Partner and the Limited Partners and "Partner" means any one of them;

“Project” means the acquisition of the Property pursuant to the Contract of Purchase and Sale, the development of the Property, the construction of a building on the Property with 48 residential housing strata units and approximately 2150 square feet of commercial space substantially pursuant to the Specifications and the sale of the Property units.

"Real Property" or “Property” means 38013 Third Avenue, Squamish, British Columbia, and legally described as follows:

PID: 003-161-331, Lot 1, Block 4 District Lot 486, Plan 3960 and

PID: 003-161-340, Lot 2, Block 4, District Lot 486, Plan 3960

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

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

“Shares” or Class B Shares means the Class “B” non-voting shares in the capital of the general Partner;

“Special Resolution” or “Extraordinary Resolution” means a resolution approved by not less than 75% of the votes cast by those Limited Partners who vote and are entitled to vote in person or by proxy at a duly convened meeting of Limited Partners, or at any adjournment thereof, called in accordance with the Limited Partnership Agreement or a written resolution in one or more counterparts distributed to all Limited Partners and signed by Limited Partners holding in the aggregate not less than 75% of the aggregate number of votes held by those Limited Partners who are entitled to vote;

“Specifications” means those drawings, floor plans, budgets and other descriptions of the Project presented in this Offering Memorandum or separately disclosed;

"Subscription Agreement" means a subscription and power of attorney form in such form as approved from time to time by the General Partner, a copy of which is attached hereto as Schedule "B";

"Subscription Price" means in respect of a Unit, the amount specified in the Subscription Agreement in respect of such Unit which is the amount of the Capital Contribution to the Partnership required for the issue of that Unit being the amount of \$1.00 per Unit;

"Tax Income" and "Tax Loss" means, in respect of any period, income or loss for such period determined in accordance with the provisions of the Tax Act;

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

"Unit" or "Limited Partnership Unit" means the units of the Partnership representing a Limited Partnership interest in the Limited Partnership and carrying with it the rights and restrictions set out in this Agreement and "Unit" means any one of them; and

"Unit Certificate" means a certificate for Unit(s) issued in accordance with the Limited Partnership Agreement in substantially the form approved by the General Partner from time to time.

Item 1: Use of Available Funds

1.1 Funds - The following are the net proceeds of the offering and the funds that will be available to the Issuer after the offering:

		Assuming min. offering (assuming \$50,000 only)	Assuming max. Offering (approximate amounts)
A.	Amount to be raised by this offering	\$50,000	\$2,500,000
B.	Selling commissions and fees ¹	\$2500	\$125,000
C.	Estimated offering costs (e.g., legal, accounting, audit, marketing)	\$100,000	\$100,000
D.	Available funds: D = A - (B+C)	(\$75,000)	\$2,275,000
E.	Additional sources of funding by way of: (i) Existing loan (\$1,610,000) and previous Unit sales (\$1,500,200) acquired (ii) Construction Loan required	(i)\$3,110,200 (ii)\$15,381,285	(i)\$3,110,200 (ii)\$13,031,285
F.	Working capital deficiency	\$1,335,220	1,335,220
G.	Total: G = (D+E) - F	\$17,081,265 ²	\$17,081,265 ²

¹Assuming five (5%) percent commissions or finder's fees

²Represents total project cost including historical costs and required additional funds. In the event the LP is unable to sell all the Units it will increase the construction loan to the required amount but if it is unable to raise sufficient funds to proceed with the Project or if the Project fails prior to completion and sale then the General Partner intends to sell the unfinished Project and with the proceeds pay creditors and distribute the remainder, if any, to Partners in accordance with the Partnership Agreement. All funds are in Canadian Dollars

1.2 Use of Available Funds – The available funds will be used as follows:

Description of intended use of available funds listed in order of priority	Assuming min. offering	Assuming max. offering
Demolition, slab prep, landscaping and off-site servicing	\$620,000	\$620,000
¹ Construction Costs	\$9,721,230	\$9,721,230
Property taxes and insurance	\$125,242	\$125,242
Design, consultants, legal and accounting	\$671,800	\$671,800
Municipal and development charges	\$293,773	\$293,773
Marketing	\$310,592	\$310,592
² Project management	\$633,944	\$633,944
Loan finance and brokerage fees	\$262,000	\$262,000
Loan interest	\$458,500	\$458,500
³ Guarantee fee	\$393,000	\$393,000
Syndication costs	\$225,000	\$225,000
Realty commissions and closing costs	\$621,184	\$621,184
Contingency	\$152,984	\$152,984
¹ historical costs of land	\$2,547,016	\$2,547,016
Total: Equal to G in the Funds table above	\$17,081,265	\$17,081,265

¹ The Property was acquired May 1, 2017 for a price of \$2,300,000 (plus \$247,016 taxes and transaction costs) funded partly by \$1,500,200 of Units sold privately and \$1,610,000 in loans (see Item 2.7 “Material Contracts”) with the surplus employed as development capital.

² Includes 4.5% of Project cost of the Management Fee. All administrative and other costs of the Project and as incurred by the General Partner are paid from the funds of the Limited Partnership or borrowings. To May 31, 2017 the General Partner has accrued \$60,000 in management fees.

³ Guarantee fee is paid to the General Partner for its and Mr. Drever’s guarantee of loans

1.3 Reallocation - The General Partner intends to spend the available funds as stated. The General Partner will reallocate funds only for sound business reasons. In the event the GP and LP are unable to raise sufficient funds to proceed with the Project or if the Project fails prior to completion and sale then the General Partner intends to sell the unfinished Project and with the proceeds pay creditors and distribute the remainder, if any, to Partners in accordance with the Partnership Agreement and to Share holders in priority to the extent of their investment versus common shareholders of the GP.

Item 2: Business of the General Partner and the Limited Partnership

2.1 Structure – The Limited Partnership was registered as a limited partnership in the Province of British Columbia under the Act on the 20th day of April, 2017 under the name Performing Equity (Squamish) Limited Partnership. The authorised capital of the Partnership is an unlimited number of Units at a price of \$1.00 per Unit. The General Partner was incorporated March 31, 2017 and has unlimited authorised capital of Class “A” voting common, Class “B” non-voting common, Class “C” non-voting common and Class “D” non-voting common. The Partnership and the General Partner are private Issuers at the date of this offering memorandum. The Limited Partnership has a total of 1,500,200 Units issued to the Initial Limited Partner (100 Units), the General Partner (100) and to qualified private investors to date for receipts of an aggregate of \$1,500,200. The General Partner has issued capital of 5,000,000 Class “A” voting shares issued to Michael Drever and no other capital issued. The General Partner has arranged and guaranteed loans of \$1,610,000 to the Limited Partnership. The Limited Partnership Unit sales and the loans have been used for Property acquisition (acquired May 1, 2017 for a price and costs of \$2,547,016) and development of the Project. As at May 31, 2017 the General Partner has advanced \$443,937 (including \$60,000 of accrued management fees) as undocumented demand loan to the Limited Partnership. The General Partner carries on the active business of the Partnership.

2.2- Our Business – The general nature of the business carried on by the General Partner is the Project, being the initial acquisition of the Property, development of the Property and the ultimate management, construction and sale of the Property units. The General Partner carries on the management and active business in compliance with the Partnership Agreement and the law. Limited Partners may not participate in management or the business otherwise the Limited Partner becomes subject to liability.

Description and Purchase of the Property and Project

The General Partner intends to construct a six (6) story wood frame building with approximately 1400 square feet comprising two commercial units and forty eight (48) residential units. The 48 residential units, totalling 36,393 square feet, will consist of:

- 12 one bedroom units;
- 12 one bedroom and den units
- 14 two bedroom units;
- 9 two bedroom loft units; and
- 1 three bedroom loft unit

The General Partner intends to list the units at an average price of \$540.00 per foot however there can be no certainty that this price will prevail and may move up or down depending on the state of the Squamish real estate market at the time the units are offered for sale.

Site Description and Access

Access to the site is currently by way of Third Avenue. The Project provides for covered parking on the ground floor and the second floor. The commercial portion will be located on the ground floor and the residential portion will be on floors 3, 4, 5, and 6. The Property is located in Squamish's city core.

Zoning

The Property is currently zoned C4, and no rezoning is expected to be required to complete the Project as proposed.

Construction of the Project

The General Partner intends to construct the Project employing independent contractors. The General Partner expects site work to commence on or about mid-September 2017 with construction to proceed to completion during the ensuing 12 months to 15 months.

Project Design

The finished living areas of the residential strata lots will range from approximately 600 to 1000 square feet. The Project will have a total of 48 residential parking stalls, 1 commercial parking stall, and no visitor parking stalls. The Project's proposed total floor area, commercial and residential, will measure approximately 37,793 square feet.

The Budget

The Budget (Use of Available Funds – Item 1.2) has been calculated based on the Limited Partnership and the General Partner raising approximately \$4,000,200 of which \$1,500,200 has been raised privately and up to \$2,500,000 is being sought by this Offering Memorandum (surplusage will be applied to the contingency fund) and any remainder required will be advanced by the

General Partner or further finance sought.. The General Partner will arrange for construction lending and is providing guarantees for such borrowing.

The financial and budget information that appear in this Offering Memorandum are estimates, which are based on research and the assumptions discussed throughout this Offering Memorandum. They represent the best of the General Partner's knowledge and belief and also are based on actual operations in similar transactions.

The Specifications are as of the date of this Offering Memorandum, but the proposed layout, dimensions, areas, lot lines, configuration and location of the Project and its components shown on any sales brochures, drawings, renderings, plans or other materials regarding the Project, are provided for information purposes only and are subject to revision by the General Partner in its sole discretion..

2.3 Development of Business – The Limited Partnership was formed April 20, 2017 for the specific purpose of developing the Property. The Property was purchased by the General Partner on May 1, 2017 for a price of \$2,300,000 plus costs for a total of \$2,547,016 (see 2.7 (b) “The Contract of Purchase and Sale” below for details). The Property is held, the Project managed and the business conducted by the General Partner. The Property is comprised of a 12,000 square foot corner lot located at 38013 Third Avenue in Squamish, British Columbia. Initial Project development and Property acquisition has been effected with the use of \$1,610,000 in loan funds (see 2.7(c) “Property Encumbrances” below), \$1,500,200 in private company sales of Units and loan by the General Partner of \$443,937 (including \$60,000 accrued fees).

2.4 Long Term Objectives – The Long Term Objectives of the General Partner are:

- (a) To pursue the Project for development of the Property and the sale of units;
- (b) To complete this offering and necessary bank financing;
- (c) To acquire all necessary permits for construction and sale of units. The processes to finish the regulatory process in Squamish for the Project are:
 - (i) The Squamish municipal planning department has reviewed the GP's development application which resulted in some modifications to the plan and resulting in an application that remains variance-free.
 - (ii) The GP prepared and submitted an application for a building permit and anticipates receiving the permit early October.
 - (iii) Throughout construction there are building inspections at specified stages of construction, at which time the building inspector approves the work associated with each stage or requests changes to his satisfaction before work can continue.
 - (iv) At the completion of construction the building inspector issues an occupancy permit which gives the developer permission to allow the building to be occupied and permits the sale of units.
- (d) To perform and complete the Project as set out in this Offering Memorandum and, on completion and final inspection, to sell at a market attractive and hopefully profitable price. On present evaluations and assuming present market conditions continuing, the General Partner is of the belief that \$540 per square foot would generate sufficient interest to sell out the Project and generate a reasonable return however there can be no certainty that this number will not be higher or lower depending on the market prevailing at the time of sale.

Upon complete sale of the Project, projected for December 31, 2018, the Partnership will distribute all undistributed net cash and wind-up in accordance with the Limited Partnership Agreement.

2.5 Short Term Objectives and How We Intend to Achieve Them - The Short Term Objectives of the General Partner are the same as the long term objectives. Key planned developments are as follows:

What we must do and how we will do it	Target completion date or, if not known, number of months to complete	Our cost to complete (approximate amounts)
Demolition and off-site servicing	August 30, 2017	\$620,000
Construction	December 31, 2018	\$9,721,230
Insurance and taxes	July 30, 2017	\$125,000
Design, consultants, legal and accounting	October 31, 2017	\$671,800
Marketing	December 28, 2018	\$310,592
Project management	December 28, 2018	\$633,944

2.6 Insufficient Funds – At the time of this Offering, the General Partner does not anticipate there will be insufficient funds to accomplish the business objectives. However, there remains the possibility that the funds available as a result of the offering and from lenders either may not or will not be sufficient to accomplish all of the General Partner’s proposed objectives and there is no assurance that financing will be available. In the event the General Partner is unable to raise sufficient funds to proceed with the Project or if the Project fails prior to completion and sale then the General Partner intends to sell the Project and with the proceeds pay creditors and distribute the remainder, if any, to Partners in accordance with the Partnership Agreement and to Shareholders to the limit of their investment in priority to the General Partner Class “A” shares.

2.7 Material Agreements – At the time of this Offering Memorandum, the following are the material agreements to which the Limited Partnership and the General Partner are parties:

(a) The Limited Partnership Agreement:

The following is a description of the material terms of the Limited Partnership (see also Item 5.1 – “Terms of Securities”):

The Limited Partnership consists of the General Partner and one or more Limited Partners.

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

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

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

The General Partner shall contribute work, effort and services to the Limited Partnership and, in addition, has contributed \$100.00 in cash to the capital (100 Units) of the Limited Partnership and the General Partner will make such further contributions to the Limited Partnership as is required to discharge its obligations under the Limited Partnership Agreement.

The General Partner has:

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

An action taken by a General Partner on behalf of the Partnership is deemed to be the act of the Limited Partnership and binds the Limited Partnership.

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

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

Notwithstanding any other agreement that the Partnership or the General Partner may enter into, all material transactions or agreements entered into by the Limited Partnership must be approved by the board of directors of the General Partner.

Limited Partners may contribute money and other property to the Limited Partnership, but not services.

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

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

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

- (c) to make such other provisions in regard to matters or questions arising under this Limited Partnership Agreement, which, in the opinion of the General Partner, acting reasonably, do not and will not substantially adversely affect the interests of the Limited Partners.

Each Partner agrees that the General Partner (pursuant to their powers of attorney from the Partners or as expressly provided in the Limited Partnership Agreement), without the approval of any Partner may amend any provision of the Limited Partnership Agreement, and execute, swear to, acknowledge, deliver, file and record whatever documents may be required in connection therewith, to reflect:

- (a) a change in the name of the Limited Partnership or the location of the principal place of Business or the registered office of the Limited Partnership;
- (b) admission, substitution, withdrawal or removal of Partners in accordance with the Limited Partnership Agreement;
- (c) a change that, in the sole discretion of the General Partner, is reasonable and necessary or appropriate to qualify or continue the qualification of the Limited Partnership as a limited partnership in which the Limited Partners have limited liability under the applicable laws;
- (d) a change that, in the sole discretion of the General Partner, is reasonable and necessary or appropriate to enable Partners to take advantage of, or not be detrimentally affected by, changes in the ITA or other taxation laws; and
- (e) a change that, in the sole discretion of the General Partner does not materially adversely affect the Partners.

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

To the fullest extent permitted by law but subject to the limitations expressly provided in the Limited Partnership Agreement, the Limited Partnership will indemnify and hold harmless the General Partner, its directors, officers, employees and agents from and against any and all losses, costs, expenses, liabilities and damages (including reasonable legal fees) incurred by the General Partner, its directors, officers, employees or agents by reason of acts, omissions or alleged acts or omissions arising out of the activities of the General Partner on behalf of the Limited Partnership or in furtherance of the interests of the Limited Partnership, but only if the acts, omissions or the alleged acts or omissions in respect of which any actual or threatened action, proceeding or claim are based, were performed in good faith and were not performed or omitted to be performed fraudulently or in bad faith or as a result of the negligence of the General Partner, its directors, officers, employees or agents. In no event, however, shall foregoing expand upon a Limited Partner's liability beyond the amount of capital contributed or agreed to be contributed to the Limited Partnership by him, as stated in the declaration or certificate filed pursuant to the Act relating to the Limited Partnership, and his, her or its share of the undistributed income of the Limited Partnership.

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

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

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

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

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

Rights and Restrictions, Obligations of Limited Partners

Upon acceptance of a subscription, such subscriber shall become a party to the Limited Partnership Agreement as a Limited Partner and the General Partner shall issue to each Limited Partner, upon request, a Unit Certificate indicating that the holder thereof is the owner of the number of Units set out therein.

Restrictions

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

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

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

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

Power of Attorney

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

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

To evidence the foregoing, each Limited Partner, in subscribing for a Unit or in executing an assignment of a Unit, will be deemed to have executed a power of attorney on substantially the powers set forth above. The power of attorney granted is irrevocable, is coupled with an interest.

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

Voting and Meetings of the Partners

The General Partner may call a meeting of Partners at such time and place as it deems appropriate in its absolute discretion for the purpose of considering any matter set forth in the notice of meeting.

Every meeting of Partners may be held at such place and at such time and with such notice as the General Partner may determine.

Any Partner entitled to vote at a meeting may vote by proxy if a proxy has been received by the General Partner or the chairman of the meeting for verification prior to the meeting.

A Partner which is a corporation may appoint under seal or otherwise an officer, director or other authorized person as its representative to attend, vote and act on its behalf at a meeting of Partners.

Only Partners or an authorized officer or director of a Partner, any officer or director of a General Partner, counsel to the General Partner or the Limited Partnership and representatives of the accountants of the Limited Partnership shall be entitled to attend and receive notice of any meeting of Partners.

The General Partner may nominate a person, including, without limitation, an officer or director of the General Partner, to be chairman of a meeting of Partners and the person nominated by the General Partner shall be chairman of such meeting unless the Limited Partners elect another person as chairman by Ordinary Resolution.

A quorum at any meeting of Partners shall consist of two or more persons present in person who collectively hold or represent by proxy not less than 25% of the outstanding Units in the Limited Partnership.

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

On any vote at a meeting of Partners, a declaration of the chairman concerning the result of the vote shall be conclusive.

Each Unit holder present at the meeting will have one vote for each Unit of which such person is registered as the Unit holder and one vote for each Unit in respect of which such person is the proxyholder.

The General Partner and the Initial Limited Partner shall not be entitled to a vote in respect of their respective interests in the Limited Partnership unless such persons are also Limited Partners and hold Units.

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

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

- (a) consenting to the amendment of this Limited Partnership Agreement (subject to the approval of the General Partner) except as provided herein;
- (b) waiving any default by the General Partner on such terms as the Limited Partners may determine;
- (c) agreeing to any compromise or arrangement by the Limited Partnership with any creditor, or class or classes of creditors;
- (d) changing the Fiscal Year;

- (e) amending, modifying, altering or repealing any Special Resolution previously passed by the Limited Partners;
- (f) dissolving or terminating the Limited Partnership;
- (g) approving a settlement of an action against the General Partner as a result of a breach of its duties;
- (h) election of a new General Partner following or as of a General Partner's resignation or removal for cause pursuant to the provisions of this Limited Partnership Agreement; and
- (i) creating or issuing additional interests in the Limited Partnership of a different class than the Units where such additional interests would have a preference or priority over the existing Units in respect of distributions of Distributable Cash, income or loss or return of contributed capital.

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

Distribution of Profits

Any amount that is, pursuant to any provision of the Limited Partnership Agreement, to be allocated to or distributed among Limited Partners will be apportioned among them in the ratio which the number of Units held by each Limited Partner bears to the total number of Units held by all Limited Partners at the time as of which the allocation is made or the entitlement to the distribution is determined, without regard to the number of days during which any Limited Partner has been a Limited Partner.

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

Subject to the Limited Partnership then having Distributable Cash for a Fiscal Year within 120 days of the end of the Fiscal Year, as follows and in the following order to the extent of the Distributable Cash:

- a) first, the Initial Limited Partner shall be allocated 0.01% of the Distributable Cash of the Limited Partnership to a maximum of \$100 per annum; and
- b) second, to the Limited Partners, *pro rata* in accordance with their respective proportionate shares, until each Limited Partner has received a cumulative amount equal to the Subscription Price for its respective Units.
- c) third, to the Limited Partners *pro rata* in accordance with their respective proportionate shares, sufficient monies until each Limited Partner has received a cumulative amount equal to eight (8%) percent per annum of their Subscription Price;
- d) fourth, to the Limited Partners, after payment of the foregoing *pro rata* in accordance with their respective proportionate shares, eighty (80%) percent of an amount (the "First Amount") to be determined by General Partner but will be an amount to provide sufficient monies to make the payments pursuant to these provisions such that the Limited Partners have received a total cumulative amount (including those

amounts distributed as set forth in paragraphs (c) above) equal to twelve (12%) percent per annum of their Subscription Price, and the balance of the First Amount to the General Partner;

- e) fifth, to the Limited Partners, after payment of the foregoing, pro rata in accordance with their respective Proportionate Shares, sixty (60%) percent of an amount (the "Second Amount") to be determined by the General Partner but will be an amount to provide sufficient monies to make the payments pursuant to this paragraph, such that the Limited Partners have received a total cumulative amount (including those amounts distributed pursuant to paragraphs 6.11 (c) and 6.11 (d) above) equal to eighteen (18%) percent per annum of their Subscription Price, and the balance of the Second Amount to the General Partner; and
- f) last, to the Limited Partners, pro rata in accordance with their respective proportionate shares, fifty (50%) percent of the balance available for distribution and the remainder to the General Partner.

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

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

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

Transfer of Units

Subject to the provisions of the Limited Partnership Agreement and compliance with applicable securities and other laws, Units may be transferred if permitted by law.

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

Right of First Refusal

There is a right of first refusal arrangement in the Limited Partnership Agreement on the following terms and conditions:

- a. Each Limited Partner as grantor ("Grantor"), grants to the General Partner as grantee ("Grantee"), a right of first refusal to acquire the Grantor's Limited Partnership interest (the "Interest"), or any portion thereof on the terms set out in this paragraph. The Grantor shall specifically include the Grantor and the Grantor's heirs, assigns, executors, creditors or any other parties that may be entitled at any time to dispose of the Grantor's Partnership interest.

- b. **“First Refusal Offer”** means any offer or agreement to sell, transfer, assign, or in any other way to convey or dispose (such action being a “Disposition”) either directly or indirectly, all or any portion of the Grantor’s Partnership interest (the LP “Interest”). For the purposes of this paragraph a Disposition shall include the sale of the shares of a corporate Limited Partner such that Control of a corporate Limited Partner changes.
- c. The Grantor shall not permit a disposition (a “Disposition”) of the Grantor’s Interest until the Grantor has first offered to the Grantee the right to acquire all or part of the Grantor's Partnership interest on the identical terms and conditions (the "First Refusal Offer") that a Grantor wishes to sell the Grantor’s Interest. Upon receipt of any First Refusal Offer, the Grantor shall immediately deliver to the Grantee a complete and true originally executed copy thereof.
- d. Upon delivery by the Grantor to the Grantee of the First Refusal Offer, the Grantee shall have Five (5) days to advise the Grantor whether the Grantee elects to acquire the LP Interest contained in the First Refusal Offer on the same terms and conditions set out therein. If the Grantee does not advise the Grantor in writing, within the required time, the Grantee shall be deemed to have rejected such First Refusal Offer.
- e. If the Grantee does not elect to acquire the Interest offered, the Grantor may then proceed with the Disposition of the Grantor’s Interest, but only on the terms and conditions as contained in the First Refusal Offer. If the terms and conditions of the First Refusal Offer are at any time changed in any way following the Grantee’s rejection or deemed rejection of the First Refusal Offer, the Grantor shall not complete such Disposition unless and until the Grantor has again first complied with all such requirements of this paragraph.
- f. If the Grantee does not elect to acquire the Grantor’s Interest, and the transaction contemplated by the First Refusal Offer does not close, the Grantee's right of first refusal as set forth herein shall survive. If the First Refusal Offer is only with respect to a portion of the Grantor's Interest, the right of first refusal shall continue to apply to the remainder of the Grantor's Interest.
- g. The Grantor agrees to require as a condition of any First Refusal Offer that the purchaser of any LP Interest shall agree in writing directly with the Grantee to be bound by this Agreement. All Parties hereby agree that the said purchaser shall not receive good title until he or she has first executed this Agreement and any other documents as may be reasonably required by the General Partner.
- h. If the Grantee advises the Grantor that the Grantee elects to acquire the LP Interest offered, then the transaction shall close in accordance with the terms of the First Refusal Offer.
- i. If the First Refusal Offer contains any conditions which are required to be waived or met by the intended purchaser, the Grantor shall also provide to the Grantee, promptly upon the waiving or meeting of such conditions, evidence (“Evidence”) that the purchaser’s conditions have been waived or met. The Five day period commences when the First Refusal Offer and the Evidence have both been delivered to the Grantee.

Entitlement on Liquidation, Dissolution or Winding Up

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

- (a) the expiration of the Limited Partnership's term;
- (b) the election of the General Partner to dissolve the Limited Partnership, if approved by Special Resolution;
- (c) upon the sale or distribution of all of the Interests held by the Limited Partnership, unless the business of the Limited Partnership is continued by the specific consent of the General Partner and an Ordinary Resolution of the remaining Limited Partners given within 90 days after such event; or
- (d) 90 days following the effective date of the resignation or dissolution of the General Partner; provided, that the Limited Partnership shall not be dissolved if the Limited Partners shall elect a new General Partner by Special Resolution prior to expiration of such 90-day period,
- (e) at any time after December 31, 2022 on a date which is ninety (90) days after the Limited Partners have passed a Special Resolution approving the dissolution of the Partnership,

and, in any case, after the completion of the liquidation of the Limited Partnership and distribution to the Limited Partners of all funds remaining after payment of all debts, liabilities and obligations of the Limited Partnership to its creditors. Notwithstanding any rule of law or equity to the contrary, the Limited Partnership shall not be terminated except in the manner provided for in the Limited Partnership Agreement.

The proceeds from the liquidation of the Limited Partnership assets shall be applied and distributed by the end of the Fiscal Year in which liquidation occurs (or, if later, within 90 days after the date of such liquidation) according to the following order:

- (a) first, to creditors of the Limited Partnership, including any payment(s) owing on account of Guarantee Fees, payment of Management Fees owed to the General Partner and repayment of any indebtedness owing to the General Partner or Limited Partners, in the order of priority as provided by law;
- (b) second, the General Partner shall set up any reserves which the General Partner reasonably deems necessary for any contingent or unforeseen liabilities or obligations of the Partnership (which reserves when they become unnecessary shall be distributed in the remaining priorities set forth herein);
- (c) third, the Initial Limited Partner shall be allocated 0.01% of the proceeds from the liquidation of the Limited Partnership's assets, to a maximum of \$100 per annum;
- (d) fourth, to the Limited Partners, *pro rata* in accordance with their respective proportionate shares, sufficient monies until each Limited Partner has received a cumulative amount equal to their respective Net Equity (as defined in the Limited Partnership Agreement);
- (e) fifth, to the Limited Partners *pro rata* in accordance with their respective proportionate shares, sufficient monies until each Limited Partner has received a cumulative amount equal to eight (8%) percent per annum of their Subscription Price;
- (f) sixth, to the Limited Partners, after payment of the foregoing *pro rata* in accordance with their respective proportionate shares, eighty (80%) percent of an amount (the "First Amount") to be determined by General Partner but will be an amount to provide sufficient monies to make the payments pursuant to this paragraph such that the Limited Partners have received a total cumulative amount (including those amounts distributed pursuant to paragraph (e) above) equal to twelve (12%) percent per annum of their Subscription Price, and the balance of the First Amount to the General Partner;
- (g) seventh, to the Limited Partners, after payment of the foregoing, *pro rata* in accordance with their respective proportionate shares, sixty (60%) percent of an amount (the "Second Amount") to be determined by the General

Partner but will be an amount to provide sufficient monies to make the payments pursuant to this paragraph such that the Limited Partners have received a total cumulative amount (including those amounts distributed pursuant to paragraphs (e) and (f) above) equal to eighteen (18%) percent per annum of their Subscription Price, and the balance of the Second Amount to the General Partner; and

- (h) lastly, to the Limited Partners, pro rata in accordance with their respective proportionate shares, fifty (50%) percent of the balance available for distribution and the remainder to the General Partner.

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

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

(b) The Contract of Purchase and Sale:

20/20 Properties Ltd, as buyer and bare trustee for the General Partner, entered into a Purchase Contract dated September 28, 2016 with Avtar Singh Giri (the seller) to purchase the Property for a purchase price of \$2,300,000. Buyer acknowledged the building was and is not compliant with the building code. The General Partner intends to demolish the building (targeted for September 2017) which it believes will eliminate code violations. Tenants are on a month to month basis and have been given notice. Purchase of the Property was completed by the General Partner May 1, 2017 employing private issuer investment funds for Units (\$1,350,200) and loan funds (totalling \$1,610,000) and General Partner advances of \$443,937. The Property now carries mortgages, guaranteed by the principal of the General Partner, Michael Drever, in an amount of \$1,610,000 (see Property Encumbrances below).

(c) Property Encumbrances

In order to fund the acquisition of the Property on May 1, 2017 the General Partner borrowed \$1,350,000 from a consortium of five corporate lenders ("1st Lender") and an additional lender, as second mortgagor for \$260,000 ("2nd Lender") who were granted mortgages on the Property and a guarantee from Michael Drever, owner and sole director of the General Partner, to the 1st Lender. The terms of the lenders' mortgage and General Security Agreement are:

- (i) 1st Lender – The 1st Lender was granted a first standard term mortgage of \$1,350,000 on the Property due May 1, 2018, interest only at prime plus 5.3%, being 8% payable monthly (\$9000 per month). If the mortgage is extended then it will bear a rate of 10%;
- (ii) 2nd Lender- was granted a second standard term mortgage of \$260,000 on the Property due November 1, 2017, interest only at 12% (\$2600 per month).
- (iii) General Security Agreement – The General Partner and Michael Drever, as covenantor, granted the 1st Lender a general security agreement in addition to the above mortgage.

Item 3: Interests of Directors, Management, Promoters and Principal Holders

3.1 Compensation and Securities Held

Name and municipality of principal residence	Positions held (e.g., director, officer, promoter and/or principal holder) and the date of obtaining that position	Compensation paid by issuer or related party in the most recently completed financial year and the compensation anticipated to be paid in the current financial year	Number, type and percentage of securities of the issuer held after completion of min. offering	Number, type and percentage of securities of the issuer held after completion of max. offering
Michael Drever West Vancouver, BC	Sole Director and owner and President of the General Partner	Ø ¹	5,000,000 Class “A” voting commons	5,000,000 Class “A” voting commons
Performing Equity (Squamish) Developments Ltd.	General Partner of the LP	² Fees pursuant to the Limited Partnership Agreement	N/A	³ 2,500,000 Units and/or Shares
Robert Fraser Anmore, BC	Executive Business Development Officer	Nil	N/A	N/A

¹ Mr. Drever has provided a personal guarantee to secure loan facilities for the GP and LP and will be repaid any costs incurred by such guarantee. Mr. Drever is the sole shareholder of the General Partner with 5,000,000 Class “A” voting common shares issued.

² The GP has the right to the fees set forth in the Limited Partnership Agreement including the Guarantee Fee and the Management Fee (see definitions page 2 and 4) as well as a portion of Distributable Cash as disclosed in the section “Distribution of Profits” under Item 2.7 (“Material Agreements”).

The Management Fee is a fee totalling 4.5% of the Project Costs as defined in the Limited Partnership Agreement, payable as follows:

- i. a monthly payment of \$12,000.00 payable on the first day of each month, commencing January 1, 2017, and continuing up to and including the month in which the Development Permit* as defined in the Limited Partnership Agreement is issued and any accrued and unpaid fees shall be paid on the completion of the purchase of the Real Property pursuant to the Purchase Agreement (which occurred May 1, 2017);
- ii. a payment of \$35,000.00 upon the issuance of the Development Permit* as defined in the Limited Partnership Agreement;
- iii. a monthly payment of \$24,000.00 payable on the first day of each month commencing on the first full month after receipt of the Development Permit* and continuing until the earlier of the payment in full of the Management Fee and the completion of the Project as evidenced by an occupancy permit for the Project whether interim, conditional or final; and
- iv. the remainder, if any, payable upon completion, which is the sale of the last of the Real Property comprising the Project.

*The Squamish authorities determined to skip the “Development Permit” phase and proceed directly to building permit accordingly the Management Fee is being accrued or paid. \$60,000 has been accrued to May 31, 2017. None has been paid.

The Guarantee Fee is a one-time fee equal to up to three percent (3%) of the principal amount of an applicable loan payable on terms to be determined by the General Partner in the sole discretion of the General Partner

³ The GP will re-invest all proceeds of sale of Class “B” non-voting common Shares into Units of the LP

3.2 Management Experience – The principal occupations over the past five years of the directors and executive officers of the General Partner and the Limited Partnership, as well as their relevant business experience to the Business of the Limited Partnership are:

Name	Principal occupation and related experience
Michael Drever	Mr. Drever has had an extensive entrepreneurial career in North America. Mr. Drever was actively involved in the growth of the Young Entrepreneurs Organization which today has over 7,500 members worldwide and he was a chapter president in 1997 through 1998. From January, 1988 through to May 2007 he was the founder president and CEO of Cruise Ship Centers International Inc. which operates a specialty cruise vacation retail franchise business. From May, 2007 through to December, 2012 he was the founder and CEO of Expedia Cruise Ship Centers Inc. which operated a cruise specialty travel franchise business throughout North America. He has been inducted into the Cruise Lines International Association Hall of Fame and the Canadian Franchise Association Hall of Fame and has been a member of many advisory boards for various businesses and associations. He founded Performing Equity Inc. in May of 2016 which is a real estate development company which acquires properties in emerging markets for development or resale
Robert Fraser	Robert Fraser has a strong business background holding senior management positions for more than 30 years. During his career Mr. Fraser has built several companies in various industry sectors. Prior to joining the Company, Mr. Fraser was the Business Development Officer of Encore Vineyards Ltd. a wine producer located in Summerland BC. Before joining Encore Mr. Fraser was the Chief Executive Officer of Syntaris Power Corp. a position he held for several years. Syntaris is a well-known independent power producer in Western Canada. From 2006 to 2013. Mr. Fraser was the President of Galaxy Telecom Ltd., a VoIP services provider supplying services across Canada. From 1998 – 2004 Mr. Fraser was the COO of Corinex Communications Corp. Corinex is a software, firmware and hardware and research development technology company with more than 200 development staff. Mr. Fraser brings a strong sales and marketing background to any organization and has lead financings in many of the companies he has been associated with. Mr. Fraser started his career and held a variety of positions during fifteen-year tenure at Dun & Bradstreet Canada Ltd, culminating in senior management. Dun & Bradstreet is considered the world leader of business information.

3.3 Penalties, Sanctions and Bankruptcy

- a. No:
- i. director, executive officer or control person of the issuer; or
 - ii. an issuer of which a person referred to in (i) above was a director, executive officer or control person at the time
- has been the subject of:
- i. any penalty or sanction that has been in effect during the last 10 years;
 - ii. or any cease trade order that has been in effect for a period of more than 30 consecutive days during the past 10 years.
- b. No:
- i. director, executive officer or control person of the issuer; or
 - ii. issuer of which a person referred to in (i) above was a director, executive officer or control person at that time
- has made a 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, a receiver manager or trustee to hold assets, that has been in effect during the last 10 years.

3.4 Loans

The General Partner has advanced undocumented loans to or for the Limited Partnership in the amount of \$443,937 (including accrued management fees of \$60,000). The loans do not bear interest and are due on demand. There are no other debentures, or loans owing by the Limited Partnership to the Initial Limited Partner and/or the General Partner and/or the directors, management, promoters and principal holders of the General Partner. Mr. Drever, sole director, owner and President of the General Partner has provided a personal guarantee to lenders to the Project and will be repaid any costs associated therewith.

Item 4: Capital Structure

4.1 Capital - The Unit capital of the Limited Partnership at the date of this Offering Memorandum is as follows:

Description of security	Number authorized to be issued	Price per security	Number outstanding as at a date not more than 30 days prior to the date of this offering memorandum date	Number outstanding after min. offering assuming one subscriber for a minimum 50,000 units	Number outstanding after max. offering assuming only Units sold
LP Units	Unlimited	\$1.00	100 each to the initial limited partner and General Partner and 1,500,000 to private issuer limited partners	1,550,200	4,000,200

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

Description of security	Number authorized to be issued	Price per security	Number outstanding as at a date not more than 30 days prior to the date of this offering memorandum date	Number outstanding after min. offering assuming one subscriber for a minimum 50,000 units	Number outstanding after max. offering assuming only Shares sold
Class “A” voting common shares	Unlimited	\$0.001	5,000,000	5,000,000	5,000,000
Class “B” non-voting common shares	Unlimited	\$1.00	Nil	50,000	2,500,000
Class “C” non-voting common shares	Unlimited	N/A	Nil	Nil	Nil
Class “D” non-voting common shares	Unlimited	N/A	Nil	Nil	Nil

4.2 Long Term Debt Securities

Description of long term debt (including whether secured)	Interest rate	Repayment terms	Amount outstanding at [a date not more than 30 days prior to the offering memorandum date]
Five corporate lenders as mortgage lenders registered on Property Title	Prime plus 5.3% being 8% (\$9000 per month interest only) for the term	Term to May 1, 2018	\$1,350,000
An individual as mortgage lender	12% (\$2600 per month	Term to November 1,	\$260,000

registered on Property Title	interest only)	2017	
General Partner	0%	On demand	\$443,937

4.3 Prior Sales

Date of issuance	Type of security issued*	Number of securities issued	Price per security	Total funds received
April 20, 2017	Units – Initial Limited Partner(100) and General Partner (100)	200	\$1.00	\$200.00
May 12-31, 2017	Units – Private Issuer	1,350,000	\$1.00	\$1,350,000
June 1 to August 17	Units – Private Issuer	150,000	\$1.00	\$150,000*
N/A	Class “B” non-voting commons	Nil	N/A	N/A

*These Units have not been issued and, additionally, the Limited Partnership is holding \$450,000 of subscriptions receivable pending assessment of qualification and pending provision of funds.

Item 5: Securities Offered

5.1 Terms of Securities

The following is a summary of certain rights and restrictions on Units of the Limited Partnership and Limited Partners (section A below) and Class B Shares of the General Partner (section B below). For a full discussion of the rights and restrictions on holders of Units of the Limited Partnership and Limited Partners, refer to the Limited Partnership Agreement discussion at Item 2.7.

A. Rights and Restrictions, Obligations of Units of Limited Partners

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

- (a) Each Unit has one vote at all meetings of the Partnership;
- (b) No Unit holder may take part in the administration or business of the Partnership, failing which the holder will become liable for Partnership liabilities;

- (c) The Unit holders grant to the General Partner their power of attorney to make normal course changes to the agreement of limited partnership and to file on their behalf;
- (d) Profits of the Limited Partnership will be distributed in accordance with the following:
 - i) first, the Initial Limited Partner shall be allocated 0.01% of the Distributable Cash of the Limited Partnership to a maximum of \$100 per annum; and
 - ii) second, to the Limited Partners, *pro rata* in accordance with their respective proportionate shares, until each Limited Partner has received a cumulative amount equal to the Subscription Price for its respective Units.
 - iii) third, to the Limited Partners *pro rata* in accordance with their respective proportionate shares, sufficient monies until each Limited Partner has received a cumulative amount equal to eight (8%) percent per annum of their Subscription Price;
 - iv) fourth, to the Limited Partners, after payment of the foregoing *pro rata* in accordance with their respective proportionate shares, eighty (80%) percent of an amount (the "First Amount") to be determined by General Partner but will be an amount to provide sufficient monies to make the payments pursuant to these provisions such that the Limited Partners have received a total cumulative amount (including those amounts distributed as set forth in paragraphs (c) above) equal to twelve (12%) percent per annum of their Subscription Price, and the balance of the First Amount to the General Partner;
 - v) fifth, to the Limited Partners, after payment of the foregoing, *pro rata* in accordance with their respective Proportionate Shares, sixty (60%) percent of an amount (the "Second Amount") to be determined by the General Partner but will be an amount to provide sufficient monies to make the payments pursuant to this paragraph, such that the Limited Partners have received a total cumulative amount (including those amounts distributed pursuant to paragraphs 6.11 (c) and 6.11 (d) above) equal to eighteen (18%) percent per annum of their Subscription Price, and the balance of the Second Amount to the General Partner; and
 - vi) last, to the Limited Partners, *pro rata* in accordance with their respective proportionate shares, fifty (50%) percent of the balance available for distribution and the remainder to the General Partner.
- (e) Tax Income or Tax Loss in respect of a Fiscal Year will be allocated as at the end of the period among those Partners who were members of the Limited Partnership at the end of the period.
- (f) Subject to the right of first refusal provisions of the Limited Partnership Agreement and compliance with applicable securities and other laws, Units may be transferred if permitted by law. The General Partner shall deny the transfer of the Units to a person who does not satisfy the requirements of the Limited Partnership Agreement and the law.
- (g) In the event of an intent to sell, each Limited Partner as grantor ("Grantor"), grants to the General Partner as grantee ("Grantee"), a right of first refusal to acquire the Grantor's Limited Partnership interest (the "Interest"), or any portion thereof. The Grantor shall specifically include the Grantor and the Grantor's heirs, assigns, executors, creditors or any other parties that may be entitled at any time to dispose of the Grantor's Partnership interest.
- (h) In the event of liquidation of the Partnership the assets of the Partnership shall be distributed as follows:

- i) first, to creditors of the Limited Partnership, including any payment(s) owing on account of Guarantee Fees, payment of Management Fees owed to the General Partner and repayment of any indebtedness owing to the General Partner or Limited Partners, in the order of priority as provided by law;
- ii) second, the General Partner shall set up any reserves which the General Partner reasonably deems necessary for any contingent or unforeseen liabilities or obligations of the Partnership (which reserves when they become unnecessary shall be distributed in the remaining priorities set forth herein;
- iii) third, the Initial Limited Partner shall be allocated 0.01% of the proceeds from the liquidation of the Limited Partnership's assets, to a maximum of \$100 per annum;
- iv) fourth, to the Limited Partners, pro rata in accordance with their respective proportionate shares, sufficient monies until each Limited Partner has received a cumulative amount equal to their respective Net Equity (as defined in the Limited Partnership Agreement);
- v) fifth, to the Limited Partners pro rata in accordance with their respective proportionate shares, sufficient monies until each Limited Partner has received a cumulative amount equal to eight (8%) percent per annum of their Subscription Price;
- vi) sixth, to the Limited Partners, after payment of the foregoing pro rata in accordance with their respective proportionate shares, eighty (80%) percent of an amount (the "First Amount") to be determined by General Partner but will be an amount to provide sufficient monies to make the payments pursuant to this paragraph such that the Limited Partners have received a total cumulative amount (including those amounts distributed pursuant to paragraph (e) above) equal to twelve (12%) percent per annum of their Subscription Price, and the balance of the First Amount to the General Partner;
- vii) seventh, to the Limited Partners, after payment of the foregoing, pro rata in accordance with their respective proportionate shares, sixty (60%) percent of an amount (the "Second Amount") to be determined by the General Partner but will be an amount to provide sufficient monies to make the payments pursuant to this paragraph such that the Limited Partners have received a total cumulative amount (including those amounts distributed pursuant to paragraphs (e) and (f) above) equal to eighteen (18%) percent per annum of their Subscription Price, and the balance of the Second Amount to the General Partner; and
- viii) lastly, to the Limited Partners, pro rata in accordance with their respective proportionate shares, fifty (50%) percent of the balance available for distribution and the remainder to the General Partner.

B. Rights and Restrictions of Class "B" Non-Voting Common Shares

The Class "B" non-voting common shares consist of an unlimited number of shares. A total of 5,000,000 Class "A" common shares are issued to Michael Drever and constitute the control block of the General Partner both before and after this offering. There are no, and are not intended to be, any Class "C" or Class "D" non-voting common shares issued. The material terms of the Class "B" Shares (in relation primarily to the Class "A" shares) as set out in the articles of the General Partner and as added as terms of this offering are as follows:

- (a) the Class B Shares are not voting shares and accordingly the holder will not receive notice of or the right to vote at shareholder meetings but will have the right to receive financial statements of the General Partner at or about the time received by the Class "A" shareholder. However, the Class B Shares cannot be altered except with the consent of the Shareholders who shall have one vote for each Share held;
- (b) the Class B Share proceeds will be exclusively invested in Units of the Limited Partnership and all proceeds of the Units will be exclusively divided to the Shares and/or the Shares redeemed to the full extent of the Unit proceeds in accordance with professional advice. All non-Unit revenues will accrue to the Class "A" shares;
- (c) In the event the Project winds-up prior to full real estate sales and the Project is sold for residual value then all

revenues of the Units will be distributed to the Shares and the non-Unit revenue, if any, will accrue to the Class “A” shares;

- (d) In the event of wind-up, dissolution or insolvency of the General Partner the Shares shall have first priority on all distributions to the limit of their investment amount;
- (e) If the Shares are adjusted by, for example, a consolidation or subdivision of the Shares or the issue of additional Shares by dividend, the number of Shares issued shall be appropriately adjusted (if required by equity to maintain the rights of the Shareholders) immediately after the effective date of such subdivision, re-division, change, reduction, combination, consolidation or such issuance of Shares or convertible securities.

5.2 Subscription Procedure

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

Subscription Agreements for either Units or Class B Shares will be provided to eligible subscribers.

In order to subscribe for Units or Class B Shares, Subscribers must complete, execute and deliver the documentation referred to in the Subscription Agreements, and the following documentation to the General Partner at 638 Millbank Street, Vancouver, B.C., V5Z 4B7 including without limiting the generality of the foregoing:

1. one (1) completed and signed copy of a Subscription Agreement (including any schedules attached thereto). If the General Partner has approved a dual subscription by a subscriber then one subscription agreement for the Units and one for the Shares;
2. a certified cheque or bank draft in an amount equal to the Subscription Amount (as set forth in the relevant Subscription Agreement), payable to the General Partner “Performing Equity Developments (Squamish) Ltd”; and
3. completed and executed copies of the appropriate investor qualification form(s) including two (2) completed and signed copies of the Risk Acknowledgment Form attached to the Subscription Agreements as Exhibit “1”.

Subject to applicable securities laws, and the purchaser’s two-day cancellation right, a subscription for Units or Shares, evidenced by a duly completed Subscription Agreement delivered to the General Partner shall be irrevocable by the Subscriber. **See Item 11 Purchasers’ Rights.**

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

The subscription funds will be held in trust until midnight of the second business day subsequent to the date that each Subscription Agreement is signed by a Subscriber.

Item 6: Income Tax Consequences

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

6.2 INCOME TAX CONSIDERATIONS FOR UNITS

Tax considerations are a material aspect of the securities being offered and a subscriber should clarify with his tax counsel that investment in the Limited Partnership Units are suitable for the subscriber. If purchased for their tax benefits the investor should be cautioned that the Units may be suitable only for individuals (a) whose taxable income is subject to the highest marginal tax rates in their province, (b) who will hold their Units as capital property, and (c) who will recognize allocated gains from the disposition of the Units.

(a) Summary of Significant Income Tax Consequences to Canadian Residents

The following is a summary, as of the date of this offering memorandum, of the principal Canadian federal income tax considerations for a purchaser who acquires Units pursuant to the Offering. This summary only applies to purchasers who pay the Subscription Price in full when due and who, for the purposes of the Tax Act, are individuals (other than trusts) who, at all relevant times, (i) are or are deemed to be, resident in Canada, (ii) deal at arm's length with each of the General Partner, (iii) hold their Units as capital property, and (iv) will recognize allocated gains from the disposition of the Property on capital account. Provided a Limited Partner does not hold Units in the course of carrying on a business and has not acquired Units as an adventure or concern in the nature of trade, the Units will generally be considered to be capital property.

This summary assumes that the Partnership is a partnership at all relevant times for the purposes of the Tax Act and that the Property will be capital property to the Partnership.

This summary also assumes that no Unit will constitute a "tax shelter investment" of a Limited Partner for the purposes of the Tax Act, less than 50% of the Units will be held by "financial institutions" within the meaning of subsection 142.2(1) of the Tax Act, and that the main reason that any Limited Partner acquires Units will not be to receive, or be allocated, dividends.

Except as otherwise indicated, this summary assumes that recourse for any financing by a Limited Partner of the Subscription Price for Units is not limited in any respect and is not deemed to be limited within the meaning of the Tax Act. This summary further assumes that none of the Limited Partners, or any person not dealing at arm's length with a Limited Partner, is entitled, whether immediately or in the future and either absolutely or contingently, to receive or obtain in any manner whatsoever, any amount or benefit, for the purpose of reducing the impact of any loss that the Limited Partner may sustain by virtue of being a Limited Partner or the holding or disposition of Units (an "At-Risk Benefit").

This summary is based on the current provisions of the Tax Act, the Regulations, and counsel's understanding of the current, publicly available administrative and assessing practices of the CRA, published in writing prior to the date hereof. This summary does not otherwise take into account or anticipate any changes in laws, whether by judicial, governmental, or legislative decision or action, nor does it take into account other federal or provincial or foreign income tax legislation or considerations (including potential changes in the administrative and assessing practices of the CRA).

The income tax considerations applicable to a purchaser of Units will vary depending on a number of factors, including whether his or her Units are characterized as capital property, whether gains allocated to the purchaser from the disposition of the Property by the Partnership will be recognized on capital account; and the amount that would be his or her taxable income but for the interest in the Partnership.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular purchaser of Units. It is impractical to comment on all aspects of federal income tax laws which may be relevant to any potential purchaser of Units. Accordingly, each prospective purchaser of Units should obtain independent advice from a tax advisor who is knowledgeable in the area of income tax law regarding the

income tax considerations applicable to investing in the Partnership, including especially the implications of not having made an election pursuant to subsection 39(4) of the Tax Act, based on the purchaser's own particular circumstances.

The Tax Act contains rules that impose an income tax on certain publicly traded limited partnerships ("SIFT Tax"). Based on counsel's understanding that the Units will not be listed or traded on a stock exchange or any other trading system or organized facility, these rules should not operate to subject the Partnership to SIFT Tax.

(b) Status of the Units for RRSP

Based on the assumption above that the Partnership is a partnership at all relevant times for the purposes of the Tax Act, the Partnership is subject to the rules under the Tax Act in that regard. Units are not "qualified investments" for registered retirement savings plans, registered retirement income funds, registered education savings plans, registered disability savings plans or deferred profit sharing plans for the purposes of the Tax Act and should not be acquired by such plans.

(c) Taxation of the Partnership

The Partnership is not itself a taxable entity under the Tax Act and is not required to file income tax returns except for an annual information return. Subject to the comments below, the Partnership will compute its income or loss for each fiscal year for tax purposes in accordance with the Tax Act and such amount will be allocated to the partners of the Partnership in accordance with the terms of the Partnership Agreement. Such amounts will be required to be included in computing the income of the partners of the Partnership as described in more detail below. Each fiscal year of the Partnership ends on December 31 and the final fiscal year of the Partnership will end on the dissolution of the Partnership.

The income or loss of the Partnership will be computed as if the Partnership were a separate person resident in Canada. The Partnership expects to earn income (or losses) from the disposition of the Property. The Partnership will incur expenses for the purpose of earning income ("Investment Expenses"). The Investment Expenses will be deductible to the extent that the amount paid is reasonable and incurred for the purpose of earning income from the Property.

The General Partner has advised counsel that the Partnership has purchased the Property with the general objective of earning income (or losses) on the disposition of the Property and that gains and losses realized on the disposition thereof are income and losses. Accordingly, in determining the income of the Partnership, the General Partner has advised counsel that the Partnership will take the position that gains or losses realized on the disposition of the Property will constitute income or losses of the Partnership in the year realized.

The costs associated with the formation of the Partnership are not fully deductible either by the Partnership or the Limited Partners. Such expenses incurred by the Partnership are "eligible capital expenditures", 75% of which may be deducted by the Partnership at the rate of 7% per year on a declining balance basis subject to prorating for fiscal periods that are less than 12 months.

To the extent that they are reasonable, Management Fees payable to the General Partner will generally be deductible in the year in which the services to which they relate are rendered or the fees are paid, whichever is later.

(d) Taxation of Unit Holders

Computation of Income of Limited Partners

Each Limited Partner will be required to include, in computing his or her income or loss for tax purposes for a taxation year, subject to the "at-risk" rules, his or her pro rata share of the dividends, capital gains, other income and Investment Expenses for each fiscal year of the Partnership ending in, or at the end of, that taxation year, whether or not he or she has received, or will receive, any distributions from the Partnership.

Each Limited Partner will be required to file an income tax return reporting his or her share of such amounts. While the Partnership in respect of each taxation year will provide each Limited Partner with information required for income tax purposes with respect to his or her investment in Units, the Partnership will not prepare or file income tax returns on behalf of any Limited Partner.

Each person who is a Partner in a year will be required to file an information return on or before the last day of March of the following year in respect of the activities of the Partnership or, where the Partnership is dissolved, within 90 days after the dissolution of the Partnership. An information return made by any one Partner in respect of the Partnership will be deemed to have been made by each Partner. Under the Partnership Agreement, the General Partner is required to file the necessary information return in respect of the Partnership.

Capital gains and capital losses earned by the Partnership in a particular year from the disposition of the Property that are allocated to a Limited Partner represent capital gains or capital losses that are required to be included in computing a Limited Partner's income for the purposes of the Tax Act. For tax treatment of capital gains and losses, see below under the subheading "Disposition of Units in the Partnership."

Limitation on Deductibility of Expenses or Losses of the Partnership

Subject to the "at-risk" rules, a Limited Partner's share of the Investment Expenses of the Partnership for any fiscal year may be applied against his or her income from any source to reduce net income for the relevant taxation year and, to the extent it exceeds other income for that year, generally may be carried back three taxation years and forward 20 taxation years and applied against taxable income of such other years. The Tax Act provides that, notwithstanding the income or loss allocation provisions of the Partnership Agreement, any non-capital losses of the Partnership from a business or property allocated to a Limited Partner in respect of a fiscal year of the Partnership ending in a taxation year are deductible by such Limited Partner in computing his or her income for the taxation year only to the extent of his or her "at-risk amount" in respect of the Partnership at the end of the fiscal year.

Based on the manner in which the Partnership will operate and be financed as indicated in this confidential offering memorandum, and based on the assumptions that recourse for all financing by the Limited Partners of the purchase price of their Units is not limited, and is not deemed to be limited, within the meaning of the Tax Act and that no Limited Partner, nor any person not dealing at arm's length with a Limited Partner, will have an At-Risk Benefit, the General Partner has advised counsel that it does not anticipate that the "at-risk" rules should generally limit a Limited Partner's ability to deduct any portion of his or her share of the Investment Expenses of the Partnership.

For the purposes of the Tax Act, a limited recourse amount is the unpaid principal amount of any indebtedness for which recourse is limited and the unpaid principal amount of a debt is deemed to be a limited recourse amount unless:

- (a) the debt bears interest at a rate not less than the lesser of the rate prescribed under the Tax Act at the time the debt is incurred and the rate prescribed from time to time during the term of the indebtedness;
- (b) bona fide written arrangements were made, at the time the debt was incurred, for repayment of principal and interest within a reasonable period not exceeding 10 years; and

- (c) interest is paid in respect of the debt at least annually within 60 days after the end of the debtor's tax year.

Limited Partners are required to represent that their acquisition of Units has not been financed with borrowings for which recourse is limited. Prospective purchasers who propose to finance the acquisition of their Units should consult with their tax advisors.

Disposition of Units in the Partnership

A disposition by a Limited Partner of his or her Units, including on a redemption of Units on the Redemption Date, will result in the Limited Partner realizing a capital gain (or a capital loss) to the extent that his or her proceeds of disposition, net of reasonable costs of disposition, exceed (or are less than) his or her adjusted cost base of the Units immediately prior to the disposition.

Subject to any adjustment required by the Tax Act, the adjusted cost base of a Limited Partner's Units for income tax purposes at any time will generally equal the Subscription Price for the Units, increased by any share of income allocated to the Limited Partner (including a pro rata share of the full amount of any capital gains realized by the Partnership) for fiscal periods ending before that time and any Partnership distributions that are reinvested in additional Units, and reduced by any share of losses (including a pro rata share of the full amount of any capital losses realized by the Partnership) and Investment Expenses allocated to such Limited Partner before that time and the amount of Partnership distributions made to such Limited Partner, if any.

Although the General Partner does not anticipate that the adjusted cost base of Units held by original Limited Partners will be less than zero, the amount of any negative adjusted cost base at the end of a taxation year will be deemed to be a capital gain of a Limited Partner in that taxation year.

Generally, one-half of the amount of a capital gain is a taxable capital gain and is required to be included in computing a Limited Partner's income in the year and one-half of a capital loss is an allowable capital loss that is deductible only against taxable capital gains for the year. The unused portion of an allowable capital loss may be carried back three years or forward indefinitely in accordance with the detailed rules in the Tax Act.

Alternative Minimum Tax

The Tax Act requires that individuals compute an alternative minimum tax determined by reference to the amount by which the taxpayer's "adjusted taxable income" for the year exceeds his or her basic exemption which, in the case of an individual, is \$40,000. In computing his or her adjusted taxable income, a taxpayer must include, among other things, all taxable dividends (without application of the gross-up), and 80% of net capital gains. Various deductions and credits will be limited or denied in performing the required computation, including the denial of deductions relating to any Investment Expenses allocated to the taxpayer as a member of the Partnership. A federal tax is applied at a rate of 15% to the amount subject to the minimum tax, from which the individual's "basic minimum tax credit for the year" is deducted. Included in the basic minimum tax credit are certain specified personal and other credits available to an individual under the Tax Act as deductions from tax payable for the year. Generally, if the minimum tax so calculated exceeds the tax otherwise payable under the Tax Act, the minimum tax will be payable. Whether and to what extent the tax liability of a particular Limited Partner will be increased as a result of the application of the alternative minimum tax rules will depend on the amount of his or her income, the sources from which it is derived, and the nature and amounts of any deductions he or she claims.

Any additional tax payable by an individual for the year resulting from the application of the alternative minimum tax will be deductible in any of the seven immediately following taxation years in computing the amount that would, but for the alternative minimum tax, be his or her tax otherwise payable in respect of any such year. Prospective investors are urged to consult their tax advisors to determine the impact of the alternative minimum tax in light of their own circumstances.

(e) Tax Shelter Investment Rules

A "tax shelter investment" is defined in the Tax Act to include a "tax shelter" (as defined in the Tax Act) and certain partnership interests that are not tax shelters. Where any interest in a partnership is a tax shelter investment, all interests in the partnership will be tax shelter investments. If any interests in the partnership are tax shelter investments, the cost amount of the partnership's investments and amount of its expenditures (or, in certain circumstances, the cost amount of a limited partner's interest) will be reduced, and any gain (or loss) realized on the disposition of an investment (or on the disposition of a limited partner's interest) may be increased (or decreased), for Canadian income tax purposes, by the principal amount of all the indebtedness of the partnership (other than qualifying debt repaid within 60 days of borrowing) or any indebtedness that is a "limited recourse amount" for purposes of the Tax Act of a member of the partnership or any person not dealing at arm's length with the partnership (or a limited partner), that reasonably relates to the expenditure. The meaning of "limited recourse amount" is discussed above under the subheading "Limitation on Deductibility of Expenses or Losses of the Partnership".

The General Partner has advised counsel that it is of the view that the Partnership will not be considered to have acquired property that is a "tax shelter", nor will an interest in the Partnership be a "tax shelter investment", for purposes of the Tax Act based on the following assumptions:

- (a) no Limited Partner is a "tax shelter investment" as that term is defined in the Tax Act;
- (b) no Limited Partner has financed the acquisition of Units with a financing for which recourse is, or is deemed to be, limited or has financing expenses or any "prescribed benefit" in respect of such acquired Units within the meaning of the Tax Act which, together with amounts represented and expected to be deductible within four years of acquisition of such Units, exceed that Limited Partner's cost of the Units at the relevant time; and
- (c) based on the terms of the Offering, there is no statement or representation that amounts would be deductible by a Limited Partner within four years of the Offering that exceed the Limited Partner's cost of Units at the relevant time.

(f) Taxation of Registered Plans

Units are not qualified investments" for registered retirement savings plans, registered retirement income funds, registered education savings plans, registered disability savings plans or deferred profit sharing plans for the purposes of the Tax Act and should not be acquired by such plans.

6.3 INCOME TAX CONSIDERATIONS FOR CLASS B SHARES

Acting on the basis that the General Partner is a Canadian controlled private corporation and all or substantially all of the fair market value of the assets of which are attributable to assets that are used principally in an active business carried on

primarily in Canada. As such, the General Partner is a "small business corporation" as defined in Regulation 4900(12) (a) of the Income Tax Act, Canada (the "Act") and the Regulations thereto.

From a review of the information provided by the General Partner the writer assumes that, immediately after the acquisition of the Shares, the particular Annuitant is not a specified shareholder of the corporation, as defined in subsection 248(1) of the Act (i.e. does not own in the aggregate, directly or indirectly, 10% or more of the shares of any class of shares of the General Partner, or of any other corporation related to the General Partner, after attributing to the Annuitant for such purpose the shares owned by persons with whom the Annuitant does not deal at arm's length) and, as such, does not have a significant interest in the General Partner, as defined in subsection 207.01(4) of the Act.

The Shares of the General Partner are not listed or quoted for trading on any stock exchange, over-the-counter or bulletin board market. There is no published market for the Shares, and all Shares are subject to resale restrictions. No valuation of the General Partner or the Shares has been undertaken. The writer offers no opinion as to the value of the General Partner as a going concern or otherwise, and offers no opinion as to the fair market value of Shares in the capital of the General Partner. However, provided the subscription price paid by an annuitant for the Shares was made without undue influence and for valuable consideration between parties dealing at arm's length, such price can be generally accepted as representing fair market value of the Shares.

Based on the above assumptions and on facts provided by the General Partner included in this Offering Memorandum, it is the writer's opinion that the Shares of the General Partner will be a qualified investment and not be a non – qualified or prohibited investment, as those terms are defined in subsection 146(1) and in subsection 207.01(1) of the Act for the RRSP and TFSA of such Annuitant.

The Person Providing the Income Tax Disclosure

John Drove Law Corporation, tax counsel to the Partnership and the General Partner, has provided the above general summary of tax considerations regarding the Units and Shares.

6.3 Not all securities are eligible for investment in a registered retirement savings plan (RRSP). You should consult your own professional advisers to obtain advice on the RRSP eligibility of these securities. The General Partner is not providing any advice or representations regarding eligibility of the Units for RRSPs.

Item 7: Compensation Paid to Sellers and Finders

There are no agents engaged at the date of this Offering Memorandum. In the event that some of the Units or Shares are sold with the assistance of a selling agent, then the total commission will be adjusted accordingly but the General Partner will employ reasonable best efforts to restrict fees or commissions to not exceed five (5%) percent of any subscription. Any commissions will be paid by the Limited Partnership. The Limited Partnership may also pay finder's fees up to a maximum of five (5%) percent of any subscription in compliance with the *Securities Act* to parties who located potential investors in the Limited Partnership or the General Partner. In addition the Issuer estimates that should it secure exempt market dealers and marketers that costs could be another five percent (5%) of the Offering.

Item 8: Risk Factors

a. Investment Risk - risks that are specific to the securities being offered:

- **Economy** - The profitability of the Limited Partnership will be dependent on both general

and local socio-political economic conditions and will be affected by fluctuations in the rate of economic growth and the rate of expansion of the real estate market.

- **Market** – There is unlikely to be a market for the securities and the market for the securities is likely to be illiquid. Consequently, securities holders may not be able to sell their securities and such may not be readily accepted as collateral for a loan.
- **Resale Restrictions** - As the Limited Partnership and General Partner do not expect to become a reporting issuer, any securities will be subject to resale restrictions under applicable securities legislation and the Limited Partnership Agreement. The securities will be subject to indefinite hold periods and may not be resold unless the proposed sale would qualify under a statutory exemption or a discretionary order from the relevant securities regulatory authority from the registration and prospectus requirements of applicable securities legislation. There is no assurance that any such exemption will be available.
- **Uncertainty of Projections** – Although the General Partner believes that any projections and/or estimates, if any, contained in this Offering Memorandum are reasonable, the projections and/or estimates are based on certain assumptions as to future events which cannot be predicted with certainty. Actual results may vary and such variations may be material.
- **Dilution** – The interest of the Limited Partners or Shareholders may be diluted to the extent that the source of additional funding is by way of the sale of additional Units or Shares. Pursuant to the Limited Partnership Agreement, the Limited Partnership may admit further Limited Partners in exchange for additional contributions from such newly admitted Limited Partners.
- **Default by Other Limited Partners** - If other Limited Partners default in their obligations in respect of their Capital Contribution or other obligations under the Limited Partnership Agreement, there may be adverse consequences to the Limited Partnership and/or other Limited Partners, including but not limited to capital losses respecting deposits, down payments or through foreclosure.
- **Loss of Limited Liability by Limited Partner** – The limited liability of a Limited Partner may be lost if a Limited Partner takes part in the management of the Business or through non-compliance with the Act. See s. 2.7(a) “The Limited Partnership Agreement”.
- **Uninsured Losses** - The General Partner will arrange for comprehensive insurance, including course of construction, fire, liability and extended coverage, of the type and in the amounts customarily obtained for properties similar to those owned by the Limited Partnership and will endeavour to obtain coverage where warranted against earthquakes and floods. However, in many cases, certain types of losses (generally of a catastrophic nature) are either uninsurable or not economically insurable. Should such a disaster occur with respect to the Property, the Limited Partnership could suffer a loss of capital invested and not realize the profits which might have been anticipated from the Property.
- **No review by regulatory authorities.** This Offering Memorandum constitutes a private offering of the Units and Shares by the Issuer only in those jurisdictions where and to those persons to whom they may be lawfully offered for sale under exemptions in applicable securities legislation. This Offering Memorandum is not, and under no circumstances is to be construed as a prospectus, advertisement or public offering of these

Units. Investors of this Offering Memorandum will not have the benefit of a review of the material by any regulatory authority.

b. Issuer Risk - risks that are specific to the issuer:

- **New Limited Partnership with limited financial resources.** The Limited Partnership and General Partner have recently commenced the active conduct of the Business, has no operating history of sales or profits, and may have very limited capital. The Limited Partnership and General Partner may exhaust their working capital and have insufficient funds to accomplish the business objectives, meet operating expenses and debt service payments. In particular, the General Partner may not be able to complete the Project. The Partnership may operate at a loss, at least during the near future, and there can be no assurance that it will not continue to do so indefinitely.
- **Net Worth of the Limited Partnership** – The Limited Partnership and the General Partner has unlimited liability for the obligations of the Limited Partnership and the General Partner. At any given time the Limited Partnership and General Partner may have no or minimal net worth. This may or will affect the ability to acquire capital or debt financing sufficient to engage in or complete the Project.
- **Control of the Limited Partnership** – As applicable, following the completion of this Offering, or any sequential closing, control of the Limited Partnership will remain in the hands of the Directors, Officers and control persons or affiliates of the General Partner. Accordingly, the General Partner will be able to control and direct the business and the Limited Partnership's affairs and must be relied upon.
- **Reliance on Directors and Officers** – The Limited Partnership, the Limited Partners and the Shareholders are dependent in large part upon the experience, expertise and good faith of the Directors and Officers of the General Partner. The Directors and Officers of the General Partner may be entitled to act in a similar capacity for other entities but with different policies of the Limited Partnership. However, each Director and Officer is obligated by law to manage the affairs of the Limited Partnership in a fiduciary manner. The Limited Partnership may seek additional experienced managerial level personnel as needed. However, no assurances can be given that its efforts will be successful or, if successful, that the Limited Partnership will be able to induce such additional managerial level persons or other key employees to remain with the Limited Partnership or on what terms.
- **Reliance on Employees, Agents, Contractors** – The Limited Partnership and the General Partner may end up relying on other employees, agents and or contractors, such as property management companies, builders, real estate agents. While those other employees, agents and contractors will be under contractual and sometimes fiduciary duties to act in the best interest of the Limited Partnership and the General Partner, there can be no assurances that those other employees, agents and contractors will uphold their duties.
- **Conflicts** - There may be potential conflicts of interest between the Directors and Officers of the General Partner and the Limited Partnership may be subject to in connection with the operations of the Limited Partnership. Conflicts may also arise out of any contractual relationship between the Limited Partnership and others under any agreement with relationships to the General Partner, in spite of such person(s) being obligated to the Limited Partnership. A conflict may occur at the time the Limited Partnership and such a person renegotiate the terms of any agreement.

c. **Industry Risk - risks faced by the issuer because of the industry in which it operates. Some examples include:**

- **Risk of Real Estate Ownership** – Investment in real estate is subject to numerous risks, including the highly competitive nature of the real estate industry, changes in general and local conditions, failure of tenants to pay rent, inability to obtain full occupancy of residential units, changes in neighbourhood property values, interest rates, availability of mortgage funds, real estate tax rates and other operating and maintenance, insurance expenses, oversupply and overbuilding of real estate, and governmental rules and fiscal policies and events and factors which are beyond the control of the Limited Partnership. If the Limited Partnership is unable to complete the Project or insufficient funds are generated through the operation of the Property to service long term debt and mortgage obligations relating to the Property and a default occurs under any debt and mortgage obligations relating to the Property, the various creditors, lenders and mortgagees could exercise their rights including, without limitation, foreclosure, receivership of the Property.
- **Real Estate Bubble** – Some observers and analysts believe that Canada, particularly British Columbia, could be experiencing a real estate bubble and that real estate could be poised for a sharp correction. Should this happen retail sales could become unviable, loans could foreclose and the market for the realty units may stall. Should this happen the Partnership believes the Project can be maintained as rental units.
- **Competition** – All aspects of the Limited Partnership's Business are highly competitive and there may be any given number of entities operating the same or similar Business in the same jurisdictions as the Limited Partnership. The Limited Partnership may have to compete with other more established, well known entities with much greater financial and other resources and operating efficiencies.
- **Taxation** – The Canadian tax treatment of real estate activities of the Limited Partnership has a material effect on the advisability of investment in the Units (see. s. 6 – Income Tax Consequences). The return on a Limited Partner's investment in Units is subject to changes in Canadian tax laws. There can be no assurance that the tax laws will not change in a manner that may fundamentally alter the income tax consequences to Limited Partners and the Units. No advance income tax ruling has been applied for or received with respect to any of the income tax consequences described in this Offering Memorandum.

A Limited Partner is required to take into account, in computing for tax purposes, the Limited Partner's share of the Limited Partnership's income allocated to it for tax purposes. It is possible that the amount of income for tax purposes so allocated may be greater than the amount of cash distributions, if any, received by a Limited Partner.

It is possible that certain losses allocated to a Limited Partner may not be deductible for tax purposes or that the allocation of the purchase price of individual assets acquired may be challenged by Canadian taxation authorities and the deductions of certain expenditures may be denied.

Canadian taxation authorities may challenge or disagree with positions taken or characterizations made by the Limited Partnership:

A gain realized on a disposition of the Property or a Limited Partner's Units may be treated as business income rather than a capital gain, increasing the Limited Partnership or a Limited Partner's tax liabilities.

- **Industry Regulation - Penalties, Sanctions, Litigation** - The Limited Partnership's proposed activities are subject to laws, rules and regulations. Failure to comply with any of these laws, rules or regulations could result in fines, sanctions, suspension or expulsion, which could have a material adverse effect upon the Limited Partnership. In the normal course of business the Limited Partnership may be named as a defendant in civil actions arising out of its activities. There can be no assurance as to the eventual outcome of any proceedings in which the Limited Partnership may be party to.

Item 9: Reporting Obligations

9.1 The General Partner, or its agent in that behalf, shall be responsible for the preparation of unaudited annual financial statements of the Limited Partnership as at the end of each Fiscal Year and an income tax return of the Limited Partnership and General Partner for each calendar year. The General Partner, or its agent in that behalf, shall distribute a copy of such annual financial statements to each Limited Partner and each Shareholder within ninety (90) days after the end of each Fiscal Year of each Issuer, shall file with Canada Revenue Agency in respect of each calendar year the income tax return of each Issuer and will provide each Limited Partner and Shareholder, as appropriate, with a copy of such return and annual income tax information for each Fiscal Year by March 31 of the following year to assist the Limited Partner in declaring his, her or its share of the Limited Partnership income.

Item 10: Resale Restrictions

10.1 These securities 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 securities unless you comply with an exemption from the prospectus and registration requirements under securities legislation.

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

Item 11: Purchasers' Rights

If you purchase these securities you will have certain rights, some of which are described below. For information about your rights you should consult a lawyer.

(1) Two Day Cancellation Right - You can cancel your agreement to purchase these securities. To do so, you must send a notice to us by midnight on the 2nd business day after you sign the agreement to buy the securities.

(2) Statutory Rights of Action in the Event of a Misrepresentation - If there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) The Limited Partnership and/or General Partner to cancel your agreement to buy these securities, or
- (b) for damages against:
 - (i) the Limited Partnership and the General Partner;
 - (ii) every director of the General Partner of the Limited Partnership at the date of the Offering Memorandum;
 - (iii) every person who signed the Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within One Hundred (180) days. You must commence your action for damages within:

- (a) one hundred eighty (180) days after the plaintiff first had knowledge of the facts giving rise to the cause of the action, or
- (b) three (3) years after the date of the transaction that gave rise to the cause of the action.

The British Columbia Limitation Act was recently amended to provide for a two year limitation from the date of knowledge of the cause of action. This may serve to reduce the period for an action.

Item 12: Financial Statements

Financial statements of the General Partner and the Limited Partnership at May 31, 2017 are appended hereto.

PERFORMING EQUITY (SQUAMISH) LIMITED PARTNERSHIP

Financial Statements

May 31, 2017

Presented in Canadian dollars



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Director of Performing Equity (Squamish) Limited Partnership:

We have audited the accompanying financial statements of Performing Equity (Squamish) Limited Partnership, which comprise the statement of financial position as at May 31, 2017, and the statements of changes in net assets attributable to unitholders, comprehensive loss and cash flows for the period from inception on April 20, 2017 to May 31, 2017, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Performing Equity (Squamish) Limited Partnership as at May 31, 2017, and its financial performance and its cash flows for the period from inception on April 20, 2017 to May 31, 2017 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes certain conditions that indicate the existence of a material uncertainty that may cast significant doubt about Performing Equity (Squamish) Limited Partnership's ability to continue as a going concern.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
August 17, 2017



*An independent firm associated with
Moore Stephens International Limited*

MOORE STEPHENS

PERFORMING EQUITY (SQUAMISH) LIMITED PARTNERSHIP

Statement of Financial Position

(Expressed in Canadian dollars)

	Note	May 31, 2017
<hr/>		
Assets		
Current assets		
Cash		\$ 362,018
GST receivable		3,642
Unit subscriptions receivable	11	450,000
Prepays		63,546
Total current assets		879,206
Real estate held for development and sale	3	2,547,016
Total assets		\$3,426,222
<hr/>		
Liabilities and net assets attributable to unitholders		
Current liabilities		
Accounts payable and accrued liabilities	4	\$ 110,489
Mortgages payable	5	1,610,000
Subscriptions for Limited Partnership Units	6	50,000
Advances from General Partner	7	443,937
Total liabilities		2,214,426
Net assets attributable to unitholders		
Limited Partnership Units outstanding	6	1,350,200
Net liabilities attributable to unit holders		(138,404)
Total net assets attributable to unitholders		1,211,796
Total liabilities and net assets attributable to unitholders		\$3,426,222

The accompanying notes are an integral part of these financial statements

Nature and continuance of operations (Note 1)
Subsequent event (Note 11)

Approved by the sole Director:

“Michael Drever”

Michael Drever, Director

The accompanying notes are an integral part of these financial statements

PERFORMING EQUITY (SQUAMISH) LIMITED PARTNERSHIP

Statement of Changes in Net Assets Attributable to Unitholders

(Expressed in Canadian dollars)

	Total net assets attributable to unitholders
Beginning balance on inception (inception Unit subscriptions) April 20, 2017	\$ 200
Limited partner contributions	1,350,000
Net and comprehensive loss for the period	(138,404)
Balance, May 31, 2017	\$1,211,796

The accompanying notes are an integral part of these financial statements

PERFORMING EQUITY (SQUAMISH) LIMITED PARTNERSHIP

Statement of Comprehensive Loss

(Expressed in Canadian dollars)

	Note	Period from Inception (April 20, 2017) to May 31, 2017
Expenses		
Advertising and marketing		\$ 27,581
Consulting fees		27,260
General and administrative		5,058
Insurance		2,891
Management fees	7	60,000
Professional fees		17,881
		(140,671)
Other income		2,267
Net and comprehensive loss		\$ (138,404)

The accompanying notes are an integral part of these financial statements

PERFORMING EQUITY (SQUAMISH) LIMITED PARTNERSHIP

Statement of Cash Flows

(Expressed in Canadian dollars)

Period from
Inception
(April 20,
2017) to
May 31,
2017

Cash provided by (used in):

Operating activities

Net loss \$ (138,404)

Changes in non-cash working capital items:

GST receivable (3,642)

Prepays (63,546)

Accounts payable and accrued liabilities 110,489

Cash used in operating activities (95,103)

Investing activity

Real Estate property acquisition and development (2,547,016)

Cash used in investing activities (2,547,016)

Financing activities

Advances from General Partner 443,937

Proceeds from mortgages 1,610,000

Proceeds for Limited Partnership Units not yet issued 50,000

Proceeds from issuance of Limited Partnership Units 900,200

Cash provided by financing activities 3,004,137

Increase in cash 362,018

Cash, at inception -

Cash, ending \$ 362,018

The accompanying notes are an integral part of these financial statements

The accompanying notes are an integral part of these financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS

Performing Equity (Squamish) Limited Partnership (the "Limited Partnership") was formed in Canada under the Partnership Act (British Columbia) on April 20, 2017 and its head office is located at 638 Millbank, Vancouver, British Columbia, V5Z 4B7. The Limited Partnership was established for the purpose of acquiring and developing real estate for resale in Squamish, British Columbia. The term of the Limited Partnership is until December 31, 2030 unless dissolved earlier by special resolution. The general partner of the Limited Partnership is Performing Equity Developments (Squamish) Ltd. ("the General Partner").

These financial statements have been prepared on the basis that the Limited Partnership will continue as a going concern with the assumption that the Limited Partnership will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. As at May 31, 2017, the Limited Partnership had a working capital deficiency of \$1,335,220 and accumulated net liabilities attributable to unitholders of \$138,404. The proposed business of the Limited Partnership involves a high degree of risk and there is no assurance that the Limited Partnership will be able to finance the proposed real estate development. Additional funds will be required to enable the Limited Partnership to pursue the development and the Limited Partnership may be unable to obtain such financing on terms which are satisfactory to it. Furthermore, there is no assurance that the business will be profitable. These factors indicate the existence of a material uncertainty that may cast doubt about the Limited Partnership's ability to continue as a going concern. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Limited Partnership be unable to continue operations. Continued operations of the Limited Partnership are dependent on the Limited Partnership's ability to receive financial support, necessary financings, and to generate profitable operations in the future.

Subsequent to the period end the Limited Partnership intends to file an Offering Memorandum, together with the General Partner, to sell up to 2,500,000 units at a price of \$1.00 to raise funds to continue the development of the real estate project.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

The accompanying notes are an integral part of these financial statements

The financial statements of the Limited Partnership have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). The financial statements have been prepared on a historical cost basis, modified where applicable. The financial statements are presented in Canadian dollars, which is the Limited Partnership’s functional currency.

The financial statements were approved by the board of directors on August 17, 2017.

(b) Use of estimates and judgments

The preparation of the Limited Partnership’s financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Significant areas requiring the use of estimates include the allocation of costs incurred to Investment Properties and the recoverability of the carrying value of Investment Properties. Actual results may differ from these estimates. Significant areas requiring the use of judgment in applying the Limited Partnership’s accounting policies include the use of the cost method to account for Investment Properties and the assessment of the Limited Partnership’s ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

The accompanying notes are an integral part of these financial statements

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Allocation of net income or net loss

Profits, more specifically defined as distributable cash in the Limited Partnership Agreement executed on April 20, 2017, are allocated as follows:

- 0.01% to the Limited Partner to a maximum of \$100 per annum;
- To the Limited Partners, a pro rata amount in accordance with their respective Units until each Limited Partner has received an amount equal to the subscription price of its respective Units;
- To the Limited Partners, a pro rata amount in accordance with their respective Units until each Limited Partner has received a cumulative amount equal to eight percent per annum of their subscription price;
- To the Limited Partners, a pro rata amount in accordance with their respective Units, eighty percent of an amount to be determined by The General Partner but will be an amount to provide Limited Partners a total cumulative amount equal to twelve percent per annum of their subscription price and the balance of the amount determined by the General Partner to the General Partner;
- To the Limited Partners, a pro rata amount in accordance with their respective Units, sixty percent of an amount to be determined by The General Partner but will be an amount to provide Limited Partners a total cumulative amount equal to eighteen percent per annum of their subscription price and the balance of the amount determined by the General Partner to the General Partner;
- To the Limited Partners, a pro rata amount in accordance with their respective Units, fifty percent of the remaining profits and the remainder to The General Partner.

In the event of losses, net losses should be allocated in the same manner and proportions as net income would be allocated.

(d) Income taxes

The Limited Partnership is not subject to income taxes. The net loss of the Limited Partnership is allocated to the individual partners for taxation purposes.

(e) Financial instruments

(i) Financial assets

The accompanying notes are an integral part of these financial statements

The Limited Partnership initially recognizes receivables and prepaids on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Limited Partnership becomes a party to the contractual provisions of the instrument.

The Limited Partnership derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Limited Partnership is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Limited Partnership has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The accompanying notes are an integral part of these financial statements

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) *Financial instruments (Continued)*

(i) Financial assets (Continued)

The Limited Partnership's financial assets consist of cash and receivables which are classified as loans and receivables. Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Impairment of financial assets

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income or loss are reclassified to profit or loss in the period. Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted.

Financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

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

The accompanying notes are an integral part of these financial statements

impairment losses previously recognized through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized directly in other comprehensive income.

(ii) Non-derivative financial liabilities

The Limited Partnership's financial liabilities consist of accounts payable, mortgages payable and advances from general partner and are non-derivative financial liabilities. The Limited Partnership initially recognizes non-derivative financial liabilities at fair value, net of any directly attributable transaction costs, on the date at which the Limited Partnership becomes a party to the contractual provisions of the instrument. Subsequent to initial recognition non-derivative financial liabilities are measured at amortized cost using the effective interest method. The Limited Partnership derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Limited Partnership has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) *Real Estate Held for development and sale*

Real estate held for development and sale is classified as Investment Property under IAS 40 and accounted for under the cost method. Real estate held for development and sale is carried at historical cost but is not to exceed estimated net realizable value ("NRV"). NRV is the estimated selling price in the ordinary course of the business at the balance sheet date, less costs to complete and estimated selling costs. The Limited Partnership accesses NRV at the end of each reporting period and where it exceeds the carrying value an impairment is recorded to reduce the carrying value to the estimated NRV.

Cost includes land acquisition costs, other direct costs of development and construction, borrowing costs, property taxes and legal costs.

(g) *Limited Partnership Units*

The accompanying notes are an integral part of these financial statements

Limited Partnership Units are classified as equity. Transaction costs directly attributable to the issue of these Units are recognized as a deduction from the proceeds received.

(h) Accounting standards issued but not yet effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods beginning after May 31, 2017 or later periods. The following new standards, amendments and interpretations that have not been early adopted in these financial statements, is not expected to have a material effect on the Limited Partnership's future results and financial position:

- (i) IFRS 9 Financial Instruments (New; to replace IAS 39 and IFRIC 9);
- (ii) Amendments to IAS 32 Financial Instruments: Presentation;
- (iii) IFRS 16 Leases: Lessee accounting model and disclosures;
- (iv) IFRS 40 Investment Property: Change in use and transfers into or out of; and
- (v) IFRS 15 Revenue from Contracts with Customers.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Limited Partnership's financial statements.

3. REAL ESTATE HELD FOR DEVELOPMENT AND SALE

Real estate held for development and sale is comprised of a parcel of land in Squamish, British Columbia purchased on May 1, 2017 which the partnership is planning to develop. Costs making up the balance at May 31, 2017 is as follows:

	May 31, 2017
	\$
Land acquisition	2,300,000
Property tax transfer and legal	60,311
Borrowing costs	115,115
Architectural and consulting costs	71,590
	<u>\$2,547,016</u>

The accompanying notes are an integral part of these financial statements

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	May 31, 2017
Trade payables	\$ 54,315
Due to related parties (Note 7)	48,300
Accrued liabilities	7,874
	<u>\$ 110,489</u>

5. MORTGAGES PAYABLE

The principal balances of the mortgages payable is as follows:

	May 31, 2017
	\$
First Mortgage	1,350,000
Second Mortgage	260,000
	<u>\$1,610,000</u>

The First Mortgage was obtained on May 1, 2017 and bears interest at Prime plus 5.30% per annum provided such rate shall not be less than 8.00% for the first eleven months and 10.00% per annum commencing on the twelfth month. Monthly interest only payments which have been \$9,000 per month have been made for the first six months of which five are included in prepaids. The due date of this mortgage is May 1, 2018. The First Mortgage is secured by the guarantee of the sole director of the Limited Partnership and a general security agreement to the lender in relation to this mortgage.

The Second Mortgage was obtained on May 1, 2017 and bears interest at 12% per annum. Monthly interest only payments which are \$2,600 per month have been made for the first six months of which five are included in prepaids. The due date of this mortgage is November 1, 2017. The Second Mortgage is secured by the guarantee of the sole director of the Limited Partnership and a general security agreement to the lender in relation to this mortgage.

6. PARTNERSHIP CAPITAL

The Limited Partnership has authorized an unlimited number of Limited Partnership Units ("Units"). Each Unit has a subscription price of \$1.00.

The accompanying notes are an integral part of these financial statements

During the period ended, May 31, 2017 The Limited Partnership issued 100 General Partner Units, 100 initial Limited Partner Units and 1,350,000 Limited Partners' Units for total gross subscription proceeds of \$1,350,200 as a private issuer. In addition, gross proceeds of \$50,000 were also received during the year ended May 31, 2017, but which the Limited Partnership subsequently rejected as the subscriber did not qualify for the Unit subscription. As the subscriber does not qualify and the Limited Partnership is refunding the subscriptions, the proceeds have accordingly been classified as a liability.

The significant rights and restrictions of the Limited Partnership unitholders are listed below:

- Each Limited Partner has the right to exercise one vote for each whole unit held by the Limited Partner;
- Limited Partners are entitled to receive allocations of income or loss, distributions on wind-up or other dissolution, or any return of capital, pro rata in accordance with their respective proportionate Units; and
- No Unit shall have any preference or right over any other Unit unless specifically stated in the Limited Partnership Agreement.

7. RELATED PARTY TRANSACTIONS

Remuneration

During the year ended May 31, 2017, the sole director charged The Limited Partnership \$48,300 in borrowing fees that are included in the capitalized costs of real estate held for development and sale in relation to personally guaranteeing the mortgages payable. The General Partner charged the Limited Partnership \$60,000 of management fees.

Balances

As at May 31, 2017, \$48,300 was owing to the sole director of The Limited Partnership and \$443,937 was owing to The General Partner. All balances are unsecured, non-interest bearing and are due on demand.

8. FINANCIAL INSTRUMENTS AND RISKS

(a) Fair values

The accompanying notes are an integral part of these financial statements

Cash, receivables, accounts payable, mortgages payable and shareholder advances are carried at fair value using a level 1 fair value measurement. The carrying value of these instruments approximate their fair values due to the short-term nature of these financial instruments.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

(b) Interest rate

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk is minimal as the interest rate on the Second mortgage is fixed and the duration of the First mortgage is short. Limited Interest rate risk is assessed as low.

(c) Liquidity risk

Liquidity risk is the risk that the Limited Partnership will not be able to meet its financial obligations as they become due. The Limited Partnership's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Limited Partnership achieves this by maintaining sufficient cash on hand to meet its financial obligations. As at May 31, 2017 the Limited Partnership had cash of \$362,018 to settle current liabilities of \$2,164,426. Liquidity risk is assessed as high.

(d) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Limited Partnership's exposure to credit risk is on its cash and receivables. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Unit subscriptions receivable were fully collected subsequent to May 31, 2017 and the remaining GST receivable is considered high credit quality. As such credit risk is assessed as low.

The accompanying notes are an integral part of these financial statements

8. FINANCIAL INSTRUMENTS AND RISKS (Continued)

(e) Price risk

The real estate industry is heavily dependent upon the market price of comparable real estate units. There is no assurance that a profitable market will exist for the sale of the real estate once The Limited Partnership completes development. Factors beyond control of The Limited Partnership may affect the marketability and selling price of the real estate once developed. The Limited Partnership closely monitors real estate industry to determine the appropriate course of action to be taken by the Limited Partnership. Price risk is assessed as medium.

9. CAPITAL MANAGEMENT

The Limited Partnership's capital structure consists of mortgages payable and limited partnership Units outstanding. The Limited Partnership's primary objectives in capital management are to safeguard the Limited Partnership's ability to continue as a going concern in order to provide returns for unitholders and to maintain sufficient funds to finance the development of its real estate interest. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Limited Partnership, is reasonable. There were no changes in the Limited Partnership's approach to capital management since inception. The Limited Partnership is not subject to externally imposed capital requirements.

10. COMMITMENTS AND CONTINGENCIES

The Limited Partnership is charged a fee by The General Partner totaling 4.5% of certain development costs incurred related to the Squamish real estate acquired and being developed. It is payable as follows:

- (i) \$12,000 per month which commenced January 1, 2017 and continues up to and including the month in which a development permit is obtained in relation to the land;
- (ii) A one-time payment of \$35,000 upon the issuance of the development permit;
- (iii) \$24,000 per month commencing on the first full month after receipt of the

The accompanying notes are an integral part of these financial statements

- development permit and continuing until the earlier of payment in full of the 4.5% of certain development costs and completion of the Squamish development project as evidenced by an occupancy permit; and
- (iv) The remainder payable upon completion of the development project which means the sale of the last of the Squamish property.

Subsequent to the period ended May 31, 2017, The Limited Partnership was advised that a development permit would not be required. The Limited Partnership has submitted a proposal for a building permit which is currently being reviewed. Management expects a building permit to be obtained in the near future at which time the Limited Partnership will be deemed to have also received a development permit.

11. SUBSEQUENT EVENT

Subsequent to the year ended May 31, 2017, The Limited Partnership collected \$450,000 of Unit subscriptions receivable in cash and issued an additional \$150,000 of Limited Partner Units for cash.

The accompanying notes are an integral part of these financial statements

PERFORMING EQUITY DEVELOPMENTS (SQUAMISH) LTD.

Financial Statements

May 31, 2017

Presented in Canadian dollars

The accompanying notes are an integral part of these financial statements



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Director of Performing Equity Developments (Squamish) Ltd:

We have audited the accompanying financial statements of Performing Equity Developments (Squamish) Ltd, which comprise the statement of financial position as at May 31, 2017, and the statements of comprehensive loss, changes in shareholders' equity and cash flows for the period from inception on March 31, 2017 to May 31, 2017, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Performing Equity Developments (Squamish) Ltd. as at May 31, 2017, and its financial performance and its cash flows for the period from inception on March 31, 2017 to May 31, 2017 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes certain conditions that indicate the existence of a material uncertainty that may cast significant doubt about Performing Equity Developments (Squamish) Ltd.'s ability to continue as a going concern.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
August 17, 2017



THE MURDOCH CASE WITHIN A FRAME

*An independent firm associated with
Moore Stephens International Limited*

MOORE STEPHENS

PERFORMING EQUITY DEVELOPMENTS (SQUAMISH) LTD.

Statement of Financial Position

(Expressed in Canadian dollars)

	Note	May 31, 2017
Assets		
Current assets		
Cash		\$ 14
GST receivable		25
Due from Performing Equity (Squamish) Limited Partnership	7	443,937
Total current assets		443,976
Investment in Limited Partnership	3	100
Total assets		\$ 444,076
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable		\$ 625
Income tax payable		7,872
Short term loan payable	5	360,000
Shareholder loan payable	7	25,141
Total liabilities		393,638
Shareholders' equity		
Share capital	4	1
Retained earnings		50,437
Total shareholders' equity		50,438
Total liabilities and shareholders' equity		\$ 444,076

The accompanying notes are an integral part of these financial statements

Nature and continuance of operations (Note 1)

Approved by the sole director:

“Mike Drever”

Mike Drever, Director

The accompanying notes are an integral part of these financial statements

PERFORMING EQUITY DEVELOPMENTS (SQUAMISH) LTD.

Statement of Comprehensive Loss

(Expressed in Canadian dollars)

	Note	Period from Inception (March 31, 2017) to May 31, 2017
<hr/>		
Revenues		
Management fees	7	\$ 60,000
General and administrative expenses		
Interest and bank charges		\$ 13
Legal and professional fees		1,678
Income before income tax expense		58,309
Income tax expense	6	7,872
Net and comprehensive income		\$ 50,437

The accompanying notes are an integral part of these financial statements

Item 13: Date and Certificate

Dated: August 17, 2017.

This offering memorandum does not contain a misrepresentation.

**PERFORMING EQUITY DEVELOPMENTS
(SQUAMISH) LTD. AND AS GENERAL PARTNER
FOR PERFORMING EQUITY (SQUAMISH)
LIMITED PARTNERSHIP**

Per: _____

Michael Drever
(authorized signatory)

Michael Drever