OFFERING MEMORANDUM

Date:	**June 29th, 2016**
The Issuer:	**Yorkton Place Limited Partnership ("Limited Partnership" or "Issuer")**
Head Office:	**2430, 10180 – 101 Street,**
	Edmonton, Alberta T5J 3S4
Phone:	780-409-8228
Fax #:	780-409-9228
Email:	reg@yorktongroup.com
Currently listed or quoted	No. **These securities do not trade on any exchange or market**.
Reporting Issuer	No.
SEDAR filer	No.

The Offering

Securities Offered	Up to $10,000,000 of Class "A" Limited Partnership units ("Class A LP Units") in the Limited Partnership or up to $10,000,000 of Participating Loans, or a combination of Class A LP Units and Participating Loans for aggregate gross proceeds of up to a combined total of $10,000,000 (the "Offering").
Price Per Security	**$1.00 per Class A LP Unit or $1.00 per dollar of principal of Participating Loan.**
Minimum Offering	None.(1) **Subject to Note 1**, **there is no Minimum Offering and consequently you may be the only purchaser**. **(Funds raised under the Offering may not be sufficient to accomplish our proposed objectives.)**
Maximum Offering	$10,000,000 or 10,000,000 Class A LP Units or $10,000,000 of Participating Loans, or a combination of Class A LP Units and Participating Loans for aggregate gross proceeds of up to a combined total of $10,000,000. **(The Issuer may in its sole discretion conduct a Final Closing of the Offering without reaching the full Maximum Offering.)**
Minimum/Maximum Subscription Per Investor and Increments	**The Issuer has the right and sole discretion to accept or to refuse any particular subscription. See ITEM 5.1 - TERMS OF SECURITIES.**
Class A LP Units	A minimum of $500 or 500 Class A LP Units and increments of $1.00 or one (1) Class A LP Unit thereafter. Any one non-related subscriber may purchase no greater than ten (10%) of the total Class A LP Units issued and outstanding calculated immediately after such Closing and subscribed for pursuant to the Offering or up to a maximum of 1,000,000 Class A LP Units ($1,000,000), assuming the Maximum Offering is completed by way of Units only.
Participating Loans	A minimum of $100,000 per Participating Loan and increments of $1.00 thereafter up to a maximum of $10,000,000 assuming the Maximum Offering is completed by way of Participating Loans only. The Issuer has the right and sole discretion to refuse any particular subscription for a Participating Loan where such subscription results in the Issuer's borrowings at any time exceeding twenty percent (20%) of the Limited Partnership's capital after the Closing on the subscriptions for Class A LP Units.

Payment Terms	**Non-Deferred Plan purchase** - payment shall be made in full by certified cheque, bank draft or money order for the subscription price which shall be delivered with a duly executed and completed subscription agreement to "Western Pacific Trust Company, in trust". **Deferred Plans purchase** - payment shall be made in full by certified cheque, bank draft or wire transfer from the Subscriber's own self-administered account at Western Pacific Trust Company or from such other self-administered account. **See ITEM 5.2 – SUBSCRIPTION PROCEDURES**.
Proposed Closing Date(s)	Closings will take place periodically throughout 2016 and 2017, as determined at the sole discretion of the management of the Issuer. The first closing as a "Qualified Investment" for Deferred Plans will only occur when greater than ten (10) Subscribers have submitted subscriptions for the Minimum Subscription.(1) At each Closing of the Offering, the Issuer will firstly conduct the Closing on the subscriptions for Class A LP Units, and will secondly subsequently conduct the Closing on the subscriptions for Participating Loans.

Note:

(1) In order for an investment to be considered a "Qualified Investment" for Deferred Plans, there must be greater than ten (10) Unitholders holding at least the minimum subscription. **See ITEM 6 - INCOME TAX CONSEQUENCES AND DEFERRED PLAN ELIGIBILITY.**

Tax Consequences:	There are important tax consequences to these securities. **See ITEM 6 - INCOME TAX CONSEQUENCES AND DEFERRED PLAN ELIGIBILITY.**
Selling Agents:	The Class A LP Units and/or Participating Loans will be offered by the Issuer. The Issuer reserves the right as permitted by applicable securities legislation, to retain such qualified agents to help effect sales of the Units and/or Participating Loans. Where an agent is retained, the agent may be paid aggregate fees and commissions of up to ten percent (10%) of the gross proceeds realized on the sale of Class A LP Units and/or Participating Loans sold by such agent. **See ITEM 7 – COMPENSATION PAID TO SELLERS AND FINDERS**.
Resale Restrictions:	**This investment is not liquid. You will be restricted from selling your Units and/or Participating Loans for an indefinite period**. The securities offered hereunder will be subject to a number of resale restrictions, including restrictions on trading. Until the restriction on trading expires, if ever, a purchaser will not be able to trade the securities unless they comply with very limited exemptions from the prospectus and registration requirements under applicable securities legislation. As the Issuer has no intention of becoming a reporting issuer in any jurisdiction, these trading restrictions will not expire. Consequently, purchasers may not be able to liquidate their securities in a timely manner, if at all, or pledge their securities for loans. **See ITEM 10 – RESALE RESTRICTIONS**.
Purchaser's Rights:	**You have two (2) business days to cancel your agreement to purchase these securities. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the agreement. See ITEM 11 – PURCHASERS' RIGHTS**.

No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this Offering Memorandum. Any misrepresentation to the contrary is an offence. The information disclosed on this page is a summary only. Purchasers should read the entire Offering Memorandum for full details about the Offering. This is a risky investment. See ITEM 8 – RISK FACTORS

There is not or may not be a market for you to sell your investment and there is no assurance that you will be able to find a buyer at a later date.

The Subscribers will have no rights with respect to the management and control of the Project. The Subscriber shall have no right to change the management of the General Partner or to influence the development of the Project. The Subscribers further agree and acknowledge that the General Partner has the full and unfettered authority and power to operate, manage, control and otherwise deal in all aspects of the Project without any legal recourse by the Subscribers.

The information contained in this Offering Memorandum is intended only for the persons to whom it is delivered for the purposes of evaluating the securities offered hereby. Prospective Subscribers should only rely on the information in this Offering Memorandum, including other sources of information described herein. No persons are authorized to give any information or make any representations regarding the Issuer or the securities offered herein and any such information or representation must not be relied upon.

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NOTE REGARDING FORWARD LOOKING STATEMENTS

This Offering Memorandum contains certain statements or disclosures that may constitute forward-looking information under applicable securities laws. All statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results or developments that the Issuer anticipates or expects may or will occur in the future (in whole or in part) should be considered forward-looking information. In some cases, forward-looking information can be identified by terms such as **future, may, will, expect, anticipate, believe, intend, potential, should, enable, plan, continue, contemplate** or the negative equivalent of those words or other comparable terminology, and by discussions of strategies that involve risks or uncertainties. Forward-looking information presented in such statements or disclosures may, among other things, relate to: the anticipated development plan for the Lands; the nature of the Issuer's operations; sources of income; forecasts of capital expenditures and the sources of the financing thereof; expectations regarding the ability of the Issuer to raise capital; the Issuer's business outlook; plans and objectives for future operations.

The risks and uncertainties of our business, including those discussed under **ITEM 8 – RISK FACTORS**, could cause the Issuer's actual results and experience to differ materially from the anticipated results or other expectations expressed. In addition, the Issuer bases forward-looking statements on assumptions about future events, which may not prove to be accurate. In light of these risks, uncertainties and assumptions, prospective Subscribers should not place undue reliance on forward-looking statements and should be aware that events described in the forward-looking statements set out in this Offering Memorandum may not occur.

The Issuer cannot assure prospective Subscribers that its future results, levels of activity and achievements will occur as it expects, and neither the Issuer nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. Except as required by law, the Issuer assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to the Issuer including information obtained by the Issuer from third-party industry analysts and other third party sources. In some instances, material assumptions and factors are presented or discussed elsewhere in this Offering Memorandum in connection with the statements or disclosure containing the forward-looking information. The Issuer cautions you that the following list of material factors and assumptions is not exhaustive. The factors and assumptions include but are not limited to:

a) no adverse changes in the policies of the City of Surrey, Metro Vancouver, or the Province of British Columbia that govern the development, use or enjoyment of the Lands or residential condominium market;

b) no significant adverse changes in economic conditions in the City of Surrey, Metro Vancouver, or the Province of British Columbia;

c) no significant adverse changes in economic conditions in North America or on a world-wide basis;

d) a stable competitive environment in economic conditions in the City of Surrey, Metro Vancouver, the Province of British Columbia and the country of Canada; and

e) no significant event occurring outside the ordinary course of business such as a natural disaster or other calamity, economically related or otherwise.

The forward-looking information in statements or disclosures in this Offering Memorandum are based (in whole or in part) upon factors which may cause actual results, performance or achievements of the Issuer to differ materially from those contemplated (whether expressly or by implication) in the forward-looking information. Those factors are based on information currently available to the Issuer including information obtained by the Issuer from third-party industry analysts and other third party sources. Actual results or outcomes may differ materially from those predicted by such statements or disclosures. While we do not know what impact any of those differences may have, the Issuer's business, results of operations, financial condition and its credit stability may be materially adversely affected.

Factors that could cause actual results, performance, achievements or outcomes to differ materially from the results expressed or implied by forward-looking information include, among other things:

a) the risks associated with locating suitable purchasers and/or tenants to purchase and/or lease condominium

units in the Project;

b) construction related risks, including delays in construction, escalation of construction and labour costs and shortages of skilled workers;

c) the risks associated with seasonality in the construction industry and the ability to engage in construction activity during unfavourable weather conditions;

d) the risks associated with general economic conditions;

e) the risks associated with the Issuer's financing efforts, including that the Issuer may not be able to arrange sufficient, cost-effective financing to fund capital expenditures and other obligations relating to the Project; and

f) legislative and regulatory developments that may affect costs, revenues, the speed and degree of competition entering the market, global capital markets activity, timing and extent of changes in prevailing interest rates, changes in counterparty risk and the impact of accounting standards issued by Canadian standard setters.

Subscribers are cautioned that the above list of risk factors is not exhaustive. Other factors which could cause actual results, performance, achievements or outcomes of the Issuer to differ materially from those contemplated (whether expressly or by implication) in the statements or disclosure containing forward-looking information are disclosed under **ITEM 8 - RISK FACTORS**.

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

PROSPECTIVE INVESTORS SHOULD THOROUGHLY REVIEW THIS OFFERING MEMORANDUM AND ARE ADVISED TO CONSULT WITH THEIR OWN LEGAL AND TAX ADVISORS CONCERNING THIS INVESTMENT.

UNLESS OTHERWISE SPECIFIED, ALL DOLLAR AMOUNTS IN THIS OFFERING MEMORANDUM ARE EXPRESSED IN CANADIAN DOLLARS.

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GLOSSARY OF TERMS

In this Offering Memorandum, unless the context otherwise requires, the following words and terms shall have the indicated meanings and grammatical variations of such words and terms shall have corresponding meanings:

"**ABCA**" means the *Business Corporation Act* (Alberta), R.S.A. 2000, c.B-9;

"**Adjustments**" means the adjustments referred to in Section 19 of the Sale and Purchase Agreement;

"**Affiliate**" shall have the meaning provided in Section 1(1) of the BCA or National Instrument 45-106;

"**Agreement of Limited Partnership**" or "**Original Limited Partnership Agreement**" means the agreement of limited partnership dated February 19, 2016 between the General Partner and LuiCo and BC Co as the Initial Limited Partners

"**Alberta Securities Act**" means the *Securities Act* (Alberta), R.S.A. 2000, c. S-4 including the rules and regulations promulgated thereunder, as may be amended from time to time;

"**Bank Lease/Guarantee**" means the guarantee provided by BC Co in which it agrees to make the rental payment of the bank lease should the bank decide not to proceed with the lease;

"**BC Securities Act**" means the *Securities Act* (British Columbia), RSBC 1996, c. 418 including the rules and regulations promulgated thereunder, as may be amended from time to time;

"**BCA**" means the *Business Corporations Act* (British Columbia), SBC 2002, c 57;

"**BC Co**" means 1054824 BC Ltd., a corporation incorporated under the BCA, which voting shares are held by Manuel da Silva and Jordan J. Eng, directors of the General Partner;

"**BCPA**" means the *Partnership Act* (British Columbia), RSBC 1996, c 348, as amended;

"**Borrower's Fees**" means the fees paid by LandCo, as borrower, in consideration for the Limited Partnership, as lender, for furnishing the LandCo Loan, which fees include the Offering Costs and selling commissions paid by the Issuer to the selling agents for commissions or finder's fees of up to ten percent (10%) of the gross proceeds realized on the sale of Class A LP Units and/or Participating Loans sold by such agent under the Offering Memorandum;

"**CRA**" means the Canada Revenue Agency;

"**Class A LP Unit(s)**" or **"Unit(s)**" means a class "A" non-voting participating limited partnership unit issued by the Limited Partnership;

"**Class B LP Units**" means a class "B" voting non-participating limited partnership unit issued by the Limited Partnership;

"**Class C LP Units**" means a class "C" non-voting limited partnership unit issued by the Limited Partnership;

"**Class D LP Units**" means a class "D" non-voting limited partnership unit issued by the Limited Partnership;

"**Class E LP Units**" means a class "E" non-voting limited partnership unit issued by the Limited Partnership;

"**Class "A" Share**" means a class "A" non-voting, equity common share issued by LandCo;

"**Class "B" Share**" means a class "B" voting, non-equity common share issued by LandCo;

"**Class "C" Share**" means a class "C" non-voting, equity common share issued by LandCo;

"**Closing**" means the day or days, in the sole discretion of the Issuer, upon which the Units and/or Participating Loans are issued to the Subscribers pursuant to this Offering;

"**Company"** unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;

"**Completion of the Offering**" means the Closing achieving the Maximum Offering at which point 10,000,000 Units or $10,000,000 of Participating Loans, or a combination of Units and Participating Loans for aggregate gross proceeds of up to a combined total of $10,000,000, have been issued or such other Maximum Offering as may be decided by the Issuer in its sole discretion;

"**Consulting Agreement**" means the consulting agreement entered into between LandCo and Yorkton Group dated April 22, 2016;

"**Deferred Plan**" means any one of or collectively an RRSP, TFSA and LIRA;

"**Final Closing**" means the final and last Closing of the Offering and such subscription amounts may or may not reach the Maximum Offering;

"**First Amended and Restated Agreement of Limited Partnership**" means the first amended and restated agreement of limited partnership dated June 23, 2016 between the General Partner and LuiCo and BC Co as the Initial Limited Partners, as amended from time to time;

"**First Mortgage**" means that certain mortgage agreement, pursuant to a commitment letter dated January 5, 2016, between the LandCo, as mortgagor, and the First Mortgagee, pursuant to which the First Mortgagee will advance the principal sum of up to $6,750,000 to the LandCo, as registered on title to the Lands as Instrument Number CA5005915 and CA5005916;

"**First Mortgagee**" means HMT Holdings Inc.;

"**Founders Loan**" means collectively the Repayable Loans advanced to LandCo by both LuiCo and BC Co. As at the date of this Offering Memorandum, the Founders Loan totals an aggregate amount of $4,094,889.01;

"**Front End Costs**" means all costs and expenses plus GST incurred by Yorkton Group with respect to due diligence during acquisition of the Lands, obtaining any development approval, construction approval and all permits, including in all of the foregoing costs, without limitation, the costs and expenses incurred in connection with Yorkton Group's obligations set forth in Section 2.3 of the Consulting Agreement;

"**General Partner**" or "**GP Co**" means Yorkton Place General Partner Ltd., formerly 1065015 BC Ltd., a corporation incorporated under the BCA, the general partner acting on behalf of the Limited Partnership, of which LuiCo and BC Co directly own 51% and 49%, respectively, of the voting shares. LuiCo and BC Co have entered into a shareholders agreement which provides effective control of GP Co to LuiCo. 1065015 BC Ltd. was renamed to Yorkton Place General Partner Ltd. on March 11, 2016;

"**Hard Costs**" means the aggregate, without duplication, of the actual costs of completion of the Project plus GST, excluding Financing Costs, including all costs paid to the construction company, or general contractor, calculated in the same format as the Project Budget, excluding the Soft Costs, purchase price for the Lands and any Consulting Charge payable to the Contractor under the Consulting Agreement including without limitation to the generality of the foregoing:

(i) all on site and off site servicing costs for the Lands in the Project;

(ii) all costs associated with demolition of existing structures and improvements on the Lands and any site remediation required prior to construction;

(iii) the cost of all improvements for the Project other than those upgrades provided by the Issuer to condominium units at their cost (including permits, finishing and partitioning costs, landscaping and fixtures) and of personal property necessary for the operation of the Project;

(iv) the cost for development charges, taxes and assessments;

(v) the cost of operating the Project, including costs of labour, materials, supplies, utilities and services;

(vi) Front End Costs;

(vii) all out of pocket costs referred to in Section 4.3 of the Consulting Agreement; and

(viii) the costs of tenant co-ordinators, construction co-ordinators and project managers;

"**HMT Loan**" has the meaning as described in Item 2.7(b);

"**IFRS**" means the International Financial Reporting Standards consistently applied;

"**Initial Limited Partners**" means LuiCo and BC Co, in their capacities as the initial limited partners of the Limited Partnership. Pursuant to the Original Limited Partnership Agreement, LuiCo and BC Co were each issued one (1) undesignated unit in the Limited Partnership respectively to allow for the registration of the Limited Partnership. Pursuant to the Limited Partnership Agreement, the two (2) undesignated units in the Limited Partnership issued to LuiCo and BC Co were each converted into and designated as Class B LP Units. Following the filing of the Amended and Restated Certificate of Limited Partnership on June 28, 2016 and prior to the date of this Offering, LuiCo and BC Co subscribed for an additional fifty (50) and forty-eight (48) Class B LP Units respectively at $1.00 per Class B LP Unit, which subscription was accepted by the General Partner as of June 28, 2016. As Initial Limited Partners, LuiCo owns a total of fifty-one (51) Class B LP Units and BC Co owns a total of forty-nine (49) Class B LP Units. The Second Amended and Restated Agreement of Limited Partnership was agreed to prior to the date of the Offering Memorandum and will be filed along with the second amended and restated certificate of limited partnership after the date of the Offering Memorandum but prior to the initial Closing;

"**Issuer**" or "**Limited Partnership**" means Yorkton Place Limited Partnership, a partnership registered in British Columbia under number LP681856 by Certificate of Limited Partnership dated February 23, 2016, as amended;

"**LandCo**" means Yorkton Place Development Corporation, a corporation incorporated under the BCA, which all Class "B" Shares are held by the General Partner and all Class "A" Shares are held by the Limited Partnership. Title to the Lands is currently registered in the name of LandCo;

"**LandCo Loan**" means the loan agreement entered into between the Limited Partnership and LandCo, dated February 23, 2016 whereby the Limited Partnership has agreed to lend to LandCo amounts from time to time, with interest at a rate to be determined by the Issuer as lender taking into consideration the net profit of the Project on the Maturity Date which shall not exceed eighteen percent (18%) per annum, calculated annually not in advance from the date of advance until repaid in full. In addition to such interest, the Borrower shall pay the Borrower's Fees. As at the date of the Offering Memorandum, the total LandCo Loan amount outstanding under the LandCo Loan is $72,161.01 as the Borrower's Fees. LandCo is not obliged to repay this loan until the Maturity Date, as defined therein, being the date when the Project is completed in all aspects by LandCo before business tax and dividends are declared to the Limited Partnership. On the Maturity Date of the LandCo Loan, the balance owing thereunder, interest and the Borrower's Fees shall become due and payable. LandCo is entitled to repay the LandCo Loan in whole or in part at any time without notice, penalty or bonus. The final loan amount shall be determined in the sole discretion of the Limited Partnership as the lender as deemed appropriate by the General Partner based on the final amount of funds raised pursuant to the Offering;

"**Lands**" means, collectively, all of the land comprising the Project (as defined below), consisting of those lands more specifically set out in Schedule "A" hereto;

"**Limited Partner**" means any person who has delivered a Subscription Agreement for the subscription of Units to the General Partner on behalf of the Issuer to subscribe for Class A LP Units which Subscription Agreement has been accepted by the General Partner on behalf of the Issuer, who has delivered to the Limited Partnership the initial investment and who has executed and delivered the Limited Partnership Agreement in counterpart;

"**Limited Partnership**" or "**Issuer**" means Yorkton Place Limited Partnership, a partnership registered in British Columbia under number LP681856 by Certificate of Limited Partnership dated February 23, 2016, as amended;

"**Limited Partnership Agreement**" or "**Second Amended and Restated Agreement of Limited Partnership**" means the second amended and restated agreement of limited partnership dated June 28, 2016 between the General Partner and LuiCo and BC Co as the Initial Limited Partners, as amended from time to time;

"**LIRA**" means a Locked In Retirement Savings Plan or LIRA as defined in the Tax Act**;**

"**LuiCo**" means Lui Holdings Corporation, a corporation incorporated under the ABCA, of which Ben Lui, a director and officer of the General Partner, owns, directly or indirectly, 100% of the voting shares;

"**Management Services Agreement**" or "**MSA**" means the management services agreement entered into between LandCo and GP Co dated effective as at April 22, 2016;

"**Maturity Date**" means, with respect to the LandCo Loan, the date when the Project is completed in all aspects by LandCo before business tax and dividends are declared to the Limited Partnership; or alternatively, with respect to the Participating Loans, the date on which the Project is completed in all aspects, that being the date of the final financial statements taking into account the distribution of net profits after the payment of all taxes of the Project to all Unitholders and Participating Loan holders on a *pari passu* basis calculated dollar for dollar based on the initial amount invested for each Subscriber regardless of having purchased Units or Participating Loans, and which date is not fixed and which may not occur which shall not constitute a default, an event of default or breach under the Participating Loan, howsoever caused;

"**Maximum Offering**" means the subscription of up to 10,000,000 Units or up to $10,000,000 of Participating Loans, or a combination of Units and Participating Loans for aggregate gross proceeds of up to a combined total of $10,000,000, or such other Maximum Offering as may be decided by the Issuer in its sole discretion;

"**Metro Vancouver**" means the metropolitan area surrounding the city of Vancouver made up of 24 municipalities some of which include Vancouver and West Vancouver (to the north), Richmond and Surrey (to the south) and Burnaby and Maple Ridge (to the east). Each municipality has its own unique demographics and character;

"**Minimum Offering**" means the subscription of zero Units or $0, since there is no minimum offering. In order for the investment to be considered a "Qualified Investment" for Deferred Plans there must be greater than ten (10) Unitholders subscribing for the minimum Subscription;

"**NI 31-103**" means National Instrument 31-103 Registration Requirements and Exemptions of the Canadian Securities Administrators;

"**NI 45-106**" means National Instrument 45-106 Prospectus and Registration Exemptions of the Canadian Securities Administrators;

"**Non-Arm's Length Parties**" means related persons within the meaning of the Tax Act;

"**Northwestern Exemption**" means the registration exemptions for trades in connections with certain prospectus exempt distributions currently available by blanket order of the securities regulatory authorities in the Provinces of Alberta, British Columbia, Saskatchewan, Manitoba, the Yukon Territory, Nunavut and the Northwest Territories;

"**Offering**" means the offering of the Units and/or Participating Loans described herein or in any amendment hereto;

"**Offering Costs**" means the aggregate budgeted amount of $250,000 with respect to other expenses, associated with the offering pursuant to the Offering Memorandum;

"**Offering Memorandum**" means this confidential offering memorandum of the Issuer dated June 29, 2016, including any amendments hereto;

"**Original Limited Partnership Agreement**" or "**Agreement of Limited Partnership**" means the agreement of limited partnership dated February 19, 2016 between the General Partner and LuiCo and BC Co as the Initial Limited Partners;

"**Participating Loan(s)**" or "**Participating Loan Agreement**" means the unsecured participating convertible debentures entered into between a Subscriber and the Limited Partnership for a minimum subscription amount of $100,000 on a participating loan basis. Participating Loan holders have the option to convert a portion of the outstanding principal amount of each respective Participating Loan into Class A LP Units at a conversion rate of $1.00 for each Class A LP Unit, subject to adjustment and in accordance with the terms and conditions of the Participating Loans, provided that the conversion would not result in the Participating Loan holder holding greater than ten percent (10%) of the total Class A LP Units issued and outstanding calculated immediately after such Closing and subscribed for pursuant to the Offering. The Participating Loan shall bear Interest, as defined therein, subject to the terms and conditions of the Participating Loans. The Participating Loan holder shall be entitled to Interest only in the event that the Limited Partnership earns any net profits after the payment of taxes by LandCo with respect to the Project on the Maturity Date and is able to fully repay the principal amount of the Participating Loan back to the Participating Loan holder, if any, depending on the financial performance of the Project. Such Interest shall be paid to the Participating Loan holder by way of a one-time payment of an amount of Interest representing the net profits after the payment of taxes by LandCo with respect to the Project to the Participating Loan holder on or after the Maturity Date pursuant to the Participating Loan holder's right to participate in the distribution of net profits after the payment of taxes by LandCo with respect to the Project on the same basis as the Unitholders, on a *pari passu* basis calculated dollar for dollar based on the initial amount invested for each Subscriber regardless of having purchased Units or Participating Loans, and provided only if the Interest or payment of an amount of Interest has not been cancelled or deemed to have been cancelled pursuant to the Participating Loan. Participating Loan holders agree that the Participating Loans are subordinated and postponed in favour of any bank or lender in respect of any Project financing made to LandCo, and any claim of any bank or lender in respect of any Project financing made to LandCo shall take precedence and be fully paid in priority to the Participating Loans. The Limited Partnership agrees to have the Participating Loan holder and the Limited Partnership subordinate and postpone the Participating Loan to any such financings made to LandCo. As at the date of this Offering Memorandum, no Participating Loans have been issued. The Issuer has the right, in its sole discretion, to issue Participating Loans of a minimum subscription amount of $100,000 on a participating loan basis, as long as the aggregate principal of the Participating Loans and the Class A LP Units issued by the Limited Partnership do not exceed the Maximum Offering and provided that the borrowings of the Limited Partnership at any time does not exceed twenty percent (20%) of the capital of the Limited Partnership. The Limited Partnership is not obliged to repay the Participating Loans until the Maturity Date, as defined therein, being the date on which the Project is completed in all aspects, that being the date of the final financial statements taking into account the distribution of net profits after the payment of all taxes of the Project to all Unitholders and Participating Loan holders on a *pari passu* basis calculated dollar for dollar based on the initial amount invested for each Subscriber regardless of having purchased Units or Participating Loans, and which date is not fixed and which may not occur which shall not constitute a default, an event of default or breach under the Participating Loan, howsoever caused. The Participating Loan with respect to both principal and Interest, as defined therein, is not repayable or demandable prior to or after the Maturity Date and will only be repaid on or after the Maturity Date and only if funds are available firstly to repay the principal amount, if any, and lastly to pay Interest, if any. Interest, if any, shall be calculated first, and the principal amount, if any, shall be repaid first and the Interest, if any, shall be paid last, thereby extinguishing the Participating Loan. Pursuant to the Participating Loan, the Limited Partnership has the right, in its sole and absolute discretion, at any time before, on or after the Maturity Date to write-down the principal amount outstanding, including writing-down the principal amount to zero, or to cancel or deem to cancel the Interest or payment of an amount of Interest, including cancelling the Interest to zero. Such writing-down of the principal amount or cancellation of the Interest shall not constitute a default, an event of default or breach under the Participating Loan, howsoever caused;

"**Participating Loan holders"** means those persons subscribing for Participating Loans pursuant to this Offering;

"**Partnership Act**" means the *Partnership Act* (British Columbia), as amended from time to time, and includes any successor legislation;

"**person**" means any individual, partnership, Issuer, joint venture, syndicate, sole proprietorship, company or Issuer with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted;

"**Project**" means LandCo's condominium project as described in **ITEM 2 – BUSINESS OF THE PARTNERSHIP** and all business of LandCo in respect thereto including: (i) acquiring the Lands; (ii) increasing the equity value of LandCo through rezoning and development; (iii) effecting the pre-sales and sales of condominium units; (iv) to buildout a free-standing pad site and a lease with a major bank; (v) to buildout a free-standing pad site and a lease with a major coffee facility**;** (vi) to buildout a pad site incorporating a lease with a liquor store; (vii) construction of residential condominium structure on the Lands in accordance with the approved zoning and architectural plans; and (vii) conducting any other business or activity incidental, ancillary or related thereto. Presently, two (2) offers to lease have been signed with LandCo with respect to the Lands. One offer to lease is with a major bank facility, and the other offer to lease is with a private liquor store. The two (2) offers to lease are conditional offers to lease, which may or may not materialize if any of the conditions therein are not fully met. All such lease arrangements are subject to change, and LandCo has the sole discretion and flexibility to change the tenant profile of the Project. The Project may be constructed and completed in a number of phases. The proposed development Project is approved for density in accordance with the current zoning allowances, and LandCo has applied for higher density with respect to the 6 storey mixed use retail/residential building (Building 1) within the 6 storey height limit;

"**Qualified Investment**" means investments qualified for any tax deferred plans as defined under Subsection 4900(1) of the Income Tax Act Regulation;

"**Repayable Loan**" means the loan agreements made by way of grid promissory notes that LuiCo and BC Co, as the lenders, have each entered into with LandCo, as the borrower, and the Issuer dated February 25, 2016, in amounts outstanding from funds as advanced by LuiCo and BC Co from time to time, with interest at a rate of eight percent (8%) per annum, calculated annually not in advance from the date of advance until repaid in full or until Conversion as defined therein in accordance with the Repayable Loan. As at the date of the Offering Memorandum, LuiCo has advanced $2,230,249.83, and BC Co has advanced $1,864,639.18, for a total aggregate amount of outstanding Repayable Loans of $4,094,889.01. The Repayable Loans will have a two (2) year term and are due and payable on demand on February 25, 2018 (the "Due Date"), provided however LandCo at its sole option, if not in default on the Due Date, may extend the Due Date to February 25, 2019 (the "First Extended Due Date"), and if not in default on the First Extended Due Date, LandCo at its sole option may extend the First Extended Due Date to February 25, 2020 (the "Second Extended Due Date"), and if not in default on the Second Extended Due Date, LandCo at its sole option may extend the Second Extended Due Date to February 25, 2021 (the "Final Extended Due Date") when the balance owing hereunder and interest shall become due and payable in any event. Any extension shall be upon the same terms and conditions as contained in the Repayable Loan. LandCo is entitled to repay the Repayable Loans in whole or in part at any time without notice, penalty or bonus. The final loan amount shall be determined in the sole discretion of LuiCo or BC Co, respectively as the lenders, as deemed appropriate by the General Partner based on the final amount of funds raised pursuant to the Offering, and taking into account the working capital and cash flow requirements. At any time prior to the Final Closing of the Offering and from time to time, the Repayable Loan holders, LuiCo and BC Co, have the option to convert all or any portion of the outstanding principal amount and any accrued interest thereon of each respective Repayable Loan into Class A LP Units and/or Participating Loans, in accordance with the terms and conditions of the Repayable Loans, provided that the conversion would not result in LuiCo or BC Co, as may be applicable, holding greater than ten percent (10%) of the total Class A LP Units issued and outstanding calculated immediately after such Closing and subscribed for pursuant to the Offering or the Issuer's borrowings at any time exceeding twenty percent (20%) of its partnership capital after the Closing on the subscriptions for Class A LP Units and the Closing on the subscriptions for Participating Loans. The Repayable Loan holders, LuiCo and BC Co, agree that the Repayable Loans are subordinated and postponed in favour of any bank or lender in respect of any Project financing made to LandCo, and any claim of any bank or lender in respect of any Project financing made to LandCo shall take precedence and be fully paid in priority to the Repayable Loans. LandCo, as the borrower, agrees to subordinate and postpone the Repayable Loans to any such financing made to it;

"**Resident**" means a resident of Canada for the purposes of the Tax Act;

"**RRSP**" means a Registered Retirement Savings Plan as defined under the Tax Act;

"**Sale and Purchase Agreement**" means the agreement for sale and purchase entered into by Peak Real Estate Development Ltd. and the Vendor dated November 12, 2015 to acquire the Lands from the Vendor, which, pursuant to an assignment entered into by Peak Real Estate Development Ltd. and LandCo dated February 25, 2016, Peak Real Estate Development Ltd. transferred and assigned all its rights, title and interest to the Lands to LandCo;

"**Second Amended and Restated Agreement of Limited Partnership**" or "**Limited Partnership Agreement**" means the second amended and restated agreement of limited partnership dated June 28, 2016 between the General Partner and LuiCo and BC Co as the Initial Limited Partners, as amended from time to time;

"**Securities Act**" means collectively the Alberta Securities Act and the BC Securities Act;

"**Soft Costs**" means architectural, engineering, surveying, professional fees, legal fees, new home warranty, consulting fees and disbursements, all other consulting fees and disbursements, and all other costs and expenses typically referred to in the development industry in British Columbia, as "soft costs" including financing costs, insurance and new home warranty and the cost of all fees payable to third parties (including, without limitation, architectural, engineering, consulting, marketing, legal and audit fees and disbursements and leasing and sales commissions and fees plus GST) all of which shall be paid by the Limited Partnership under the Consulting Agreement;

"**Subscribers**" means those persons subscribing for Units and/or Participating Loans pursuant to this Offering;

"**Subscription Agreement**" means an agreement between the Issuer and each Subscriber governing the subscription for Class A LP Units and/or Participating Loans pursuant to this Offering Memorandum and includes all the terms, conditions and exhibits attached thereto;

"**Tax Act**" means the *Income Tax Act* (Canada), RSC 1985, c 1, and the policies, rules and regulations thereunder, as amended;

"**TFSA**" means a Tax-Free Savings Account as defined under the Tax Act;

"**Trust Agreement**" means the trust agreement entered into between the Issuer and LandCo effective February 25, 2016. The Trust Agreement was determined to not be necessary and was terminated by mutual agreement between the Issuer and LandCo effective February 25, 2016 pursuant to a termination instrument. The Borrower has requested and will receive formal consent from HMT Holdings Inc., as the lender of the HMT Loan, for the termination of the Trust Agreement effective as of February 25, 2016, which formal consent will be received after the date of the Offering Memorandum and prior to the first Closing;

"**Unitholders**" means the persons who are holders of Class A LP Units;

"**Units**" or "**Class A LP Units**" means a class "A" non-voting limited partnership unit issued by the Limited Partnership;

"**Vendor**" means the original seller of the Lands, 0991342 BC Ltd., a corporation incorporated under the BCA; and

"**Yorkton Group**" means Yorkton Group International Ltd., a corporation incorporated under the ABCA.

In this Offering Memorandum, references to "dollars" and "$" are to Canadian dollars, unless otherwise indicated. References to "condominiums" shall include strata titles or condominiums, as applicable.

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ITEM 1 – USE OF AVAILABLE FUNDS

1.1 Funds

The following table discloses the net proceeds of this offering (the "Offering"):

		Assuming Maximum Offering
A	Amount to be raised pursuant to this offering	$10,000,000
B	Selling commissions [(1)(5)]	$1,000,000
C	Estimated Offering Costs (ie. accounting, audit, consulting, legal and printing)[(2)(3)(4)(5)]	$250,000
D	Available funds: D = A - (B+C)	$8,750,000
E	Additional sources of funding required	NIL
F	Working capital deficiency [(6)]	NIL
G	**Total: G = (D+E) – F**	**$8,750,000**

Notes:

(1) The Issuer will pay to the selling agents' commissions or finders' fees up to ten percent (10%) of the gross proceeds realized on the sale of Class A LP Units and/or Participating Loans sold by such agent under the Offering Memorandum. The total amount of selling commissions or finders' fees paid to such selling agents will be up to $1,000,000. See **ITEM 7 – COMPENSATION PAID TO SELLERS AND FINDERS**.

(2) The estimated offering costs include printing, legal, consulting, accounting and audit costs associated with this Offering are estimated at approximately up to $250,000 assuming the Maximum Offering. These amounts may vary and any remaining unused offering costs may be reallocated and used as general working capital. Yorkton Group is a consultant to LandCo and a "Related Issuer" and "Promoter" under applicable securities legislation. See **ITEM 2.7 – MATERIAL AGREEMENTS**.

(3) As of the date of this Offering Memorandum, the Issuer has raised an initial nominal amount of $100 to allow for the registration of the Limited Partnership. One hundred (100) Class B LP Units have been issued, fifty-one (51) to LuiCo and forty-nine (49) to BC Co respectively as the Initial Limited Partners.

(4) To the extent operating costs are less or more than estimates, the difference shall be attributed to general working capital.

(5) The Issuer will incur the selling agents' commissions and finders' fees costs and the Offering Costs upfront which shall be deducted from the total amount of funds borrowed by LandCo pursuant to the LandCo Loan. Such selling agents' commissions and finders' fees costs and Offering Costs is shown in the table as being incurred under the Issuer and will be fully recoverable from LandCo pursuant to the LandCo Loan as the Borrower's Fees.

(6) As of March 31, 2016, the Limited Partnership had positive working capital for prepaid printing, legal, accounting, audit and professional fees. As of Completion of the Offering, the Issuer will not have a working capital deficiency.

1.2 Use of Available Funds

The following table provides a detailed breakdown of how the Issuer will use the available funds of this Offering following the date of this Offering Memorandum:

Description of Intended Use of Available Funds Listed in Order of Priority	Assuming Maximum Offering
Total Net Cash Investment in LandCo[(1)]	**$8,750,000**
LandCo intends to use the investment from the Issuer as follows:	
Repayment in part of the Repayable Loans,[(2)] which covers General Working Capital (including architectural, engineering, consultant and professional fees plus permits, financing, insurance, management fees) [(3)]	$2,000,000
Repayment of the HMT Loan [(4)]	$6,750,000

Notes:

(1) The Issuer's total net cash investment in LandCo of $8,750,000 is net of the selling agents' commissions and finders' fees costs and the Offering Costs which are incurred under the Issuer and will be fully recoverable from LandCo pursuant to the LandCo Loan as the Borrower's Fees.

(2) In accordance with the HMT Loan.

(3) To the extent operating costs are less or more than estimates, the difference shall be attributed to working capital. Certain of the Repayable Loans of LandCo may be paid out of the Offering by way of the LandCo Loan, and/or the construction or Project financing obtained by LandCo and/or the proceeds from the sale of the condominium units by LandCo. For further details, see **ITEM 2.7 – MATERIAL AGREEMENTS**.

(4) The net amount of the actual Offering will be used to determine the amount of funds required to be drawn on the HMT Loan.

1.3 Reallocation

The Issuer intends to use the available funds as stated. The General Partner shall have the sole discretion to reallocate the funds only for sound business reasons.

ITEM 2 – BUSINESS OF THE LIMITED PARTNERSHIP

2.1 Structure

The Issuer is a new limited partnership established pursuant to the BCPA on February 23, 2016 by a Certificate of Limited Partnership. An Amended and Restated Certificate of Limited Partnership was filed on June 29, 2016. The Second Amended and Restated Agreement of Limited Partnership was agreed to prior to the date of the Offering Memorandum and will be filed along with the second amended and restated certificate of limited partnership after the date of the Offering Memorandum but prior to the initial Closing. The Limited Partnership was established to be a "small business investment limited partnership" as defined in the Tax Act as its only undertaking is the investing of its funds and its investments consisted solely of small business securities, being 100% of the issued and outstanding Class "A" Shares of LandCo. The Limited Partnership will not carry on any other business nor invest any of the funds raised pursuant to this Offering in any other properties or projects. Subscribers are encouraged to review the contents of the Limited Partnership Agreement prior to subscribing for Units and/or Participating Loans. See **ITEM 2.7 - MATERIAL AGREEMENTS** for a summary of the key terms of the Limited Partnership Agreement. A full copy of the Limited Partnership Agreement is attached as Schedule "E".

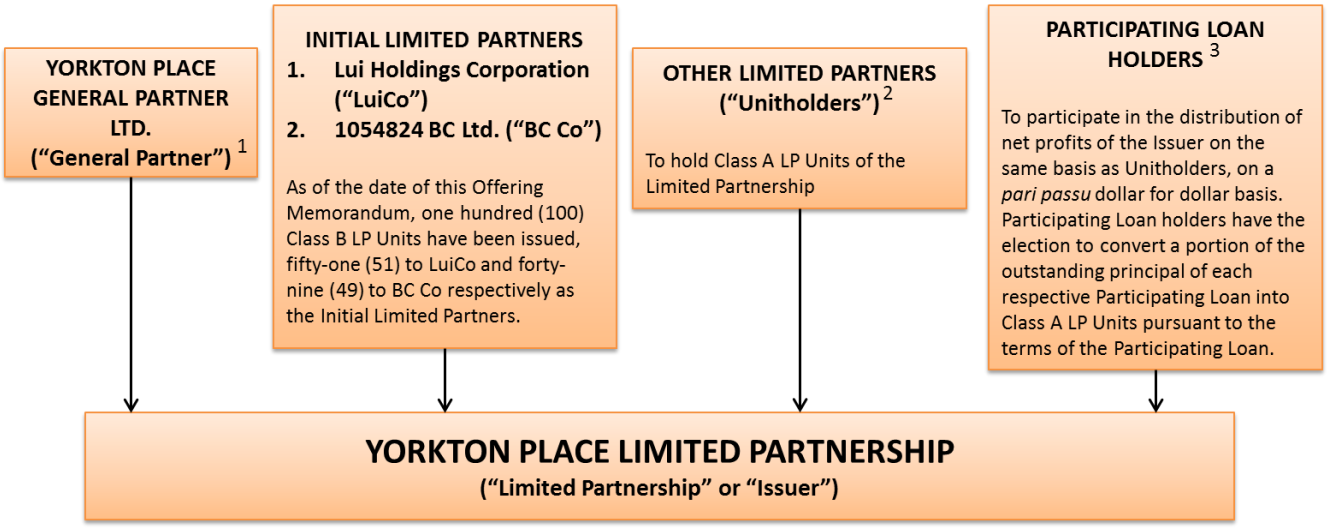
The Limited Partnership's head office is located at 2430, 10180 – 101 Street, Edmonton, Alberta, T5J 3S4. The General Partner's head office is located at 2430, 10180 – 101 Street, Edmonton, Alberta, T5J 3S4 and the records and registered office is located at 203 – 4545 West 10th Avenue, Vancouver, British Columbia, V6R 4N2.

The Limited Partnership is currently comprised of the following entities:

1. General Partner: Yorkton Place General Partner Ltd., of which LuiCo and BC Co directly own 51% and 49%, respectively, of the voting shares.

2. Limited Partner(s): On the acceptance of a Subscription Agreement from a Subscriber for Class A LP Units, such Subscriber shall automatically be deemed to be a Limited Partner and a party to the Limited Partnership Agreement.

    a. Initial Limited Partners: Pursuant to the Original Limited Partnership Agreement, LuiCo and BC Co were each issued one (1) undesignated unit in the Limited Partnership respectively to allow for the registration of the Limited Partnership. Pursuant to the Limited Partnership Agreement, the two (2) undesignated units in the Limited Partnership issued to LuiCo and BC Co were each converted into and designated as Class B LP Units. Following the filing of the Amended and Restated Certificate of Limited Partnership on June 28, 2016 and prior to the date of this Offering, LuiCo and BC Co subscribed for an additional fifty (50) and forty-eight (48) Class B LP Units respectively at $1.00 per Class B LP Unit, which subscription was accepted by the General Partner as of June 28, 2016. As Initial Limited Partners, LuiCo owns a total of fifty-one (51) Class B LP Units and BC Co owns a total of forty-nine (49) Class B LP Units. The Second Amended and Restated Agreement of Limited Partnership was agreed to prior to the date of the Offering Memorandum and will be filed along with the second amended and restated certificate of limited partnership after the date of the Offering Memorandum but prior to the initial Closing.



Notes:

(1) The General Partner is authorized to carry on the business of the Limited Partnership, and is responsible for the management of the Limited Partnership. The General Partner has unlimited liability for the debts, liabilities and obligations of the Limited Partnership. See **ITEM 2.7 - MATERIAL AGREEMENTS** for a summary of the key terms of the Limited Partnership Agreement. A full copy of the Limited Partnership Agreement is attached as Schedule "E".

(2) The rights and obligations of the Limited Partners are governed by the Limited Partnership Agreement and the BCPA. See **ITEM 2.7 - MATERIAL AGREEMENTS** for a summary of the key terms of the Limited Partnership Agreement. A full copy of the Limited Partnership Agreement is attached as Schedule "E".

(3) See **ITEM 2.7 – MATERIAL AGREEMENTS** and **ITEM 3.4 – LOANS** for more details on the Participating Loans, and Item 2.7(d) for a description of the terms of the Participating Loans.

The General Partner

The General Partner has exclusive authority to manage the business and affairs of the Limited Partnership, to make all decisions regarding the business of the Limited Partnership and to bind the Limited Partnership including all authority necessary or incidental to carry out the objects, purpose and business of the Limited Partnership. The General Partner must exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Limited Partnership and to exercise the care, diligence and skill of a reasonably prudent person in comparable circumstances. As General Partner, and pursuant to the terms of the Limited Partnership Agreement, the General Partner has the power and authority to act for, and to approve and sign on behalf of the Limited Partnership, all documents, forms, agreements and other instruments in writing. Among other restrictions imposed on the General Partner, it cannot dissolve the Limited Partnership or wind-up its affairs except in accordance with the provisions of the Limited Partnership Agreement.

The head office of the General Partner is located at 2430, 10180 – 101 Street, Edmonton, Alberta, T5J 3S4.

Limited Partners

The rights and obligations of the Limited Partners are governed by the Limited Partnership Agreement and the BCPA. **This Offering Memorandum does not include a discussion of all the details of the Limited Partnership Agreement and each investor should carefully review the Limited Partnership Agreement itself for full details.**

Participating Loan Holders

The rights and obligations of Participating Loans holders are governed by the certificate to be dated the date of issuance representing the Participating Loans.

2.2 Our Business

The Limited Partnership was established to be a "small business investment limited partnership" as defined in the Tax Act as its only undertaking is the investing of its funds and its investments consisted solely of small business securities, being 100% of the issued and outstanding Class "A" Shares of LandCo. The Limited Partnership will not carry on any other business nor invest any of the funds raised pursuant to this Offering in any other properties or projects. LandCo, a subsidiary of the Limited Partnership, is in a start-up phase of land acquisition and development and has not carried out business prior to this Offering. The Limited Partnership has not carried out business prior to this Offering and has no financial or development history. The management of the General Partner has experience with private placement offerings for purposes similar to those enumerated herein. Since incorporation of the General Partner and filing of registration of the Limited Partnership, the Limited Partnership has been engaged in the preparation of this Offering, which has included, amongst other things, putting in place a management team and board of directors of the General Partner and retaining legal counsel and auditors.

The Limited Partnership, as a Small Business Investment Limited Partnership, is raising funds pursuant to this Offering for the purpose of its investment in LandCo by way of subscription for Class "A" Shares of LandCo and provision of the LandCo Loan, and paying for expenses associated with issuing Class A LP Units and/or Participating Loans pursuant to certain prospectus and registration exemptions contained in NI 45-106. A maximum of up to 10,000,000 Class A LP Units at a price of $1.00 per Class A LP Unit or up to $10,000,000 of Participating Loans, or a combination of Units and Participating Loans for aggregate gross proceeds of up to a combined total of $10,000,000, are being offered under the Offering. LandCo intends to use the Limited Partnership's investment by way of the LandCo Loan to supplement the Repayable Loans from LuiCo and BC Co in order to acquire the Lands on a clear financial encumbrance basis from the Vendor pursuant to a Sale and Purchase Agreement dated November 12, 2015, and paying for the expenses of LandCo including general overhead, management fees, consulting fees, financing fees and funding certain costs related to the Lands, including rezoning and future development.

The Lands

The Lands, owned by LandCo which is a subsidiary of the Limited Partnership, are located in Surrey, British Columbia with a municipal address of 6396 King George Boulevard, Surrey, British Columbia, and are a single freehold title. The Lands are located within Surrey's Newton neighbourhood, which is generally bounded by 88th Avenue at the north, Scott Road at the west, Highway 10 at the south and 152nd Street at the east. More specifically, the Lands are located on the southeast corner of King George Boulevard and 64th Avenue as indicated by the map below. The immediate area is comprised of a mix of commercial buildings to the south and east and single family homes located to the north and west. The Lands are located south of the Newton Town Centre, which surrounds the intersection of King George Boulevard and 72nd Avenue. LandCo considers the Lands to be suitable for development and resale due to its location. The location of the Lands is strategically situated on a main roadway with excellent visual exposure, ideal for retail/commercial development, backing onto a treed ravine and fronting onto a natural park across 64 Avenue north of the Lands and providing an ideal environment for residential development. Scott Road is located 3.0 km west of the Lands and is a major local north/south arterial. The major east/west thoroughfares are 64th, 72nd and 80th Avenues. Access to Highway 91 is available from 64th Avenue and Highway 10, south of the Lands. Highway 91 via the Alex Fraser Bridge links North Delta with Richmond, New Westminster, Burnaby and Vancouver.

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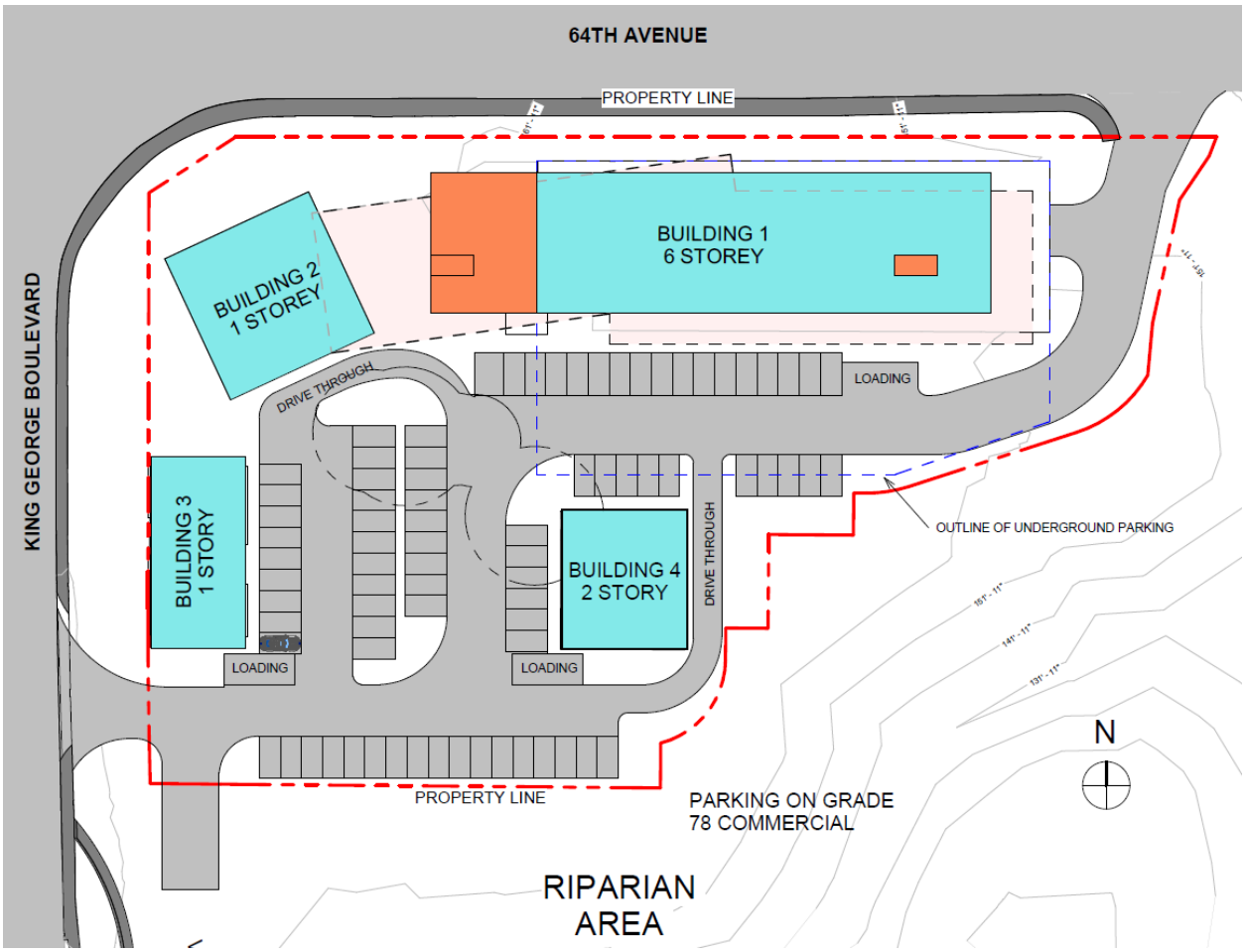
According to the architectural plan, the Lands are proposed to be developed in two phases. Phase 1 will comprise a 2 storey commercial retail/office building (Building 4) and two single storey commercial buildings (Buildings 2 and 3) and Phase 2 will comprise a 6 storey mixed use retail/residential building (Building 1), zoned Comprehensive Development (CD) specific for a public market, which will be constructed with steel and concrete construction. The City of Surrey's Official Community Plan allows for the density and uses proposed in the development by way of an amendment to the CD zoning. LandCo is in the process of preparing a formal application to the City of Surrey by way of a concurrent Development Permit and zoning amendment application. The following square footage numbers are subject to change and are based on the general standard density currently approved for the proposed development. The numbers in parentheses reflect the potentially higher density allowance, assuming the application for this higher density is approved, but there is no assurance that any higher density will be approved.

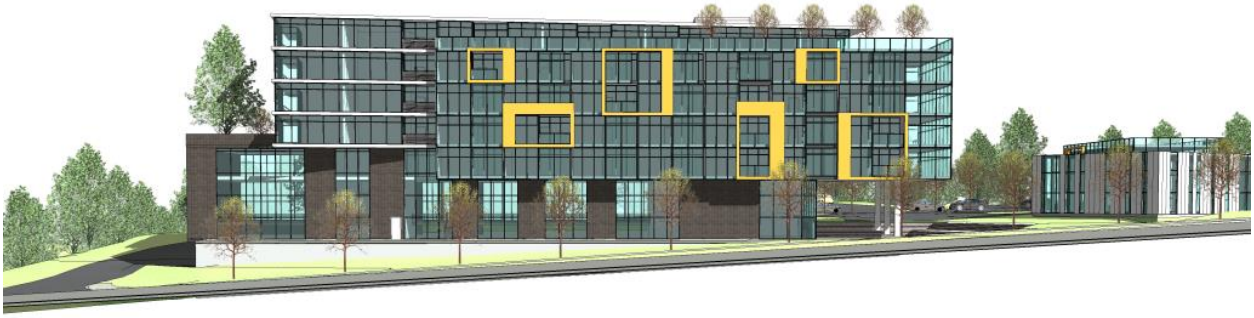
According to the project summary document prepared for this Project, the total gross building area used for the floor space ratio ("FSR") calculation is approximately ±89,100 square feet (potentially approximately ±108,250 square feet), resulting in a proposed development density of approximately 0.94 FSR (potentially approximately 1.14 FSR**)**.



Description of the Proposed Development

The representations of the Project shown below are for illustrative purposes only. The final look and design of the building may vary due to a variety of circumstances. These diagrams may change as they are subject to development and zoning approval, approval from the City of Surrey, and final design approvals.

Above: North elevation of Phase 2 showing Building 1



Above: North elevation of Phase 2 showing Building 1

Above: East elevation of Phase 2 Building 1 seen from 64th Avenue

Above: Comprehensive aerial view of the Project looking North-West

Above: Aerial view of the Project from the South-East

Residential Units

LandCo plans to construct approximately 79 condominium units (potentially approximately 95 condominium units) in the mixed use retail/residential building (Building 1), comprised of one bedroom and two bedroom layouts. The residential portion of the building will have a gross floor area of approximately 60,000 square feet and a net floor area of approximately 53,400 square feet (potentially approximately 83,650 square feet and a net floor area of 74,449 square feet). The square footage figures remain subject to final zoning and design approvals.

Commercial Space

The 6 storey mixed use retail/residential building (Building 1) offers approximately 11,000 square feet (approximately 11,600 square feet) of ground floor retail space demised into commercial space divided into smaller strata units. The condominium units range between 750 to 1,000 units to allow the flexibility to combine units. The 2 storey commercial building (Building 4) offers a gross floor area of approximately 8,000 square feet (potentially approximately 6,200 square

feet) demised into two ground floor retail units of approximately 2,500 square feet and approximately 3,000 square feet of second floor office space (potentially approximately one ground floor retail unit of 3,100 square feet and potentially approximately 3,100 square feet of second floor office space). The approximately 4,100 square feet (potentially approximately 4,100 square feet) single storey commercial building (Building 2) comprises a single retail unit, and the approximately 6,000 square feet (potentially approximately 3,100 square feet) single storey commercial building (Building 3) is expected to be demised into two retail units of approximately 2,100 and 3,900 square feet (potentially approximately 1,000 and 2,100 square feet). The configuration of the commercial space is subject to change based on market demand. The square footage remains subject to final zoning and design approvals.

The Lands are flat to sloping gently down to the east, with the exception of moderately sloping fill slopes at the north side of Lot 1 that are approximately 4 metres and moderately steep slopes.

The title is currently registered in the name of LandCo, a subsidiary of the Limited Partnership.

The Property is presently zoned as CD (Comprehensive Development Bylaw No. 10067), which is intended to accommodate and regulate the development of a public market and related facilities. The Property is designed "Commercial" in the Surrey area and "Mixed Commercial - Residential Apartment" up to 6 storeys in the Newton neighbourhood area. LandCo has been working with the City of Surrey to obtain approval to increase the density in the mixed commercial-residential building for the Project. Presently, two (2) offers to lease have been signed with LandCo with respect to the Lands. One offer to lease is with a major bank facility, and the other offer to lease is with a private liquor store. The two (2) offers to lease are conditional offers to lease, which may or may not materialize if any of the conditions therein are not fully met. All such lease arrangements are subject to change, and LandCo has the sole discretion and flexibility to change the tenant profile of the Project. LandCo will be considering a number and variety of offers to lease and letters of intent to lease, which may include coffee shops and other businesses.

Highlights of the Project

The Project will consist of the construction of a 6 storey mixed use retail/residential building (Building 1) containing approximately 79 strata titled condominium units (potentially approximately 95 strata titled condominium units) with two levels of heated underground parking comprising an expected 114 parking stalls and 99 surface parking stalls (potentially approximately 78 surface parking stalls) including approximately 17 visitor stalls (potentially approximately 19 visitor stalls). The units will offer one bedroom and two bedroom layouts with good finishing and appeal. The 6 storey mixed use retail/residential building (Building 1) is situated over a concrete underground parkade. The building is expected to feature a concrete and glass face that compliments the surrounding developments in the area. The interior finishes for the residential space will include hardwood, laminate or tile flooring, stainless steel appliances, granite counter tops and tile backsplash and incandescent lighting.

Nearby Amenities

The Project is near the following amenities:

- The City of Surrey's Recreational Park System and multi-purpose trails;
- SkyTrain lines connecting Metro Vancouver areas, as well as local bus transit;
- Major shopping malls, schools and churches;
- A variety of eateries and restaurants;
- A large Class "A" office building with commercial retail on the ground floor and office uses on the upper floors;
- The Newton Town Centre; and
- The "Newton Wave Pool".

The City of Surrey

The City of Surrey is located in the province of British Columbia. Surrey is located approximately 35 minutes southeast of downtown Vancouver and is situated on the Canada/United States of America border and has two border crossings including the Peace Arch border crossing and the Pacific Highway Border crossing. Surrey is a member municipality of

Metro Vancouver, the governing body of the Greater Vancouver Regional District and is the largest city in Metro Vancouver, with the second largest population estimated to be in the region of 472,000.

Two major bridges connect Surrey to neighbouring municipalities, including the Pattullo Bridge to New Westminster and the Port Mann Bridge to Coquitlam.

The TransCanada Highway (Highway 1) is the major east-west highway in the province and runs from Victoria to Nanaimo on Vancouver Island to Horseshoe Bay, through the Vancouver area and continuing on to Hope, Kamloops, Salmon Arm, Revelstoke to the British Columbia and Alberta border. The Lougheed Highway (Highway 7) is a major alternate route that runs from Vancouver to Hope, through the lower Fraser Valley. Highway 99 starts as an extension of Interstate 5 at the United States border in Surrey as a freeway until entering the city of Vancouver.

Vancouver International Airport and Abbotsford International Airport are the two primary air passenger and air cargo facilities in the Surrey area. The Vancouver International Airport is a hub facility for Southern British Columbia, providing regularly scheduled nonstop flights to over fifty communities in Canada, the United States, Europe, Asia and Mexico. It is the second busiest airport by passenger traffic and aircraft movements behind Toronto Pearson International Airport. The Vancouver International Airport is investing billions of dollars to attract new routes and carriers and improve its customer experience including an upgrade to its terminals, improving the baggage systems and enhancing safety and security. The Abbotsford International Airport is the second largest airport in the greater Vancouver area, after Vancouver International Airport, and is in close proximity to Highway 1, downtown Vancouver, and the US border.

Surrey comprises approximately 317 square kilometres and boasts a relaxed lifestyle, residential and city living combined with open country space. The city is accessible to all major cities located in Metro Vancouver and is well served by highways and railways, and is also linked to downtown Vancouver by the region's light rapid transit system (SkyTrain).

Surrey is the largest city in Metro Vancouver, with the second largest population estimated to be in the region of 472,000 (City of Surrey data). It is one of the fastest growing major cities in Canada and is expected to be the largest city in the Province by 2020. It is predicted that by 2041, one in five residents of Metro Vancouver will reside in Surrey. Surrey is British Columbia's third largest city by area with six "town centres" comprising of: Fleetwood, Whalley/City Centre, Guildford, Newton, Cloverdale, and South Surrey. Management believes that Surrey has benefited from the more than $5 billion of commercial, industrial, and residential construction over the last 5 years.

The availability of large tracts of land in Surrey for development, large inflows of capital, strong population growth, youthful population, visionary political leadership, and its vicinity and strategic location in the Metro Vancouver area, sets the stage for strong economic growth, and a vibrant real estate market well into the future.

Infrastructure Investment

Management believes Surrey is investing heavily in infrastructure to ensure a prosperous economy. The City of Surrey has received substantial infrastructure investment from other levels of government due to its key location in Canada's Pacific Rim trade strategy. A $3.5 billion investment for a new bridge and transport truck route will improve movement of goods and services as well as people. Surrey is also investing $470 million over 5 years in community infrastructure such as libraries, parks and recreation centres.

The Province of British Columbia

The land area of the Province of British Columbia spans 944,735 square kilometres and accounts for approximately 13.2% of Canada's total population, the third highest amongst Canadian provinces. In October 2013, British Columbia had an estimated population of 4,683,100 (about 2.5 million of whom were in located Metro Vancouver).

The economic base of British Columbia relies primarily on the service sector, which accounts for four out of five jobs. This includes jobs in finance, insurance, real estate, transportation, retail and wholesale trade, tourism and health services. Although British Columbia has reduced its reliance on natural resources, forestry, mining and fishing are still important industries to the economy of British Columbia. Small businesses make up 98% of all businesses in British Columbia, more than any other province.

Oil, gas and support services make up 3% of the province's growth domestic product (GDP), (11% including secondary energy services), compared to 15% for manufacturing and construction, and over 23% for financial and real estate services.

Management believes the sectors showing the most growth are construction, high tech, finance and real estate, retail trade, and professional, scientific and technical services and a recent survey of small businesses had similar findings. The sectors most responsible for creating jobs, funding social programs and contributing to the wealth of British Columbians are finance, real estate, manufacturing, construction, retail trade and tourism.

(Source: Statistics Canada)

In 2014, the British Columbia economy grew by 3.2% and was the second leading province in economic growth. The GDP per capita in British Columbia in 2014 was $48,048 remaining below the national average of $49,171 and was ranked fourth among the provinces of Canada.

Currently, British Columbia ranks as number one in the provincial growth rankings. Recent economic data, including job market statistics, suggest that the momentum of 2014 has carried into 2016. This is partially due to the strong housing market. An upbeat housing market generates substantial activity in the retail, services and housing sectors. With healthy job market conditions, confident households, and strengthening population growth (fueled by positive in-migration) poised to sustain solid housing demand, it is expected to have a forceful response by builders to boost supply, which is chronically short of demand in markets such as Vancouver.

(Source: RBC Provincial Outlook)

According to the Fraser Valley Real Estate Board, a total of 2,911 sales were processed in May 2016, an increase of 47.8 per cent compared to May 2015. Of the 2,911 sales processed, 615 were townhouses and 557 were apartments, representing a significant portion of the market activity indicating that consumers are looking to purchase town homes and apartments.

Management believes that the Metro Vancouver real estate market will remain robust for the following reasons:

- Demographics: Millennials are entering the housing market, and baby boomers are remaining in their existing homes.

- Jobs: Vancouver and Toronto accounted for all of Canada's net job growth in the past year, accounting for a one out of four jobs in the nation.

- Urbanization: Canada's economy is shifting away from manufacturing to service-based businesses concentrated in Toronto and Vancouver.

- Foreign Money: Proposals to increase minimum down payments on homes will only curb domestic buyers, not foreign investors with excess savings.

- Supply: New condo construction is permitted but the construction of new detached houses is limited.

Management believes the sluggishness of Canada's resource-dependent economy and a jittery global outlook may make it difficult for the Bank of Canada to raise interest rates. According to the Bank of Canada, even if borrowing costs rose, it is not clear that the higher interest rates would dampen lofty home prices.

(Source: Bloomberg)

2.3 Development of Business

The Limited Partnership was established on February 23, 2016 to be a "small business investment limited partnership" as defined in the Tax Act as its only undertaking is the investing of its funds and its investments consisted solely of small business securities, being 100% of the issued and outstanding Class "A" Shares of LandCo, and for the purpose of raising sufficient funds by way of the issuance of Class A LP Units and/or Participating Loans for the purposes of its investment in

LandCo. Pursuant to a Purchase and Sale Agreement dated November 12, 2015, Peak Real Estate Development Ltd. was entitled to purchase the Lands from the Vendor for a purchase price of $10,000,000. On February 25, 2016, Peak Real Estate Development Ltd. transferred and assigned all its rights, title and interest to the Purchase and Sale Agreement and the Lands to LandCo.

The Issuer intends to use the net proceeds of this Offering as described in **ITEM 1.2 - USE OF AVAILABLE FUNDS**. The amount of the Repayable Loans from LuiCo and BC Co to LandCo is contingent on the amount of funds raised by the Issuer pursuant to the Offering and used by the Issuer for the purpose of its investment in LandCo. The Issuer may in its sole discretion lend the majority of the net proceeds of the Offering to LandCo as part of its investment in LandCo, which may be used by LandCo for the purpose of satisfying the purchase price for the acquisition of the Lands, and repaying the Repayable Loans between LandCo and each of LuiCo and BC Co which were provided to LandCo to assist with LandCo's acquisition of the Lands.

The Subscription Agreement to be signed by Subscribers will contain a specific consent to the Founders Loan obtained by LandCo from LuiCo and BC Co and to the LandCo Loan obtained by LandCo from the Issuer and an acknowledgment that neither the Founders Loan or the LandCo Loan is not a breach of any fiduciary or other duties of the directors and officers of the Issuer or of GP Co and will not give rise to any obligation by LuiCo or BC Co or its respective officers, directors or shareholders to account to the Issuer or the Unitholders or Participating Loan holders for any profit made by LuiCo or BC Co from providing the Founders Loan.

Surrey Zoning

The present zoning of the Lands is CD (Comprehensive Development Bylaw No. 10067), which is intended to accommodate and regulate the development of a public market and related facilities. Permitted uses under the current zoning include retail and service commercial uses, excluding automobile sales and service, ancillary office necessary to support the activities of the market, entertainment activities customarily associated with festival retailing, daycare centres, senior citizen centres and usual and compatible ancillary uses. Pursuant to Comprehensive Development zoning of the Lands, the Lands are in compliance for a mixed use retail/residential development of up to 6 storeys high. LandCo is in the process of obtaining a development permit and amendment to the existing CD zoning to allow the specific uses in the proposed development from the City of Surrey, and will subsequently apply for building permits.

Project Operation

LandCo has contracted the General Partner to be the management company for the Project to develop and act as the governance body with respect to all aspects of the development and construction of the Project. See **ITEM 2.7 - MATERIAL AGREEMENTS** for a summary of the key terms of the Management Services Agreement.

LandCo intends to sell and/or lease the condominium units, commercial units or buildings as well as list the condominium units, commercial units or buildings with licensed real estate brokers on a non-exclusive basis. LandCo has the sole discretion and right to sell and/or lease condominium units and commercial units or buildings to the directors and officers of the General Partner and other Non-Arm's Length Parties. The sale and/or lease of such units to the directors and officers of the General Partner and other Non-Arm's Length Parties will be at fair market value substantiated by a professional accredited appraisal. A discount of not greater than five percent (5%) may be applicable. All such sales are subject to compliance with the First Mortgagee's approval or restrictions.

All sale proceeds from the Surrey condominium sales will be used to repay all of LandCo's loans, construction Soft and Hard Costs, and all other related costs. After the Project is completed, $2,000.00 per condo unit will be retained with LandCo for the period of one year to meet obligations under the builder's warranty. LandCo's income shall be disbursed as follows:

1) Pay all construction costs, Project financing and related expenses;
2) Repay all loans and interest to all lenders, including the HMT Loan, LandCo Loan, and the Repayable Loans;
3) Pay all management fees pursuant to the MSA;
4) Pay all consulting fees pursuant to the Consulting Agreement; and
5) After consulting with accountants or Auditors for the Issuer for tax purposes, to distribute LandCo's net profits after tax by way of dividends to the Issuer. The Issuer intends to pay to Unitholders and Participating Loan holders

the amount of their respective Subscription Amounts on a *pari passu* dollar for dollar basis, and to pay the net profits after tax, if any, to Unitholders and Participating Loan holders on a *pari passu* basis calculated dollar for dollar based on the initial amount invested for each Subscriber regardless of having purchased Units or Participating Loans.

The Issuer and LandCo will be dissolved after the final financial statement audit and distribution of net profits after tax to the Unitholders and Participating Loan holders.

Surrey Construction Financing

LandCo will obtain construction financing to be used for the construction phase of the Project (the "Construction Financing").

The balance of construction costs may be funded by the Issuer by way of the provision of the LandCo Loan, and from sale proceeds from certain portions of the Project, as applicable. LandCo has engaged a professional cost consultant to prepare a budget for the Project.

Surrey Lands Acquisition

The funds raised pursuant to this Offering will be used for the purpose of the Limited Partnership's investment in LandCo. LandCo will use the Limited Partnership's investment by way of the provisions of the LandCo Loan to supplement the Repayable Loans from LuiCo and BC Co in order to acquire the Lands on a clear financial encumbrance basis from the Vendor pursuant to a Sale and Purchase Agreement dated November 12, 2015. As at the date of this Offering Memorandum, LuiCo and BC Co have each provided an unlimited grid promissory note to LandCo as the Repayable Loan. As at the date of the Offering Memorandum, LuiCo has advanced $2,230,249.83 of Repayable Loan, and BC Co has advanced $1,864,639.18 of Repayable Loan, for a total aggregate amount of outstanding Repayable Loans of $4,094,889.01.

Development by LandCo

Once the required approvals have been obtained, after careful consideration of market conditions, the level of pre-sales and all risk factors, LandCo intends to take the Project to the construction stage of development. LandCo will arrange the necessary financing required for development at a competitive interest rate, however, the advance of such funds are subject to a number of standard conditions for similar facilities as required by the lender. A management fee will also be charged by the General Partner and Yorkton Group respectively which will be billed to the Project, pursuant to the Management Services Agreement dated April 22, 2016 and the Consulting Agreement dated April 22, 2016. Development means in this context the process of changing the use of the Lands in two stages:

(i) preconstruction stage: including architectural and engineering design, surveying, soil tests, geotechnical or environmental assessments, applications or submissions to various governmental authorities for the change of zoning of the Lands or subdivision of the Lands or Development or Building Permits that require no physical alteration to the Lands; and

(ii) construction stage: including site preparation, arranging for required utility services and construction and managing of any facilities, and related improvements on the Lands or similar activities that require physical alteration of the Lands.

The Project is to be developed in two phases. Phase 1 will comprise a 2 storey commercial retail/office building and two single storey commercial buildings and Phase 2 will be a 6 storey mixed use retail/residential building, which will be constructed with steel and concrete construction. According to the project summary document, the total gross building area used for the floor space ratio ("FSR") calculation is ±89,100 square feet (potentially approximately ±108,250 square feet), resulting in a proposed development density of approximately 0.94 FSR (potentially approximately 1.14 FSR**)**. The proposed development Project falls within the CD zoning guidelines based on the Official Community Plan designation for the site, and LandCo is in the process of preparing a formal Development Permit and zoning amendment application to the City of Surrey. The numbers in parentheses reflect the potentially higher density allowance, assuming the application for this higher density is approved, but there is no assurance that any higher density will be approved.

2.4 Long Term Objectives

The Issuer's long-term goal is to manage and provide a return to the Unitholders of the Class A LP Units and Participating Loan holders pursuant to the Offering, as may be appropriate.

LandCo's long-term goals are:

- To proceed with the development of the Lands as described under Item 2.3:
  - Planning and obtaining the development permit process (target completion in 10-12 months);
  - Obtaining a building permit (target completion in 3 months);
  - Construction of Phase 1 and Phase 2 (target completion in 20 months);
- To lease out the commercial buildings;
- To sell the condominium units comprising of the Project as individual condominium units;
- To sell the commercial units and/or buildings after the Project is complete;
- To manage payment of all construction costs, Project financing and related expenses;
- To manage the repayment of the HMT Loan, LandCo Loan and Repayable Loans; and
- To distribute its net profits after tax, if any, by way of dividends to the Issuer.

2.4.1 Term of the Limited Partnership

Each Limited Partner shall enter into the Limited Partnership Agreement, which shall continue in effect until the initial capital and any tax benefits have been allocated, and the Units are sold or it becomes commercially nonviable to do so, at which time upon the consent of the Limited Partners, the Limited Partnership will be deemed to have terminated, except as to the management of the Limited Partnership's winding down. In any event, the Limited Partnership Agreement shall terminate when all of its assets have been disposed of and net proceeds therefrom, after payment of or due provision for the payment of all debts, liabilities and obligations, equity and net profits of the Limited Partnership. The termination of the Limited Partnership shall not affect any right or interest acquired by the Limited Partnership under the Limited Partnership Agreement.

2.4.2 Term of the Participating Loans

Each Participating Loan holder will enter into an unsecured participating convertible debenture with the Limited Partnership for a minimum subscription amount of $100,000 on a loan participating basis. Participating Loan holders have the option to convert a portion of the outstanding principal amount of each respective Participating Loan into Class A LP Units at a conversion rate of $1.00 for each Class A LP Unit, subject to adjustment and in accordance with the terms and conditions of the Participating Loans, provided that the conversion would not result in the Participating Loan holder holding greater than ten percent (10%) of the total Class A LP Units issued and outstanding calculated immediately after such Closing and subscribed for pursuant to the Offering. The Participating Loan shall bear Interest, as defined therein, subject to the terms and conditions of the Participating Loans. The Participating Loan holder shall be entitled to Interest only in the event that the Limited Partnership earns any net profits after the payment of taxes by LandCo with respect to the Project on the Maturity Date and is able to fully repay the principal amount of the Participating Loan back to the Participating Loan holder, if any, depending on the financial performance of the Project. Such Interest shall be paid to the Participating Loan holder by way of a one-time payment of an amount of Interest representing the net profits after the payment of taxes by LandCo with respect to the Project to the Participating Loan holder on or after the Maturity Date pursuant to the Participating Loan holder's right to participate in the distribution of net profits after the payment of taxes by LandCo with respect to the Project on the same basis as the Unitholders, on a *pari passu* basis calculated dollar for dollar based on the initial amount invested for each Subscriber regardless of having purchased Units or Participating Loans, and provided only if the Interest or payment of an amount of Interest has not been cancelled or deemed to have been cancelled pursuant to the Participating Loan. Participating Loan holders agree that the Participating Loans are subordinated and postponed in favour of any bank or lender in respect of any Project financing made to LandCo, and any claim of any bank or lender in respect of any Project financing made to LandCo shall take precedence and be fully paid in priority to the Participating Loans. The Limited Partnership agrees to have the Participating Loan holder and the Limited Partnership subordinate and postpone the Participating Loan to any such financings made to LandCo. As at the date of this Offering Memorandum, no Participating Loans have been issued. The Issuer has the right, in its sole discretion, to issue Participating Loans of a minimum subscription amount of $100,000 on a participating loan basis, as long as the aggregate principal of the Participating Loans

and the Class A LP Units issued by the Limited Partnership do not exceed the Maximum Offering and provided that the borrowings of the Limited Partnership at any time does not exceed twenty percent (20%) of the capital of the Limited Partnership. The Limited Partnership is not obliged to repay the Participating Loans until the Maturity Date, as defined therein, being the date on which the Project is completed in all aspects, that being the date of the final financial statements taking into account the distribution of net profits after the payment of all taxes of the Project to all Unitholders and Participating Loan holders on a *pari passu* basis calculated dollar for dollar based on the initial amount invested for each Subscriber regardless of having purchased Units or Participating Loans, and which date is not fixed and which may not occur which shall not constitute a default, an event of default or breach under the Participating Loan, howsoever caused. The Participating Loan with respect to both principal and Interest, as defined therein, is not repayable or demandable prior to or after the Maturity Date and will only be repaid on or after the Maturity Date and only if funds are available firstly to repay the principal amount, if any, and lastly to pay Interest, if any. Interest, if any, shall be calculated first, and the principal amount, if any, shall be repaid first and the Interest, if any, shall be paid last, thereby extinguishing the Participating Loan. Pursuant to the Participating Loan, the Limited Partnership has the right, in its sole and absolute discretion, at any time before, on or after the Maturity Date to write-down the principal amount outstanding, including writing-down the principal amount to zero, or to cancel or deem to cancel the Interest or payment of an amount of Interest, including cancelling the Interest to zero. Such writing-down of the principal amount or cancellation of the Interest shall not constitute a default, an event of default or breach under the Participating Loan, howsoever caused.

2.5 Short Term Objectives and How the Issuer Intends to Achieve Them

The Issuer's goal is to raise up to $10,000,000 in the next nine (9) months and use the available funds for the purposes outlined in **ITEM 1.2 - USE OF AVAILABLE FUNDS**.

The following outlines the Issuer's short-term objectives and the methods and costs associated with the achievement of these objectives:

Short Term Objective	Target completion date or number of months to complete	Our cost to complete
Raise up to $10,000,000.00, the available funds will be used for the purposes outlined in **ITEM 1.2 - USE OF AVAILABLE FUNDS**.	6 – 9 months	$1,250,000 (1)

Notes
(1) Denotes selling commissions or finders' fees of up to ten percent (10%) of the gross proceeds realized on the sale of Class A LP Units and/or Participating Loans sold by selling agents under the Offering Memorandum, including various consulting fees and related offering costs. See **ITEM 1.1 - FUNDS**

2.6 Insufficient Funds

The majority of funds raised pursuant to this Offering will be for the purpose of the Issuer's investment in LandCo by way of the provision of the LandCo Loan pursuant to **ITEM 1.2 - USE OF AVAILABLE FUNDS**. The Issuer does not intend to hold any significant cash reserves, other than those amounts necessary to pay for all administration and operating expenses incurred by the Issuer in the conduct of its business. The funds raised under the Offering and used for the purpose of the Issuer's investment in LandCo may not be sufficient for LandCo to accomplish its proposed objectives related to the Project.

2.7 Material Agreements

The following are the key terms of all material agreements which the Issuer or LandCo, a subsidiary of the Issuer, have or expect to enter into, and which can reasonably be regarded as presently being material to the Issuer or LandCo, or a prospective purchaser of the securities of the Issuer being offered pursuant to this Offering. **All material agreements are made available for inspection by prospective investors at the Issuer's head office during normal business hours upon entering into an appropriate non-disclosure agreement**.

(a) The Land Purchase Agreement

Peak Real Estate Development Ltd. entered into a Sale and Purchase Agreement dated November 12, 2015 to acquire the Lands from the Vendor for a purchase price of $10,000,000 plus Adjustments. On February 25, 2016, Peak Real Estate Development Ltd. transferred and assigned all its rights, title and interest to the Lands to LandCo. The title to the Lands shall be free from prior financial encumbrances except for the HMT Loan described herein. The Vendor is arm's-length to the Issuer.

(b) HMT Loan

There is currently registered against title to the Lands a first mortgage in favour of HMT Holdings Inc., in the principal amount of $6,750,000, which amount is not to exceed sixty-eight percent (68%) of the lesser of the value as determined by HMT Holdings Inc. or the purchase price of the Lands. The financing was registered on February 25, 2016 for the purposes of purchasing the Lands with repayment of any such outstanding amounts on the terms and conditions as outlined in the loan agreement. The interest accrued and payable on the HMT Loan will be the greater of Royal Bank prime plus 4.8% or 7.5% per annum, calculated and payable monthly, and the HMT Loan will have an eighteen (18) month term with a prepayment privilege open after the sixth (6^{th}) month of the term, with 30 days' written notice. The First Mortgage includes an assignment of rents and leases in favor of HMT Holdings Inc.

(c) Founders Loan

For the purpose of assisting LandCo with the purchase of the Lands, each of LuiCo and BC Co respectively as lenders entered into a repayable loan (the "Repayable Loan") to lend funds to LandCo. The Repayable Loans, a current aggregate total of $4,094,889.01, are collectively the Founders Loan at a total of $4,094,889.01.

(i) Repayable Loans

Pursuant to the terms of the loan agreements made by way of grid promissory notes and entered into with LandCo by LuiCo and BC Co, each dated February 25, 2016, LuiCo and BC Co have each agreed to lend to LandCo amounts from time to time, with interest at a rate of eight percent (8%) per annum, calculated annually not in advance from the date of advance until repaid in full or until Conversion as defined therein in accordance with the Repayable Loan. As at the date of the Offering Memorandum, LuiCo has advanced $2,230,249.83, and BC Co has advanced $1,864,639.18, for a total aggregate amount of outstanding Repayable Loans of $4,094,889.01. The Repayable Loans will have a two (2) year term and are due and payable on demand on February 25, 2018 (the "Due Date"), provided however LandCo at its sole option, if not in default on the Due Date, may extend the Due Date to February 25, 2019 (the "First Extended Due Date"), and if not in default on the First Extended Due Date, LandCo at its sole option may extend the First Extended Due Date to February 25, 2020 (the "Second Extended Due Date"), and if not in default on the Second Extended Due Date, LandCo at its sole option may extend the Second Extended Due Date to February 25, 2021 (the "Final Extended Due Date") when the balance owing hereunder and interest shall become due and payable in any event. Any extension shall be upon the same terms and conditions as contained in the Repayable Loan. LandCo is entitled to repay the Repayable Loans in whole or in part at any time without notice, penalty or bonus. The final loan amount shall be determined in the sole discretion of LuiCo or BC Co, respectively as the lenders, as deemed appropriate by the General Partner based on the final amount of funds raised pursuant to the Offering, and taking into account the working capital and cash flow requirements. At any time prior to the Final Closing of the Offering and from time to time, the Repayable Loan holders, LuiCo and BC Co, have the option to convert all or any portion of the outstanding principal amount and any accrued interest thereon of each respective Repayable Loan into Class A LP Units and/or Participating Loans, in accordance with the terms and conditions of the Repayable Loans, provided that the conversion would not result in LuiCo or BC Co, as may be applicable, holding greater than ten percent (10%) of the total Class A LP Units issued and outstanding calculated immediately after such Closing and subscribed for pursuant to the Offering or the Issuer's borrowings at any time exceeding twenty percent (20%) of its partnership capital after the Closing on the subscriptions for Class A LP Units and the Closing on the subscriptions for Participating Loans. The Repayable Loan holders, LuiCo and BC Co, agree that the Repayable Loans are subordinated and postponed in favour of any bank or lender in respect of any Project financing made to LandCo, and any claim of any bank or lender in respect of any Project financing made to LandCo shall take precedence and be fully paid in priority to the Repayable Loans. LandCo, as the borrower, agrees to subordinate and postpone the Repayable Loans to any such financing made to it.

(d) Participating Loans

As at the date of this Offering Memorandum, no Participating Loans have been issued. The Issuer has the right, in its sole discretion, to issue Participating Loans of a minimum subscription amount of $100,000 on a participating loan basis, as long as the aggregate principal of the Participating Loans and the Class A LP Units issued by the Limited Partnership do not exceed the Maximum Offering and provided that the borrowings of the Limited Partnership at any time does not exceed twenty percent (20%) of the capital of the Limited Partnership. Participating Loan holders have the option to convert a portion of the outstanding principal amount of each respective Participating Loan into Class A LP Units at a conversion rate of $1.00 for each Class A LP Unit, subject to adjustment and in accordance with the terms and conditions of the Participating Loans, provided that the conversion would not result in the Participating Loan holder holding greater than ten percent (10%) of the total Class A LP Units issued and outstanding calculated immediately after such Closing and subscribed for pursuant to the Offering. The Participating Loan shall bear Interest, as defined therein, subject to the terms and conditions of the Participating Loans. The Participating Loan holder shall be entitled to Interest only in the event that the Limited Partnership earns any net profits after the payment of taxes by LandCo with respect to the Project on the Maturity Date and is able to fully repay the principal amount of the Participating Loan back to the Participating Loan holder, if any, depending on the financial performance of the Project. Such Interest shall be paid to the Participating Loan holder by way of a one-time payment of an amount of Interest representing the net profits after the payment of taxes by LandCo with respect to the Project to the Participating Loan holder on or after the Maturity Date pursuant to the Participating Loan holder's right to participate in the distribution of net profits after the payment of taxes by LandCo with respect to the Project on the same basis as the Unitholders, on a *pari passu* basis calculated dollar for dollar based on the initial amount invested for each Subscriber regardless of having purchased Units or Participating Loans, and provided only if the Interest or payment of an amount of Interest has not been cancelled or deemed to have been cancelled pursuant to the Participating Loan. Participating Loan holders agree that the Participating Loans are subordinated and postponed in favour of any bank or lender in respect of any Project financing made to LandCo, and any claim of any bank or lender in respect of any Project financing made to LandCo shall take precedence and be fully paid in priority to the Participating Loans. The Limited Partnership agrees to have the Participating Loan holder and the Limited Partnership subordinate and postpone the Participating Loan to any such financings made to LandCo. The Limited Partnership is not obliged to repay the Participating Loans until the Maturity Date, as defined therein, being the date on which the Project is completed in all aspects, that being the date of the final financial statements taking into account the distribution of net profits after the payment of all taxes of the Project to all Unitholders and Participating Loan holders on a *pari passu* basis calculated dollar for dollar based on the initial amount invested for each Subscriber regardless of having purchased Units or Participating Loans, and which date is not fixed and which may not occur which shall not constitute a default, an event of default or breach under the Participating Loan, howsoever caused. The Participating Loan with respect to both principal and Interest, as defined therein, is not repayable or demandable prior to or after the Maturity Date and will only be repaid on or after the Maturity Date and only if funds are available firstly to repay the principal amount, if any, and lastly to pay Interest, if any. Interest, if any, shall be calculated first, and the principal amount, if any, shall be repaid first and the Interest, if any, shall be paid last, thereby extinguishing the Participating Loan. Pursuant to the Participating Loan, the Limited Partnership has the right, in its sole and absolute discretion, at any time before, on or after the Maturity Date to write-down the principal amount outstanding, including writing-down the principal amount to zero, or to cancel or deem to cancel the Interest or payment of an amount of Interest, including cancelling the Interest to zero. Such writing-down of the principal amount or cancellation of the Interest shall not constitute a default, an event of default or breach under the Participating Loan, howsoever caused.

A blank copy of a Participating Loan Agreement is attached hereto as Schedule "C".

(e) LandCo Loan

Pursuant to the terms of the loan agreement entered into between the Limited Partnership and LandCo, dated February 23, 2016 ("LandCo Loan"), the Limited Partnership has agreed to lend to LandCo amounts from time to time, with interest at a rate to be determined by the Issuer as lender taking into consideration the net profit of the Project on the Maturity Date which shall not exceed eighteen percent (18%) per annum, calculated annually not in advance from the date of advance until repaid in full. In addition to such interest, the Borrower shall pay the Borrower's Fees. As at the date of the Offering Memorandum, the total LandCo Loan amount outstanding under the LandCo Loan is $72,161.01 as the Borrower's Fees. LandCo is not obliged to repay this loan until the Maturity Date, as defined therein, being the date when the Project is completed in all aspects by LandCo before business tax and dividends are declared to the Limited Partnership. On the Maturity Date of the LandCo Loan, the balance owing thereunder, interest and the Borrower's Fees shall become due and

payable. LandCo is entitled to repay the LandCo Loan in whole or in part at any time without notice, penalty or bonus. The final loan amount shall be determined in the sole discretion of the Limited Partnership as the lender as deemed appropriate by the General Partner based on the final amount of funds raised pursuant to the Offering.

(f) Offer to Lease re: Bank Lease/Guarantee

Peak Real Estate Development Ltd., as landlord, entered into an offer to lease with a major bank, as tenant, with respect to leased premises of approximately 4,000 square feet located in Building 2 located on the Lands, which is permitted for use to carry on any aspect of the tenant's business which is the business of a bank. The offer to lease is effective June 29, 2015 and is a net lease for a term of ten (10) years commencing on the date the landlord completes the landlord's work and delivers vacant possession to the tenant which shall be no earlier than February 1, 2017 and no later than June 1, 2017 (the "Commencement Date"), and expiring ten (10) years after the Commencement Date or the last day of the month in which the term commenced. Minimum rent for the leased premises is as follows: $55.00 per square foot for years 1-3, $55.75 per square foot for years 4-5, and $57.00 per square foot for years 6-10, payable by the tenant to the landlord in monthly installments. The tenant is entitled to a one hundred and twenty (120) day rent free period commencing on the Commencement Date. Under the bank lease, the tenant is entitled to terminate the offer to lease or the lease made pursuant to the offer to lease within thirty (30) days of the landlord failing to meet the dates set out under the section landlord's work, without compensation to the landlord. The landlord shall carry normal landlord's insurance including fire, third party liability, boiler and rental loss insurance for up to a maximum of one (1) year loss of revenue during rebuilding after damage and destruction only. The tenant agrees to maintain normal tenant insurance at its own expense under its blanket policy having limits of not less than $5,000,000.00 per occurrence for bodily injury or property damage, but shall not be obligated to carry insurance for the replacement of plate glass, and is required to pay its proportionate share of operating costs and taxes; water, gas, electricity, telephone and other utilities consumed on the leased premises; and a management fee equal to 3% of the minimum rent payable by the tenant; and the tenant's share of assessments, levies or contributions levied against the landlord with respect to the Building or the Development, as defined therein. The tenant is not permitted to transfer the offer to lease or the lease without the prior written consent of the landlord, except to certain permitted transferees. The offer to lease includes a right to extend the term of the lease for four (4) extension terms of five (5) years each, and grants a right of refusal to purchase to the tenant with respect to the Lands as further set out in the offer to lease.

On February 25, 2016, Peak Real Estate Development Ltd. transferred and assigned all its rights and interests under the Offer to Lease dated June 29, 2015 to LandCo.

A letter dated February 28, 2016 from Peak Towers Development Ltd., an affiliate of Peak Real Estate Development Ltd., to the Issuer confirming that Peak Towers Development Ltd., Manuel da Silva and Jordan Eng will secure the rent paid by the major bank on the site in its offer to lease dated June 29, 2015 for the initial ten (10) year term of the lease. The letter further clarifies that if the major bank does not proceed, and the designated space is leased to another mutually agreed tenant at a lower rent, then the guarantee will be on the rent differential between the major bank lease and the final tenant. The guarantee is stated to be valid until the completed development is sold to a third party interest.

This offer to lease with a major bank is a conditional offer to lease, which may or may not materialize if any of the conditions therein are not fully met. All such lease arrangements are subject to change, and LandCo has the sole discretion and flexibility to change the tenant profile of the Project.

(g) Limited Partnership Agreement

The Limited Partnership Agreement sets out the governance structure of the Limited Partnership and, amongst other things, the manner in which distributions of Limited Partnership income and/or losses will be made. Pursuant to the Limited Partnership Agreement, the General Partner will be in charge of managing and overseeing the raising of funds pursuant to the Offering, the Closings and completion of the Offering, the use of available funds raised pursuant to the Offering and the Limited Partnership's ongoing investment in LandCo as a "small business investment limited partnership" until the completion of the Project and the subsequent return of funds to Subscribers as applicable. As prescribed by the Partnership Act, the management of the Limited Partnership's business activities will be performed by the General Partner and the Limited Partners will have no direct involvement in the management or day-to-day operations of the Limited Partnership. For certainty, no Limited Partner shall or shall be entitled to: (i) execute any document which binds or purports to bind the Limited Partnership or the General Partner; (ii) have any authority to undertake any obligation or responsibility on behalf of the Limited Partnership or the General Partner, or purport to have the power or authority to bind the Limited Partnership or

any other Partner as such; or (iii) bring any action against any property of the Limited Partnership, or file or register, or permit any lien or charge to be filed or registered or remain undischarged, against any property of the Limited Partnership in respect of such Partner's interest in the Limited Partnership; or (iv) bring any action for petition or sale or otherwise in connection with respect to LandCo or any other property of the Limited Partnership.

On February 19, 2016, the General Partner, LuiCo and BC Co entered into an Agreement of Limited Partnership ("Original Limited Partnership Agreement"), which was subsequently amended and restated by a First Amended and Restated Agreement of Limited Partnership dated June 23, 2016 ("First Amended and Restated Agreement of Limited Partnership"), which was subsequently amended and restated by a Second Amended and Restated Agreement of Limited Partnership dated June 28, 2016 ("Second Amended and Restated Agreement of Limited Partnership" or "Limited Partnership Agreement"). The Second Amended and Restated Agreement of Limited Partnership was agreed to prior to the date of the Offering Memorandum and will be filed along with the second amended and restated certificate of limited partnership after the date of the Offering Memorandum but prior to the initial Closing. According to the Limited Partnership Agreement, Yorkton Place General Partner Ltd., formerly named 1065015 BC Ltd., is the general partner acting on behalf of the Limited Partnership ("General Partner" or "GP Co"). Pursuant to the Limited Partnership Agreement, the General Partner is authorized to carry on the business of the Limited Partnership, with full power and authority to administer, manage, control and operate the business of the Limited Partnership as a "small business investment limited partnership". The General Partner has the right, in its sole discretion, to accept or to refuse any particular subscription for a Unit, which as defined in the Limited Partnership Agreement, includes Class A LP Units, Class B LP Units, Class C LP Units, Class D LP Units and Class E LP Units. LuiCo and BC Co are the sole shareholders of GP Co of which LuiCo and BC Co holds fifty-one percent (51%) and forty-nine percent (49%) respectively of the voting shares, and LuiCo and BC Co have entered into a shareholders agreement which provides effective control of GP Co to LuiCo. Ben Lui, Manuel da Silva, and Jordan J. Eng are the directors of GP Co, and Ben Lui, Reg Liyanage, and Joey Sun are the senior executives of the Project.

Pursuant to the Limited Partnership Agreement, the Limited Partnership will be dissolved under any one of the following circumstances:

(i) the authorization of such dissolution by a resolution of the Limited Partners approved by not less than a simple majority of the aggregate number of Units having the Right to Vote held by the Partners, as defined therein;

(ii) the end of the fiscal year in which all of the property of the Limited Partnership has been disposed of;

(iii) upon the written notice of resignation of the General Partner, unless the General Partner is replaced, pursuant to the Limited Partnership Agreement, within 60 days of giving of such notice; or

(iv) upon the bankruptcy or dissolution of the General Partner, unless the General Partner is replaced, pursuant to the Limited Partnership Agreement, within 120 days of such bankruptcy or dissolution; or

(v) December 31, 2066, provided this date has not been extended by a resolution of the Limited Partners approved by not less than a simple majority of the aggregate number of Units having the Right to Vote held by the Partners, as defined therein.

Other important terms that should be noted in the Limited Partnership Agreement are as follows:

- Power of Attorney: each Limited Partner, by the execution of a subscription for Class A LP Units, irrevocably nominates the General Partner as its power of attorney with respect to certain administrative matters, including the execution of filings of the Limited Partnership required to keep it in good standing as a limited partnership, any amendment to the Limited Partnership Agreement or any amendment to the register maintained by the General Partner to record the unitholdings of the Limited Partners or any amendment to the certificate of limited partnership filed with the Registrar of Companies (British Columbia), instruments in connection with the dissolution or termination of the Limited Partnership, any assignment or transfer of a Class A LP Unit and elections in respect of income tax matters, and any documents deemed necessary or advisable to carry on the

business of the Limited Partnership or the provisions of the Limited Partnership Agreement including instruments required by governmental bodies in connection with the Limited Partnership or its business. The power of attorney is enduring and survives the disability and/or death of a Limited Partner;

- Liability: the General Partner will have unlimited liability for the debts, liabilities and obligations of the Limited Partnership. Subject to the Partnership Act, the liability of a Limited Partner for the debts, liabilities and obligations of the Limited Partnership shall be limited to the amount of the subscription price in respect of the Units held by such Limited Partner. A Limited Partner will not be liable for any further claims, assessments or contributions to the Limited Partnership except that if a Limited Partner is also the General Partner it will be liable to third parties as such;

- Capital Structure: The maximum number of Units that may be issued by the Limited Partnership is 10,000,000 Class A LP Units, 1,000 Class B LP Units, 10,000,000 Class C LP Units, 10,000,000 Class D LP Units and 10,000,000 Class E LP Units. Class A LP Units and the Class B LP Units will be issued for cash consideration of $1.00 per Class A LP Unit and $1.00 per Class B LP Unit. The General Partner has the ability to issue Class C LP Units, Class D LP Units and Class E LP Units, which may or may not be used in the future, and will be issued for such cash or other consideration as the General Partner may determine from time to time, taking into account all of the circumstances of the Limited Partnership at such time, and may be issued for different consideration and on different terms and conditions by the General Partner. There will be no fractional Class A LP Units or other Units issued. The Limited Partners with the Right to Vote may authorize the General Partner to offer further Class C LP Units, Class D LP Units, and/or Class E LP Units for sale in addition to the maximum number of such Units authorized to be issued as previously described ("Supernumerary Units") which may dilute the proportionate interest of each of the Partners in the Limited Partnership. The subscription price of each Supernumerary Unit will be established solely by the General Partner;

- Voting: Class A LP Units do not have the Right to Vote or attend meetings of the Limited Partnership. Class B LP Units entitle the holder to one (1) vote for each Class B LP Unit held. Class C LP Units, Class D LP Units, and Class E LP Units do not have the Right to Vote or attend meetings of the Limited Partnership;

- Assignment or Transfer of Units: a Limited Partner may assign or transfer its interest in the Limited Partnership (hereinafter, the "Assigning Limited Partner"), in writing to a person without the approval of the other Limited Partners, subject to compliance with all applicable securities and other laws, but unless the assignee or transferee becomes a substituted Limited Partner in accordance with the provisions of the Limited Partnership Agreement, such assignee or transferee, except as required or provided by law, shall not be entitled to any of the rights granted to a Limited Partner thereunder;

- Organizational Expenses: The Partnership shall reimburse the General Partner for organizational expenses reasonably incurred.

A full copy of the Limited Partnership Agreement is attached hereto as Schedule "E".

(h) Offer to Lease with Liquor Store

Peak Real Estate Development Ltd., as landlord, entered into an Offer to Lease with Westgate Hospitalities Inc. or its nominee, as tenant, with respect to a 2,100 square foot premises located on the Lands, which is permitted for use as a private liquor store and sale of related products. The Offer to Lease is effective July 3, 2015 and is a net lease for a term of ten (10) years commencing May 1, 2017 to and including April 30, 2027, with rent in the amount of $36.00 per square foot for years 1-3, $36.50 per square foot for years 4-5, and $38.00 per square foot for years 6-10, plus applicable taxes. The tenant is required to pay its proportionate share of operating costs and property taxes; electricity, gas, other fuel, water and other utilities consumed on the premises; signage rent in the amount of $1.00 per square foot per annum; and a management fee equal to 5% of the minimum rent payable by the tenant; and the tenant's share of assessments, levies or contributions levied against the landlord with respect to the strata lot(s) that the premises are located, and applicable taxes. The tenant is not permitted to assign the Offer to Lease or sublet the premises or any part thereof without the prior written consent of the landlord. The Offer to Lease includes an option to renew the lease for two (2) renewal terms of five (5) years each, and a relocation clause entitling the landlord to relocate the premises to a different part of the development.

(h)(1) Assignment of Offer to Lease with Liquor Store

An Assignment of Offer to Lease was entered into between Peak Real Estate Development Ltd., as Assignor, and LandCo, as Assignee, dated December 28, 2015. Pursuant to this Assignment of Offer to Lease, the Assignor has assigned and transferred all of its right, title and interest, both at law and in equity, in and to the Offer to Lease with Westgate Hospitalities Inc. dated July 3, 2015, to LandCo as the Assignee as at and from December 28, 2015. Under this Assignment of Offer to Lease, LandCo covenants to perform and observe all covenants required to be performed and observed by the Assignor in respect of the Offer to Lease. LandCo agrees to be liable, indemnify and save harmless the Assignor from actions, claims, losses, costs and damages brought against or sustained by the Assignor for any breaches by LandCo of its covenants under the Offer to Lease. The Assignor agrees to be liable, indemnify and save harmless LandCo from actions, claims, losses, costs and damages brought against or sustained by LandCo for any breaches by the Assignor of its covenants under the Offer to Lease prior to December 28, 2015.

This offer to lease with a liquor store is a conditional offer to lease, which may or may not materialize if any of the conditions therein are not fully met. All such lease arrangements are subject to change, and LandCo has the sole discretion and flexibility to change the tenant profile of the Project.

(i) Management Services Agreement

The Management Services Agreement was entered into between LandCo and the General Partner, as the Management Company, effective April 22, 2016. Under this agreement, the General Partner in its role as the Management Company or project manager will provide certain Basic Services and Management Services, as therein defined, to LandCo. These services include duties of a managerial, supervisory, or administrative nature, or which relate to accounting or bookkeeping, or whose function is to support the activities of LandCo and the Key Personnel, as defined therein, in connection with the development of the Project, or to otherwise support the business of LandCo including incidental supplies and expenditures, those services which may be more efficiently carried on by the General Partner than by LandCo, or those services which may be shared by other corporations affiliated with the General Partner, and also including without limitation: property management services, services related to use of the lands, project administration, project marketing strategies, planning and processes and activities involved in the construction of the residential and commercial condominium structure on the Lands, project management services, and other services as requested by LandCo. The General Partner in its role as the Management Company or project manager shall be entitled to Management Fees being an amount equal to thirty (30%) percent of the net profit before LandCo Loan interest and business tax plus GST from the sale of the condominium units in the Project, as determined by the audited financial statements of LandCo. The Management Fees shall be calculated, accrued, invoiced and payable from the net sale proceeds of the condominium unit sales after the full and complete repayment of all construction loans. The Management Services Agreement will terminate in respect of the Project on the date that is the later of the date of the final audited year end financial statements for LandCo for the fiscal year in which all residential and commercial condominium units in the Project have been sold and the date that any Management Fees payable have been paid. The Management Services Agreement may be extended or renewed from time to time with the written consent of the parties, and shall be terminated on the expiry of sixty (60) days written notice from LandCo to the General Partner in the event the Lands are sold.

(j) Consulting Agreement

The Consulting Agreement was entered into between Yorkton Place Development Corporation ("LandCo") and Yorkton Group International Ltd. ("Yorkton Group"), a company owned sixty percent (60%) by Ben Lui and forty percent (40%) by Reg Liyanage, effective April 22, 2016. Yorkton Group, as advisor and consultant for the Project (the "Contractor"), shall receive a Consulting Charge in an amount equal three and one-half percent (3.5%) of the actual gross revenue of the entire Project plus GST, as defined therein. Yorkton Group shall also be entitled to reimbursement of all of its out of pocket costs and expenses not included in Hard Costs or Soft Costs, and for all Front End Costs, incurred by the Contractor, together with interest thereon at a rate equal to eight (8%) percent per annum, calculated from the date the Contractor incurred the particular Front End Costs to the date of payment to the Contractor. Yorkton Group is entitled to invoice for their services on a monthly basis or as mutually agreed upon by the parties. Pursuant to the Consulting Agreement, the Contractor shall advise and/or consult for the Project and shall perform the obligations set out therein and in a workmanlike, skillful and expeditious manner in accordance with any agreements made by LandCo or the instructions of LandCo for the best interests of LandCo. The Contractor shall proceed to plan and carry out the Project in accordance with the Project Budget and the Approved Schedule, as defined therein. The Consulting Agreement is effective until the completion of the Project and

conclusion of its finance and accounting from the Effective Date unless terminated in accordance with the Consulting Agreement, and may be extended or renewed from time to time with the written consent of the parties.

(k) Trust Agreement

The Trust Agreement was entered into between the Issuer, as the Beneficial Owner, and LandCo, as the Nominee, effective February 25, 2016. The Trust Agreement was determined to not be necessary and was terminated by mutual agreement between the Issuer and LandCo effective February 25, 2016 pursuant to a termination instrument. The Borrower has requested and will receive formal consent from HMT Holdings Inc., as the lender of the HMT Loan, for the termination of the Trust Agreement effective as of February 25, 2016, which formal consent will be received after the date of the Offering Memorandum and prior to the first Closing.

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

3.1 Compensation and Securities Held

The Issuer has not completed its first full financial year and no compensation has been paid since its inception.

Name and municipality of principal residence	Positions held (e.g., director, officer, promoter and/or principal holder) and date of obtaining that position	Compensation paid by the Issuer 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 prior to first Closing of the Offering	Number, type and percentage of securities of the Issuer held after completion of Maximum Offering
Lui Holdings Corporation [4] Edmonton, Alberta ("LuiCo")	Shareholder of the General Partner since February 19, 2016 [3]	Nil	51 Class B LP Units [1] 51 voting shares (51%) of the General Partner	51 Class B LP Units 51 voting shares (51%) of the General Partner Class A LP Units and/or Participating Loan[2]
1054824 BC Ltd. Vancouver, BC [5] ("BC Co")	Shareholder of the General Partner since February 19, 2016 [3]	Nil	49 Class B LP Units [1] 49 voting shares (49%) of the General Partner	49 Class B LP Units 49 voting shares (49%) of the General Partner Class A LP Units and/or Participating Loan[2]
Ben Lui [4] Edmonton, AB	Director and President of the General Partner since February 19, 2016	Nil	Nil	Nil
Manuel da Silva [5] Vancouver, BC	Director of the General Partner since February 19, 2016	Nil	Nil	Nil
Jordan J. Eng [5] Vancouver, BC	Director of the General Partner since February 19, 2016	Nil	Nil	Nil

Notes:

(1) As of the date of this Offering Memorandum, one hundred (100) Class B LP Units have been issued, fifty-one (51) to LuiCo and forty-nine (49) to BC Co respectively as the Initial Limited Partners. Pursuant to the Original Limited Partnership Agreement, LuiCo and BC Co were each issued one (1) undesignated unit in the Limited Partnership respectively to allow for the registration of the Limited Partnership. Pursuant to the Limited Partnership Agreement, the two (2) undesignated units in the Limited Partnership issued to LuiCo and BC Co were each converted into and designated as Class B LP Units. Following the filing of the Amended and Restated Certificate of Limited Partnership on June 28, 2016 and prior to the date of this Offering, LuiCo and BC Co subscribed for an additional fifty (50) and forty-eight (48) Class B LP Units respectively at $1.00 per Class B LP Unit, which subscription was accepted by the General Partner as of June 28, 2016. As Initial Limited Partners, LuiCo owns a total of fifty-one (51) Class B LP Units and BC Co owns a total of forty-nine (49) Class B LP Units. The Second Amended and Restated Agreement of Limited Partnership was agreed to prior to the date of the Offering Memorandum and will be filed along with the second amended and restated certificate of limited partnership after the date of the Offering Memorandum but prior to the initial Closing.

(2) See **ITEM 2.7 – MATERIAL AGREEMENTS** and **ITEM 3.4 – LOANS** for more details on the Repayable Loans, and Item 2.7(c)(i) for a description of the terms of the Repayable Loans. At any time prior to the Final Closing of the Offering and from time to time, the Repayable Loan holders, LuiCo and BC Co, have the option to convert a portion of the outstanding principal amount and any accrued interest thereon of each respective Repayable Loan into Class A LP Units and/or Participating Loans, in accordance with the terms and conditions of the Repayable Loans, provided that the conversion would not result in LuiCo or BC Co, as may be applicable, holding greater than ten percent (10%) of the total Class A LP Units issued and outstanding calculated immediately after such Closing and subscribed for pursuant to the Offering or the Issuer's borrowings at any time exceeding twenty percent (20%) of its partnership capital after the Closing on the subscriptions for Class A LP Units and the Closing on the subscriptions for Participating Loans. See **ITEM 2.7 – MATERIAL AGREEMENTS** and **ITEM 3.4 – LOANS** for more details on the Participating Loans, and Item 2.7(d) for a description of the terms of the Participating Loans. Participating Loan holders have the option to convert a portion of the outstanding principal amount of each respective Participating Loan into Class A LP Units at a conversion rate of $1.00 for each Class A LP Unit, subject to adjustment and in accordance with the terms and conditions of the Participating Loans, provided that the conversion would not result in the Participating Loan holder holding greater than ten percent (10%) of the total Class A LP Units issued and outstanding calculated immediately after such Closing and subscribed for pursuant to the Offering.

(3) LuiCo and BC Co directly own 51% and 49%, respectively, of the voting shares of the General Partner.

(4) Ben Lui, a director and officer of the General Partner, owns, directly or indirectly, 100% of the voting shares of LuiCo.
(5) Manuel da Silva and Jordan J. Eng, directors of the General Partner**,** own, directly or indirectly, 100% of the voting shares of BC Co.

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3.2 Management Experience

The following table discloses the names and principal occupations of each of the Officers and Directors of the General Partner, and senior executives of the Project:

Name	Principal Occupations and Related Experience
Benny ("Ben") Lui Director and President	Mr. Ben Lui is the President & CEO of Yorkton Group International Ltd., with businesses primarily encompassing real estate investment, development and management. Mr. Lui graduated from the University of Toronto with a Bachelor of Science degree in Computer Science and Commerce. With over 25 years of experience in real estate industry, Mr. Lui primarily focuses on business acquisitions, strategic business planning and development, real estate development and construction. A strong advocate of conservative investment approach providing sustainable growth, transparent communication and accountability, and well-executed business plans with attention to details, Mr. Lui brings to the Project and the investors the visionary leadership that has grown Yorkton Group's real estate business to over 40 affiliated companies comprised of hotel, condo and land developments and construction, property management and consulting, holdings of commercial and residential real estate portfolio, as well as large parcels of future development lands.
R. ("Reg") Liyanage Executive Vice President	Mr. Liyanage is the Executive Vice President of Yorkton Group International Ltd. Mr. Liyanage holds a B.Sc. degree from the University of Alberta, and comes from a financial services background and has held leadership positions, as well as ownership in a variety of businesses. In the commercial real estate field, Mr. Liyanage has over 20 years of experience with a focus on the successful marketing of a variety of commercial real estate properties, including condo units, strip mall units, as well as land syndications. In addition, Mr. Liyanage has extensive experience in project management, development, and redevelopment of commercial properties.
Zhaohui ("Joey") Sun Vice President, Finance	Ms. Sun is the Vice President (Finance) of Yorkton Group and its affiliated companies. Ms. Sun is a Chartered Professional Accountant (CPA) and a Certified Management Accountant (CMA) with a Bachelor Degree in Accounting. As a highly accomplished and result-driven senior accounting and financial management executive with over 20 years of progressive experience in accounting, financial, administration and human resource management, Ms. Sun has experience in various business sectors, including manufacturing, oil and gas, construction, financing, and real estate investment, development and management in a senior management capacity.
Manuel da Silva Director	Mr. da Silva is the President of Towerstone Development Corporation. Mr. da Silva has over 27 years of experience in real estate. Mr. da Silva was formerly Vice President of Hyland Pacific Holdings Inc. and Golden Ocean Group, U.K. in which he was responsible for creating development projects that fit within the company's business plan and generating business for an associated company known as Hyland Turnkey Limited. The Hyland Group is a recognized real estate development and management firm in Western Canada. During his tenure with the Hyland Group, Mr. da Silva led the development of new commercial and residential developments throughout Metro Vancouver, including negotiating key partnerships and joint ventures with the existing land owners that created opportunities for the Hyland Group.
Jordan J. Eng Director	Mr. Eng is the President of Peak Real Estate Marketing Ltd., and he is also the Vice-President of Success Realty and Insurance Ltd., a family business established in 1959 engaged in real estate sales and leasing, development, and property management, and property and casualty general insurance brokerage which he has been with since 1989 and is involved in all facets of the business. Between 1989 and 1993, Mr. Eng was the development manager for the construction of residential apartment buildings and mixed-use residential/commercial property for their family owned portfolio, and was involved in negotiating financing and overseeing the general construction of these properties. He also has an extensive background in the real estate field with 26 years' experience in the sale of commercial properties in Vancouver and Calgary.

3.3 Penalties, Sanctions and Bankruptcy

Except as otherwise disclosed herein, there are no penalties or sanctions that have been in effect during the last ten (10) years, nor any cease trade order that has been in effect for a period of more than thirty (30) consecutive days during the past ten (10) years, against an executive officer, director or control person of the Issuer or against a company of which any of the foregoing was an executive officer, director or control person including Yorkton Group. No declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors or appointment of a receiver, receiver manager or trustee to hold assets, has been in effect during the last ten (10) years with regard to those individuals or any companies of which any of those individuals was an executive officer, director or control person at that time or against a company of which any of the foregoing was an executive officer, director or control person.

3.4 Loans

(a) HMT Loan

There is currently registered against title to the Lands a first mortgage in favour of HMT Holdings Inc., in the principal amount of $6,750,000, which amount is not to exceed sixty-eight percent (68%) of the lesser of the value as determined by HMT Holdings Inc. or the purchase price of the Lands. The financing was registered on February 25, 2016 for the purposes of purchasing the Lands with repayment of any such outstanding amounts on the terms and conditions as outlined in the loan agreement. The interest accrued and payable on the HMT Loan will be the greater of Royal Bank prime plus 4.8% or 7.5% per annum, calculated and payable monthly, and the HMT Loan will have an eighteen (18) month term with a prepayment privilege open after the sixth (6^{th}) month of the term, with 30 days' written notice. The First Mortgage includes an assignment of rents and leases in favor of HMT Holdings Inc.

(b) Founders Loan

For the purpose of assisting LandCo with the purchase of the Lands, each of LuiCo and BC Co respectively as lenders entered into a repayable loan (the "Repayable Loan") to lend funds to LandCo. The Repayable Loans, a current aggregate total of $4,094,889.01, are collectively the Founders Loan at a total of $4,094,889.01.

(i) Repayable Loans

Pursuant to the terms of the loan agreements made by way of grid promissory notes and entered into with LandCo by LuiCo and BC Co, each dated February 25, 2016, LuiCo and BC Co have each agreed to lend to LandCo amounts from time to time, with interest at a rate of eight percent (8%) per annum, calculated annually not in advance from the date of advance until repaid in full or until Conversion as defined therein in accordance with the Repayable Loan. As at the date of the Offering Memorandum, LuiCo has advanced $2,230,249.83, and BC Co has advanced $1,864,639.18, for a total aggregate amount of outstanding Repayable Loans of $4,094,889.01. The Repayable Loans will have a two (2) year term and are due and payable on demand on February 25, 2018 (the "Due Date"), provided however LandCo at its sole option, if not in default on the Due Date, may extend the Due Date to February 25, 2019 (the "First Extended Due Date"), and if not in default on the First Extended Due Date, LandCo at its sole option may extend the First Extended Due Date to February 25, 2020 (the "Second Extended Due Date"), and if not in default on the Second Extended Due Date, LandCo at its sole option may extend the Second Extended Due Date to February 25, 2021 (the "Final Extended Due Date") when the balance owing hereunder and interest shall become due and payable in any event. Any extension shall be upon the same terms and conditions as contained in the Repayable Loan. LandCo is entitled to repay the Repayable Loans in whole or in part at any time without notice, penalty or bonus. The final loan amount shall be determined in the sole discretion of LuiCo or BC Co, respectively as the lenders, as deemed appropriate by the General Partner based on the final amount of funds raised pursuant to the Offering, and taking into account the working capital and cash flow requirements. At any time prior to the Final Closing of the Offering and from time to time, the Repayable Loan holders, LuiCo and BC Co, have the option to convert all or any portion of the outstanding principal amount and any accrued interest thereon of each respective Repayable Loan into Class A LP Units and/or Participating Loans, in accordance with the terms and conditions of the Repayable Loans, provided that the conversion would not result in LuiCo or BC Co, as may be applicable, holding greater than ten percent (10%) of the total Class A LP Units issued and outstanding calculated immediately after such Closing and subscribed for pursuant to the Offering or the Issuer's borrowings at any time exceeding twenty percent (20%) of its partnership capital after the Closing on the subscriptions for Class A LP Units and the Closing on the subscriptions for Participating Loans.

The Repayable Loan holders, LuiCo and BC Co, agree that the Repayable Loans are subordinated and postponed in favour of any bank or lender in respect of any Project financing made to LandCo, and any claim of any bank or lender in respect of any Project financing made to LandCo shall take precedence and be fully paid in priority to the Repayable Loans. LandCo, as the borrower, agrees to subordinate and postpone the Repayable Loans to any such financing made to it.

(c) Participating Loans

As at the date of this Offering Memorandum, no Participating Loans have been issued. The Issuer has the right, in its sole discretion, to issue Participating Loans of a minimum subscription amount of $100,000 on a participating loan basis, as long as the aggregate principal of the Participating Loans and the Class A LP Units issued by the Limited Partnership do not exceed the Maximum Offering and provided that the borrowings of the Limited Partnership at any time does not exceed twenty percent (20%) of the capital of the Limited Partnership. Participating Loan holders have the option to convert a portion of the outstanding principal amount of each respective Participating Loan into Class A LP Units at a conversion rate of $1.00 for each Class A LP Unit, subject to adjustment and in accordance with the terms and conditions of the Participating Loans, provided that the conversion would not result in the Participating Loan holder holding greater than ten percent (10%) of the total Class A LP Units issued and outstanding calculated immediately after such Closing and subscribed for pursuant to the Offering. The Participating Loan shall bear Interest, as defined therein, subject to the terms and conditions of the Participating Loans. The Participating Loan holder shall be entitled to Interest only in the event that the Limited Partnership earns any net profits after the payment of taxes by LandCo with respect to the Project on the Maturity Date and is able to fully repay the principal amount of the Participating Loan back to the Participating Loan holder, if any, depending on the financial performance of the Project. Such Interest shall be paid to the Participating Loan holder by way of a one-time payment of an amount of Interest representing the net profits after the payment of taxes by LandCo with respect to the Project to the Participating Loan holder on or after the Maturity Date pursuant to the Participating Loan holder's right to participate in the distribution of net profits after the payment of taxes by LandCo with respect to the Project on the same basis as the Unitholders, on a *pari passu* basis calculated dollar for dollar based on the initial amount invested for each Subscriber regardless of having purchased Units or Participating Loans, and provided only if the Interest or payment of an amount of Interest has not been cancelled or deemed to have been cancelled pursuant to the Participating Loan. Participating Loan holders agree that the Participating Loans are subordinated and postponed in favour of any bank or lender in respect of any Project financing made to LandCo, and any claim of any bank or lender in respect of any Project financing made to LandCo shall take precedence and be fully paid in priority to the Participating Loans. The Limited Partnership agrees to have the Participating Loan holder and the Limited Partnership subordinate and postpone the Participating Loan to any such financings made to LandCo. The Limited Partnership is not obliged to repay the Participating Loans until the Maturity Date, as defined therein, being the date on which the Project is completed in all aspects, that being the date of the final financial statements taking into account the distribution of net profits after the payment of all taxes of the Project to all Unitholders and Participating Loan holders on a *pari passu* basis calculated dollar for dollar based on the initial amount invested for each Subscriber regardless of having purchased Units or Participating Loans, and which date is not fixed and which may not occur which shall not constitute a default, an event of default or breach under the Participating Loan, howsoever caused. The Participating Loan with respect to both principal and Interest, as defined therein, is not repayable or demandable prior to or after the Maturity Date and will only be repaid on or after the Maturity Date and only if funds are available firstly to repay the principal amount, if any, and lastly to pay Interest, if any. Interest, if any, shall be calculated first, and the principal amount, if any, shall be repaid first and the Interest, if any, shall be paid last, thereby extinguishing the Participating Loan. Pursuant to the Participating Loan, the Limited Partnership has the right, in its sole and absolute discretion, at any time before, on or after the Maturity Date to write-down the principal amount outstanding, including writing-down the principal amount to zero, or to cancel or deem to cancel the Interest or payment of an amount of Interest, including cancelling the Interest to zero. Such writing-down of the principal amount or cancellation of the Interest shall not constitute a default, an event of default or breach under the Participating Loan, howsoever caused.

A blank copy of a Participating Loan is attached hereto as Schedule "C".

(d) LandCo Loan

Pursuant to the terms of the loan agreement entered into between the Limited Partnership and LandCo, dated February 23, 2016 ("LandCo Loan"), the Limited Partnership has agreed to lend to LandCo amounts from time to time, with interest at a rate to be determined by the Issuer as lender taking into consideration the net profit of the Project on the Maturity Date which shall not exceed eighteen percent (18%) per annum, calculated annually not in advance from the date of advance until

repaid in full. In addition to such interest, the Borrower shall pay the Borrower's Fees. As at the date of the Offering Memorandum, the total LandCo Loan amount outstanding under the LandCo Loan is $72,161.01 as the Borrower's Fees. LandCo is not obliged to repay this loan until the Maturity Date, as defined therein, being the date when the Project is completed in all aspects by LandCo before business tax and dividends are declared to the Limited Partnership. On the Maturity Date of the LandCo Loan, the balance owing thereunder, interest and the Borrower's Fees shall become due and payable. LandCo is entitled to repay the LandCo Loan in whole or in part at any time without notice, penalty or bonus. The final loan amount shall be determined in the sole discretion of the Limited Partnership as the lender as deemed appropriate by the General Partner based on the final amount of funds raised pursuant to the Offering...

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ITEM 4 – CAPITAL STRUCTURE

4.1 Unit Capital

(a) The following table sets out the capital structure of the Issuer as at the date of this Offering Memorandum:

Description of Security	Number Authorized to be Issued	Price per Security issued from Treasury	Number Outstanding as of June 29, 2016	Number Outstanding as at June 29, 2016 and prior to first closing of offering (1)(2)(3)	Number Outstanding Assuming Completion of Maximum Offering
Class A LP Units	10,000,000	$1.00	0 Class A LP Units	0 Class A LP Units	10,000,000 Class A LP Units
Class B LP Units	1,000	$1.00	100 Class B LP Units	100 Class B LP Units	100 Class B LP Units
Class C LP Units	10,000,000	To be determined by the General Partner, pursuant to Section 4.3 of the Limited Partnership Agreement	0 Class C LP Units	0 Class C LP Units	0 Class C LP Units
Class D LP Units	10,000,000	To be determined by the General Partner, pursuant to Section 4.3 of the Limited Partnership Agreement	0 Class D LP Units	0 Class D LP Units	0 Class D LP Units
Class E LP Units	10,000,000	To be determined by the General Partner, pursuant to Section 4.3 of the Limited Partnership Agreement	0 Class E LP Units	0 Class E LP Units	0 Class E LP Units

Notes:

(1) As of the date of this Offering Memorandum, one hundred (100) Class B LP Units have been issued, fifty-one (51) to LuiCo and forty-nine (49) to BC Co respectively as the Initial Limited Partners. Pursuant to the Original Limited Partnership Agreement, LuiCo and BC Co were each issued one (1) undesignated unit in the Limited Partnership respectively to allow for the registration of the Limited Partnership. Pursuant to the Limited Partnership Agreement, the two (2) undesignated units in the Limited Partnership issued to LuiCo and BC Co were each converted into and designated as Class B LP Units. Following the filing of the Amended and Restated Certificate of Limited Partnership on June 28, 2016 and prior to the date of this Offering, LuiCo and BC Co subscribed for an additional fifty (50) and forty-eight (48) Class B LP Units respectively at $1.00 per Class B LP Unit, which subscription was accepted by the General Partner as of June 28, 2016. As Initial Limited Partners, LuiCo owns a total of fifty-one (51) Class B LP Units and BC Co owns a total of forty-nine (49) Class B LP Units. The Second Amended and Restated Agreement of Limited Partnership was agreed to prior to the date of the Offering Memorandum and will be filed along with the second amended and restated certificate of limited partnership after the date of the Offering Memorandum but prior to the initial Closing.

(2) See **ITEM 2.7 – MATERIAL AGREEMENTS** and **ITEM 3.4 – LOANS** for more details on the Participating Loans, and Item 2.7(d) for a description of the terms of the Participating Loans. Participating Loan holders have the option to convert a portion of the outstanding principal amount of each respective Participating Loan into Class A LP Units at a conversion rate of $1.00 for each Class A LP Unit, subject to adjustment and in accordance with the terms and conditions of the Participating Loans, provided that the conversion would not result in the Participating Loan

holder holding greater than ten percent (10%) of the total Class A LP Units issued and outstanding calculated immediately after such Closing and subscribed for pursuant to the Offering.

(3) See **ITEM 2.7 – MATERIAL AGREEMENTS** and **ITEM 3.4 – LOANS** for more details on the Repayable Loans, and Item 2.7(c)(i) for a description of the terms of the Repayable Loans. At any time prior to the Final Closing of the Offering and from time to time, the Repayable Loan holders, LuiCo and BC Co, have the option to convert a portion of the outstanding principal amount and any accrued interest thereon of each respective Repayable Loan into Class A LP Units and/or Participating Loans, in accordance with the terms and conditions of the Repayable Loans, provided that the conversion would not result in LuiCo or BC Co, as may be applicable, holding greater than ten percent (10%) of the total Class A LP Units issued and outstanding calculated immediately after such Closing and subscribed for pursuant to the Offering or the Issuer's borrowings at any time exceeding twenty percent (20%) of its partnership capital after the Closing on the subscriptions for Class A LP Units and the Closing on the subscriptions for Participating Loans.

(b) The following table sets out the capital structure of LandCo as at the date of this Offering Memorandum:

Description of Security	Number Authorized to be Issued	Price per Security issued from Treasury	Number Outstanding as of June 29, 2016	Number Outstanding as at June 29, 2016 and prior to first closing of offering (1)	Number Outstanding Assuming Completion of Maximum Offering
Class "A" Shares	Unlimited	$1.00	100 Class "A" Shares	100 Class "A" Shares	100 Class "A" Shares
Class "B" Shares	Unlimited	$1.00	100 Class "B" Shares	100 Class "B" Shares	100 Class "B" Shares
Class "C" Shares	Unlimited	$1.00	0 Class "C" Shares	0 Class "C" Shares	0 Class "C" Shares

Notes:

(1) As of the date of this Offering Memorandum, one hundred (100) Class "A" Shares of LandCo have been issued to the Limited Partnership, and one hundred (100) Class "B" Shares of LandCo have been issued to the General Partner.

4.2 Debt

(a) Short Term Debt

Description of Short Term Debt	Interest Rate	Repayment Terms	Amount Outstanding as at June 29, 2016
HMT Loan(1)	Greater of Royal Bank prime + 4.8% or 7.5% per annum	Term: Eighteen (18) months Prepayment Privilege: Open after the sixth (6th) month of the term, with 30 days' written notice. See **ITEM 2.7 – MATERIAL AGREEMENTS** for further details on the HMT Loan.	$6,750,000

Notes:

(1) The HMT Loan has been made to LandCo, a subsidiary of the Limited Partnership, and is registered against title to the Lands. Title to the Lands is currently registered in the name of LandCo.

(b) Long Term Debt

Description of Long Term Debt	Interest Rate	Repayment Terms	Amount Outstanding as at June 29, 2016
Repayable Loans[(1)]	8% per annum, calculated and compounded annually	The Limited Partnership has options to extend the Due Date of the Repayable Loans to the Final Extended Due Date of February 25, 2021.[(2)] The Limited Partnership is entitled to repay the Repayable Loans in whole or in part at any time without notice, penalty or bonus. See **ITEM 2.7 – MATERIAL AGREEMENTS** for further details on the Repayable Loans.	$4,094,889.01
Participating Loans	0%	The Limited Partnership is not obliged to repay the Participating Loans until the Maturity Date, as defined therein. The Participating Loan is not repayable or demandable prior to or after the Maturity Date and will only be repaid on or after the Maturity Date and only if funds are available firstly to repay the principal amount, if any, and lastly to pay Interest, if any.[(3)] See **ITEM 2.7 – MATERIAL AGREEMENTS** for further details on the Participating Loans.	$0.00
LandCo Loan[(4)]	Up to 18% per annum[(5)]	LandCo is not obliged to repay the LandCo Loan until the Maturity Date, as defined therein. LandCo is entitled to repay the LandCo Loan in whole or in part at any time without notice, penalty or bonus. See **ITEM 2.7 – MATERIAL AGREEMENTS** for further details on the LandCo Loan.	$72,161.01

Notes:

(1) The Repayable Loans are owed to LuiCo and BC Co by LandCo.

(2) The Repayable Loans will have a two (2) year term and are due and payable on demand on February 25, 2018 (the "Due Date"), provided however LandCo at its sole option, if not in default on the Due Date, may extend the Due Date to February 25, 2019 (the "First Extended Due Date"), and if not in default on the First Extended Due Date, LandCo at its sole option may extend the First Extended Due Date to February 25, 2020 (the "Second Extended Due Date"), and if not in default on the Second Extended Due Date, LandCo at its sole option may extend the Second Extended Due Date to February 25, 2021 (the "Final Extended Due Date") when the balance owing hereunder and interest shall become due and payable in any event. Any extension shall be upon the same terms and conditions as contained in the Repayable Loan.

(3) Repayment is also subject to any writing-down of the principal amount of the Participating Loan and subject to any cancellation or deemed cancellation of Interest, as defined therein, in accordance with the terms of the Participating Loan.

(4) The LandCo Loan is owed to the Issuer by LandCo.

(5) Pursuant to the terms of the LandCo Loan, the Limited Partnership has agreed to lend to LandCo amounts from time to time, with interest at a rate to be determined by the Issuer as lender taking into consideration the net profit of the Project on the Maturity Date which shall not exceed eighteen percent (18%) per annum, calculated annually not in advance from the date of advance until repaid in full.

See **ITEM 2.7 – MATERIAL AGREEMENTS** and **ITEM 3.4 – LOANS** for more details on the HMT Loan, Repayable Loans, Participating Loans, and the LandCo Loan.

In addition, as may be necessitated from time to time to achieve the LandCo's objectives, LandCo may secure long-term debt from financial institutions or other third parties. LandCo may secure any such borrowings by granting charges,

security interests or other encumbrances on the Lands as security for any debt, liability or obligation incurred in connection with the LandCo's business.

4.3 Prior Sales

As of the date hereof, no Class A LP Units or Participating Loans have been issued. As for the issued and outstanding Repayable Loans as of the date hereof, LuiCo has advanced $2,230,249.83, and BC Co has advanced $1,864,639.18, for a total aggregate amount of outstanding Repayable Loans of $4,094,889.01:

Date of Issuance	Type of Security Issued	Number of Security Issued	Price per Security	Total Funds Received
February 25, 2016	Repayable Loans	2	$1.00 per dollar of principal of Repayable Loan	$4,094,889.01 (1) ($2,230,249.83 from LuiCo, and $1,864,639.18 from BC Co)

Notes:

(1) See **ITEM 2.7 – MATERIAL AGREEMENTS** and **ITEM 3.4 – LOANS** for more details on the Repayable Loans, and Item 2.7(c)(i) for a description of the terms of the Repayable Loans. LuiCo and BC Co have each entered into a Repayable Loan, each dated February 25, 2016, in the principal amount of $2,230,249.83 and $1,864,639.18, respectively. At any time prior to the Final Closing of the Offering and from time to time, the Repayable Loan holders, LuiCo and BC Co, have the option to convert all or any portion of the outstanding principal amount and any accrued interest thereon of each respective Repayable Loan into Class A LP Units and/or Participating Loans, in accordance with the terms and conditions of the Repayable Loans, provided that the conversion would not result in LuiCo or BC Co, as may be applicable, holding greater than ten percent (10%) of the total Class A LP Units issued and outstanding calculated immediately after such Closing and subscribed for pursuant to the Offering or the Issuer's borrowings at any time exceeding twenty percent (20%) of its partnership capital after the Closing on the subscriptions for Class A LP Units and the Closing on the subscriptions for Participating Loans. Any amounts not converted as at the Final Closing of the Offering shall remain as a Repayable Loan.

ITEM 5– SECURITIES OFFERED

5.1 Terms of Securities

The Limited Partnership is offering 10,000,000 Class A LP Units for sale. The minimum number of Units that may be purchased by a Subscriber is 500 Class A LP Units for a minimum investment of $500 with increments of $1.00 or one (1) Unit thereafter. Any one non-related Subscriber may purchase no greater than ten percent (10%) of the total Class A LP Units issued and outstanding calculated immediately after such Closing and subscribed for pursuant to the Offering.

The Limited Partnership is also issuing Participating Loans. The minimum amount of Participating Loan that may be issued to a Participating Loan holder is $100,000 with increments of $1.00 thereafter. The Issuer has the right and sole discretion to accept or to refuse any particular subscription for a Participating Loan if such subscription results in the Issuer's borrowings at any time exceeding twenty percent (20%) of the Limited Partnership's capital after the Closing on the subscriptions for Class A LP Units.

All proceeds from the sale of Units and/or the issuance of Participating Loans will be deposited in a segregated account until the Limited Partnership receives sufficient subscriptions for Units and/or Participating Loans.

Prospective qualified investors may apply for the purchase of Units and/or Participating Loans by completing and executing in full the documents attached as Schedule "B" to this Offering Memorandum, which include the Subscription Agreement and Risk Acknowledgement Form, and by delivering such documents to the General Partner on behalf of the Issuer. Completion and delivery of the Subscription Agreement and other relevant documents does not guarantee sale of the Units and/or the Participating Loans. Each subscription is subject to acceptance by the General Partner on behalf of the Issuer. The Units and/or the Participating Loans will be sold only to those persons who are acceptable to the General Partner on behalf of the Issuer and who meet the requirements set out in this Offering Memorandum. **SEE "SUBSCRIPTION DOCUMENTS, SCHEDULE 'B'".**

Class A LP Units

Subscribers of Class A LP Units will become Limited Partners in the Limited Partnership. The rights and obligations attaching to the Class A LP Units are set out in more detail in the Limited Partnership Agreement which is attached hereto as Schedule "E". Also, see **ITEM 2.7 - MATERIAL AGREEMENTS** for a summary of the key terms of the Limited Partnership Agreement.

As the Limited Partnership is not a reporting issuer in the any jurisdiction of Canada, the Class A LP Units are subject to resale restrictions pursuant to applicable securities laws. **See "ITEM 10 - RESALE RESTRICTIONS".**

Participating Loans

Subscribers of Participating Loans are entitled the rights and obligations attaching to the Participating Loans as set out in more detail in the blank copy of a Participating Loan Agreement which is attached hereto as Schedule "C". Also, see **"ITEM 2.7 - MATERIAL AGREEMENTS"** under the heading "Participating Loans" for a summary of the key terms of the Participating Loan Agreement.

As the Limited Partnership is not a reporting issuer in the any jurisdiction of Canada, the Participating Loans are subject to resale restrictions pursuant to applicable securities laws. **See "ITEM 10 - RESALE RESTRICTIONS".**

5.2 Subscription Procedures

(a) Subscription Documents

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

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

In order to subscribe for Units and/or Participating Loans, a purchaser must complete, execute and deliver the following documentation to the General Partner acting on behalf of the Issuer or any one of its directors or officers at 2430, 10180 – 101 Street, Edmonton, Alberta T5J 3S4:

(i) one (1) completed and signed copy of the Subscription Agreement in the form set out in Schedule "B" to this Offering Memorandum (including any exhibits attached thereto);

(ii) an amount equal to the Subscription Amount (as set forth in the Subscription Agreement), in respect of a cash purchase, by way of a certified cheque, bank draft or money order payable to "Western Pacific Trust Company, in trust", or in the event of a Deferred Plan, by way of a certified cheque, bank draft or wire transfer payable to "Western Pacific Trust Company, in trust";

(iii) a completed and executed Form 45-106F4 attached as **Exhibit 1** to the Subscription Agreement; and

(iv) if a resident in Alberta, Saskatchewan, New Brunswick, Nova Scotia, Ontario and Quebec, and **only if** an individual investor, a completed *Schedule 1, Classification of Investors Under the Offering Memorandum Exemption*, with respect to eligibility of individual investors and *Schedule 2, Investment Limits for Investors Under the Offering Memorandum Exemption* with respect to investment limits of individual investors, attached to Exhibit 1; or

(v) if a resident in Manitoba, Northwest Territories, Nunavut or Yukon and the Subscription Amount exceeds $10,000, a completed **Exhibit 2** and, if applicable, the Representation Letter as follows:

(A) in the case of a Subscriber who is an "accredited investor" a fully completed and duly executed Representation Letter, in the form of Appendix "A" attached to Exhibit 2 to the Subscription Agreement; or

(B) in the case of a Subscriber who is a "close personal friend" or "close business associate" as defined herein, a fully executed and completed Close Personal Friend and/or Close Business Associate Questionnaire in the form of Appendix "B" attached to Exhibit 2 to the Subscription Agreement; and

(vi) a completed and duly signed Risk Acknowledgement Form in the form attached as **Exhibit 3**.

Western Pacific Trust Company will hold any subscription funds provided to it "in trust", until a signed and dated Subscription Agreement is duly accepted by the General Partner acting on behalf of the Limited Partnership and a Closing has occurred. The General Partner, on behalf of the Limited Partnership, reserves the right to accept or reject subscriptions in whole or in part, at its discretion, and to close the subscription books at any time without notice.

Subject to applicable securities laws and the Subscriber's two-day cancellation right, a subscription for Units and/or Participating Loans, evidenced by a duly completed Subscription Agreement delivered to the Limited Partnership shall be irrevocable by the Subscriber. See **ITEM 11 – PURCHASERS' RIGHTS**.

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

At each Closing of the Offering, the Issuer will firstly conduct the Closing on the subscriptions for Class A LP Units, and will secondly subsequently conduct the Closing on the subscriptions for Participating Loans. At each Closing of the Offering, the Limited Partnership will deliver to each Subscriber as follows:

(a) to a Subscriber of Class A LP Units, a unit certificate representing fully paid and non-assessable Units, provided the subscription price has been paid in full; or

(b) to a Subscriber of Participating Loans, a convertible unsecured debenture to be dated the date of issuance representing the Participating Loan, provided the subscription price has been paid in full.

Any investment amount exceeding $10,000.00 will require additional documentation to support purchaser eligibility. All marketing materials with respect to this Offering Memorandum and in connection with each distribution under the Offering Memorandum are made available for inspection by prospective investors on the Issuer's website.

5.3 Sale by Exempt Market Dealers or Pursuant to an Exemption

None of the Limited Partnership or the General Partner is registered as an exempt market dealer with any securities regulatory authority. The Units and the Participating Loans are being sold by the Limited Partnership and the General Partner pursuant to the Northwestern Exemption.

The Northwestern Exemption provides for the sale of Units and the Participating Loans in Alberta, British Columbia, Manitoba, Saskatchewan, the Northwest Territories, Nunavut and the Yukon Territory pursuant to the following prospectus exempt distributions: i) the accredited investor, ii) family, friends and business associates, iii) offering memorandum and iv) minimum $150,000 purchase of a security in one transaction may be made by a dealer not registered as an exempt market dealer with a securities regulatory authority, provided the trade is made in accordance with the requirements of the blanket order made by the relevant securities regulatory authority. An issuer relying on the Northwestern Exemption must: i) not be registered in any category of dealer registration with a securities regulatory authority in any jurisdiction, ii) not provide suitability advice about the trade to the Subscriber, iii) not otherwise provide financial services to the Subscriber, iv) not

hold or have access to the Subscriber's assets, (v) provide the Subscriber the Risk Acknowledgement Form attached as Exhibit 3 to the Subscription Agreement; and vi) file a dealer information report with the relevant securities regulatory authority.

Persons selling securities who are not registered with a securities regulatory authority in accordance with NI 31-103 are prohibited from providing advice as to the suitability of this investment. **Advice about the merits of this investment and whether these securities, are suitable for any potential subscriber, should be provided by a registered adviser or dealer**.

ITEM 6 – INCOME TAX CONSEQUENCES AND DEFERRED PLAN ELIGIBILITY

It is strongly recommended that each Subscriber, in order to assess tax, legal and other aspects of an investment in the Units and/or Participating Loans, obtain independent legal and tax advice with respect to the Offering and this Offering Memorandum. The stated tax consequences may or may not apply uniformly to all purchasers. You should consult your own professional advisers to obtain advice on the income tax consequences that apply to you.

The following comments summarize the material Canadian federal income tax consequences generally applicable to the holding and disposition of the Class A LP Units (the "Units") of Yorkton Place Limited Partnership ("Limited Partnership" or "Issuer") by a Limited Partner (in this summary, "Limited Partner") who, for the purpose of the Income Tax Act ("ITA"), is a resident in Canada, deals at arm's length with the Issuer and may hold the Units as capital property. The following comments also summarize the material Canadian federal income tax consequences generally applicable to the holding and disposition of the Participating Loan (the "Participating Loan") of the Issuer by a Participating Loan Holder (in this summary, "Holder") who, for the purpose of the ITA, is a resident in Canada, deals at arm's length with the Issuer and may hold the Participating Loan as capital property.

This summary does not apply to traders or dealers in securities, limited liability companies, tax-exempt entities, insurers and financial institutions.

This summary is based on the current provisions of the ITA including all regulations thereunder, all proposed amendments to the ITA and the regulations publicly announced by the Government of Canada to the date hereof and the current administrative practices of the CRA. It has been assumed that all currently proposed amendments will be enacted as proposed and that there will be no other relevant change in any governing law or administrative practice, although no assurances can be given in these respects. The tax consequences to any particular Subscriber of the Issuer will vary according to the status of that Subscriber as an individual, trust, corporation, partnership or other entity, the jurisdictions in which that Subscriber is subject to taxation, and generally according to that Subscriber's particular circumstances. Accordingly, this summary is not, and is not to be construed as, Canadian tax advice or tax opinion to any particular Subscriber.

This summary is of a general nature only and is not, and is not intended to be, legal or tax advice to any particular Subscribers. This summary is not exhaustive of all Canadian federal income tax considerations applicable to the purchase and/or the holding of the Class A LP Units or Participating Loans. Accordingly, Subscribers should consult their own tax advisors having regard to their own circumstances.

Eligibility for Investment held by Tax-Deferred Plans

The Limited Partnership qualifies as a "small business investment limited partnership" as defined in the ITA regulation if there are more than 10 limited partners and no limited partners or group of limited partners who do not deal with each other at arm's length holds more than 10% of the Class A LP Units of the Limited Partnership. Furthermore, the ITA regulation stipulates that the Limited Partnership cannot borrow money except for the purpose of earning income from its investment and the amount of such borrowings at any time cannot exceed 20% of the Limited Partnership's capital at that time. For the purposes of this summary, it is assumed that the Limited Partnership will continue to qualify as a "small business investment limited partnership" at all relevant times. In the event that the Limited Partnership did not qualify as a "small business investment limited partnership" at all relevant times, the income tax considerations would in some respects be materially different from those described below.

Provided that the Limited Partnership qualifies as a "small business investment limited partnership" as described above, the Class A LP Units will be "Qualified Investments" (as defined in the ITA) for tax-deferred plans such as registered retirement savings plans ("RRSPs"), registered retirement income funds ("RRIFS"), registered education plans ("RESPs"), deferred profit shavings plans ("DPSPs"), registered disability savings plants ("RDSPs") and tax free savings accounts ("TFSAs"). Subscribers should consult with their own tax advisors as to whether the Class A LP Units would meet the definition of a "Qualified Investment" if held in their tax-deferred plans.

However, the Participating Loans will not meet the definition of a "Qualified Investment" (as defined under the ITA) for tax-deferred plans.

Taxation of the Yorkton Place Development Corporation (the "LandCo")

The LandCo's fiscal year end is December 31 of each year for income tax purpose. The LandCo will be subject to income tax in each taxation year on its net income for the year. The interest paid by the LandCo to the Limited Partnership pursuant to the LandCo Loan Agreement will be deductible by the LandCo for income tax purpose. All net income after income taxes will be distributed to the Limited Partnership as taxable dividend income at the completion of the proposed development project.

Taxation of the Limited Partnership

The Issuer's fiscal year end is December 31 of each year for income tax purpose. The Limited Partnership is not subject to any income tax liabilities in each taxation year on its net income for the year. The Limited Partnership is a "Flow Through" entity. All income and losses in each fiscal year will be allocated to each of the Limited Partnership Unitholders and the Participating Loan Holders on a Pro-rata basis. Participating Loan Holders will receive income from the Limited Partnership in the form of interest income only.

Taxation of Limited Partners and Participating Loan Holders

For Class A LP Units and Participating Loans Held Outside of a Tax-Deferred Plan

(a) Limited Partnership Distributions

Subscribers who are not exempt from income tax under Part I of the Income Tax Act will generally be required to include in their income for a particular taxation year such part of the Limited Partnership's net income for income tax purposes for the year as was allocated to each of the Subscribers. Upon completion of the proposed development project, the Issuer will return the principal amount, if any, of the Class A LP Units and the Participating Loans to the Subscribers as non-taxable distribution and the Issuer will then distribute the final net profit, if any, after all expense deductions to the Limited Partners and the Participating Loan Holders on a Pro-rata basis as taxable distribution.

(b) Final Distribution to Unitholders or Participating Loan Holders

Both the Class A LP Units and the Participating Loans are non-redeemable investments until the completion of the proposed development project, and may never be redeemed at all. The LandCo will distribute any net profits after income tax payments in the form of taxable dividend to the Limited Partnership. The Participating Loan Holders shall be entitled to interest income only in the event that the Limited Partnership earns any net profits after the payment of taxes by LandCo with respect to the Project on the Maturity Date and is able to fully repay the principal amount of the Participating Loan back to the Participating Loan Holders, if any, depending on the financial performance of the Project. Such Interest income shall be taxable to the Participating Loan Holders. The Unitholders will receive the final distribution, if any, as taxable dividend after the LandCo pays taxable dividend income, if any, to the Limited Partnership as its final distribution to the Limited Partnership.

(c) Alternative Minimum Tax

Taxable income to be distributed by the Limited Partnership to a Limited Partner or a Holder that is an individual, may give rise to alternative minimum tax depending on the Subscriber's circumstances.

For Units Held in a Tax-Deferred Plan

Limited Partners who hold Units in a tax-deferred plan generally do not need to pay income tax on any income allocated by the Limited Partnership. Similarly, such Limited Partners generally are not subject to income tax on final distribution from the Limited Partnership.

Limited Partners will be taxed at their personal income tax rate upon withdrawal of monies from the tax-deferred plans (other than a TSFA or in certain circumstances, an RESP or RDSP).

Limited Partners are responsible for determining the income tax consequences of acquiring Units of the Limited Partnership through a tax-deferred plan. Limited Partners should consult with their own professional advisors regarding the tax treatment of contributions to, withdrawals from and acquisitions of the Limited Partnership units by a tax-deferred plan.

Warnings

This summary is of a general nature only and is not intended to be legal, tax or business advice to the Subscribers of the Issuer. Consequently, the Subscribers should seek independent professional advice regarding the income tax consequences of the proposed investment, based upon their own particular circumstances.

ITEM 7– COMPENSATION PAID TO SELLERS AND FINDERS

The Issuer as allowed by applicable securities legislation has retained certain selling agents, who may be independent contractors or employees of the Issuer, to help effect the sale of the Units and/or Participating Loans in the provinces and territories covered by the Northwestern Exemption. The Class A LP Units and/or Participating Loans selling commissions will be paid to such selling agents by the Issuer on each Closing of the Offering. The Issuer retains the right, as allowed by applicable securities legislation to retain agents in provinces and territories not covered by the Northwestern Exemption to help effect the sale of Units and/or Participating Loans in those jurisdictions for commissions and fees to be determined. The Issuer will pay to the selling agents for commissions or finder's fees of up to ten percent (10%) of the gross proceeds realized on the sale of Class A LP Units and/or Participating Loans sold by such agent under the Offering Memorandum. The total amount of selling commissions or finders' fees paid to such selling agents will be up to $1,000,000.

ITEM 8 – RISK FACTORS

It is strongly recommended that each Subscriber, in order to assess tax, legal and other aspects of an investment in the Units and/or Participating Loans, obtain independent legal and tax advice with respect to the Offering and this Offering Memorandum. The stated tax consequences may or may not apply uniformly to all purchasers.

Purchase of Units and/or Participating Loans pursuant to this Offering should only be made after consulting with independent and qualified sources of investment and tax advice. Investment in the Units and/or Participating Loans at this time is highly speculative due to the stage of the Issuer's development. An investment in Units and/or Participating Loans is appropriate only for investors who are prepared to invest money for a long period of time and who have the capacity to absorb a loss of some or all of their investment. Unitholders and Participating Loan holders must rely on management of the Issuer. Any investment in the Issuer at this stage involves a high degree of risk.

In addition to factors set forth elsewhere in this Offering Memorandum, potential Subscribers should carefully consider the following factors, many of which are inherent to the ownership of the Units and/or Participating Loans. An investment in the Units and/or Participating Loans involves various risks and uncertainties. The risks discussed in this Offering Memorandum can adversely affect the Issuer's operations, operating results, prospects and financial condition. This could cause the value of the Units and/or Participating Loans to decline and cause Subscribers therein to lose part or all of their investment. In addition to those set out below and elsewhere in this Offering Memorandum, other material risks and uncertainties of which the Issuer is not presently aware may also harm its business. The following is a summary of some of the material risk factors involved in an investment in the Units and/or Participating Loans. Prospective Subscribers should review the risks with their legal and financial and tax advisors.

8.1 Investment Risks

The Units and/or Participating Loans are speculative. The Issuer is a new business venture and investment in the Units and/or Participating Loans should only be made after consulting with independent and qualified sources of investment and tax advice.

No Guarantee that Investment in Units and/or Participating Loans will be Profitable

There can be no guarantee against losses resulting from an investment in Units and/or Participating Loans and there can be no assurance that the Issuer's strategy of investing in LandCo will be successful or profitable, or that LandCo's development of the Project will be successful or that LandCo's objective of earning a profit on the development of the Lands will be achieved. The success of the Issuer and/or the LandCo subsidiary in these objectives will depend to a certain extent on the efforts and abilities of the management of the Issuer and/or LandCo and on a number of other external factors such as, among other things, the general economic conditions that may prevail from time to time, the condominium market in Surrey and related political decisions which factors are out of the control of the management of the Issuer.

Accordingly, there is no guarantee of any return on the Units and/or Participating Loans. Interest on the Participating Loans may be cancelled or deemed cancelled at any time at the Issuer's sole and absolute discretion and will not be due nor accumulate or be payable at any time thereafter, and any such cancellation will not constitute a default or an event of default nor permit any acceleration of the repayment of any principal of the Participating Loans. Subscribers for Units and Participating Loans have no rights or claims for any losses resulting from an investment in the Units and/or Participating Loans, or for the cancelled interest on the Participating Loans.

No Involvement of Registered Investment Dealers

No independent investment dealer (IDA or MFDA registered) has made any review or investigation of the terms of this Offering, the structure of the Issuer or the background of the directors and officers. The Units and/or Participating Loans are not being sold by an exempt market dealer and as such the Issuer and its sales staff are prohibited from providing advice to any Subscriber as to the suitability of the investment.

Highly Speculative

The purchase of Units and/or Participating Loans is highly speculative. A potential Subscriber should purchase Units and/or Participating Loans only if it is able to bear the risk of the entire loss of its investment. An investment in the Units and/or Participating Loans should not constitute a significant portion of a Subscriber's investment portfolio.

Restrictions on Trading

The Units and/or Participating Loans will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, a Unitholder or Participating Loan holder will not be able to trade the Units and/or Participating Loans unless it complies with very limited exemptions from the prospectus and registration requirements under applicable securities legislation. As the Issuer has no intention of becoming a reporting issuer in any jurisdiction in Canada, these restrictions in trading may never expire. There is no public or established market over which the Units and/or Participating Loans may be traded and it is very unlikely that one will ever develop. Consequently, Unitholders and Participating Loan holders may not be able to liquidate their investment in a timely manner, if at all, or pledge the Units and/or Participating Loans as collateral for loans. See **ITEM 10 - RESALE RESTRICTIONS**.

Price for the Units and/or Participating Loans Deemed Arbitrarily

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

Units and/or Participating Loans Not Insured

The Issuer is not a member institution of the Canada Deposit Insurance Corporation and the Units and/or Participating Loans offered pursuant to this Offering Memorandum are not insured against loss through the Canada Deposit Insurance Issuer.

Financial or Legal Treatment of Units and Participating Loans

The legal rights of the Units and Participating Loans may not apply equally to the Units and Participating Loans vis-à-vis each other. There is no assurance that a Subscriber of the Units and/or Participating Loans will receive equal financial or legal treatment, including under situations of receivership or bankruptcy. In addition, the Participating Loans constitute unsecured and subordinated obligations. In the event of the Issuer's dissolution, liquidation or insolvency, or such other proceedings, the obligations under the Participating Loans are fully subordinated to the claims of any unsubordinated creditors. Therefore, Participating Loan holders may lose all or some of their investment should the Issuer become insolvent since the Issuer's assets would be used firstly to pay in full unsubordinated creditors prior to any repayment of any principal amount or Interest, as defined in the Participating Loan, to Participating Loan holders.

Units and/or Participating Loans May Not be Redeemed or Repaid

Subscribers may lose part or all of their investment in the Units and/or Participating Loans. The Units and Participating Loans have no fixed or guaranteed redemption or maturity date, meaning that the Issuer has no obligation to redeem the Units or to return the principal amount of the Participating Loans to the Subscribers at any time or under any circumstances. In addition, there are no defaults or events of default under the Participating Loan, and under no circumstances will Subscribers for Participating Loans be able to declare the principal amount of the Participating Loan to be due and payable. There is no right of acceleration in the event of any non-payment of the principal amount of the Participating Loan or any failure by the Issuer to perform any covenant under the Participating Loan, nor is there any right to call the Participating Loan for redemption. The principal amount of the Participating Loans may also be written-down in part or in full at any time at the Issuer's sole and absolute discretion. Such write-down will not constitute a default or an event of default nor permit any acceleration of the repayment of any principal of the Participating Loans. Therefore, Subscribers may lose any principal that has been written-down, and if the principal amount is repaid thereafter, the principal amount for the repayment will be the then-current principal amount of the Participating Loan as reduced by any write-downs, provided that the Participating Loans were not written-down to zero. Accordingly, repayment of the Participating Loan, if any, may be substantially less than the amount of the Participating Loan initially subscribed for.

Tax Aspects

Canadian federal and provincial tax aspects and local tax aspects should be considered prior to investing in the Units and/or Participating Loans (see **ITEM 6 - INCOME TAX CONSEQUENCES AND DEFERRED PLAN ELIGIBILITY** of this Offering Memorandum). The return on a Unitholder's or Participating Loan holder's investment is subject to changes in Canadian tax laws. The discussion of income tax considerations in this Offering Memorandum is provided for general information only based upon current income tax laws. There can be no assurance that tax laws or judicial or administrative interpretations will not be changed in a manner which fundamentally alters the tax consequences to Unitholders or Participating Loan holders of holding or disposing of the Class A LP Units and/or Participating Loans. Furthermore, any net profits after tax paid to Unitholders or Participating Loan holders may be subject to tax at the highest rate. In addition, the tax consequences or treatment of a write-down of the principal amount of the Participating Loans are uncertain. There may be no authority directly addressing the Canadian tax treatment of a write-down of the Principal Loans, including whether Participating Loan holders would be entitled to a deduction for loss at the time of a write-down. Accordingly, Subscribers are urged to consult their own professional advisers to obtain advice on the income tax consequences that apply to that particular Subscriber.

8.2 Issuer Risk

Operating History

The Issuer was newly established to be a "small business investment limited partnership" as defined in the Tax Act as its only undertaking is the investing of its funds and its investments consisted solely of small business securities, being 100%

of the issued and outstanding Class "A" Shares of LandCo. The Issuer's operations are subject to all the risks inherent in the establishment of a new business enterprise, including a lack of major long-term operating history. The Issuer cannot be certain that its investment strategy or that LandCo's development of the Project will be successful. The likelihood of success of the Issuer must be considered in light of the problems, issues, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. If the Issuer and/or LandCo fail to address any of these risks or difficulties adequately, its business will likely suffer. Future profits, if any, will depend upon various factors, government regulations and enforcement and general economic conditions. There is no assurance that the Issuer and/or LandCo can operate profitably or that it will successfully implement its plans.

Potential Conflicts of Interest – limited to 5% discount on non-arms length condo sales

The directors and officers of the Issuer are also directors and officers of other Affiliates or companies that may be engaged and will continue to be engaged in activities that may put them in conflict with the business strategy of the Issuer including without limitation, the Vendor, Yorkton Group and prior Yorkton Group projects. Consequently, there exists the possibility for such directors and officers to be in the position of conflict. All decisions to be made by such directors and officers involved in the Issuer are required to be made in accordance with their duties and obligations to act honestly and in good faith with a view to acting in the best interests of the Issuer. In addition, such directors and officers are required to declare their interest in, and such directors are required to refrain from voting on, any matter in which they may have a material conflict of interest.

The General Partner and its management, director(s), officer(s) and shareholder(s) may compete directly with the Limited Partnership.

Certain directors, officers and shareholders of the General Partner are also directors, officers and shareholders of other businesses involved in real estate purchase, sale, construction, speculation and development. The General Partner, its management, directors, officers and shareholders have (and/or may have in the future) direct and indirect interests other real estate lands and projects which may compete directly against the Limited Partnership, subject to their duties (as applicable) to act in the best interests of the Limited Partnership.

The Lands will be the only significant asset of LandCo

The Issuer was formed solely for the purposes of investing into LandCo. LandCo is responsible for the acquisition, development, construction and sale of the Lands and the Project. The Lands, including any improvements thereon, represent the most significant, if not the only, asset of LandCo and therefore LandCo's financial performance will be directly tied to the performance of the Project. As a result, there can be no guarantee or assurance that that the Issuer's strategy of investing in LandCo, or that a Subscriber's investment in Units and/or Participating Loans, will be successful or profitable.

Limited role of Limited Partners and Participating Loan holders

The Subscribers will have no rights with respect to the management, direction and control of the Issuer, the Issuer's investment strategy and investment into LandCo or the Project. Subscribers shall have no right to change, alter or amend the management of the General Partner or to in any way influence the development of the Project. **The Subscribers further agree and acknowledge that the General Partner has the full and unfettered authority and power to manage, direct and control the Issuer's investment strategy and investment into LandCo without any legal recourse whatsoever by the Subscribers.**

8.3 Industry Risks

Real Property Development and Ownership

All real estate developments are generally subject to varying degrees of risk depending on the nature of the property. Such risks include changes in general economic conditions, interest rate changes, changes in demand for construction of new housing, local market conditions and the attractiveness of various types of properties to potential purchasers. **All real estate investment is subject to significant risk arising from rapidly changing economic and market conditions.**

Condominium Development

Condominium development is subject to varying degrees of risk depending on the nature of the project. Such risks include construction related risks, competitive projects whether in the neighborhood area or elsewhere, market conditions and risks generally associated with condominium buildings.

Regulatory Approvals

The ownership and development of the Lands and the Project by LandCo may require further approval from local government agencies. The process of obtaining such approvals may take a significant amount of time and there can be no assurance that the necessary approvals will ever be obtained.

Real Estate Developments are Speculative

An investment in real property developments is speculative. Purchasers should subscribe for Units and/or Participating Loans only if they are able to bear the risk of the entire loss of their investment. An investment in the Units and/or Participating Loans should not constitute a major portion of a Subscriber's portfolio.

Investment in Real Estate Relatively Illiquid

Real property investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for, and for the perceived desirability of, the investment. If it is necessary to liquidate all or a portion of the Lands, the proceeds to LandCo from the sale of the Lands might be significantly less than the total value of its investment on a going concern basis. Purchasers should subscribe for Units and/or Participating Loans only if they have no need for immediate liquidity in their investment.

Default on Indebtedness

If the Issuer and/or LandCo default in the repayment of any indebtedness or is in breach of any covenants, the creditors holding such indebtedness will be entitled to exercise all available legal remedies against the Issuer and/or LandCo including potential recourse against the Issuer's and/or LandCo's assets, subject to the terms and conditions of that indebtedness. There is no assurance that there will be assets available to recover any portion of a Unitholder's or Participating Loan holder's investment.

Competition

LandCo, which the Issuer invests in, competes with other investors, developers, and owners of competitive condominium development projects. Some of the competitors of LandCo are more established, better known, better located or better capitalized than LandCo. Certain of these competitors have greater financial and other resources and greater operating flexibility than LandCo. The existence of competing companies could have a material adverse effect on the ability of LandCo to market or develop the Lands and the Project and could adversely affect the profitability of LandCo. An increase in the availability of and interest in properties and real estate development in the area surrounding the Lands and the Project may increase competition which could adversely affect the profitability of LandCo.

Regulatory Approvals

The success of LandCo, which the Issuer invests in, depends upon:

(a) LandCo's ability to acquire the Development Permit and Building Permit;

(b) LandCo's ability to lead the team of professionals such as, Architects, Engineers, Surveyors, Interior Designers, Builder and Contractors to complete the construction of the Project;

(c) LandCo's ability to lead the Marketing and Sales Consultants to complete the sales of the condominium units in the Project;

(d) LandCo's ability to finance the Project and perform its obligations to financial institutions; and

(e) LandCo's ability to manage cash flow and ensure loan proceeds and proceeds from the sale of condominium units are sufficient to pay all costs associated with construction and the Project.

Subscribers are also advised to independently assess the likelihood of LandCo's ability to acquire all regulatory approvals.

Subscribers are also advised to assess the likelihood of completing the construction and marketing of the Surrey condominiums.

Management Risk

LandCo has no employees. However, through the Management Services Agreement with the General Partner as the "Management Company", LandCo will have at its disposal certain individuals who will be available to work on the Project. Through the Management Company, it will rely on Ben Lui, Jordan Eng and Manuel da Silva, the Key Personnel as defined in that agreement and other employees of its Affiliates for the day-to-day management of its affairs. Ben Lui, Jordan Eng, and Manuel da Silva will devote as much of their time to the day to day operations of LandCo as is required by the Project. There is no assurance that these persons will continue to be owners, directors, officers or employees of the Management Company or be able to devote adequate time to the operations of LandCo. If the primary businesses of the Management Company suffer any adverse financial or operational problems in connection with its operations unrelated to LandCo, the Key Personnel's expected allocated time and resources to the operations of LandCo may be replaced by other employees. If any of these things occur, the Issuer's investment into LandCo may be affected.

Environmental Matters

Environmental laws provide for sanctions for non-compliance and may be enforced by governmental agencies or, in certain circumstances, by private parties. Certain environmental laws and common law principles could be used to impose liability for release of and exposure to hazardous or toxic substances into the air. Third parties may seek recovery from real property owners or operators for personal injury or property damage associated with exposure to released hazardous or toxic substances. The cost of defending against claims of liability, of complying with environmental regulatory requirements, of remediating any contaminated property, or of paying personal injury claims could be substantial and reduce the value of the Lands and any investment in the Units and/or Participating Loans. LandCo may be subject to liability for undetected pollution or other environmental hazards against which it cannot insure, or against which it may elect not to insure where premium costs are disproportionate to the LandCo's perception of relative risk. LandCo has engaged a professional environmental consulting company to prepare an environmental assessment with respect to the original acquisition of the Lands by the Vendor.

Financing Risk

The Lands were ultimately purchased by LandCo from the Vendor with such outstanding debt evidenced by loans and secured by a collateral mortgage in favour of LandCo. The Offering proceeds will be used for the purpose of the Issuer's investment in LandCo, which LandCo will use to pay off the indebtedness as identified in **ITEM 2.7(b) – HMT LOAN** and **ITEM 3.4 – LOANS**, in priority over any distribution of LandCo's net profits after tax to the Issuer and thereby in priority over any other distribution, if any, by the Issuer to the Unitholders and Participating Loan holders. Thereafter, the Project is intended to be kept free and clear of all financial encumbrances except for any bank or construction financing, including the LandCo Loan, for the duration of the Issuer's investment in LandCo.

Any borrowings by LandCo will take priority over the distribution of net profit after tax or other amounts by LandCo to the Issuer, and thereby in priority over any other distribution, if any, by the Issuer to the Unitholders and Participating Loan holders and such amounts will be required to be repaid before any distributions of net profit after tax or other amounts are made by LandCo to the Issuer.

The real estate development industry is capital intensive and is typically sensitive to interest rates. Any income generated by LandCo's sale of the condominium units is dependent upon general economic conditions and accordingly, the ability of LandCo to repay its financing may be affected by changes in those conditions. LandCo will be required to make certain significant expenditures in respect of its business including, but not limited to, the payment of property taxes, mortgage

payments, financing payments, management fees, insurance costs and related charges which must be made regardless of whether or not such properties are producing sufficient income to service such expenses. If LandCo is unable or unwilling to meet the payment obligations on any such outstanding loans, including the LandCo Loan, losses could be sustained as a result of the exercise by the lenders of the rights of foreclosure or sale.

Construction Costs

The Project is currently envisioned as a residential and commercial condominium development however Subscribers should be aware that the real estate and building industry is significantly impacted by fluctuations in the cost of construction. Any material increase in construction and/or building costs of the Project may have a materially adverse effect on LandCo and the timing of selling the condominium units to the Purchasers. The proposed development Project is allowable in accordance with the Official Community Plan designation for the site and within the Comprehensive Development Zoning, and LandCo is preparing a formal application to the City of Surrey for approval of a development permit and an amendment to the current zoning. A delay in receiving the City of Surrey's approvals may increase the cost of construction and may result in construction delays.

Political and Economic Climate

The Province of British Columbia, and more specifically, the City of Surrey where the Project is located, presents social, economic and political conditions that are reasonably stable. However, both of these levels of government and the federal government could implement policies that would have an adverse effect on the value of the Lands condominium units in the Project or the Units and/or Participating Loans. Examples of such policies are tax reform, zoning restrictions, land ownership restrictions, transportation policies, development moratoriums, annexation proceedings or other adverse economic and/or monetary policies. Also, if there is a change in political leadership or government in British Columbia, this may impact land values. Finally, the Canadian and U.S. economies may not sustain recent levels of growth and projections regarding future growth may not be accurate.

General Real Estate Risks

This Project is currently envisioned as a residential condominium development; however, if the development conditions are not met, it should be noted that various factors can adversely affect the timing and profitability of concluding the Project. While LandCo has made certain plans, there is no assurance that such plans will be met on a timely basis or at all. There is no assurance that LandCo or the Issuer's investment into LandCo will be profitable. A negative variance of ten percent (10%) or more with respect to any financial element may be considered as material and upon such an occurrence, an amendment to this Offering Memorandum may be necessary which will trigger recession rights for those subscribers who have not yet closed on their subscription. LandCo will be subject to certain risks inherent in owning the Lands and development of the Project including: (i) unforeseen delays with successful registrations at British Columbia Land Titles Office or in obtaining required regulatory approvals; and (ii) the decrease in the overall market price of land and/or condominium building or condominium units. As well, the market for land and condominium units can be affected adversely by certain economic factors, such as the availability of credit, which may be regional, provincial, national or international in scope. LandCo has engaged a professional real estate appraisal company to prepare an appraisal with respect to the Lands.

Reliance on Directors

Decisions regarding the management of the Issuer's investment into LandCo will be made exclusively by the officers and directors of the Issuer and the General Partner, and not by the Unitholders or Participating Loan holders. Unitholders and Participating Loan holders will not be entitled to vote on any decisions. Accordingly, Subscribers must carefully evaluate the personal experience and business performance of the officers and directors of the Issuer, LandCo and the General Partner. LandCo has retained the General Partner as the Management Company, and may retain other independent contractors, including Affiliates of the Issuer, to provide services to LandCo. These contractors have no fiduciary duty to the Unitholders and Participating Loan holders and may not perform consistently with the fiduciary duty owed to Unitholders and Participating Loan holders by the Issuer and its directors and officers.

The success of the LandCo will be largely dependent upon the performance and decision making of its board of directors and officers or the Management Company. There is a risk that the death, disability or departure of any member of

management or the board of directors or any key employee of LandCo or the Management Company could have a material adverse effect on the Issuer, the value of the Issuer's investment into LandCo and prospects for a successful completion of the Offering and LandCo's completion of the Project.

The foregoing risk factors do not purport to be a complete explanation of all risks involved in the purchase of the Units and/or Participating Loans. Potential Subscribers should read this entire Offering Memorandum, the Subscription Agreement and the Participating Loan Agreement and consult with their legal and other professional advisors before deciding to invest in the Units and/or Participating Loans.

ITEM 9 – REPORTING OBLIGATIONS

9.1 Reporting to Unitholders and Participating Loan holders

The Issuer is not a reporting issuer in any jurisdiction. It is therefore not required to disclose material changes which occur in its business and affairs, nor is it required to file with any securities regulatory authorities, other than disclosure pursuant to NI 45-106. Pursuant to the Limited Partnership Agreement, the General Partner of the Issuer will furnish to the Limited Partners within 120 days after the end of each Fiscal Year, a report on the Limited Partner's Capital Account and a determination of the amounts of Distributable Cash from Operations or Extraordinary Proceeds which may be payable to the Limited Partner pursuant to the Limited Partnership Agreement, audited financial statements for the Limited Partnership with a summary of financial and other information relating to the Project and tax return information for the Issuer. Under the Limited Partnership Agreement, the General Partner may determine and call a general meeting of Limited Partners holding Class B LP Units (which are the only units in the Limited Partnership with the right to receive notice of, attend and vote at meetings of the Limited Partnership). The Issuer is not required by the BCPA or the Limited Partnership Agreement to convene annual meetings of Limited Partners holding any Class A LP Units.

Financial or other information relating to the Issuer and provided to you in the future may not by itself be sufficient for your needs to enable you to prepare your income tax returns or to assess the performance of your investment.

ITEM 10 – RESALE RESTRICTIONS

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

The certificates representing the Units and the Participating Loans of the Issuer issued pursuant to this Offering will have the following legend inscribed thereon:

> ***"Unless permitted under securities legislation, the holder of this security must not trade the security before the date that is four (4) months and a day after the later of (i) [date of distribution], and (ii) the date the Issuer became a reporting issuer in any province or territory of Canada."***

The Issuer has no intention of becoming a reporting issuer in any province or territory of Canada.

For Manitoba residents, you must not trade the securities without the prior written consent of the regulator in Manitoba unless:

(a) the Issuer has filed a prospectus with the regulator in Manitoba with respect to the securities you have purchased and the regulator in Manitoba has issued a receipt for that prospectus; or

(b) you have held the securities for at least 12 months.

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

ITEM 11 – PURCHASER'S RIGHTS

If you purchase the Units and/or the Participating Loans you will have certain rights, some of which are described below. For complete information about your rights, you should consult a lawyer.

Two Day Cancellation Right for a Subscriber

You can cancel your agreement to purchase the Units and/or the Participating Loans. To do so, you must send a notice to the Issuer before midnight on the second Business Day after you sign the Subscription Agreement in respect of the Units and/or the Participating Loans.

Rights of Action in the Event of a Misrepresentation

Applicable securities laws in the Offering Jurisdictions provide you with a remedy to sue to cancel your agreement to buy these securities or for damages if this Offering Memorandum, or any amendment thereto, contains a misrepresentation. Unless otherwise noted, in this section, a "misrepresentation" means an untrue statement or omission of a material fact that is required to be stated or that is necessary in order to make a statement in this Offering Memorandum not misleading in light of the circumstances in which it was made. A "material fact" is a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of the securities. These rights must be exercised by the purchaser within time limits prescribed by the applicable securities legislation.

The following is a summary of the rights of rescission or damages available to purchasers under the securities legislation of certain of the provinces of Canada. These rights are in addition to and without derogation from any other rights or remedies that a purchaser might have at law, and may be subject to defences that the Issuer or their representatives might have at law. Subscribers should refer to the applicable securities laws of their respective Offering Jurisdiction for the particulars of these rights or consult with professional advisors.

Rights for Subscribers in the Provinces of Alberta and British Columbia

If this Offering Memorandum, together with any amendment thereto, contains a misrepresentation, an Subscriber in Alberta or British Columbia who purchases a security offered by this Offering Memorandum during the period of distribution shall be deemed to have relied on the misrepresentation, if it was a misrepresentation at the time of purchase, and such Subscriber shall have a right of action for damages against the Issuer, every director of the Issuer at the date of the Offering Memorandum and every person or company who signed the Offering Memorandum or, at the election of the Subscriber, a right of rescission against the Issuer (in which case the Subscriber does not have a right of action for damages), provided that:

(a) no action may be commenced to enforce a right of action:

  (i) for rescission more than 180 days after the date of the purchase; and

  (ii) in the case of any other action, other than an action for rescission, more than the earlier of (A) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action, and (B) three years after the date of purchase;

(b) where a misrepresentation is contained in this Offering Memorandum, the Issuer or any person or company is not liable for damages:

(i) if it is proven that the purchaser had knowledge of the misrepresentation;

(ii) if it is proven that the Offering Memorandum was delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its being delivered, the person or company promptly gave written notice to the Issuer that it was delivered without the knowledge and consent of the person or company;

(iii) if it is proven that the person or company, on becoming aware of the misrepresentation in the Offering Memorandum, withdrew the person's or company's consent to the Offering Memorandum and gave written notice to the Issuer of the withdrawal and the reason for it;

(iv) if, with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, the person or company proves that the person or company did not have any reasonable grounds to believe and did not believe that there had been a misrepresentation, or the relevant part of the Offering Memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert; and

(v) with respect to any part of the Offering Memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company did not conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation, or believed there had been a misrepresentation;

(c) in no case will the amount recoverable in any action under this section exceed the price at which the securities were offered under the Offering Memorandum;

(d) subsection (b)(ii) to (v) do not apply to the Issuer; and

(e) in an action for damages, the Issuer or any person or company will not be liable for all or any portion of such damages that it proves do not represent the depreciation in value of the security as a result of the misrepresentation.

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

Statutory Rights of Action for Subscribers in the Province of Manitoba

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

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

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

The Issuer, the Directors and Signatories will not be liable if they prove that the purchaser purchased Units and/or Participating Loans with knowledge of the misrepresentation.

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

A Director or Signatory will not be liable:

(a) if they prove this Offering Memorandum was sent or delivered to the purchaser without their knowledge or consent and, on becoming aware of its delivery, gave reasonable notice to the Issuer that it was delivered without their knowledge and consent;

(b) if they prove that, after becoming aware of a misrepresentation in this Offering Memorandum, they withdrew their consent to this Offering Memorandum and gave reasonable notice to the Issuer of their withdrawal and the reasons therefore;

(c) if, with respect to any part of this Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, opinion or statement of an expert ("Expert Opinion"), such person proves they did not have any reasonable grounds to believe and did not believe that there was a misrepresentation or that the relevant part of this Offering Memorandum did not fairly represent the Expert Opinion or was not a fair copy of, or an extract from, such Expert Opinion; or

(d) with respect to any part of this Offering Memorandum not purporting to be made on an expert's authority, or not purporting to be a copy of, or an extract from an Expert Opinion, unless the Director or Signatory (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation, or (ii) believed there had been a misrepresentation.

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

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

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

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

(a) in the case of rescission, not later than 180 days from the day of the transaction that gave rise to the cause of action; or

(b) in the case of an action, other than an action for rescission, the earlier of (i) 180 days from the day the purchaser first had knowledge of the facts giving rise to the cause of action; or (ii) two years from the day of the transaction that gave rise to the cause of action.

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

Statutory Rights of Action for Subscribers in the Province of Saskatchewan

If this Offering Memorandum, together with any amendment thereto, contains a misrepresentation, an Subscriber in Saskatchewan who purchases a security offered by this Offering Memorandum during the period of distribution shall be deemed to have relied on the misrepresentation, if it was a misrepresentation at the time of purchase, and has a right of action for rescission against the issuer or a selling security holder on whose behalf the distribution is made or has a right of action for damages against:

(a) the issuer or a selling security holder on whose behalf the distribution is made;

(b) every promoter and director of the issuer or the selling security holder, as the case may be, at the time the Offering Memorandum or any amendment to it was sent or delivered;

(c) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them;

(d) every person who or company that, in addition to the persons or companies mentioned in (a) to (c) above, signed the Offering Memorandum or the amendment to the Offering Memorandum; and

(e) every person who or company that sells securities on behalf of the Issuer or selling security holder under the Offering Memorandum or amendment to the Offering Memorandum.

Such rights of rescission and damages are subject to certain limitations including the following:

(a) if the purchaser elects to exercise its right of rescission against the issuer or selling security holder, it shall have no right of action for damages against that party;

(b) in an action for damages, a defendant will not be liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the securities resulting from the misrepresentation relied on;

(c) no person or company, other than the Issuer or a selling security holder, will be liable for any part of the Offering Memorandum or any amendment to it not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a misrepresentation;

(d) in no case shall the amount recoverable exceed the price at which the securities were offered; and

(e) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation.

In addition, no person or company, other than the issuer or selling security holder, will be liable if the person or company proves that:

(a) the Offering Memorandum or any amendment to it was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company gave reasonable general notice that it was so sent or delivered; or

(b) after the filing of the Offering Memorandum or any amendment to it and before the purchase of the securities by the Subscriber, on becoming aware of the misrepresentation in the Offering Memorandum or amendment, the person or company withdrew the person's or company's consent to the Offering Memorandum and gave reasonable general notice of the person's or company's withdrawal and the reason for it;

(c) with respect to any part of the Offering Memorandum or any amendment to it purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, the part of the Offering Memorandum or any amendment to it did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

Not all defences upon which the Issuer or others may rely are described herein. Please refer to the full text of the *Securities Act, 1988* (Saskatchewan) (the "Saskatchewan Act") for a complete listing.

Similar rights of action for damages and rescission are provided in section 138.1 of the Saskatchewan Act in respect of a misrepresentation in advertising and sales literature disseminated in connection with an offering of securities.

Section 138.2 of the Saskatchewan Act also provides that where an individual makes a verbal statement to a prospective purchaser that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser is deemed to have relied on the misrepresentation, if it was a misrepresentation at the time of purchase, and has a right of action for damages against the individual who made the verbal statement.

Section 141(1) of the Saskatchewan Act provides a purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the securities if the securities are sold in contravention of the Saskatchewan Act, the regulations to the Saskatchewan Act or a decision of the Saskatchewan Financial Services Commission.

Section 141(2) of the Saskatchewan Act also provides a right of action for rescission or damages to a purchaser of securities to whom an offering memorandum or any amendment to it was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the securities, as required by Section 80.1 of the Saskatchewan Act.

Section 147 of the Saskatchewan Act provides that no action shall be commenced to enforce any of the foregoing rights more than:

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

(b) in the case of any other action, other than an action for rescission, the earlier of:

  (i) One year after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

  (ii) Six years after the date of the transaction that gave rise to the cause of action.

The Saskatchewan Act also provides a purchaser who has received an amended Offering Memorandum delivered in accordance with subsection 80.1(3) of the Saskatchewan Act has a right to withdraw from the agreement to purchase the securities by delivering a notice to the person who or company that is selling the securities, indicating

the purchaser's intention not to be bound by the purchase agreement, provided such notice is delivered by the purchaser within two business days of receiving the amended Offering Memorandum.

Subscribers should consult their own legal advisers with respect to their rights and the remedies available to them. The rights of action for damages or rescission under the Saskatchewan Act as discussed above are in addition to and without derogation from any other rights or remedies, which Subscribers may have at law.

Liability of the Partners

Limited Partner

Subject to the provisions of the BCPA and the Limited Partnership Agreement, and as such may be amended from time to time, a Limited Partner is not liable for the liabilities and obligations of the Limited Partnership except in respect of the amount of property the Limited Partner contributes or agrees to contribute to the capital of the Limited Partnership. A Limited Partner is liable to the Limited Partnership for any unpaid contribution that the Limited Partner has agreed to make and for any money or property wrongfully paid or conveyed to the Limited Partner on account of the Limited Partner's contribution.

Notwithstanding anything to the contrary in this Offering or the Limited Partnership Agreement, where a Limited Partner has rightfully received the return of all or part of the Limited Partner's Contributed Capital, the Limited Partner is nevertheless liable to the Limited Partnership, or, following the dissolution of the Limited Partnership, to its creditors for any amount, not in excess of the amount returned with interest (calculated at a rate per annum equal to the prime commercial lending rate of the Limited Partnership's bankers), necessary to discharge the liabilities of the Limited Partnership to all creditors who extended credit or whose claims otherwise arose before the return of the Contributed Capital.

The Limited Partners acknowledge the possibility that, among other reasons, they may lose their limited liability:

(i) to the extent that the principles of Canadian law recognizing the limitation of liability of limited partners have not been authoritatively established with respect to Limited Partnership's formed under the laws of one province but operating, owning property or incurring obligations in another province; or

(ii) by taking part in the control or management of the Limited Partnership business; or

(iii) as a result of false statements in public filings made pursuant to the Partnership Act, in which case they may be liable to third Parties.

Each Limited Partner shall indemnify and hold harmless the Limited Partnership, the General Partner and each other Limited Partner from and against all losses, liabilities, expenses and damages suffered or incurred by the Limited Partnership, the General Partner or the other Limited Partners by reason of misrepresentation or breach of any of the warranties or covenants of such Limited Partner as set out herein.

General Partner

The General Partner has unlimited liability for the undertakings, liabilities and obligations of the Limited Partnership. The General Partner will not be liable to the Limited Partners for any act, omission or error in judgement, other than any act, omission or error in judgement result from the negligence of the General Partner or the willful neglect of the General Partner to act with the utmost fairness and good faith towards the Limited Partners in carrying out the business of the Limited Partnership.

ITEM 12 – FINANCIAL STATEMENTS OF THE ISSUER

The Audited Consolidated Financial Statements of Yorkton Place Limited Partnership ("Issuer") as of March 31, 2016 follow on the next 16 pages.

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YORKTON PLACE LIMITED PARTNERSHIP
Consolidated Financial Statements
March 31, 2016

Collins Barrow
Chartered Accountants

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10155 – 102 Street N.W.
Edmonton, Alberta
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INDEPENDENT AUDITORS' REPORT

To the Partners of Yorkton Place Limited Partnership

We have audited the accompanying consolidated financial statements of Yorkton Place Limited Partnership, which comprise the consolidated statement of financial position as at March 31, 2016 and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the period from the date of formation (February 23, 2016) to March 31, 2016, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of Yorkton Place Limited Partnership as at March 31, 2016, and its financial performance and its cash flows from the date of formation (February 23, 2016) to March 31, 2016 in accordance with International Financial Reporting Standards.

Collins Barrow Edmonton LLP

Edmonton, Alberta
June 29, 2016

Chartered Accountants

YORKTON PLACE LIMITED PARTNERSHIP
Consolidated Statement of Financial Position
March 31, 2016

ASSETS	
Non-current assets	
Land held for development (Note 5)	$ **10,438,650**
Current Assets	
Deferred offering costs	**30,800**
Goods and services taxes receivable	**732**
Cash	**44,798**
	76,330
Total assets	$ **10,514,980**
LIABILITIES	
Non-current liabilities	
Mortgage payable (Note 6)	$ **6,750,000**
Amounts due to related parties (Note 7)	**3,756,006**
	10,506,006
Current Liabilities	
Accounts payable	**54,558**
	10,560,564
PARTNERS' EQUITY	
Partners' capital	**100**
Deficit	**(45,684)**
	(45,584)
Total liabilities and equity	**$ 10,514,980**

Commitments (Note 10)
Subsequent Events (Note 11)

Signed on behalf of the Board of Directors of Yorkton Place General Partner Ltd. as General Partner of the Limited Partnership:

"Ben Lui"
Signed
Director of the General Partner

See accompanying notes

YORKTON PLACE LIMITED PARTNERSHIP
Consolidated Statement of Loss and Comprehensive Loss
For the Period from the Date of Formation (February 23, 2016) to March 31, 2016

Revenues	**$ ---**
Expenses	
Professional fees	**20,587**
Interest	**24,875**
Bank charges	**222**
	45,684
Net loss and comprehensive loss	**$ 45,684**

See accompanying notes

YORKTON PLACE LIMITED PARTNERSHIP
Consolidated Statement of Changes in Equity
For the Period from the Date of Formation (February 23, 2016) to March 31, 2016

	Limited Partners			
	Units	Amount	Deficit	Total
Balance, February 23, 2016	---	$ ---	$ ---	$ ---
Capital contribution	100	100	---	100
Net loss for the period	---	---	(45,684)	(45,684)
Balance, March 31, 2016	**100**	**$ 100**	**$ (45,684)**	**$ (45,584)**

See accompanying notes

YORKTON PLACE LIMITED PARTNERSHIP
Consolidated Statement of Cash Flows
For the Period from the Date of Formation (February 23, 2016) to March 31, 2016

Operating Activities	
Net loss	**$ (45,684)**
Deferred costs	**(30,800)**
Change in non-cash working capital:	
Goods and Services Taxes receivable	**(732)**
Accounts payable	**54,558**
	(22,658)
Investing Activities	
Purchase of land	**(10,438,650)**
Financing Activities	
Proceeds from issuance of mortgage	**6,750,000**
Advances from related parties	**3,756,006**
Capital contributions	**100**
	10,506,106
Increase in cash	**44,798**
Cash, beginning of period	**---**
Cash, end of period	**$ 44,798**

See accompanying notes

1. Reporting Entity

Yorkton Place Limited Partnership ("the Partnership") is a limited partnership formed under the Partnership Act (British Columbia) on February 23, 2016. The head office is located at 2430, 10180 – 101 Street, Edmonton, Alberta, T5J 4K1.

The sole beneficiary of the Partnership's assets are the registered holders of Partnership Units at any time and from time to time, as shown on the register maintained by or on behalf of the Partnership for outstanding Partnership Units ("Partnership Unitholders").

The subsidiary, Yorkton Place Development Corporation ("LandCo" or "Corporation"), is a corporation formed under the Business Corporation Act (British Columbia) on December 14, 2015. The Corporation changed their name from 1058346 BC Ltd. to Yorkton Place Development Corporation on February 23, 2016. The property ("Land") located at 6396 King George Boulevard, Surrey, BC is owned by Yorkton Place Development Corporation ("LandCo"), a 100% owned subsidiary of the Limited Partnership. The Limited Partnership is a Small Business Investment Limited Partnership as its only undertaking is making an investment in LandCo.

2. Nature of Business

The LandCo will carry on the business of acquiring the lands located at 6396 King George Boulevard, Surrey, B.C. (the "Land"), applying to the City of Surrey for rezoning and development approvals for the Land for residential, retail and commercial use, planning and constructing improvements and otherwise developing the Land for residential, retail and commercial use, leasing all or any portion of the project and arranging for ancillary services for tenants, retaining or selling all or any portion of the project and arranging for ancillary services for purchasers, managing, financing and refinancing the project, and all ancillary and incidental matters thereto, with the objective of making a profit.

3. Basis of Presentation

a) Statement of Compliance

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

The policies in these financial statements are based on IFRS issued and outstanding as of June 29, 2016, the date the Director of the General Partner approved the financial statements.

b) Basis of Measurement

The financial statements have been prepared on the historical cost basis.

The application of the going concern basis of presentation assumes that the Partnership will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Partnership expects to continue as a going concern for the foreseeable future, accordingly, these financial statements have been prepared on a going concern basis.

3. **Basis of Presentation** (Continued)

c) Functional Currency

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

d) Use of Estimates

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and the reported amounts of revenues and expenses. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The estimates and judgements that are critical to the determination of the amounts reported in the financial statements relate to the following:

Financial Instruments

The Partnership estimates and discloses the fair value of financial instruments. When fair value cannot be derived from an active market, it is determined using valuation techniques, namely the discounted cash flow method. If possible data is derived from observable markets, and if not, judgment is required to determine fair value.

4. **Summary of Significant Accounting Policies**

Basis of Consolidation

These consolidated financial statements include the accounts of the Limited Partnership and its subsidiary, Yorkton Place Development Corporation. The consolidated financial statements of the subsidiary is prepared for the same reporting period as the Limited Partnership, using consistent accounting policies. All inter-company balances and transactions are eliminated in full.

4. **Summary of Significant Accounting Policies** (Continued)

Basis of Consolidation (Continued)

Details of the Limited Partnership, the subsidiary and the general partner at March 31, 2016 are as follows:

Name of Entity	Place of Registration	Ownership Percentage	Principal Activities
Legal parent			
Yorkton Place Limited Partnership ("Limited Partnership", "Issuer", or "Partnership")	Canada	---	Parent
Subsidiary			
Yorkton Place Development Corporation ("LandCo")	Canada	100%	Subsidiary
General Partner			
Yorkton Place General Partner Ltd. ("GP Co")	Canada	---	In its capacity as General partner of Yorkton Place Limited Partnership

Land Held for Development

The cost of development includes direct development expenditures, third party management fees, initial leasing fees, consulting and legal fees, property taxes, and borrowing costs directly attributable to land held for development. Borrowing costs associated with direct expenditures on properties under development are capitalized. The amount of capitalized borrowing costs is determined first by reference to borrowings specific to the project, where relevant, and otherwise by applying a weighted average cost of borrowings to eligible expenditures after adjusting for borrowings associated with other specific developments. Where borrowings are associated with specific developments, the amount capitalized is the gross costs incurred on those borrowings less any investment income arising on their temporary investment. Borrowing costs are capitalized from the commencement of the development until the date of practical completion. The capitalization of borrowing costs is suspended if there are prolonged periods when development activity is interrupted. Practical completion is considered to have occurred when the property is capable of operating in the manner intended by management. Generally, this occurs upon completion of construction and receipt of all necessary occupancy and other material permits.

Capitalization of costs to land held for development continues until all the activities necessary to prepare the property for use as an investment property are complete.

4. **Summary of Significant Accounting Policies** (Continued)

Financial Instruments

Recognition and Measurement

Financial instruments must be classified into one of the following specified categories: at fair value through profit or loss ("FVTPL"), held-to-maturity investments ("HTM"), available-for-sale ("AFS") financial assets, loans and receivables and other financial liabilities. Initially, all financial assets and financial liabilities are recorded on the statement of financial position at fair value. After initial recognition, financial instruments are measured at their fair values, except for held-to-maturity investments, loans and receivables and other financial liabilities, which are measured at amortized cost. The effective interest related to financial assets and liabilities measured at amortized cost and the gain or loss arising from the change in the fair value of financial assets or liabilities classified as fair value through profit or loss are included in net income or loss for the period in which they arise. AFS financial instruments are measured at fair value with gains and losses recognized in other comprehensive income or loss until the financial asset is derecognized and all cumulative gains or losses are then recognized in net income or loss.

Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest rate method. No financial instruments have been classified in this category.

b) Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest rate method. Accounts payable, mortgage payable, amounts due to related parties are classified in this category.

c) Financial assets at fair value through profit or loss

FVTPL are financial assets held-for-trading or financial assets designated as such by management on initial recognition. Such assets are held-for-trading if they are acquired principally for the purpose of selling in the short-term. These assets are initially recognized, and subsequently carried at fair value, with changes recognized in net income. Cash has been classified in this category.

d) Available-for-sale

Subsequent to initial recognition, AFS financial assets are measured at fair value and changes therein, are recognized in other comprehensive income (loss). When an investment is derecognized, the cumulative gain or loss in the investment is transferred to profit or loss. No financial instruments have been classified in this category.

4. **Summary of Significant Accounting Policies** (Continued)

Financial Instruments (Continued)

Impairment of Financial Assets

The Partnership assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets are impaired. A financial asset or a group of financial assets are impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. 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 reversal of the previously recognized impairment loss is recognized in net income.

Income Taxes

The Partnership is taxed as a "Canadian Partnership" for Canadian income tax purposes. A provision has not been made in these financial statements for income taxes as the Partners are responsible for the income taxes on their share of income or loss from the Partnership. Accordingly, no current or deferred income taxes have been recorded in the financial statements.

Issuance Costs

Costs incurred in connection with the issuance of Partnership units are netted against the proceeds received. Costs related to the issuance of Partnership units and incurred prior to issuance are recorded as deferred offering costs and subsequently netted against the proceeds received.

Impairment of Non-Financial Assets

An impairment loss is recognized if the carrying amount of a cash-generating unit exceeds its estimated recoverable amount. The recoverable amount of an asset or a cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the assets. Impairment losses are recognized in net income.

Impairment losses recognized in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

Recent Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods after March 31, 2016 or later periods. Many are not applicable or do not have a significant impact to the Partnership and have been excluded from the table below. The following have not yet been adopted and are being evaluated to determine their impact on the Partnership.

4. **Summary of Significant Accounting Policies** (Continued)

Recent Accounting Pronouncements (Continued)

(i) Effective October 1, 2018, IFRS 9 Financial Instruments will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. Requirements relating to Hedge Accounting, representing a new hedge accounting model, have been added to IFRS 9 in November 2014. The new model represents a substantial overhaul of hedge accounting which will allow entities to better reflect their risk management activities in the financial statements. The most significant improvements apply to those that hedge non-financial risk, and so these improvements are expected to be of particular interest to non-financial institutions. The pronouncement is not expected to have a significant impact on the financial statements of the Partnership.

(ii) IFRS 15 Revenue from Contracts with Customers was issued by the IASB in May 2014. The core principle of the new standard is for companies to recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the Partnership expects to be entitled in exchange for those goods or services. The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements. Earlier application is permitted. IFRS 15 supersedes the following standards: IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers, and SIC-31 Revenue-Barter Transactions Involving Advertising Services. The pronouncement is not expected to have a significant impact on the financial statements of the Partnership.

(iii) In January 2016, the IASB issued IFRS 16 which replaces IAS 17, “Leases” and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019, with early application permitted for entities that apply IFRS 15. The pronouncement is not expected to have a significant impact on the financial statements of the Partnership.

5. **Land Held for Development**

On February 25, 2016, the LandCo acquired vacant land located in Surrey, British Columbia for a total purchase price of $10,000,000, plus closing costs and adjustments capitalized of $438,650. The land is currently being held for future development as an investment property.

6. **Mortgage Payable**

	March 31, 2016
Mortgage payable, including an assignment of rent and leases in favor of the lender, due September 1, 2017 and bears interest at the greater of prime plus 4.8% or 7.5% per annum, repayable in monthly interest only payments	**$ 6,750,000**

7. **Amounts Due to Related Parties**

	March 31, 2016
1054824 BC Ltd. ("BC Co")	**$ 1,840,264**
Lui Holdings Corporation ("LuiCo")	**1,915,742**
	$ 3,756,006

BC Co and LuiCo are the initial unitholders of the Partnership and also control the general partner. The repayable loans bear interest at 8% per annum and are due February 25, 2018 with the option of the LandCo to extend the due date to February 25, 2021. At any time prior to the Final Closing of the Offering, and from time to time at the sole option of the Lender, all or any portion of the outstanding principal amount and any accrued interest thereon of the Repayable Loan may be converted into certain securities of the Partnership, that being Class A LP Units and/or Participating Loans provided that the conversion (a) would not result in the Lender holding greater than ten percent (10%) of the total Class A LP Units issued and outstanding calculated immediately after such Closing and subscribed for pursuant to the Offering; and (b) would not result in the Partnership's borrowings at any time exceeding twenty percent (20%) of its capital after the Closing on the subscriptions for Class A LP Units and the Closing on the subscriptions for Participating Loans;The converted participating loans would be entitled to participate in the distribution of net profits of the Limited Partnership on the same basis as unitholders, on a pari passu dollar for dollar basis.

8. **Financial Instruments**

Fair value

The following provides an analysis of financial instruments that are measured at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are not observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

At March 31, 2016, the Partnership does not have any financial assets or liabilities that are measured at fair value other than cash which is measured at fair value level 1.

8. **Financial Instruments** (Continued)

Fair value (Continued)

The carrying amounts and fair values of the Partnership's financial instruments are presented in the table below:

	March 31, 2016			
	Carrying Amount		Fair Value	
Cash	**$ 44,798**	(A)	**$ 44,798**	
Accounts payable	**$ 54,558**	(A)	**$ 54,558**	
Amounts due to related parties	**$ 3,756,006**	(B)	**$ 3,756,006**	
Mortgage payable	**$ 6,750,000**	(B)	**$ 6,750,000**	

(A) The fair value of cash and accounts payable approximate their carrying amount due to the relatively short periods to maturity of these financial instruments.
(B) The fair value of mortgage payable and loans payable approximates the carrying amount as the interest rate is expected to be similar to the borrowing rates presently available to the Partnership for debts with similar terms of maturity.

Financial risk management

The Partnership's activities are exposed to a variety of financial risks: interest rate risk and liquidity risk. The Partnership's overall risk management program focuses on the unpredictability of financial and economic markets and seeks to minimize potential adverse effects on the Partnership's financial results. Risk management is carried out by financial management in conjunction with overall corporate governance.

Interest rate risk

Interest rate risk arises from the possibility that the value of, or cash flows related to, a financial instrument will vary as a result of changes in market interest rates. The Partnership manages its financial instruments with the objective of mitigating any potential interest rate risks. The Partnership is exposed to interest rate cash flow risk and fair value risk on its mortgage due to the nature of the interest rate terms, and is exposed to interest rate fair value risk on its amounts due to related parties. Management has determined that the Partnership's exposure to interest rate risk is negligible at March 31, 2016.

Liquidity risk

Liquidity risk is the risk that the Partnership will not be able to meet its financial obligations as they fall due. The Partnership's approach to managing liquidity is to ensure that it will have sufficient resources available to meet its liabilities as they become due. The Partnership's contractual obligation consists of accounts payable of $54,558 that have a contractual maturity not exceeding one year, a mortgage payable of $6,750,000 which matures September 2017, and amounts due to related parties of $3,756,006 which matures February 2018.

9 **Capital Management**

The Partnership's objective when managing capital is to maintain adequate cash resources to support planned activities.

In managing capital, the Partnership estimates its future cash requirements by preparing a budget. The budget establishes the activities for the upcoming year and estimates the costs associated with these activities.

The Partnership's plan for funding is through the issuance of debt or equity. There are no assurances that funds will be made available to the Partnership when required.

The Partnership is not subject to externally imposed capital requirements.

The capital structure consists of the following:

	March 31, 2016
Amounts due to related parties	**$ 3,756,006**
Mortgage payable	**6,750,000**
	$ 10,506,006

10. **Commitments**

On February 19, 2016, the General Partner entered into an Agreement of Limited Partnership ("Original Partnership Agreement") which was subsequently amended and restated by a First Amended and Restated Agreement of Limited Partnership dated June 23, 2016, which was subsequently amended and restated by a Second Amended and Restated Agreement of Limited Partnership dated June 28, 2016 ("Limited Partnership Agreement"). According to the Limited Partnership Agreement, Yorkton Place General Partner Ltd. ("GP Co") is the general partner acting on behalf of the Limited Partnership. GP Co is authorized to carry on the business of the Limited Partnership, with full power and authority to administer, manage, control and operate the business of the Limited Partnership as a "small business investment limited partnership". GP Co has the right, in its discretion, to accept or to refuse any particular subscription for an Offering.

In accordance with the Limited Partnership Agreement, the Limited Partnership shall reimburse GP Co for organizational expenses reasonably incurred by the GP Co.

11. **Subsequent Events**

a) The Partnership dated their Offering Memorandum on June 29, 2016 for the offering of up to a maximum 10,000,000 Class A non-voting limited partnership units or up to a maximum of $10,000,000 of Participating Loans, or a combination of Class A non-voting limited partnership units and Participating Loans for aggregate gross proceeds of up to a combined total of $10,000,000, or such other Maximum Offering as may be decided by the Partnership in its sole discretion. Closings will take place periodically throughout 2016 and 2017, as determined by management of the Partnership.

11. **Subsequent Events** (Continued)

b) Yorkton Place Development Corporation ("LandCo") entered into a Consulting Agreement with Yorkton Group International Ltd. ("Yorkton Group") effective April 22, 2016. Yorkton Group will act as an advisor and consultant for the Project, which shall include any other tasks the parties agree upon from time to time, and Yorkton Group accepts such appointment in respect for the Project until the Completion Date or until this Agreement terminates. LandCo shall pay a Consulting Charge in amount equal to 3.5% of the actual gross revenue of the entire Project plus GST.

Yorkton Group shall also be entitled to reimbursement of all of its out of pocket costs and expenses not included in Hard Costs or Soft Costs, and for all Front End Costs, incurred by the Contractor, together with interest thereon at a rate equal to eight (8%) percent per annum, calculated from the date the Contractor incurred the particular Front End Costs to the date of payment to the Contractor. Yorkton Group is entitled to invoice for their services on a monthly basis or as mutually agreed upon by the parties.

Yorkton Group shall pay the Hard Costs as and when the same become due from time to time from funds to be advanced by LandCo from time to time for such purposes, from funds obtained from the exempt public offering pursuant to the Offering Memorandum or any commercial financing of the Project.

c) LandCo entered into a Management Services Agreement effective April 22, 2016, with GP Co ("Management Company"). Under this agreement, GP Co in its role as project manager will provide certain basic services and management services to LandCo. GP Co shall be entitled to Management Fees equal to thirty (30%) percent of the net profit before LandCo loan interest and business taxes plus GST related to the sale of the condominium units in the Project. The Management Fee shall be calculated, accrued, invoiced and payable from the net sale proceeds of the condominium unit sales after the total construction loans are paid in full.

Interest on the Management Fee shall accrue as of the date when each of the residential and commercial condominium units in the Project have been sold, as calculated and invoiced by the Management Company with respect to each condominium unit, at a rate of eight percent (8%) per annum until all such amounts are paid in full.

ITEM 13 – DATE AND CERTIFICATE

Dated: June 29, 2016

This Offering Memorandum does not contain a misrepresentation.

YORKTON PLACE LIMITED PARTNERSHIP
by its General Partner YORKTON PLACE GENERAL PARTNER LTD.

Per: *(signed) "Ben Lui"*
Benny (Ben) Lui
President

Per: *(signed) "Joey Sun"*
Zhaohui (Joey) Sun, CPA, CMA
Vice President, Finance

ON BEHALF OF THE BOARD OF DIRECTORS OF THE GENERAL PARTNER, YORKTON PLACE GENERAL PARTNER LTD.

(signed) "Ben Lui"
Benny (Ben) Lui, Director

(signed) "Manuel da Silva"
Manuel da Silva, Director

(signed) "Jordan Eng"
Jordan J. Eng, Director

ON BEHALF OF THE PROMOTERS OF THE ISSUER

(signed) "Ben Lui"
Benny (Ben) Lui, Promoter

SCHEDULE "A" – THE LANDS

LEGAL DESCRIPTION

The Lands consist of a 94,507 square foot corner bare land lot, more or less, located in the City of Surrey, British Columbia, and legally described as follows:

PID: 029-450-616
Lot 1
Section 9 Township 2
New Westminster District
Plan EPP41277

Title to the Lands is currently registered in the name of LandCo. The Lands are subject to the following encumbrances and legal notations:

PERMITTED ENCUMBRANCES

1.	Registration No. AD266079	Statutory Right of Way in favour of the District of Surrey
2.	Registration No. AD269772	Statutory Right of Way in favour of the District of Surrey
3.	Registration No. BF88791	Covenant in favour of Her Majesty the Queen in Right of the Province of British Columbia
4.	Registration No. BF88794	Covenant in favour of the District of Surrey
5.	Registration No. CA4087519	Statutory Right of Way in favour of the City of Surrey
6.	Registration No. CA4087521	Covenant in favour of the City of Surrey
7.	Registration No. CA4097087	Covenant in favour of the City of Surrey
8.	Registration No. CA4097088	Covenant in favour of the City of Surrey
9.	Registration No. CA4097093	Easement
10.	Registration No. CA4097095	Covenant in favour of the City of Surrey
11.	Registration No. CA5005915	Mortgage in favour of HMT Holdings Inc.
12.	Registration No. CA5005916	Assignment of Rents in favour of HMT Holdings Inc.

LEGAL NOTATIONS

Hereto is Annexed Easement CA4097094 Over Lot 2 Plan EPP41278

Hereto is Annexed Easement BF88798 Over (Plan LMP3768) Lot 3 Except: 1stly Pt Red on Highway Plan 6363; 2ndly East 33 Ft, Plan 3416

There are no tax arrears in relation to the Lands.

There are no registered charges that pertain to a sale or disposition of the Lands.

SCHEDULE "B" – SUBSCRIPTION AGREEMENT

YORKTON PLACE LIMITED PARTNERSHIP

(the "Issuer")

The undersigned Subscriber acknowledges that the Issuer is not registered as an exempt market dealer and is offering pursuant to the "Northwestern Exemption" and as further described in the Offering Memorandum dated June 29, 2016 (the "Offering"): (i) Class "A" Non-Voting Participating Limited Partnership Units (the "**Class A LP Units**" or "**Units**") at a price of $1.00 per Class A LP Unit; and/or (ii) unsecured participating convertible debentures on a participating basis ("**Participating Loans**") of a minimum amount of $100,000. The undersigned Subscriber hereby tenders to the Issuer this subscription offer which, upon acceptance by the Issuer, will constitute an agreement of the Subscriber to subscribe for, take up, purchase and pay for and, on the part of the Issuer, to issue and sell to the Subscriber, the number of Units and/or Participating Loans, as the case may be, as set out below on the terms and subject to the conditions set out in this Subscription Agreement. Upon Closing of the Offering, all of the subscription proceeds (net of expenses thereon) will be released to the Issuer. In the event the Offering does not close, any and all subscription proceeds will be returned to subscribers without interest, deduction or penalty. The Subscriber hereby acknowledges and agrees that the terms and conditions contained herein form part of this Subscription Agreement and are incorporated herein by reference.

TO BE COMPLETED BY ALL SUBSCRIBERS:

_____

Name of Subscriber – please print

_____

Signature of Subscriber or Authorized Signature

_____

Official Capacity or Title – please print

_____

(Please print name of individual whose signature appears above if different than the name of the Subscriber printed above.)

_____

Subscriber's Address

_____

_____

Facsimile Number

_____

Telephone Number/s

_____

E-Mail Address

Deliver the Class A LP Units (Cash Subscribers) and/or Participating Loans as set forth below:

_____

Name

_____

Address

_____

(i) Number of Class A LP Units: _____

Aggregate Subscription Amount (No. of Class A LP Units X $1.00 per Class A LP Unit):_____

(ii) Principal Amount of Participating Loans (minimum of $100,000):_____

TO BE COMPLETED FOR HOLDERS OF REGISTERED AND DEFERRED PLANS (please circle):

RRSP TFSA LIRA

Register the Class A LP Units and/or Participating Loans as set forth below:

_____

Name

_____

Address

_____

Deliver the Class A LP Units (Registered and Deferred Plans) as set forth below:

Western Pacific Trust Company – Attention: Cathy Schaeffer

Name

920 – 789 West Pender Street

Address

Vancouver, British Columbia V6C 1H2

Contract Date: _____

By executing this subscription you are consenting on your own behalf and if applicable on behalf of the beneficial purchaser to whom you are contracting to the collection, use and disclosure of any personal information to the Issuer and its affiliates in the manner described in section 3 to this subscription.

This subscription is subject to rejection or allotment by the Issuer in whole or in part and the Issuer reserves the right to discontinue the Offering at any time without notice.

ACCEPTANCE: The Issuer hereby accepts the above subscription as of this _____ day of _____, 2016 as set forth above on the terms and conditions contained in this Subscription Agreement.

YORKTON PLACE GENERAL PARTNER LTD., in its capacity as General Partner on behalf of Yorkton Place Limited Partnership

By: _____

This is the second page of an agreement comprised of 38 pages (including Exhibits).

Instructions:

FOR RESIDENTS OF ALBERTA, SASKATCHEWAN, NEW BRUNSWICK, NOVA SCOTIA, ONTARIO, AND QUEBEC

Please make sure that your subscription includes:

1. one (1) properly completed and duly signed copy of this Subscription Agreement; and

2. a certified cheque, bank draft or money order in an amount equal to the Subscription Amount, payable as follows:

   (A) for Subscribers on a cash basis (i.e., non registered and deferred plans), payment is payable to "Western Pacific Trust Company, in trust"; or

   (B) for Subscribers of registered and deferred plans purchase, payment is payable from the Subscriber's own self-administered account at Western Pacific Trust Company, or from such other self-administered account; and

3. a properly completed and duly executed Form 45-106F4 attached as **Exhibit 1** hereto (pages 18 to 20); and

4. Only if an individual investor, complete and sign *Schedule 1, Classification of Investors Under the Offering Memorandum Exemption*, with respect to eligibility of individual investors and *Schedule 2, Investment Limits for Investors Under the Offering Memorandum Exemption* with respect to investment limits of individual investors, attached to Exhibit 1, (pages 21 to 25); and

5. a completed and duly signed Risk Acknowledgement Form in the form attached as **Exhibit 3** (page 38).

FOR RESIDENTS OF MANITOBA, NORTHWEST TERRITORIES, NUNAVUT, OR YUKON

Please make sure that your subscription includes:

1. one (1) properly completed and duly signed copy of this Subscription Agreement; and
2. a certified cheque, bank draft or money order in an amount equal to the Subscription Amount, payable as follows:

   (A) for Subscribers on a cash basis (i.e., non registered and deferred plans), payment is payable to "Western Pacific Trust Company, in trust"; or

   (B) for Subscribers of registered and deferred plans purchase, payment is payable from the Subscriber's own self-administered account at Western Pacific Trust Company, or from such other self-administered account; and

3. a properly completed and duly executed Form 45-106F4 attached as **Exhibit 1** hereto (pages 18 to 20); and
4. if the Subscription Amount exceeds $10,000, a completed **Exhibit 2** (pages 26 to 27) and, if applicable, the Representation Letter as follows:

   (A) in the case of a Subscriber who is an "accredited investor" a fully completed and duly executed Representation Letter, in the form of Schedule "A" attached to Exhibit 2 to this Subscription Agreement including initialing Appendix "A" attached to Schedule "A" (pages 28 to 33); or

   (B) in the case of a Subscriber who is a "close personal friend" or "close business associate" as defined herein, a fully executed and completed Representation Letter, in the form of Schedule "B" attached to Exhibit 2 hereto including a Close Personal Friend and/or Close Business Associate Questionnaire attached as Appendix "A" to Exhibit 2 hereto, if applicable (pages 34 to 37); and

5. a completed and duly signed Risk Acknowledgement Form in the form attached as **Exhibit 3** (page 38).

FOR RESIDENTS OF BRITISH COLUMBIA

Please make sure that your subscription includes:

1. one (1) properly completed and duly signed copy of this Subscription Agreement; and
2. a certified cheque, bank draft or money order in an amount equal to the Subscription Amount, payable as follows:

   (A) for Subscribers on a cash basis (i.e., non registered and deferred plans), payment is payable to "Western Pacific Trust Company, in trust"; or

   (B) for Subscribers of registered and deferred plans purchase, payment is payable from the Subscriber's own self-administered account at Western Pacific Trust Company, or from such other self-administered account; and
3. a properly completed and duly executed Form 45-106F4 attached as **Exhibit 1** (pages 18 to 20) hereto; and
4. a completed and duly signed Risk Acknowledgement Form in the form attached as **Exhibit 3** (page 38).

Please deliver your subscription to:

YORKTON PLACE LIMITED PARTNERSHIP
2430 Manulife Place
10180 – 101 Street
Edmonton, Alberta T5J 3S4

Attention: Reg Liyanage

Tel: 780-409-8228
Fax: 780-409-9228

TERMS AND CONDITIONS OF SUBSCRIPTION FOR THE OFFERED SECURITIES OF THE ISSUER

1 Definitions

In this Agreement:

(a) "**Accredited Investor**" has the meaning as more particularly set out in Appendix "A" of Schedule "A" to Exhibit 2 attached hereto;

(b) "**Agreement**" or "**Subscription Agreement**" means this subscription agreement as may be amended from time to time;

(c) "**Agreement of Limited Partnership**" or "**Original Limited Partnership Agreement**" means the agreement of limited partnership dated February 19, 2016 between the General Partner and LuiCo and BC Co as the Initial Limited Partners

(d) "**BC Co**" means 1054824 BC Ltd., a corporation incorporated under the *Business Corporations Act* (British Columbia), which voting shares are held by Manuel da Silva and Jordan J. Eng, directors and officers of the General Partner;

(e) "**Business Day**" means a day on which Canadian chartered banks are open for the transaction of regular business in the City of Edmonton, Alberta;

(f) "**Class A LP Unit(s)**" or "**Unit(s)**" means the class "A" non-voting participating limited partnership units of the Limited Partnership being offered pursuant to the Offering;

(g) "**Class B LP Units**" means a class "B" voting non-participating limited partnership unit issued by the Limited Partnership;

(h) "**Closing**" means one or more closing(s) of the purchase and sale of the Offered Securities;

(i) "**Closing Date**" means the date on which an initial Closing of the sale of the Offered Securities takes place, or such other date or dates designated by the Issuer;

(j) "**Final Closing**" means the final and last Closing of the Offering and such subscription amounts may or may not reach the Maximum Offering;

(k) "**First Amended and Restated Agreement of Limited Partnership**" means the first amended and restated agreement of limited partnership dated June 23, 2016 between the General Partner and LuiCo and BC Co as the Initial Limited Partners, as amended from time to time;

(l) "**Founders Loan**" means collectively the loans, consisting of the Repayable Loans, advanced to LandCo by LuiCo and BC Co. As at the date of this Offering Memorandum, the Founders Loan totals an aggregate amount of $4,094,889.01;

(m) "**General Partner**" or "**GP Co**" means Yorkton Place General Partner Ltd., formerly 1065015 BC Ltd., a corporation incorporated under the *Business Corporations Act* (British Columbia), the general partner acting on behalf of the Limited Partnership, of which LuiCo and BC Co directly own 51% and 49%, respectively, of the voting shares. LuiCo and BC Co have entered into a shareholders agreement which provides effective control of GP Co to LuiCo. 1065015 BC Ltd. was renamed to Yorkton Place General Partner Ltd. on March 11, 2016;

(n) "**Initial Limited Partners**" means LuiCo and BC Co, in their capacities as the initial limited partners of the Limited Partnership. Pursuant to the Original Limited Partnership Agreement, LuiCo and BC Co were each issued one (1) undesignated unit in the Limited Partnership respectively to allow for the registration of the Limited Partnership. Pursuant to the Limited Partnership Agreement, the two (2) undesignated units in the Limited Partnership issued to LuiCo and BC Co were each converted into and designated as Class B LP Units. Following the filing of the Amended and Restated Certificate of Limited Partnership on June 28, 2016 and prior to the date of this Offering, LuiCo and BC Co subscribed for an additional fifty (50) and forty-eight (48) Class B LP Units respectively at $1.00 per Class B LP Unit, which subscription was accepted by the General Partner as of June 28, 2016. As Initial Limited Partners, LuiCo owns a total of fifty-one (51) Class B LP Units and BC Co owns a total of forty-nine (49) Class B LP Units. The Second Amended and Restated Agreement of Limited Partnership was agreed to prior to the date of the Offering Memorandum and will be filed along with the second amended and restated certificate of limited partnership after the date of the Offering Memorandum but prior to the initial Closing;

(o) "**Issuer**" or "**Limited Partnership**" means Yorkton Place Limited Partnership, a partnership registered in British Columbia under number LP681856 by Certificate of Limited Partnership dated February 23, 2016, as amended;

(p) "**LandCo**" means Yorkton Place Development Corporation, a corporation incorporated under the BCA, which all Class "B" Shares are held by the General Partner and all Class "A" Shares are held by the Limited Partnership. Title to the Lands is currently registered in the name of LandCo;

(q) "**Lands**" means, collectively, all of the land comprising the Project (as defined below), consisting of those lands more specifically set out in Schedule "A" attached to the Offering Memorandum**;**

(r) "**Limited Partnership**" or "**Issuer**" means Yorkton Place Limited Partnership, a partnership registered in British Columbia under number LP681856 by Certificate of Limited Partnership dated February 23, 2016, as amended;

(s) "**Limited Partnership Agreement**" or "**Second Amended and Restated Agreement of Limited Partnership**" means the second amended and restated agreement of limited partnership dated June 28, 2016 between the General Partner and LuiCo and BC Co as the Initial Limited Partners, as amended from time to time;

(t) "**LuiCo**" means Lui Holdings Corporation, a corporation incorporated under the *Business Corporation Act* (Alberta), of which Ben Lui, a director and officer of the General Partner, owns, directly or indirectly, 100% of the voting shares;

(u) "**Maturity Date**" means, with respect to the Participating Loans, the date on which the Project is completed in all aspects, that being the date of the final financial statements taking into account the distribution of net profits after the payment of all taxes of the Project to all Unitholders and Participating Loan holders on a *pari passu* basis calculated dollar for dollar based on the initial amount invested for each Subscriber regardless of having purchased Units or Participating Loans, and which date is not fixed and which may not occur which shall not constitute a default, an event of default or breach under the Participating Loan, howsoever caused;

(v) "**Maximum Offering**" means the subscription of 10,000,000 Units or $10,000,000 of Participating Loans, or a combination of Units and Participating Loans for aggregate gross proceeds of up to a combined total of $10,000,000, or such other Maximum Offering as may be decided by the Issuer in its sole discretion;

(w) "**NI 31-103**" means National Instrument 31-103 Registration Requirements and Exemptions of the Canadian Securities Administrators;

(x) "**NI 45-106**" means National Instrument 45-106 Prospectus and Registration Exemptions of the Canadian Securities Administrators;

(y) "**Offered Securities**" means the 10,000,000 Class A LP Units or $10,000,000 of Participating Loans, or a combination of Units and Participating Loans for aggregate gross proceeds of up to a combined total of $10,000,000, offered under this Offering;

(z) "**Offering Jurisdictions**" means the Provinces or Territories of Canada in which the Units are offered for sale pursuant to the Northwestern Exemption;

(aa) "**Offering Memorandum**" means the offering memorandum of the Issuer dated effective June 29, 2016;

(bb) "**Original Limited Partnership Agreement**" or "**Agreement of Limited Partnership**" means the agreement of limited partnership dated February 19, 2016 between the General Partner and LuiCo and BC Co as the Initial Limited Partners;

(cc) "**Participating Loan(s)**" or "**Participating Loan Agreement**" means the unsecured participating convertible debentures entered into between a Subscriber and the Limited Partnership for a minimum subscription amount of $100,000 on a participating loan basis. Participating Loan holders have the option to convert a portion of the outstanding principal amount of each respective Participating Loan into Class A LP Units at a conversion rate of $1.00 for each Class A LP Unit, subject to adjustment and in accordance with the terms and conditions of the Participating Loans, provided that the conversion would not result in the Participating Loan holder holding greater than ten percent (10%) of the total Class A LP Units issued and outstanding calculated immediately after such Closing and subscribed for pursuant to the Offering. The Participating Loan shall bear Interest, as defined therein, subject to the terms and conditions of the Participating Loans. The Participating Loan holder shall be entitled to Interest only in the event that the Limited Partnership earns any net profits after the payment of taxes by LandCo with respect to the Project on the Maturity Date and is able to fully repay the principal amount of the Participating Loan back to the Participating Loan holder, if any, depending on the financial performance of the Project. Such Interest shall be paid to the Participating Loan holder by way of a one-time payment of an amount of Interest representing the net profits after the payment of taxes by LandCo with respect to the Project to the Participating Loan holder on or after the Maturity Date pursuant to the Participating Loan holder's right to participate in the distribution of net profits after the payment of taxes by LandCo with respect to the Project on the same basis as the Unitholders, on a *pari passu* basis calculated dollar for dollar based on the initial amount invested for each Subscriber regardless of having purchased Units or Participating Loans, and provided only if the Interest or payment of an amount of Interest has not been cancelled or deemed to have been cancelled pursuant to the Participating Loan. Participating Loan holders agree that the Participating Loans are subordinated and postponed in favour of any bank or lender in respect of any Project financing made to LandCo, and any claim of any bank or lender in respect of any Project financing made to LandCo shall take precedence and be fully paid in priority to the Participating Loans. The Limited Partnership agrees to have the Participating Loan holder and the Limited Partnership subordinate and postpone the Participating Loan to any such financings made to LandCo. As at the date of this Offering Memorandum, no Participating Loans have been issued. The Issuer has the right, in its sole discretion, to issue Participating Loans of a minimum subscription amount of $100,000 on a participating loan basis, as long as the aggregate principal of the Participating Loans and the Class A LP Units issued by the Limited Partnership do not exceed the Maximum Offering and provided that the borrowings of the Limited Partnership at any time does not exceed twenty percent (20%) of the capital of the Limited Partnership. The Limited Partnership is not obliged to repay the Participating Loans until the Maturity Date, as defined therein, being the date on which the Project is completed in all aspects, that being the date of the final financial statements taking into account the distribution of net profits after the payment of all taxes of the Project to all Unitholders and Participating Loan holders on a *pari passu* basis calculated dollar for dollar based on the initial amount invested for each Subscriber regardless of having purchased Units or Participating Loans, and which date is not fixed and which may not occur which shall not constitute a default, an event

of default or breach under the Participating Loan, howsoever caused. The Participating Loan with respect to both principal and Interest, as defined therein, is not repayable or demandable prior to or after the Maturity Date and will only be repaid on or after the Maturity Date and only if funds are available firstly to repay the principal amount, if any, and lastly to pay Interest, if any. Interest, if any, shall be calculated first, and the principal amount, if any, shall be repaid first and the Interest, if any, shall be paid last, thereby extinguishing the Participating Loan. Pursuant to the Participating Loan, the Limited Partnership has the right, in its sole and absolute discretion, at any time before, on or after the Maturity Date to write-down the principal amount outstanding, including writing-down the principal amount to zero, or to cancel or deem to cancel the Interest or payment of an amount of Interest, including cancelling the Interest to zero. Such writing-down of the principal amount or cancellation of the Interest shall not constitute a default, an event of default or breach under the Participating Loan, howsoever caused;

(dd) "**person**" means an individual, a firm, a corporation, a syndicate, a partnership, a trust, an association, an unincorporated organization, a joint venture, an investment club, a government or an agency political subdivision thereof and every other form of legal or business entity of whatsoever nature of kind;

(ee) "**Project**" means LandCo's condominium project as more fully described in the Offering Memorandum and all business of LandCo in respect thereto including: (i) acquiring the Lands; (ii) increasing the equity value of LandCo through rezoning and development; (iii) effecting the pre-sales and sales of condominium units; (iv) to buildout a free-standing pad site and a lease with a major bank; (v) to buildout a free-standing pad site and a lease with a major coffee facility**;** (vi) to buildout a pad site incorporating a lease with a liquor store; (vii) construction of residential condominium structure on the Lands in accordance with the approved zoning and architectural plans; and (vii) conducting any other business or activity incidental, ancillary or related thereto. Presently, two (2) offers to lease have been signed with LandCo with respect to the Lands. One offer to lease is with a major bank facility, and the other offer to lease is with a private liquor store. The two (2) offers to lease are conditional offers to lease, which may or may not materialize if any of the conditions therein are not fully met. All such lease arrangements are subject to change, and LandCo has the sole discretion and flexibility to change the tenant profile of the Project. The Project may be constructed and completed in a number of phases. The proposed development Project is approved for density in accordance with the current zoning allowances, and LandCo has applied for higher density with respect to the 6 storey mixed use retail/residential building within the 6 storey height limit;

(ff) "**Purchased Securities**" means the Offered Securities purchased by the Subscriber, as set out on the front page of this Subscription Agreement;

(gg) "**Repayable Loan**" means the loan agreements made by way of grid promissory notes that LuiCo and BC Co, as the lenders, have each entered into with LandCo, as the borrower, and the Issuer dated February 25, 2016, in amounts outstanding from funds as advanced by LuiCo and BC Co from time to time, with interest at a rate of eight percent (8%) per annum, calculated annually not in advance from the date of advance until repaid in full or until Conversion as defined therein in accordance with the Repayable Loan. As at the date of the Offering Memorandum, LuiCo has advanced $2,230,249.83, and BC Co has advanced $1,864,639.18, for a total aggregate amount of outstanding Repayable Loans of $4,094,889.01. The Repayable Loans will have a two (2) year term and are due and payable on demand on February 25, 2018 (the "Due Date"), provided however LandCo at its sole option, if not in default on the Due Date, may extend the Due Date to February 25, 2019 (the "First Extended Due Date"), and if not in default on the First Extended Due Date, LandCo at its sole option may extend the First Extended Due Date to February 25, 2020 (the "Second Extended Due Date"), and if not in default on the Second Extended Due Date, LandCo at its sole option may extend the Second Extended Due Date to February 25, 2021 (the "Final Extended Due Date") when the balance owing hereunder and interest shall become due and payable in any event. Any extension shall be upon the same terms and conditions as contained in the Repayable Loan. LandCo is entitled to repay the Repayable Loans in whole or in part at any time without notice, penalty or bonus. The final loan amount shall be determined in the sole discretion of LuiCo or BC Co, respectively as the lenders, as deemed appropriate by the General

Partner based on the final amount of funds raised pursuant to the Offering, and taking into account the working capital and cash flow requirements. At any time prior to the Final Closing of the Offering and from time to time, the Repayable Loan holders, LuiCo and BC Co, have the option to convert all or any portion of the outstanding principal amount and any accrued interest thereon of each respective Repayable Loan into Class A LP Units and/or Participating Loans, in accordance with the terms and conditions of the Repayable Loans, provided that the conversion would not result in LuiCo or BC Co, as may be applicable, holding greater than ten percent (10%) of the total Class A LP Units issued and outstanding calculated immediately after such Closing and subscribed for pursuant to the Offering or the Issuer's borrowings at any time exceeding twenty percent (20%) of its partnership capital after the Closing on the subscriptions for Class A LP Units and the Closing on the subscriptions for Participating Loans. The Repayable Loan holders, LuiCo and BC Co, agree that the Repayable Loans are subordinated and postponed in favour of any bank or lender in respect of any Project financing made to LandCo, and any claim of any bank or lender in respect of any Project financing made to LandCo shall take precedence and be fully paid in priority to the Repayable Loans. LandCo, as the borrower, agrees to subordinate and postpone the Repayable Loans to any such financing made to it;

(hh) "**Second Amended and Restated Agreement of Limited Partnership**" or "**Limited Partnership Agreement**" means the second amended and restated agreement of limited partnership dated June 28, 2016 between the General Partner and LuiCo and BC Co as the Initial Limited Partners, as amended from time to time;

(ii) "**Securities Laws**" means the securities legislation and regulations of, and the instruments, policies, rules, orders, codes, notices and interpretation notes of the applicable securities regulatory authority or applicable securities regulatory authorities of, the Offering Jurisdictions;

(jj) "**Subscriber**" means the signatory herein;

(kk) "**Subscription Agreement**" or "**Agreement**" means this subscription agreement as may be amended from time to time;

(ll) "**Subscription Amount**" means those funds received by the Issuer with respect to the Purchased Securities subscribed for under this Agreement;

(mm) "**Tax Act**" means the Income Tax Act (Canada), as amended, re-enacted or replaced from time to time; and

(nn) "**Units**" or "**Class A LP Units**" means the class "A" non-voting participating limited partnership units of the Limited Partnership being offered pursuant to the Offering.

2 Acknowledgements of Subscriber

The Subscriber acknowledges that:

(a) this subscription for Offered Securities is subject to compliance with all relevant securities law requirements;

(b) the Subscriber is aware that the offer made by this subscription is irrevocable and requires acceptance by the Issuer and will not become an agreement between the Subscriber and the Issuer until accepted by the Issuer;

(c) the Subscriber is making the investment entirely at its own risk and without any advice on the merits and suitability of this investment by the Issuer;

(d) no securities commission or similar regulatory authority has evaluated or endorsed the merits of the Offered Securities and there is no government or other insurance covering the Offered Securities;

(e) there are restrictions on the Subscriber's ability to resell the Offered Securities and it is the Subscriber's responsibility to find out what those restrictions are and to comply with them before selling the Offered Securities;

(f) the offering of the Class A LP Units by the Issuer is not underwritten and is not subject to any minimum offering. Therefore, any funds invested, other than those funds from a Deferred Plan which are subject to greater than ten (10) Subscribers of Units holding at least the minimum subscription, are available to the Issuer and need not be returned to the Subscriber;

(g) the offering of the Participating Loans by the Issuer is not underwritten and, although subject to a minimum individual subscription of $500.00, is not subject to any minimum offering. Therefore, any funds invested are available to the Issuer and need not be returned to the Subscriber;

(h) no federal or state agency, governmental authority, regulatory body, stock exchange or other entity in Canada has either reviewed this Subscription Agreement, or any other documents which the Issuer has provided or made available to the Subscriber, or made any finding or determination as to the merits of this investment, and no such agencies, governmental authorities, regulatory bodies, stock exchanges or other entities have made any recommendation or endorsement with respect to the Offered Securities;

(i) the sale of the Offered Securities has not been qualified for distribution under the securities legislation of any province or other jurisdiction, by way of prospectus or otherwise, and that the Subscriber is purchasing the Offered Securities pursuant to exemptions or orders contained in or issued under securities legislation and the Subscriber will not have the right to most of the civil remedies established by securities legislation; and

(j) the Subscriber has been informed that the Offered Securities sold to Subscribers resident in Alberta, British Columbia, Saskatchewan, Manitoba, the Northwest Territories, Nunavut or the Yukon Territory pursuant to an offering memorandum prospectus exempt distribution may be sold by a person not registered as an exempt market dealer with a Canadian securities regulatory authority pursuant to a dealer registration exemption in accordance with NI 31-103 (commonly known as the Northwestern Exemption); provided that the person relying on the registration exemption must: i) not be registered in any category of dealer registration with a securities regulatory authority in any jurisdiction; ii) not provide suitability advice about the trade to the Subscriber; iii) not otherwise provide financial services to the Subscriber; iv) not hold or have access to the Subscriber's assets; v) provide the Subscriber the risk disclosure in the form attached hereto at Exhibit 3; and vi) file a dealer information report with the relevant securities regulatory authority.

3 Representations and Warranties of the Subscriber

By executing this Subscription Agreement, the Subscriber represents, warrants and covenants to the Issuer (and acknowledges that the Issuer and its legal counsel are relying thereon) that:

A. <u>General</u>

(a) the Subscriber understands that there is no market for the Purchased Securities, that no market may develop, and that the Issuer is not a "reporting issuer", as defined under Securities Laws, and resale of the Purchased Securities is restricted;

(b) the Subscriber is purchasing the Purchased Securities as principal for his own account, not for the benefit of any other person, and not with a view to resale or distribution;

(c) the Subscriber, if an individual, has attained the age of majority and is legally competent to execute this subscription and to take all actions required pursuant to its terms;

(d) the Subscriber, if a corporation, is duly incorporated and organized, is a valid and subsisting Issuer and has the full corporate right, power and authority to execute and deliver this Agreement;

(e) if the Subscriber is a resident of an Offering Jurisdiction and cannot otherwise satisfy any of the requirements set forth in this Section 3, he is acquiring the Purchased Securities pursuant to and in compliance with an exemption from the prospectus requirements of the Securities Laws of the jurisdiction in which he resides and will provide the Issuer, on request, whether before or after the Closing Date, with evidence of such compliance;

(f) other than the Offering Memorandum, the receipt of which the Subscriber hereby acknowledges, the Subscriber has not (nor, if applicable, has any other person on whose behalf the Subscriber is contracting) received, nor does the Subscriber need to receive, any document purporting to describe the business and affairs of the Issuer that has been prepared for delivery to and review by prospective investors so as to assist those investors to make an investment decision in respect of securities being sold in a distribution of securities of the Issuer. The Subscriber's decision to tender this offer and acquire the Purchased Securities has not been made as a result of any verbal or written representation as to facts or statements otherwise made by or on behalf of the Issuer (other than the Offering Memorandum) or any other person and is based entirely upon the Offering Memorandum;

(g) the Subscriber is capable of assessing the proposed investment in the Purchased Securities as a result of his financial or investment experience or as a result of advice received from a registered person other than the Issuer or an affiliate thereof and he is able to bear the economic loss of the investment in the Purchased Securities;

(h) the Subscriber is not a U.S. Person (as that term is defined in Rule 902 of Regulation S under the Securities Act of 1933, as amended, of the United States of America) and is not and will not be purchasing Offered Securities for the account or benefit of any U.S. Person and did not execute or deliver this Agreement in the United States of America;

(i) the Subscriber acknowledges that no agency, governmental authority, securities commission or similar regulatory body, stock exchange or other entity has reviewed, passed on or made any finding or determination as to the merit for investment of the Purchased Securities nor have any such agencies or governmental authorities made any recommendation or endorsement with respect to the Purchased Securities;

(j) the Issuer has advised the Subscriber that the Issuer is relying on an exemption from the requirements to provide the Subscriber with a prospectus and to sell the Purchased Securities through a person registered to sell securities under the Securities Laws and, as a consequence of acquiring securities pursuant to this exemption:

(i) certain protections, rights and remedies provided by the Securities Laws, may not be available to the Subscriber, or others for whom he is contracting hereunder;

(ii) the Subscriber, or others for whom he is contracting hereunder, may not receive information that would otherwise be required to be given under the Securities Laws; and

(iii) the Issuer is relieved from certain obligations that would otherwise apply under the Securities Laws of the Offering Jurisdictions;

(k) except as set out in this Agreement, no person has made to the Subscriber any written or oral representation:

(i) that any person will resell or repurchase any of the Purchased Securities;

(ii) that any person will refund the purchase price of the Purchased Securities;

(iii) as to the future price or value of any of the Purchased Securities; or

(iv) that any of the Purchased Securities will be listed and posted for trading on a stock exchange or that application has been made to list and post any of the Purchased Securities for trading on a recognized stock exchange;

(l) the Subscriber is a resident in or otherwise subject to the applicable securities laws of the Offering Jurisdictions as set forth under "Subscriber's Address" set out on the face page of the Subscription Agreement and such address was not created and is not used solely for the purpose of acquiring the Units and/or Participating Loans;

(m) this Agreement has been duly and validly authorized, executed and delivered by and constitutes a legal, valid, binding and enforceable obligation of the Subscriber;

(n) if required by applicable securities legislation, policy or order, or securities commission or other regulatory authority, the Subscriber will execute, deliver, file and otherwise assist the Issuer in filing, such reports, undertakings, and other documents with respect to the issue of Purchased Securities that may be required;

(o) the Subscriber (on its own behalf and, [if applicable, on behalf of others for whom it is contracting hereunder] understands and acknowledges that the Purchased Securities will be subject to certain resale restrictions under applicable Securities Laws and the Subscriber (on its own behalf (and, if applicable, on behalf of others for whom it is contracting hereunder) agrees to comply with such restrictions. **In particular, the Subscriber further understands and acknowledges that the Issuer is <u>not</u> a "reporting issuer" in any Province in Canada and, therefore, the Purchased Securities will be subject to a statutory hold period which will be of an indefinite period (i.e., will not commence to be reduced) unless and until such time as the Issuer becomes a "reporting issuer" in a Canadian jurisdiction, and during such statutory hold period, none of the Purchased Securities may be resold except pursuant to a statutory exemption or a discretionary ruling issued by the securities commission in the Subscriber's province of residence**. **All Subscribers are advised to consult with their own legal advisors in this regard.** The Subscriber (on its own behalf and, [if applicable, on behalf of others for whom it is contracting hereunder] acknowledges that it has been advised to consult with its own legal advisors with respect to applicable resale restrictions and that it is solely responsible for complying with such restrictions (and the Issuer is not in any manner responsible for ensuring compliance by the Subscriber with such restrictions);

(p) the Subscriber is not a "non-resident" of Canada as that term is defined in the Tax Act;

(q) the Subscriber is able to bear the economic risk of loss of his entire investment and has the investment acumen to assess the securities being offered hereunder because of the Subscriber's net worth and investment experience;

(r) the Subscriber has had the opportunity to consult his own independent professional advisors with respect to all income tax consequences of purchasing the Offered Securities, including without limitation the suitability of investment in the Offered Securities for Deferred Plans;

(s) none of the Offered Securities are being purchased by the Subscriber with knowledge of any material fact about the Issuer that has not been generally disclosed;

(t) the Subscriber has had the opportunity to consult a professional advisor or a registered exempt market dealer about the merits of this investment and whether these Offered Securities are a suitable investment for the Subscriber;

(u) the Subscriber consents to the borrowing pursuant to the Founders Loan by LandCo from LuiCo and BC Co and the LandCo Loan by LandCo from the Issuer and hereby acknowledges that neither the Founders Loan or the LandCo Loan is in no way a breach of any fiduciary or other duties of the directors and officers of the Issuer or of GP Co and will not give rise to any obligations by LuiCo or

BC Co or its respective officers, directors or shareholders to account to the Issuer or the holders of Offered Securities for any profits made by LuiCo or BC Co from providing the Founders Loan;

(v) the Subscriber acknowledges that this is a risky investment and that the Subscriber could lose all the money invested;

(w) the Subscriber will have no rights with respect to the management and control of the Project. The Subscriber shall have no right to change the management of the General Partner or to influence the development of the Project. The Subscriber further agree and acknowledge that the General Partner has the full and unfettered authority and power to operate, manage, control and otherwise deal in all aspects of the Project without any legal recourse by the Subscriber; and

(x) all representations, warranties and covenants are made by the Subscriber with the intent that they be relied upon in determining the suitability of the Subscriber as a purchaser of the Purchased Securities and the Subscriber undertakes to immediately notify the Issuer of any change in any statement or other information relating to the Subscriber set forth in the Subscription Agreement which takes place prior to the closing time of the purchase and sale of the Purchased Securities.

B. <u>Offering Jurisdictions</u>

If the Subscriber is resident in, or are otherwise subject to the Securities Laws of the Offering Jurisdictions, then:

(a) the Subscriber is either:

(i) purchasing the Purchased Securities as principal for the Subscriber's own account and not for the benefit of any other person and knows that the Subscriber is purchasing the Purchased Securities pursuant to a NI 45-106 prospectus exemption; or

(ii) purchasing the Purchased Securities as agent for a beneficial principal disclosed on the execution page of this Subscription Agreement, and such agent is not an agent or trustee and each disclosed principal for whom such agent is acting has a NI 45-106 prospectus exemption available to the principal and is purchasing as principal for his/her/its own account, and not for the benefit of any other person;

(b) the provisions of paragraph (a) of this subsection 3B will be true and correct both as of the date of execution of this Agreement and as of the Closing Date;

(c) the Subscriber acknowledges and consents to the release by the Issuer of certain information regarding the subscription, including, without limitation, the Subscriber's name, address, telephone number and registration instructions, the number of Offered Securities purchased, the Subscriber's eligibility to purchase the Offered Securities under applicable securities legislation, and, if applicable, information regarding the beneficial ownership of the Subscriber or his or her principal, in compliance with the Securities Laws or as otherwise required by the law of the Issuer and for the purposes of arranging for the preparation of the certificates representing the Purchased Securities;

(d) the Subscriber has concurrently properly completed, executed and delivered a Form 45-106F4 in the form attached as **Exhibit 1** to this Subscription Agreement;

(e) if a resident in Alberta, Saskatchewan, New Brunswick, Nova Scotia, Ontario and Quebec, and **<u>only if</u>** an individual investor, has concurrently completed, executed and delivered *Schedule 1*, *Classification of Investors Under the Offering Memorandum Exemption,* with respect to eligibility of individual investors and *Schedule 2*, *Investment Limits for Investors Under the Offering Memorandum Exemption* with respect to investment limits of individual investors, attached to Exhibit 1, which are true and correct both as of the date of execution of this Subscription Agreement and as at Closing;

(f) if a resident in Manitoba, Northwest Territories, Nunavut or Yukon and the Subscription Amount exceeds $10,000, has concurrently properly completed, executed and delivered a Representation

Letter in the form attached as **Exhibit 2** to this Subscription Agreement and, if applicable, (a) if the Subscriber is an "accredited investor" has concurrently executed and delivered a Representation Letter in the form attached as **Schedule "A"** to this Subscription Agreement including Appendix "A" attached to Schedule "A"; or (b) if the Subscriber is a "close personal friend" or "close business associate" as defined herein, has concurrently executed and delivered a Representation Letter in the form attached hereto as **Schedule "B"** including Appendix "A" attached to Schedule "B", if applicable, and all of the representations therein are true and correct as of the date of execution of this Subscription Agreement and as at Closing; and

(g) the Subscriber has concurrently properly completed, executed and delivered a Risk Acknowledgement Form in the form attached as **Exhibit 3** to this Subscription Agreement, which the Issuer is relying upon in determining to sell securities of the Issuer to the Subscriber in a manner exempt from the registration requirements of the applicable securities laws, which form is true and correct both as of the date of execution of this Subscription Agreement and as at Closing.

C. <u>Power of Attorney</u>

In consideration of the Issuer accepting the subscription of the Subscriber and conditional thereon, the Subscriber hereby:

(a) agrees to be bound as a holder of Units, if purchasing Class A LP Units or on receipt of Class A LP Units upon conversion of the Participating Loan, in the Issuer by the terms of the Limited Partnership Agreement; and

(b) irrevocably nominates, constitutes and appoints the General Partner with full power of substitution as the Subscriber's true and lawful attorney and agent, with full power and authority in the name, place and stead of the Subscriber to, acknowledge, deliver, record and file as and where required and under seal or otherwise, the following:

(i) the Limited Partnership Agreement, the Certificate of Limited Partnership for the Issuer and any other instrument required to qualify, continue and keep the Issuer in good standing as a limited partnership in or otherwise to comply with the laws of any jurisdiction in which the Issuer offers Units for sale, or may carry on business or own or lease property or in order to maintain the limited liability of the Limited Partners and to comply with the applicable laws of such jurisdiction (including such amendments to the Register or the Certificate as may be necessary to reflect the admission to the Issuer of any Limited Partner or the assignment or transfer of a Unit);

(ii) any amendment to the Limited Partnership Agreement and any instrument and any amendment to the Register of Limited Partners of the Issuer or the Certificate of Limited Partnership of the Issuer necessary to reflect the Limited Partnership Agreement or the terms of any amendment to the Limited Parnership Agreement;

(iii) any instrument required in connection with the dissolution and termination of the Issuer;

(iv) any assignment or transfer of a Unit pursuant to Limited Partnership Agreement;

(v) any instrument required in connection with any election or filing that may be made under the Income Tax Act or other fiscal or taxation legislation of any jurisdiction applicable to the Issuer or the Limited Partners;

(vi) on behalf of the Issuer, any document as may be deemed necessary or advisable by the General Partner in connection with carrying on the business of the Issuer or to carry out fully the provisions of the Limited Partnership Agreement, including any instrument required by a governmental body in connection with the Issuer or the business of the Issuer; and

(vii) on behalf of the Issuer, any agreement, document or instrument in connection with the business of the Issuer including, without limitation, any deed or transfer of title to or an interest in the business of the Issuer and any note, deed of trust or mortgage or other instrument of security or encumbrance charging title to or an interest in the business of the Issuer.

The powers of attorney granted above are irrevocable, are powers coupled with an interest, shall survive the death, disability, incapacity, insolvency or other legal incapacity of the Subscriber and shall survive the assignment, by the Subscriber of the whole or any part of the interest of the Subscriber in the Issuer, and extends to the heirs, executors, administrators, successors and permitted assigns of the Subscriber and may be exercised by the Issuer on behalf of the Subscriber in executing any instrument by listing thereon or referring to all of the holders of Units of the Issuer executing such instrument, or otherwise indicating that it is executing such instrument on behalf of all of them, with a single signature as attorney and agent for all of them.

The Subscriber hereby agrees to be bound by any representations and actions made or taken in good faith by the Issuer pursuant to the above power of attorney in accordance with the terms hereof and waives any right of action or claim he may have against the Issuer and waives any and all defenses which may be available to him to contest, negate or disaffirm any action of the Issuer taken in good faith under such power of attorney.

4 Legends

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

"Unless permitted under securities legislation, the holder of this security must not trade the security before the date that is four (4) months and a day after the later of (i) [date of distribution], and (ii) the date that the Issuer became a reporting issuer in any province or territory of Canada."

5 Representations and Warranties of the Issuer

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

(a) the Issuer has been duly formed and organized, and is a valid and subsisting Issuer, under the laws of the Province of British Columbia;

(b) the Issuer, has the full corporate right, power and authority to execute and deliver this Agreement and to authorize the issuance of the Offered Securities to the Subscriber;

(c) all necessary partnership action will have been taken by the relevant Closing Date to authorize the issue and sale of, and the delivery of certificates representing the Purchased Securities. In the case of Units, upon payment of the requisite consideration for the Units, the Units will be validly issued as fully paid and non-assessable;

(d) this Agreement constitutes a binding obligation of the Issuer enforceable in accordance with its terms; and

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

6 Closing

The Closing of the Offered Securities will be completed at the offices of Parlee McLaws LLP in Edmonton, Alberta at 4:00 p.m. (local time) (the "Closing Time"), on such time as may determined by the Issuer.

7 Required Documents

The Subscriber agrees to deliver to the Issuer prior to the Closing Date:

(a) a duly completed and signed Subscription Agreement; and

(b) a Form 45-106F4 attached as **Exhibit 1** hereto; and

(c) if a resident in Alberta, Saskatchewan, New Brunswick, Nova Scotia, Ontario and Quebec, and **only if** an individual investor, has concurrently completed, executed and delivered *Schedule 1, Classification of Investors Under the Offering Memorandum Exemption,* with respect to eligibility of individual investors and *Schedule 2, Investment Limits for Investors Under the Offering Memorandum Exemption* with respect to investment limits of individual investors, attached to Exhibit 1, which are true and correct both as of the date of execution of this Subscription Agreement; or

(d) if a resident in Manitoba, Northwest Territories, Nunavut or Yukon and the Subscription Amount exceeds $10,000, a completed **Exhibit 2** and, if applicable, the Representation Letter as follows:

(A) in the case of a Subscriber who is an "accredited investor" a fully completed and duly executed Representation Letter, in the form of Schedule "A" attached to Exhibit 2 hereto including Appendix "A" attached to Schedule "A"; or

(B) in the case of a Subscriber who is a "close personal friend" or "close business associate" as defined herein, a fully executed and completed Representation Letter in the form attached as Schedule "B" including Appendix "A" attached to Schedule "B" (if applicable); and

(e) a completed and duly signed Risk Acknowledgement Form in the form attached as **Exhibit 3**; and

(f) a certified cheque, bank draft or money order in an amount equal to the Subscription Amount, payable as follows:

(A) for Subscribers on a cash basis (i.e., non registered and deferred plans), payment is payable to "Western Pacific Trust Company, in trust"; or

(B) for Subscribers of registered and deferred plans purchase, payment is payable from the Subscriber's own self-administered account at Western Pacific Trust Company, or from such other self-administered account; and

(g) any other documents required by applicable securities laws which the Issuer may request.

8 General Terms

The following general terms shall also apply to this Subscription Agreement:

(a) this Subscription Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein;

(b) this Agreement shall be subject to the approval of all securities and regulatory authorities having jurisdiction;

(c) the Issuer will have the right to accept or reject the Subscriber's subscription in whole or in part at any time prior to Closing. Notwithstanding the foregoing, the Subscriber acknowledges and agrees that the acceptance of this Agreement will be conditional, among other things, upon the sale of the Offered Securities to the Subscriber being exempt from any prospectus requirements of applicable Securities Laws;

(d) this Agreement may be executed in several counterparts each of which when so executed shall be deemed to be an original, and such counterparts shall constitute one and the same instrument and notwithstanding the date of execution shall be deemed to bear date as of the date of this Agreement. This Agreement shall be considered properly executed by any party if executed and transmitted by facsimile or executed, scanned and sent by electronic mail to the other party or its solicitors and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart;

(e) the Subscriber agrees that the Issuer will not be liable for any misrepresentation if the Subscriber purchased Offered Securities with knowledge of the misrepresentation; and in any event, in an action for damages, the Issuer is not liable for all or any portion of such damages that do not represent the depreciation in value of Purchased Securities as a result of the misrepresentation relied upon;

(f) the Subscriber agrees that in no case shall the Issuer be liable for the amount recoverable as a result of a breach of the representations and warranties in this Agreement in excess of the price at which Purchased Securities were sold to the Subscriber;

(g) this Agreement represents the entire agreement of the parties hereto relating to the subject matter hereof and there are no representations, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein;

(h) the Subscriber hereby consents to the collection, use and disclosure by the Issuer and its authorized agents and representatives of the Subscriber's personal information set forth herein ("Personal Information") to enable the Issuer to fulfill its regulatory and reporting requirements and recognizes that this disclosure may result in the disclosure of some or all of the Personal Information becoming public information and, without limiting the foregoing, consents to the disclosure of such Personal Information to the Issuer's authorized agents and representatives; securities commissions and/or other regulatory agencies in any jurisdiction in which the rules and requirements of such body may require such reporting; or as may be required or permitted by law;

(i) in order to permit the Issuer to comply with the requirements of Personal Information Protection and Electronic Documents (Canada) ("**PIPEDA**"), the Subscriber expressly consents to the disclosure by the Issuer in any submission or filing that the Issuer may be required to make with any applicable regulatory authority of any Personal Information;

(j) the funds representing the aggregate Subscription Amount which will be advanced by the Subscriber to the Issuer hereunder will not represent proceeds of crime for the purposes of the Proceeds of Crime (Money Laundering) Act (Canada) (the "PCMLA") and the Subscriber, acknowledges that the Issuer may in the future be required by law to disclose the name of the Subscriber and other information relating to this Subscription Agreement and the subscription of the Subscriber hereunder, on a confidential basis, pursuant to the PCMLA. To the best of its knowledge (i) none of the subscription funds to be provided by the Subscriber: (A) have been or will be derived from or related to any activity that is deemed criminal under the law of Canada, the United States of America, or any other jurisdiction; or (B) are being tendered on behalf of a person or entity who has not been identified to the Subscriber; and (ii) it shall promptly notify the Issuer if the Subscriber discovers that any of such representations ceases to be true, and provide the Issuer with appropriate information in connection therewith;

(k) should the Subscriber's subscription payment be submitted to the Issuer's lawyers, in trust or otherwise, then the Subscriber agrees that the solicitors shall have no accountability to the

Subscriber whatsoever, and acknowledges that the solicitors are merely recipients for the Issuer and have no solicitor's obligations of any nature to the Subscriber. The Subscriber agrees that submission of the payment to the solicitors in trust is to be deposited into the trust account of the Issuer and shall be the property of the Issuer at that point. The only duty the solicitors shall have to the Subscriber is to deliver the subscription agreement (as delivered) and the subscription monies to the Issuer, all solely at the Issuer's instruction, and the solicitors shall require no further instruction from the Subscriber in order to deliver the same to the Issuer. Under no circumstances shall the Issuer's solicitors be considered to be giving legal or other advice or services to the Subscriber and no communication between the Subscriber and such solicitors shall be considered advice (at the most only administrative subscription assistance on behalf of the Issuer) but the Subscriber shall rely solely and exclusively on his own judgment and the advice of his own counsel;

(l) time is of the essence hereof;

(m) this Subscription Agreement represents the entire agreement of the parties hereto relating to the subject matter hereof and there are no representations, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein;

(n) the covenants, representations and warranties contained herein shall survive the closing of the transactions contemplated hereby;

(o) in this Subscription Agreement (including attachments), references to "$" or "Cdn. $" are to Canadian dollars; and

(p) any defined terms used in this Subscription Agreement which is defined herein shall bear the same meaning as that term is used in the Offering Memorandum unless otherwise defined herein.

EXHIBIT 1

FORM 45-106F4

Risk Acknowledgement

I acknowledge that this is a risky investment.

I am investing entirely at my own risk.

No securities regulatory authority has evaluated or endorsed the merits of these securities or the disclosure in the offering memorandum.

The person selling me these securities is not registered with a securities regulatory authority and has no duty to tell me whether this investment is suitable for me.

I will not be able to sell these securities except in very limited circumstances. I may never be able to sell these securities.

I could lose all the money I invest.

I am investing $_____ [total consideration] in total; this includes any amount I am obliged to pay in future. Yorkton Place Limited Partnership will pay $_____ of this to certain selling agents as a fee or commission.

I acknowledge that this is a risky investment and that I could lose all the money I invest.

Date	Signature of Subscriber
	Print name of Subscriber

Sign 2 copies of this document. Keep one copy for your records.

[INDIVIDUAL INVESTORS OF ALBERTA, SASKATCHEWAN, NEW BRUNSWICK, NOVA SCOTIA, ONTARIO AND QUEBEC MUST ALSO COMPLETE SCHEDULE "1" AND SCHEDULE "2" ATTACHED TO THIS EXHIBIT "1" (PAGES 21 TO 25). YOU ARE NOT REQUIRED TO COMPLETE THIS FORM IF YOU ARE A RESIDENT OF BRITISH COLUMBIA, MANITOBA, NORTHWEST TERRITORIES, NUNAVUT, OR YUKON.]

You have 2 business days to cancel your purchase.

To do so, send a written notice to Yorkton Place Limited Partnership stating that you want to cancel your purchase. You must send the notice before midnight on the 2nd business day after you sign the agreement to purchase the securities. You can send the notice by fax or e-mail or deliver it in person to Yorkton Place Limited Partnership at its business address. Keep a copy of the notice for your records.

Issuer Name and Address: YORKTON PLACE LIMITED PARTNERSHIP
2430, 10180 – 101 Street
Edmonton, Alberta, Canada T5J 3S4
Phone: 780-409-8228
Fax: 780-409-9228
Email: reg@yorktongroup.com

You are buying Exempt Market Securities

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

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

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

You will receive an offering memorandum

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

You will not receive advice.

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

The securities you are buying are not listed.

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

The issuer of your securities is a non-reporting issuer.

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

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

Alberta Securities Commission
4th Floor, Stock Exchange Tower
300— 5th Avenue S.W., Calgary, Alberta T2P 3C4
Phone: (403) 297-6454 www.albertasecurities.com

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

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

Saskatchewan Securities Commission
800—1920 Broad Street Regina, Saskatchewan S4P 3V7
Phone: (306) 787-5645

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

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

Government of Nunavut
Department of Justice Legal Registries Division
P.O. Box 1000— Station 570
1st Floor, Brown Building
Iqualuit, Nunavut XOA OHO
Phone: (867) 975-6190; Fax: (867) 975-6194

The Subscriber must sign 2 copies of this form. The Subscriber and the Issuer must each receive a signed copy.

Schedule 1

(For Individual Investors of Alberta, Saskatchewan, New Brunswick, Nova Scotia, Ontario and Quebec)

Classification of Investors Under the Offering memorandum Exemption

Instructions: This schedule must be completed together with the Risk Acknowledgement Form (Exhibit 1) and Schedule 2 by individuals purchasing securities under the exemption (the offering memorandum exemption) in subsection 2.9(2.1) of National Instrument 45-106 *Prospectus Exemptions* (NI 45-106) in Alberta, Saskatchewan, New Brunswick, Nova Scotia, Ontario and Quebec.

How you qualify to buy securities under the offering memorandum exemption
Initial the statement under A, B, C or D containing the criteria that applies to you. (You may initial more than one statement.) If you initial a statement under B or C, you are not required to complete A.

A. You are an eligible investor because:		**Your initials**
Eligible Investor	Your net income before taxes was more than $75,000 in each of the 2 most recent calendar years, and you expect it to be more than $75,000 in this current calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Your net income before taxes combined with your spouse's was more than $125,000 in each of the 2 most recent calendar years, and you expect your combined net income to be more than $125,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Either alone or with your spouse, you have net assets worth more than $400,000. (Your net assets are your total assets, including real estate, minus your total debt including any mortgage on your property.)	

B. You are an eligible investor, as a person described in section 2.3 [*Accredited investor*] of NI 45-106, or, as applicable in Ontario, subsection 7.3(3) of the *Securities Act* (Ontario), because:		**Your initials**
Accredited Investor	Your net income before taxes was more than $200,000 in each of the 2 most recent calendar years, and you expect it to be more than $200,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Your net income before taxes combined with your spouse's was more than $300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than $300,000 in the current calendar year.	
	Either alone or with your spouse, you own more than $1 million in cash and securities, after subtracting any debt related to the cash and securities.	
	Either alone or with your spouse, you have net assets worth more than $5 million. (Your net assets are your total assets (including real estate) minus your total debt.)	

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

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

Schedule 2

(For Individual Investors of Alberta, Saskatchewan, New Brunswick, Nova Scotia, Ontario and Quebec)

Investment Limits for Investors Under the Offering Memorandum Exemption

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

SECTION 1 TO BE COMPLETED BY THE PURCHASER
1. Investment limits you are subject to when purchasing securities under the offering memorandum exemption
You may be subject to annual investment limits that apply to all securities acquired under the offering memorandum exemption in a 12 month period, depending on the criteria under which you qualify as identified in Schedule 1. Initial the statement that applies to you.

A. You are an eligible investor because:		**Your initials**
Eligible Investor	As an eligible investor that is an individual, you cannot invest more than **$30,000** in all offering memorandum exemption investments made in the previous 12 months, unless you have received advice from a portfolio manager, investment dealer or exempt market dealer, as identified in section 2 of this schedule, that your investment is suitable. Initial one of the following statements:	
	You confirm that, after taking into account your investment of $_____ today in this issuer, you have not exceeded your investment limit of $30,000 in all offering memorandum exemption investments made in the previous 12 months.	
	You confirm that you have received advise from a portfolio manager, investment dealer or exempt market dealer, as identified in section 2 of this schedule that the following investment is suitable. You confirm that, after taking into account your investment of $_____ today in this issuer, you have not exceeded your investment limit in all offering memorandum exemption investments made in the previous 12 months of $100,000.	

B. You are an eligible investor, as a person described in section 2.3 [*Accredited investor*] of NI 45-106, or, as applicable in Ontario, subsection 7.3(3) of the *Securities Act* (Ontario), because:		**Your initials**
Accredited Investor	You acknowledge that, by qualifying as an eligible investor as a person described in section 2.3 [*Accredited investor*], you are not subject to investment limits.	

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

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

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

EXHIBIT 2

(For Manitoba, Northwest Territories, Nunavut and Yukon Residents)

ELIGIBLE INVESTOR DECLARATION - MUST SIGN IF SUBSCRIBER'S AGGREGATE ACQUISITION COST EXCEEDS $10,000

TO: YORKTON PLACE LIMITED PARTNERSHIP (the "Issuer")

DECLARATION

The undersigned DECLARES THAT:

1. The undersigned is a resident of or otherwise subject to the applicable securities laws of the Class A LP Units of the Issuer and/or the Participating Loan and is making the purchase in the Offered Securities as proposed in this Subscription Agreement with full knowledge that such a transaction should be considered speculative and is subject to numerous risk factors.

2. The undersigned is an eligible investor (as noted below) and the following is applicable to the undersigned:

(Note: Subscriber must check off and initial beside each applicable category below)

_____ (a) my net assets, either alone or with my spouse's, exceeds $400,000; or

_____ (b) my net income before taxes exceeded $75,000 in each of the two most recent calendar years and I reasonably expect to exceed that income level in the current calendar year; or

_____ (c) my net income before taxes combined with that of my spouse has exceeded $125,000 in each of the two most recent calendar years and I reasonably expect to exceed that income level in the current calendar year; or

_____ (d) the undersigned is a person of which a majority of the voting securities are beneficially owned by eligible investors or a majority of the directors are eligible investors; or

_____ (e) the undersigned is a general partnership in which all of the partners are eligible investors; or

_____ (f) the undersigned is a corporation in which the majority of the general partners are eligible investors; or

_____ (g) the undersigned is a trust or estate in which all of the beneficiaries or a majority of the trustees or executors are eligible investors; or

_____ (h) the undersigned is an "accredited investor" as such term is defined in NI 45-106 and has concurrently executed and delivered a Representation Letter in the form attached as **Schedule A** to this Agreement; or

_____ (i) the undersigned is a family, friend or business associate as described in section 2.5 of NI 45-106 and has concurrently executed and delivered a Representation Letter in the form attached as **Schedule B** to this Agreement; or

_____ (j) the undersigned is a person that has obtained advice regarding the suitability of the investment and, if the person is resident in a jurisdiction of Canada, that advice has been obtained from an eligibility adviser (as defined in the Agreement) and the name of such eligibility adviser is (1)_____ of (2)_____

((1) Name of and (2) trade name/company name if any, of the undersigned's eligibility adviser)

For the purposes hereof:

(a) "**person**" includes

(i) an individual;

(ii) a corporation;

(iii) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not; and

(iv) an individual or other person in that person's capacity as a trustee, executor, administrator or other legal representative.

(b) "**spouse**" means an individual who

(i) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual; or

(ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship of individuals of the same gender; or

(iii) in Alberta, is an individual referred to in paragraph (i) or (ii) or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta).

3. The undersigned makes this Declaration knowing that failure to meet any one of the requirements set out above will invalidate the undersigned's subscription for the Class A LP Units of the Issuer/and or the Participating Loan made pursuant to the Subscription Agreement.

AND the undersigned makes this declaration, conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath.

DATED the _____ day of _____, 20_____.

SIGNED, SEALED AND DELIVERED)
in the presence of:)
)

_____)
WITNESS)

_____)
NAME (please print))

_____
SIGNATURE OF INDIVIDUAL PURCHASER

_____
NAME (please print)

-OR-

_____
CORPORATE PURCHASER NAME (please print)

per _____
Signature of Officer/Director

Schedule "A"
to Exhibit 2

REPRESENTATION LETTER

(FOR ACCREDITED INVESTORS)

TO: YORKTON PLACE LIMITED PARTNERSHIP (the "Issuer")

In connection with the purchase of the Class A LP Units of the Issuer and/or the Participating Loan (the "**Offered Securities**") by the undersigned subscriber or, if applicable, the principal on whose behalf the undersigned is purchasing as agent (the "**Subscriber**" for the purposes of this Schedule "A"), the Subscriber hereby represents, warrants, covenants and certifies to the Issuer (and acknowledges that the Issuer and its counsel are relying thereof) that:

1. The Subscriber is resident in the Offering Jurisdiction and such address was not created and is not used solely for the purpose of acquiring the Offered Securities;

2. The Subscriber, unless it is a person or company described in paragraph (q) in the attached Appendix "A" that is deemed pursuant to the provisions of section 2.3(5) of National Instrument 45-106 entitled "Prospectus and Registration Exemptions" to be purchasing as principal, is purchasing the Offered Securities as principal for its own account;

3. The Subscriber is an "accredited investor" within the meaning of National Instrument 45-106 entitled "Prospectus and Registration Exemptions" by virtue of satisfying the indicated criterion as set out in Appendix "A" to this Representation Letter; and

4. Upon execution of this Schedule "A" by the Subscriber, this Schedule "A" shall be incorporated into and form a part of the Subscription Agreement.

Dated: _____.

_____
Print name of Subscriber

By: _____
Signature

_____
Print name of Signatory (if different from Subscriber)

_____
Title

IMPORTANT: PLEASE INITIAL THE APPROPRIATE PARAGRAPH(S) ON APPENDIX "A"

APPENDIX "A"
to Schedule A to Exhibit 2

Accredited Investor - (defined in NI 45-106) means:

_____ (a) a Canadian financial institution or a Schedule III Bank; or

_____ (b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or

_____ (c) a subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary; or

_____ (d) a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer, other than a person registered solely as a limited market dealer under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador); or

_____ (e) an individual registered or formerly registered under the securities legislation of a jurisdiction of Canada, as a representative of a person or company referred to in paragraph (d); or

_____ (f) the Government of Canada or a jurisdiction of Canada, or any crown Issuer, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada; or

_____ (g) a municipality, public board or commission in Canada and a metropolitan community, school board, Comité de gestion de la taxe scolaire de l'île de Montreal or an intermunicipal management board in Québec; or

_____ (h) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government; or

_____ (i) a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a pension commission or similar regulatory authority of a jurisdiction of Canada; or

_____ (j) an individual who, either alone or with a spouse, beneficially owns, directly or indirectly, financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds $1,000,000; or

_____ (k) an individual whose net income before taxes exceeded $200,000 in each of the 2 most recent calendar years or whose net income before taxes combined with that of a spouse exceeded $300,000 in each of the 2 most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year; or

_____ (l) an individual who, either alone or with a spouse, has net assets of at least $5,000,000; or

_____ (m) a person, other than an individual or investment fund that has net assets of at least $5,000,000 as shown on its most recently prepared financial statements and such person was not created or used solely to purchase or hold securities as an "accredited investor"; or

_____ (n) an investment fund that distributes or has distributed its securities only to:

(i) a person that is or was an accredited investor at the time of the distribution;

(ii) a person that acquires or acquired securities in the circumstances referred to in sections 2.10 and 2.19 of NI 45-106; or

(iii) a person described in paragraph (n)(i) or (ii) that acquires or acquired securities under section 2.18 of NI 45-106; or

_____ (o) an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator, or in Québec, the securities regulatory authority, has issued a receipt; or

_____ (p) a trust company or trust Issuer registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust Issuer, as the case may be; or

_____ (q) a person acting on behalf of a fully managed account managed by that person, if that person

(i) is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction; and

(ii) in Ontario, is purchasing a security that is not a security of an investment fund; or

_____ (r) a registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded; or

_____ (s) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function; or

_____ (t) a person in respect of which all of the owners of interests, direct, indirect, or beneficial, except the voting securities required by law to be owned by directors, are persons that are "accredited investors" (as defined in NI 45-106); or

_____ (u) an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser; or

_____ (v) a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as

(i) an "accredited investor" (as defined in NI 45-106); or

(ii) an exempt purchaser in Alberta or British Columbia.

NOTE: The investor must initial beside the applicable portion of the above definition.

For the purposes hereof:

(a) "**bank**" means a bank named in Schedule I or II of the *Bank Act* (Canada);

(b) "**Canadian financial institution**" means

(i) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act; or

(ii) a bank, loan Issuer, trust company, trust Issuer, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

(c) "**control person**" means

(i) for Alberta, any person that holds or is one of a combination of persons that holds

(A) a sufficient number of any of the securities of an issuer so as to affect materially the control of the issuer, or

(B) more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holding of those securities does not affect materially the control of the issuer;

(i) for British Columbia,

(A) a person who holds a sufficient number of the voting rights attached to all outstanding voting securities of an issuer to affect materially the control of the issuer, or

(B) each person in a combination of persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, which holds in total a sufficient number of the voting rights attached to all outstanding voting securities of an issuer to affect materially the control of the issuer,

(C) and, if a person or combination of persons holds more than 20% of the voting rights attached to all outstanding voting securities of an issuer, the person or combination of persons is deemed, in the absence of evidence to the contrary, to hold a sufficient number of the voting rights to affect materially the control of the issuer; and

(d) "**director**" means

(i) a member of the board of directors of a company or an individual who performs similar functions for a company, and

(ii) with respect to a person that is not an company, an individual who performs functions similar to that of a director of a company;

(e) **"eligibility adviser"** means a person that is registered as an investment dealer or in an equivalent category of registration under the securities legislation of the jurisdiction of a purchaser and authorized to give advice with respect to the type of security being distributed;

(f) "**EVCC**" means an employee venture capital Issuer that does not have a restricted constitution and is registered under Part 2 of the *Employee Investment Act* (British Columbia), R.S.B.C. 1996 c. 112, and whose business objective is making multiple investments;

(g) "**financial assets**" means

(i) cash;

(ii) securities; or

(iii) a contract of insurance, a deposit or evidence of a deposit that is not a security for the purposes of securities legislation;

(h) "**foreign jurisdiction**" means a country other than Canada or a political subdivision of a country other than Canada;

(i) "**fully managed account**" means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client's express consent to a transaction;

(j) "**jurisdiction**" means a province or territory of Canada except when used in the term "foreign jurisdiction";

(k) "**individual**" means

(i) for Alberta, a natural person, but does not include

(A) a partnership, unincorporated association, unincorporated syndicate, unincorporated organization or a trust, or

(B) a natural person in the person's capacity as trustee, executor, administrator or other legal representative;

(ii) for British Columbia, a natural person, but does not include

(A) a partnership, unincorporated association, unincorporated syndicate, unincorporated organization or a trust, or

(B) a natural person in the person's capacity as trustee, executor, administrator or personal or other legal representative;

(l) "**investment fund**" means a mutual fund or a non-redeemable investment fund, and, for greater certainty in British Columbia, includes an EVCC and a VCC;

(m) "**non-redeemable investment fund**" means an issuer,

(i) whose primary purpose is to invest money provided by its security holders,

(ii) that does not invest,

(A) for the purpose of exercising or seeking to exercise control of an issuer, other than an issuer that is a mutual fund or a non-redeemable investment fund, or

(B) for the purpose of being actively involved in the management of any issuer in which it invests, other than an issuer that is a mutual fund or a non-redeemable investment fund, and

(iii) that is not a mutual fund;

(n) "**person**" includes

(i) an individual;

(ii) a corporation;

(iii) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not; and

(iv) an individual or other person in that person's capacity as a trustee, executor, administrator or other legal representative;

(o) "**related liabilities**" means

(i) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets; or

(ii) liabilities that are secured by financial assets;

(p) "**Schedule III bank**" means an authorized foreign bank named in Schedule III of the *Bank Act* (Canada):

(q) "**securities legislation**" means

(i) for Alberta, the *Securities Act* (Alberta) and the regulations and rules under such Act and the blanket rulings and orders issued by the Alberta Securities Commission;

(ii) for British Columbia, the *Securities Act* (British Columbia) and the regulations, rules and forms under such Act and the blanket rulings and orders issued by the British Columbia Securities Commission; and

(iii) for other Canadian jurisdictions, such other statutes and instruments as are listed in Appendix B of National Instrument 14-101 – *Definitions*;

(r) "**securities regulatory authority**" means

(i) for Alberta, the Alberta Securities Commission;

(ii) for British Columbia, the British Columbia Securities Commission; and

(iii) for other Canadian jurisdictions, means the securities regulatory authority as listed in Appendix C of National Instrument 14-101 – *Definitions*;

(s) "**spouse**" means an individual who

(i) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual; or

(ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship of individuals of the same gender; or

(iii) in Alberta, is an individual referred to in paragraph (i) or (ii) or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta);

(t) "**subsidiary**" means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary; and

(u) "**VCC**" means a venture capital Issuer registered under Part 1 of the *Small Business Venture Capital Act* (British Columbia), R.S.B.C. 1996 c. 429 whose business objective is making multiple investments.

Meaning of Control:

A person ("first person") is considered to "**control**" another person ("second person") if:

(i) the first person, directly or indirectly, beneficially owns or exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation; or

(ii) the second person is a partnership, other than a corporation, and the first person holds more than 50% of the interests of the partnership; or

(iii) the second person is a corporation and the general partner of the Issuer is the first person.

Schedule "B"
to Exhibit 2

REPRESENTATION LETTER

(FAMILY, CLOSE PERSONAL FRIEND OR CLOSE BUSINESS ASSOCIATE)

TO: YORKTON PLACE LIMITED PARTNERSHIP (the "Issuer")

In connection with the purchase of the Class A LP Units of the Issuer and/or the Participating Loan by the undersigned subscriber or, if applicable, the principal on whose behalf the undersigned is purchasing as agent (the "**Subscriber**" for the purposes of this Schedule "B" to Exhibit 2), the Subscriber hereby represents, warrants, covenants and certifies to the Issuer (and acknowledges that the Issuer and its counsel are relying thereof) that:

1. The Subscriber is one of the following and has so indicated by initialing the applicable paragraph:

_____ (I) a director, executive officer or control person of the Issuer, or of an affiliate of the Issuer; or

_____ (I) a "spouse" (within the meaning of that expression as used in the applicable securities laws), parent, grandparent, brother, sister, child or grandchild of a director, executive officer or control person of the Issuer, or of an affiliate of the Issuer; or

_____ (II) a parent, grandparent, brother, sister, child or grandchild of the spouse of a director, executive officer or control person of the Issuer or of an affiliate of the Issuer; or

_____ (III) a "close personal friend" (as defined below) of a director, executive officer or control person of the Issuer, or of an affiliate of the Issuer, and, has concurrently executed and delivered a Close Personal Friend and/or Business Associate Questionnaire in the form attached as Appendix A; or

_____ (IV) a "close business associate" (as defined below) of a director, executive officer or control person of the Issuer, or of an affiliate of the Issuer, and, has concurrently executed and delivered a Close Personal Friend and/or Business Associate Questionnaire in the form attached as Appendix A; or

_____ (V) a founder of the Issuer or a spouse, parent, grandparent, brother, sister, child, grandchild, close personal friend or close business associate of a founder of the Issuer; or

_____ (VI) a parent, grandparent, brother, sister, child, grandchild of a spouse of a founder of the Issuer; or

_____ (VII) a person or company of which a majority of the voting securities are beneficially owned by, or a majority of directors are, persons or companies described in subparagraphs (I) through (VII) above; or

_____ (VIII) a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are persons or companies described in subparagraphs (I) through (VII) above; or

2. Upon execution of this Schedule "B" by the Subscriber, this Schedule "B" attached to Exhibit 2 shall be incorporated into and form a part of the Subscription Agreement.

Dated: _____, 20_____

_____
Print Name of Subscriber

_____
Signature

_____
Name of Subscriber or Authorized Representative (Please Print)

_____
Title (if applicable)

INTERPRETATION

For the purposes of this Schedule "B":

A **"close personal friend"** of a director, executive officer, founder or control person of the Issuer is an individual who knows the director, executive officer, founder or control person well enough and has known them for a sufficient period of time to be in a position to assess their capabilities and trustworthiness. The term "close personal friend" can include a family member who is not already specifically identified in the exemptions if the family member satisfies the criteria described above. The relationship between the individual and the director, executive officer, founder or control person must be direct. For example the exemption is not available to a close personal friend of a close personal friend of a director of the Issuer. An individual is not a close personal friend solely because the individual is a relative, a member of the same organization, association or religious group, or a client, customer, former client or former customer.

A **"close business associate"** is an individual who has had sufficient prior business dealings with a director, executive officer, founder or control person of the Issuer to be in a position to assess their capabilities and trustworthiness. An individual is not a close business associate solely because the individual is a member of the same organization, association or religious group, or a client, customer, former client or former customer. The relationship between the individual and the director, executive officer, founder or control person must be direct. For example, the exemption is not available for a close business associate of a close business associate of a director of the Issuer. A close business associate must be a natural person and does not include a partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, Issuer, or a natural person in the person's capacity as trustee, executor, administrator, or personal or other legal representative.

An **"affiliate"** means a Company that is affiliated with another Company as described below.

A Company is an "affiliate" of another Company if:

(a) one of them is the subsidiary of the other, or

(b) each of them is controlled by the same person.

A Company is “controlled” by a person if:

(a) more than 50% of the voting securities of the Company are held, other than by way of security only, by or for the benefit of that person, and

(a) the voting securities, if voted, entitle the person to elect a majority of the directors of the Company.

A person beneficially owns securities that are beneficially owned by:

(a) a Company controlled by that person, or

(b) an affiliate of that person or an affiliate of any Company controlled by that person.

IMPORTANT: PLEASE COMPLETE APPENDIX "A" ATTACHED HERETO, IF APPLICABLE

APPENDIX "A"
to Schedule B to Exhibit 2

CLOSE PERSONAL FRIEND AND/OR CLOSE BUSINESS ASSOCIATE QUESTIONNAIRE

TO: YORKTON PLACE LIMITED PARTNERSHIP (the "Issuer")

To be completed by Subscribers who are close personal friends and/or close business associates of Yorkton Place Limited Partnership

Name of director, executive officer, control person or founder:
Length of relationship:
Prior business dealings:
Details of relationship:

The undersigned understands that the Issuer is relying on this information in determining to sell securities of the Issuer to the undersigned in a manner exempt from the prospectus requirements of the applicable securities laws.

Upon execution of this Appendix "A" attached to Schedule "B" by the Subscriber, this Appendix "A" shall be incorporated into and form a part of the Subscription Agreement.

The undersigned has executed this Questionnaire as of the _____ day of _____, _____.

_____
Signature

_____
Name of Individual

EXHIBIT 3

RISK ACKNOWLEDGEMENT FORM

Registration Exemption for Trades in Connection with Certain Prospectus-Exempt Distributions

Name of Issuer: YORKTON PLACE LIMITED PARTNERSHIP

Name of Seller: YORKTON PLACE LIMITED PARTNERSHIP

I acknowledge that

- the person selling me these securities is not registered with a securities regulatory authority and is prohibited from telling me that this investment is suitable for me;
- the person selling me these securities does not act for me;
- this is a risky investment and I could lose all my money; and,
- I am investing entirely at my own risk.

_____ _____

Date Signature of Subscriber

_____

Print name of Subscriber

_____

Name of salesperson acting on behalf of seller

Sign two copies of this document. Keep one copy for your records.

National Instrument 45-106 *Prospectus and Registration Exemptions* may require you to sign an additional risk acknowledgement form.

If you want advice about the merits of this investment and whether these securities are a suitable investment for you, contact a registered adviser or dealer.

SCHEDULE “C” – PARTICIPATING LOAN AGREEMENT

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR (4) MONTHS AND A DAY AFTER THE LATER OF (i) _____ *[THE DATE OF ISSUANCE]*, AND (ii) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

NO. ____

YORKTON PLACE LIMITED PARTNERSHIP

(A partnership registered in British Columbia
by Certificate of Limited Partnership dated February 19, 2016)

$_____ PARTICIPATING CONVERTIBLE DEBENTURE
DUE ON THE MATURITY DATE

YORKTON PLACE LIMITED PARTNERSHIP (the "**Limited Partnership**") for value received hereby acknowledges itself indebted and, subject to the terms and conditions attached hereto (the "**Terms and Conditions**"), promises to pay to _____ of _____, _____ (the "**Debentureholder**"), on the Maturity Date, as defined herein, or on such earlier date as the principal amount hereof may become due in accordance with the Terms and Conditions, the principal amount of **_____ ($_____) DOLLARS** in lawful money of Canada on presentation and surrender of this Debenture at the office of the Limited Partnership, in like money, in arrears (less any tax required by law to be deducted, if applicable). Reference is hereby expressly made to the Terms and Conditions for a full description of the terms and conditions of this Debenture and the rights and remedies of the Debentureholder and of the Limited Partnership, all to the same effect as if the Terms and Conditions were herein set forth and to all of which provisions the Debentureholder, by acceptance hereof, assents. Capitalized terms not defined herein shall have the meanings ascribed to them in the Terms and Conditions.

A portion of the principal of this Debenture is convertible at the option of the Debentureholder, upon surrender of this Debenture at the office of the Limited Partnership, at any time prior to the Maturity Date into Class A LP Units of the Limited Partnership at the Conversion Price per Class A LP Unit, provided that such conversion would not result in the Debentureholder holding greater than ten percent (10%) of the total Class A LP Units issued and outstanding calculated immediately after such Closing and subscribed for pursuant to the Offering. Upon such conversion, the converted portion of the principal amount of the Debenture into Class A LP Units shall have the same rights as other Class A LP Units issued by the Limited Partnership. The Debentureholder, of the new Debenture in an aggregate principal amount equal to the unconverted portion of the principal amount of the Debenture so surrendered (the "**Remaining Debenture**") or the Debenture if unconverted, shall rank *pari passu* on a dollar for dollar basis whereby each dollar of principal of the Remaining Debenture or the Debenture, as applicable, shall be deemed to equal an equivalent dollar value of a Class A LP Unit(s). Each dollar of principal of Remaining Debenture or the Debenture, as applicable, shall be treated on the same *pari passu* basis as an issued and fully paid Class A LP Unit issued by the Limited Partnership in respect of distributions or dividends declared in favour of holders of Class A LP Units of record on and after the Date of Conversion. The Terms and Conditions make provision for the adjustment of the Conversion Price in the events therein specified.

This Debenture is designated as Participating Convertible Debentures, all of which rank equally without preference or priority, but which may vary as to date of issue and principal amount. In the event that the Limited Partnership earns any net profits after the payment of taxes by LandCo with respect to the Project on the Maturity Date and is able to fully repay the principal amount of the Debenture back to the Debentureholder, if any, depending on the financial performance of the Project, Interest shall be paid to the Debentureholder by way of a one-time payment of an amount of Interest representing the net profits after the payment of taxes by LandCo with respect to the Project

to Debentureholders on or after the Maturity Date pursuant to the Debentureholders' right to participate in the distribution of net profits after the payment of taxes by LandCo with respect to the Project in accordance with the Terms and Conditions of this Debenture, and provided only if the Interest or payment of an amount of Interest has not been cancelled or deemed to have been cancelled pursuant to the Terms and Conditions of this Debenture.

No fractional Class A LP Units will be issued on any conversion and any fractional unit will be rounded down to the nearest whole unit. The Debentureholder is not entitled to the issuance of any fractional unit or the payment of money in lieu of the issuance of such fractional unit.

This Debenture is not repayable prior to the Maturity Date and may not be repayable on or after the Maturity Date, and may be written down to zero as the case may be.

The principal hereof may become or be declared due and payable before the Maturity Date in the events, in the manner, with the effect and at the times provided in the Terms and Conditions.

This Debenture is subject to restrictions on transfer set out in the Terms and Conditions.

The Terms and Conditions contain provisions making binding upon all holders of Debentures resolutions passed at meetings of such holders held in accordance with such provisions and instruments signed by the holders of a specified majority of Debentures outstanding, which resolutions or instruments may have the effect of amending the terms of this Debenture or the Terms and Conditions.

Capitalized words or expressions used in this Debenture shall, unless otherwise defined herein, have the meaning ascribed thereto in the Terms and Conditions.

IN WITNESS WHEREOF YORKTON PLACE LIMITED PARTNERSHIP has caused this Debenture to be signed by its authorized representatives as of the _____ day of **_____,** 2016.

YORKTON PLACE GENERAL PARTNER LTD., in its capacity as General Partner on behalf of Yorkton Place Limited Partnership

Per: _____
BENNY (BEN) LUI, Director

ACKNOWLEDGED AND AGREED TO BY THE DEBENTUREHOLDER:

If the Debentureholder is an individual:

_____) _____
WITNESS) Name:

If the Debentureholder is a corporate entity:

_____

Per: _____
Name:
Title:

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TERMS AND CONDITIONS
OF PARTICIPATING CONVERTIBLE DEBENTURE

ARTICLE 1
INTERPRETATION

1.1 Definitions

In these Terms and Conditions and in the Debentures, unless there is something in the subject matter or context inconsistent therewith, the expressions following shall have the following meanings, namely:

(a) **"these Terms and Conditions", "hereto", "herein", "hereby", "hereunder", "hereof"** and similar expressions refer to these Terms and Conditions and not to any particular Article, Section, subsection, clause, subdivision or other portion hereof and include any and every instrument supplemental or ancillary hereto;

(b) **"BCA"** means the *Business Corporations Act* (British Columbia), SBC 2002, c 57;

(c) **"Business Day"** means any day other than a Saturday, Sunday or any other day that Banks in Calgary, Alberta are not generally open for business;

(d) **"Class B LP Units"** means a Class "B" voting limited partnership unit issued by the Limited Partnership;

(e) **"Conversion Price"** means $1.00 per Class A LP Unit;

(f) **"Date of Conversion"** has the meaning set out in Section 3.2;

(g) **"Debentureholders"** or **"Holders"** means the persons for the time being entered in the register of Debentures maintained by the Limited Partnership as registered holders of Debentures or any transferees of such persons by endorsement or delivery;

(h) **"Debentures" or "Participating Convertible Debentures"** means all of the unsecured Participating Convertible Debentures issued by the Limited Partnership, which at any time does not exceed twenty percent (20%) of the capital of the Limited Partnership, and for the time being outstanding, all of which rank equally but which may vary as to date of issue and principal amount, and "**Debenture**" **or "Participating Convertible Debenture"** means any one of such Debentures;

(i) "**First Amended and Restated Agreement of Limited Partnership**" means the first amended and restated agreement of limited partnership dated June 23, 2016 between the General Partner and Lui Holdings Corporation and 1054824 B.C. Ltd. as the initial Limited Partners, as amended from time to time;

(j) **"General Partner"** means Yorkton Place General Partner Ltd., a corporation incorporated under the BCA, the general partner acting on behalf of the Limited Partnership;

(k) "**IFRS**" means the International Financial Reporting Standards consistently applied;

(l) "**Interest**" has the meaning set out in Section 2.2;

(m) **"LandCo"** means Yorkton Place Development Corporation, a corporation incorporated under the BCA, which all Class "B" Shares are held by the General Partner and all Class

"A" Shares are held by the Limited Partnership. Title to the Lands is currently registered in the name of LandCo;

(n) **"Lands"** means, collectively, all of the land comprising the Project (as defined below), consisting of those lands more specifically set out in Schedule "A" hereto;

(o) **"Limited Partner"** means any person who has delivered a subscription agreement for the subscription of Units to the General Partner to subscribe for Class A LP Units which subscription agreement has been accepted by the General Partner, who has delivered to the Limited Partnership the initial investment and who has executed and delivered the Limited Partnership Agreement in counterpart;

(p) **"Limited Partnership"** means Yorkton Place Limited Partnership, a partnership registered in British Columbia under number LP681856 by Certificate of Limited Partnership dated February 23, 2016, as amended;

(q) **"Maturity Date"** means the date on which the Project is completed in all aspects, that being the date of the final financial statements taking into account the distribution of net profits after the payment of all taxes of the Project to all Unitholders and Debentureholders on a *pari passu* basis calculated dollar for dollar based on the initial amount invested for each Unitholder or Debentureholder regardless of having purchased Units or Debentures, and which date is not fixed and which may not occur which shall not constitute a default, an event of default or breach under the Debentures, howsoever caused;

(r) **"Maximum Offering"** means the subscription of 10,000,000 Units or $10,000,000 of Debentures, or a combination of Units and Debentures for aggregate gross proceeds of up to a combined total of $10,000,000, or such other Maximum Offering as may be decided by the Limited Partnership in its sole discretion;

(s) **"Offering"** means the offering of the Units and/or Debentures described herein or in any amendment hereto;

(t) **"Offering Memorandum"** means the confidential offering memorandum of the Limited Partnership dated June 29, 2016, including any amendments hereto;

(u) **"Original Limited Partnership Agreement"** or **"Agreement of Limited Partnership"** means the agreement of limited partnership dated February 19, 2016 between the General Partner and Lui Holdings Corporation and 1054824 B.C. Ltd. as the initial Limited Partners;

(v) **"Limited Partnership Agreement**" or **"Second Amended and Restated Agreement of Limited Partnership"** means the second amended and restated agreement of limited partnership dated June 28, 2016 between the General Partner and Lui Holdings Corporation and 1054824 B.C. Ltd. as the initial Limited Partners, as amended from time to time;

(w) **"Permitted Encumbrances"** means any one or more of the following with respect to the property and assets of the Limited Partnership:

(i) liens for taxes, assessments or governmental charges or levies not at the time due and delinquent or the validity of which are being contested in good faith by proper legal proceedings;

(ii) the lien of any judgment rendered or claim filed which is being contested in good faith by proper legal proceedings;

(iii) undetermined or inchoate liens and charges incidental to current operations which have not at such time been filed pursuant to law or which relate to obligations not due or delinquent;

(iv) security given to the Debentureholders; and

(v) any other encumbrances, liens, charges and mortgages that may be executed or granted by the Limited Partnership and approved in writing by the Debentureholder;

(x) **"Person"** includes an individual, corporation, company, partnership, joint venture, association, trust, trustee, unincorporated organization or government or any agency or political subdivision thereof;

(y) **"Project"** means LandCo's condominium project as described in Item 2 of the Offering Memorandum and all business of LandCo in respect thereto including: (i) acquiring the Lands; (ii) increasing the equity value of LandCo through rezoning and development; (iii) effecting the pre-sales and sales of condominium units; (iv) to buildout a free-standing pad site and a lease with a major bank; (v) to buildout a free-standing pad site and a lease with a major coffee facility**;** (vi) to buildout a pad site incorporating a lease with a liquor store; (vii) construction of residential condominium structure on the Lands in accordance with the approved zoning and architectural plans; and (vii) conducting any other business or activity incidental, ancillary or related thereto. Presently, two (2) offers to lease have been signed with LandCo with respect to the Lands. One offer to lease is with a major bank facility, and the other offer to lease is with a private liquor store. The two (2) offers to lease are conditional offers to lease, which may or may not materialize if any of the conditions therein are not fully met. All such lease arrangements are subject to change, and LandCo has the sole discretion and flexibility to change the tenant profile of the Project. The Project may be constructed and completed in a number of phases. The proposed development Project is approved for density in accordance with the current zoning allowances, and LandCo has applied for higher density with respect to the 6 storey mixed use retail/residential building within the 6 storey height limit;

(z) **"Unitholders"** means the Persons who are holders of Class A LP Units; and

(aa) **"Units"** or **"Class A LP Units"** means the Class "A" non-voting limited partnership unit issued by the Limited Partnership.

1.2 Meaning of "Outstanding"

Every Debenture executed and delivered by the Limited Partnership shall be deemed to be outstanding until it is cancelled or redeemed or delivered to the Limited Partnership for cancellation or redemption, provided that:

(a) Debentures which have been partially redeemed shall be deemed to be outstanding only to the extent of the unredeemed portion of the principal amount thereof;

(b) when a new Debenture has been issued in substitution for a Debenture which has been lost, stolen or destroyed, only one of such Debentures shall be counted for the purpose of determining the aggregate principal amount of Debentures outstanding; and

(c) for the purposes of any provision of these Terms and Conditions entitling holders of outstanding Debentures to vote, sign consents, requisitions or other instruments or take any other action under these Terms and Conditions, or to constitute a quorum of any meeting of

Debentureholders, Debentures owned directly or indirectly, legally or equitably, by the Limited Partnership shall be disregarded except that Debentures so owned which have been pledged in good faith other than to the Limited Partnership shall not be so disregarded if the pledgee has the right to vote such Debentures, sign consents, requisitions or other instruments or take such other actions in his discretion free from the control of the Limited Partnership.

1.3 Interpretation

In these Terms and Conditions:

(a) words importing the singular number or masculine gender shall include the plural number or the feminine or neuter genders, and vice versa; and

(b) words and terms denoting inclusiveness (such as "include" or "includes" or "including"), whether or not so stated, are not limited by and do not imply limitation of their context or the words or phrases which precede or succeed them.

1.4 Headings

The division of these Terms and Conditions into Articles and Sections, the provision of a Table of Contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of these Terms and Conditions or of the Debentures.

1.5 Day not a Business Day

In the event that any day on or before which any action required to be taken hereunder is not a Business Day, then such action shall be required to be taken on or before the requisite time on the next succeeding day that is a Business Day.

1.6 Applicable Law

These Terms and Conditions and the Debentures shall be construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein and shall be treated in all respects as Alberta contracts.

1.7 Monetary References

Whenever any amounts of money are referred to herein, such amounts shall be deemed to be in lawful money of Canada unless otherwise expressed.

1.8 Invalidity

Any provision hereof which is prohibited or unenforceable shall be ineffective only to the extent of such prohibition or unenforceability, without invalidating the remaining provisions hereof.

1.9 Language

Each of the parties hereto hereby acknowledges that it has consented to and requested that these Terms and Conditions and all documents relating thereto, including, without limiting the generality of the foregoing, the form of Debenture to which these Terms and Conditions are attached, be drawn up in the English language only.

1.10 Successors and Assigns

All covenants and agreements herein by the Limited Partnership shall bind its successors and assigns, whether expressed or not.

ARTICLE 2
THE DEBENTURES

2.1 Agreement to Cancellation and/or Write-Down of Principal and Interest

By subscribing for or otherwise acquiring the Debentures, the Debentureholder specifically agrees and acknowledges that the Limited Partnership may exercise the following powers with respect to the Debentures and the Debentureholder agrees to be irrevocably bound by, and continues to be deemed to be irrevocably bound by, and to consent to the Limited Partnership's exercising of such powers:

(a) The cancellation or deemed cancellation of Interest, including cancellation of Interest to zero, pursuant to Section 2.2;

(b) The writing-down of the claims for the payment of the principal amount of Debentures outstanding, including the writing-down of the principal amount to zero, pursuant to Section 2.5; and/or

(c) The cancellation and/or writing-down of any other amount in respect of the Debentures.

The Debentureholder specifically agrees and acknowledges that the exercise or imposition of any foregoing action shall not constitute a default, an event of default or breach under the Debentures, howsoever caused.

2.2 Interest

The Debentures shall bear Interest subject to the terms and conditions of this Section 2.2. The Debentureholder shall be entitled to Interest only in the event that the Limited Partnership earns any net profits after the payment of taxes by LandCo with respect to the Project on the Maturity Date and is able to fully repay the principal amount of the Debenture back to the Debentureholder, if any, depending on the financial performance of the Project. Such Interest shall be paid to the Debentureholder by way of a one-time payment of an amount of Interest representing the net profits after the payment of taxes by LandCo with respect to the Project to Debentureholders on or after the Maturity Date pursuant to the Debentureholders' right to participate in the distribution of net profits after the payment of taxes by LandCo with respect to the Project as set out in Section 3.1(c), and provided only if the Interest or payment of an amount of Interest has not been cancelled or deemed to have been cancelled in accordance with Subsection 2.2.1.

2.2.1 Cancellation of Interest

The Debentureholder specifically agrees and acknowledges that the Limited Partnership has the right, in its sole and absolute discretion, at any time before, on or after the Maturity Date to cancel all or part of any payment of Interest, including cancellation of Interest to zero**.**

The Debentureholder specifically agrees and acknowledges that no amount of Interest shall become due and payable to the extent that it has been cancelled or deemed to have been cancelled by the Limited Partnership in its sole and absolute discretion, that it may not receive any Interest at any time before, on or after the Maturity Date, that it will have no claims whatsoever in respect of that cancelled or deemed cancelled Interest, and that the cancellation or deemed cancellation of Interest shall not constitute a default, an event of default or breach under the Debentures, howsoever caused.

2.2.2 Compliance with Usury Law

It is expressly stipulated and agreed to be the intention of the Limited Partnership and the Debentureholders to strictly comply at all times with any applicable usury law governing the maximum rate or amount of Interest payable under the Debentures. The one-time payment of an amount of Interest pursuant to Section 2.2, if any, shall never exceed the maximum amount of interest permitted under applicable law, and the Limited Partnership shall not be required to pay any amount of Interest which is in excess of the maximum amount of interest permitted under applicable law. The Limited Partnership and the Debentureholders agree that if any amount of Interest exceeds the maximum amount of interest permitted under applicable law, then any such excess shall be deemed a mistake and to be void ab initio, and shall be cancelled automatically and, if theretofore paid to the Debentureholders, shall be refunded to the Limited Partnership.

2.3 Mutilation, Loss, Theft or Destruction

In case any of the Debentures shall become mutilated or be lost, stolen or destroyed, the Limited Partnership, in its discretion, may issue, a new Debenture upon surrender and cancellation of the mutilated Debenture, or in the case of a lost, stolen or destroyed Debenture, in lieu of and in substitution for the same, and any substituted Debenture shall rank equally in accordance with its terms with all other Debentures. In case of loss, theft or destruction the applicant for a substituted Debenture shall furnish to the Limited Partnership such evidence of the loss, theft or destruction of the Debenture as shall be satisfactory to it in its discretion and shall also furnish an indemnity satisfactory to it in its discretion. The applicant shall pay all reasonable expenses incidental to the issuance of any substituted Debenture.

2.4 Debentures to Rank *Pari Passu*

The Debentures will be direct secured obligations of the Limited Partnership. Each Debenture will rank *pari passu* with each other Debenture, regardless of their actual date of issue or principal amount.

2.5 Payments of Principal and Interest on Maturity

On or after the Maturity Date, the Limited Partnership will pay to the Debentureholder, upon surrender of the Debenture at the office of the Limited Partnership the principal amount and any Interest, if applicable, on the Debenture, less any applicable tax required by law to be deducted, only if funds are available firstly to repay to the Debentureholder the principal amount, if any, and lastly to pay Interest, if any, and subject to any writing-down of the principal amount of the Debenture in accordance with Subsection 2.5.1 and subject to any cancellation or deemed cancellation of the Interest in accordance with Section 2.2. The Limited Partnership will make such payment as provided herein to the Debentureholder no later than ninety (90) days after the date that the Debenture is surrendered on.

For greater certainty, the Limited Partnership shall be entitled to deduct and withhold from any payment of principal or Interest payable, if applicable, in respect of the Debenture such amounts as the Limited Partnership is required to deduct and withhold with respect to such payment under the *Income Tax Act* (Canada), or any provision of federal, provincial, state, local or foreign tax law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the Debentureholder, provided such withheld amounts are actually remitted to the appropriate taxing authority.

2.5.1 Write-Down of Principal

The Debentureholder specifically agrees and acknowledges that the Limited Partnership has the right, in its sole and absolute discretion, at any time before, on or after the Maturity Date to write-down

all or part of the principal amount of the Debentures, including writing-down the principal amount to zero**.** The write-down shall be effected pro-rata with all other Debentures outstanding, and the amount of the write-down to be effected with respect to all Debentures outstanding shall be determined at the sole and absolute discretion of the Limited Partnership.

The Debentureholder specifically agrees and acknowledges that no amount of the principal amount shall become due and payable to the extent that it has been written-down by the Limited Partnership in its sole and absolute discretion, that it may not receive any payment of all or any part of the principal amount at any time before, on or after the Maturity Date, that it will have no claims whatsoever in respect of the principal amount unpaid as a result of the write-down which shall not become due, accumulate or be payable at any time thereafter, and that the write-down of all or any part of the principal amount shall not constitute a default, an event of default or breach under the Debentures, howsoever caused.

2.6 Security and Ranking

The Debentures will be unsecured and will be subordinate to all other secured indebtedness of LandCo. The Debentureholder agrees to postpone in favour of any bank or lender in respect of any Project financing, all its right, title and interest in any security in respect of the Debenture. The Debentureholder agrees that any claim of any bank or lender in respect of any Project financing made to LandCo shall take precedence over and be fully paid in priority to the Debentures, and repayment of the Debentures is expressly postponed in favour of the lender or Project financing. The Limited Partnership agrees, if requested or required by any bank or lender in respect of any Project financing made to LandCo, to have the Debentureholder and the Limited Partnership subordinate and postpone the Debentures to any such financing made to LandCo and to do such further acts and things and execute all such further deeds, documents and agreements as may be reasonably necessary to effect the subordination or postponement.

ARTICLE 3
CONVERSION OF DEBENTURE

3.1 Conversion at Option of Debentureholder

(a) A portion of the principal on the Debentures may be converted into Class A LP Units at the option of the Debentureholder by surrendering the Debenture to the Limited Partnership together with a conversion notice duly executed by the Debentureholder or his executors or administrators or other legal representatives or his or their attorney duly appointed by an instrument in writing in form and executed in a manner satisfactory to the Limited Partnership, exercising his right to convert the Debenture in accordance with the provisions of this Debenture, provided that such conversion would not result in the Debentureholder holding greater than ten percent (10%) of the total Class A LP Units issued and outstanding calculated immediately after such Closing and subscribed for pursuant to the Offering. Thereupon the Debentureholder shall be entitled to be entered in the books of the Limited Partnership as at the Date of Conversion (or such later date as is specified in Section 3.1(b)) as the holder of the number of Class A LP Units into which the Debenture is converted in accordance with the provisions of this Article 3 and, as soon as practicable thereafter, the Limited Partnership shall deliver to the Debentureholder a certificate or certificates for such Class A LP Units.

(b) Upon the Debentureholder exercising his right of conversion in respect of only a portion of the Debenture and surrendering the Debenture to the Limited Partnership in accordance with Section 3.1(a), the Limited Partnership shall cancel the same and shall without charge forthwith certify and deliver to the Debentureholder a new Debenture in an aggregate principal amount equal to the unconverted portion of the principal amount of the Debenture that is surrendered (the "**Remaining Debenture**"). Upon such conversion, the Class A LP

Units resulting from the conversion of the Debenture shall have the same rights as other Class A LP Units issued by the Limited Partnership.

(c) The Remaining Debenture, or the Debenture if unconverted, shall rank *pari passu* on a dollar for dollar basis whereby each dollar of principal of the Remaining Debenture or the Debenture, as applicable, shall be deemed to equal an equivalent dollar value of a Class A LP Unit(s). Each dollar of principal of Remaining Debenture or the Debenture, as applicable, shall be treated on the same *pari passu* basis as an issued and fully paid Class A LP Unit issued by the Limited Partnership in respect of distributions or dividends declared in favour of holders of Class A LP Units of record on and after the Date of Conversion.

3.2 Date of Conversion

For the purposes of this Article 3, the Debenture shall be deemed to be surrendered for conversion on the date (herein called the "**Date of Conversion**") on which in the case of conversion in accordance with Section 3.1, upon the Debentureholder exercising his right of conversion in respect of only a portion of the Debenture and surrendering the Debenture to the Limited Partnership in accordance with Section 3.1(a), the Limited Partnership shall cancel the same and shall without charge forthwith certify and deliver to the Debentureholder a new Debenture in an aggregate principal amount equal to the unconverted portion of the principal amount of the Debenture so surrendered.

3.3 Adjustment of Conversion Price and Liquidity Conversion Price

The Conversion Price in effect at any date shall be subject to adjustment from time to time as set forth below.

(a) If and whenever at any time prior to the Date of Conversion the Limited Partnership shall (i) subdivide or redivide the outstanding Class A LP Units into a greater number of units, (ii) reduce, combine or consolidate the outstanding Class A LP Units into a smaller number of units, or (iii) issue Class A LP Units to the holders of all or substantially all of the outstanding Class A LP Units by way of a dividend or distribution (other than the issue of Class A LP Units to holders of Class A LP Units who have elected to receive dividends or distributions in the form of Class A LP Units in lieu of cash dividends or cash distributions paid in the ordinary course on the Class A LP Units), the Conversion Price in effect on the effective date of such subdivision, redivision, reduction, combination or consolidation or on the record date for such issue of Class A LP Units by way of a dividend or distribution, as the case may be, shall in the case of any of the events referred to in (i) and (iii) above be decreased in proportion to the number of outstanding Class A LP Units resulting from such subdivision, redivision or dividend, or shall, in the case of any of the events referred to in (ii) above, be increased in proportion to the number of outstanding Class A LP Units resulting from such reduction, combination or consolidation. Such adjustment shall be made successively whenever any event referred to in this Section 3.3(a) shall occur.

(b) If and whenever at any time prior to the Date of Conversion, there is a reclassification of the Class A LP Units or a capital reorganization of the Limited Partnership other than as described in Section 3.3(a) or a consolidation, amalgamation, arrangement or merger of the Limited Partnership with or into any other person or other entity; or a sale or conveyance of the assets of the Limited Partnership as an entirety or substantially as an entirety to any other person or other entity or a liquidation, dissolution or winding up of the Limited Partnership, any Debentureholder who has not exercised its right of conversion prior to the effective date of such reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, sale, conveyance, liquidation, dissolution or winding up, upon the exercise of such right thereafter, shall be entitled to receive and shall accept, in lieu of the number of Class A

LP Units then sought to be acquired by it, the number of Class A LP Units, shares or other securities or assets of the Limited Partnership or of the person or other entity resulting from such reclassification, capital reorganization, consolidation, amalgamation, arrangement or merger, or to which such sale or conveyance may be made or which holders of Class A LP Units receive pursuant to such liquidation, dissolution or winding up, as the case may be, that such Debentureholder would have been entitled to receive on such reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, sale, conveyance, liquidation, dissolution or winding up, if, on the record date or the effective date thereof, as the case may be, the holder had been the registered holder of the number of Class A LP Units sought to be acquired by it and to which it was entitled to acquire upon the exercise of the conversion right. If determined appropriate by the directors of the General Partner, to give effect to or to evidence the provisions of this Section 3.3(b), the Limited Partnership, its successor, or such purchasing person or other entity, as the case may be, shall, prior to or contemporaneously with any such reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, sale or conveyance or liquidation, dissolution or winding up, enter into an Debenture which shall provide, to the extent possible, for the application of the provisions set forth in these Terms and Conditions with respect to the rights and interests thereafter of the Debentureholder to the end that the provisions set forth in these Terms and Conditions shall thereafter correspondingly be made applicable, as nearly as may reasonably be, with respect to any shares, shares or other securities or property to which the Debentureholder is entitled on the exercise of its conversion rights thereafter. Any Debenture entered into by the Limited Partnership, any successor to the Limited Partnership or such purchasing person or other entity shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided in this Section 3.3 and which shall apply to successive reclassifications, capital reorganizations, consolidations, amalgamations, arrangements, mergers, sales or conveyances or to a liquidation, dissolution or winding up.

(c) In any case in which this Section 3.3 shall require that an adjustment shall become effective immediately after a record date for an event referred to herein, the Limited Partnership may defer, until the occurrence of such event, issuing the additional Class A LP Units issuable upon such conversion of the Debenture by reason of the adjustment required by such event; provided, however, that the Limited Partnership shall deliver to the Debentureholder an appropriate instrument evidencing the Debentureholder's right to receive such additional Class A LP Units upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such additional Class A LP Units declared in favour of holders of record of Class A LP Units on and after the Date of Conversion or such later date as such holder would, but for the provisions of this Section 3.3(c), have become the holder of record of such additional Class A LP Units.

(d) The adjustments provided for in this Section 3.3 are cumulative and shall apply to successive subdivisions, redivisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this Section 3.3, provided that, notwithstanding any other provision of this Section 3.3, no adjustment of the Conversion Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Conversion Price then in effect; provided however, that any adjustments which by reason of this Section 3.3(d) are not required to be made shall be carried forward and taken into account in any subsequent adjustment.

(e) For the purpose of calculating the number of Class A LP Units outstanding, Class B LP Units shall not be counted.

(f) In the event of any question arising with respect to the adjustments provided in this Section 3.3, such question shall be conclusively determined by a firm of chartered professional accountants appointed by the Limited Partnership (who may be the auditors of the Limited Partnership); such accountants shall have access to all necessary records of the Limited Partnership and such determination shall be binding upon the Limited Partnership and the Debentureholder.

(g) In case the Limited Partnership shall take any action affecting the Class A LP Units other than action described in this Section 3.3, which in the opinion of the directors of the General Partner, would materially affect the rights of Debentureholder, the Conversion Price shall be adjusted in such manner and at such time, by action of the directors of the General Partner, as the directors of the General Partner, in their sole discretion may determine to be equitable in the circumstances. Failure of the directors to make such an adjustment shall be conclusive evidence that they have determined that it is equitable to make no adjustment in the circumstances.

(h) No adjustment in the Conversion Price shall be made in respect of any event described in Section 3.3(a) other than the events described in Sections 3.3(a)(i) or 3.3(a)(ii) if the Debentureholder is entitled to participate in such event (or to receive the benefit of such event on conversion of the Debenture) on the same terms mutatis mutandis as if they had converted the Debenture prior to the effective date or record date, as the case may be, of such event.

3.4 No Requirement to Issue Fractional Class A LP Units

The Limited Partnership shall not be required to issue fractional Class A LP Units upon the conversion of the Debenture pursuant to this Article 3 and any fractional unit will be rounded down to the nearest whole unit. The Debentureholder is not entitled to the issuance of any fractional unit or the payment of money in lieu of the issuance of such fractional unit.

3.5 Cancellation of Converted Debenture

Subject to the provisions of Section 3.1 as to the Debenture being converted in part, the Debenture converted in whole or in part under the provisions of this Article 3 shall be delivered in accordance with Section 3.1(a) to and cancelled by the Limited Partnership and no Debenture shall be issued in substitution therefor.

3.6 Certificate as to Adjustment

The Limited Partnership shall give notice to the Debentureholders in the manner provided in Section 7.2 specifying the event requiring such adjustment or readjustment and the results thereof, including the resulting Conversion Price.

3.7 Endorsement on Unit Certificates

Any and all certificates representing the Class A LP Units (whether such Class A LP Units have been or will be acquired by conversion, transfer or otherwise) shall have endorsed thereon in bold type the following legends:

"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR (4) MONTHS AND A DAY AFTER THE LATER OF (i) _____ *[THE DATE OF ISSUANCE*], AND (ii) THE DATE THE

ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY."

ARTICLE 4
REGISTRATION, TRANSFER, EXCHANGE AND OWNERSHIP

4.1 Registration

(a) The Limited Partnership shall cause to be kept at its registered office a register in which shall be entered the names and addresses of the holders of Debentures and particulars of the Debentures held by them respectively and of all transfers of Debentures.

(b) No transfer of a Debenture shall be valid unless made on such register referred to in subsection 4.1(a) by the registered holder or such holder's executors, administrators or other legal representatives or an attorney duly appointed by an instrument in writing in form and execution satisfactory to the Limited Partnership upon surrender of the Debentures together with a duly executed form of transfer acceptable to the Limited Partnership and upon compliance with such other reasonable requirements as the Limited Partnership may prescribe.

4.2 Transferee Entitled to Registration

The transferee of a Debenture shall be entitled, upon compliance with all conditions in that behalf required by these Terms and Conditions or by law, to be entered on the register as the owner of such Debenture free from all equities or rights of set off or counterclaim between the Limited Partnership and the transferor or any previous holder of such Debenture, save in respect of equities of which the Limited Partnership is required to take notice by statute or by order of a court of competent jurisdiction.

4.3 No Notice of Trusts

The Limited Partnership shall not be bound to take notice of or see to the execution of any trust whether express, implied or constructive, in respect of any Debenture, and may transfer the same on the direction of the person registered as the holder thereof, whether named as trustee or otherwise, as though that person were the beneficial owner thereof.

4.4 Registers Open for Inspection

The registers referred to in Section 4.1 shall at all reasonable times be open for inspection by any Debentureholder.

4.5 Exchanges of Debentures

Subject to Section 4.6, Debentures may be exchanged for Debentures in any other denomination, of the same aggregate principal amount as the Debentures so exchanged.

4.6 Closing of Registers

The Limited Partnership shall not be required to make transfers or exchanges of any Debentures which have been called for redemption unless upon due presentation thereof for redemption such Debentures shall not be redeemed.

4.7 Charges for Transfer and Exchange

For each Debenture exchanged or transferred, the Limited Partnership may charge a reasonable sum for each new Debenture issued, and payment of such charges and reimbursement for any stamp taxes or governmental or other charges required to be paid shall be made by the party requesting such exchange or transfer as a condition precedent thereto.

4.8 Ownership of Debentures

(a) Unless otherwise required by law, the person in whose name any Debenture is registered shall for all the purposes be and be deemed to be the owner thereof and payment of or on account of the principal of and Interest thereon, if applicable, shall be made to such registered holder.

(b) The registered holder for the time being of any Debenture shall be entitled to the principal and Interest thereon, if applicable, free from all equities or rights of set off or counterclaim between the Limited Partnership and the original or any intermediate holder thereof and the Limited Partnership and all other persons may act accordingly and the receipt of any such registered holder for any such principal and Interest, if applicable, shall be a good discharge to the Limited Partnership for the same and the Limited Partnership shall not be bound to inquire into the title of any such registered holder.

(c) Where Debentures are registered in more than one name, the principal and Interest from time to time payable in respect thereof, if applicable, may be paid to the order of all such holders, failing written instructions from them to the contrary, and the receipt of any one of such holders therefor shall be a valid discharge to the Limited Partnership.

(d) In the case of the death of one or more joint holders of any Debenture the principal and Interest from time to time payable thereon, if applicable, may be paid to the order of the survivor or survivors of such registered holders and the receipt of any such survivor or survivors therefor shall be a valid discharge to the Limited Partnership.

ARTICLE 5
COVENANTS OF THE PARTNERSHIP

The Limited Partnership hereby covenants and agrees with the Debentureholders that so long as any Debentures remain outstanding:

5.1 To Pay Principal and Interest

The Limited Partnership will duly pay or cause to be paid to every Debentureholder the principal amount and any Interest, if applicable, on the Debentures only if funds are available firstly to repay to the Debentureholder the principal amount, if any, and lastly to pay Interest, if any, and subject to any writing-down of the principal amount of the Debenture in accordance with Subsection 2.5.1 and subject to any cancellation or deemed cancellation of the Interest in accordance with Section 2.2. The Limited Partnership will make such payment as provided herein to the Debentureholder no later than ninety (90) days after the date that the Debenture is surrendered on.

5.2 Preservation of Existence

` Subject to the express provisions hereof, the Limited Partnership will carry on and conduct its activities in a proper, efficient and businesslike manner and in accordance with good business practices;

and, subject to the express provisions hereof, it will do or cause to be done all things necessary to preserve and keep in full force and effect its existences and rights.

5.3 Keeping of Books

The Limited Partnership will keep or cause to be kept proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Limited Partnership in accordance with IFRS.

ARTICLE 6
DEFAULT

6.1 No Default or Events of Default

By subscribing for or otherwise acquiring the Debentures, the Debentureholder specifically agrees and acknowledges that there are no defaults or events of defaults under the Debenture, and under no circumstances may the Debentureholder declare the principal amount of the Debenture and any Interest, if applicable, to be due and payable.

6.2 Immunity

The Debentureholders hereby waive and release any right, cause of action or remedy now or hereafter existing in any jurisdiction against any past, present or future officer, director or shareholder of the General Partner or Limited Partner or Unitholder of the Limited Partnership or of any successor, in each case in such capacity, for the payment of the principal of or Interest, if applicable, on any of the Debentures or on any covenant, agreement, representation or warranty by the Limited Partnership herein or in the Debentures contained, and hereby specifically agree that the Debentureholders shall have no claim or other right whatsoever against such parties arising out of any writing-down of the principal amount of the Debenture or cancellation or deemed cancellation of the Interest in accordance with this Debenture and otherwise specifically agree to waive and release any right, cause of action or remedy now or hereafter existing in any jurisdiction with respect to any such writing-down of the principal amount of the Debenture or cancellation or deemed cancellation of the Interest.

ARTICLE 7
NOTICES

7.1 Notice to the Limited Partnership

Any notice to the Limited Partnership under the provisions of these Terms and Conditions shall be valid and effective if given in writing and delivered to the Limited Partnership at: **Yorkton Place Limited Partnership, 2430, 10180 – 101 Street, Edmonton, Alberta, Canada T5J 3S4, Attention: Ben Lui**, and shall be deemed to have been effectively given on the date of such delivery. The Limited Partnership may from time to time notify the Debentureholders in writing of a change of address which thereafter, until changed by like notice, shall be the address of the Limited Partnership for all purposes hereof.

7.2 Notice to Debentureholders

All notices to be given hereunder with respect to the Debentures shall be deemed to be validly given to the holders thereof if given in writing and sent by first class mail, postage prepaid, or delivered to such holders, in either case at their addresses appearing in any of the registers hereinbefore mentioned, and shall be deemed to have been effectively given three days following the day of mailing or on the day of delivery, as the case may be. Accidental error or omission in giving notice or the inability of the

Limited Partnership to give notice due to anything beyond the reasonable control of the Limited Partnership shall not invalidate any action or proceeding founded thereon.

All notices with respect to any Debenture may be given to whichever one of the holders thereof (if more than one) is named first in the registers hereinbefore mentioned, and any notice so given shall be sufficient notice to all holders of any persons interested in such Debenture.

7.3 Mail Service Interruption

If by reason of any interruption of mail service, actual or threatened, any notice to be given would reasonably be unlikely to reach its destination by the time notice by mail is deemed to have been given pursuant to Section 7.2, such notice shall be valid and effective only if delivered at the appropriate address in accordance with Section 7.2.

7.4 Financing Statement Waiver

The Limited Partnership hereby acknowledges receiving a copy of this Debenture and waives all rights to receive from the Debentureholders a copy of any Financing Statement of Financing Change Statement filed, or any Verification Statement received at any time in respect of this Debenture.

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SCHEDULE "A" – THE LANDS

LEGAL DESCRIPTION

The Lands consist of a 94,507 square foot corner bare land lot, more or less, located in the City of Surrey, British Columbia, and legally described as follows:

PID: 029-450-616
Lot 1
Section 9 Township 2
New Westminster District
Plan EPP41277

Title to the Lands is currently registered in the name of LandCo. The Lands are subject to the following encumbrances and legal notations:

PERMITTED ENCUMBRANCES

1.	Registration No. AD266079	Statutory Right of Way in favour of the District of Surrey
2.	Registration No. AD269772	Statutory Right of Way in favour of the District of Surrey
3.	Registration No. BF88791	Covenant in favour of Her Majesty the Queen in Right of the Province of British Columbia
4.	Registration No. BF88794	Covenant in favour of the District of Surrey
5.	Registration No. CA4087519	Statutory Right of Way in favour of the City of Surrey
6.	Registration No. CA4087521	Covenant in favour of the City of Surrey
7.	Registration No. CA4097087	Covenant in favour of the City of Surrey
8.	Registration No. CA4097088	Covenant in favour of the City of Surrey
9.	Registration No. CA4097093	Easement
10.	Registration No. CA4097095	Covenant in favour of the City of Surrey
11.	Registration No. CA5005915	Mortgage in favour of HMT Holdings Inc.
12.	Registration No. CA5005916	Assignment of Rents in favour of HMT Holdings Inc.

LEGAL NOTATIONS

Hereto is Annexed Easement CA4097094 Over Lot 2 Plan EPP41278

Hereto is Annexed Easement BF88798 Over (Plan LMP3768) Lot 3 Except: 1stly Pt Red on Highway Plan 6363; 2ndly East 33 Ft, Plan 3416

There are no tax arrears in relation to the Lands.

There are no registered charges that pertain to a sale or disposition of the Lands.

SCHEDULE “D” – MARKETING MATERIALS

Private Placement

TERM SHEET
FOR CLASS "A" LP UNITS
YORKTON PLACE LIMITED PARTNERSHIP
("Limited Partnership")

THIS TERM SHEET IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSIDERED AS AN OFFERING OF SECURITIES OF THE LIMITED PARTNERSHIP. THIS TERM SHEET IS FOR MERE INFORMATIONAL PURPOSES ONLY FOR PERSONS WHO MAY QUALIFY AS PURCHASERS UNDER CERTAIN EXEMPTIONS FROM PROSPECTUS REQUIREMENTS CONTAINED IN SECURITIES LEGISLATION IN JURISDICTIONS WHERE THE SECURITIES REFERRED TO IN SUMMARY FORM HEREUNDER MAY BE OFFERED. NO SECURITIES COMMISSION OR SIMILAR REGULATORY AUTHORITY HAS ASSESSED THE MERITS OF THE SECURITIES REFERRED TO HEREUNDER AND ANY MISREPRESENTATION TO THE CONTRARY IS AN OFFENCE. THE LIMITED PARTNERSHIP AND YORKTON GROUP INTERNATIONAL LTD. ARE NOT REGISTERED AS EXEMPT MARKET DEALERS AS PROVIDED IN NI 31-103. THE LIMITED PARTNERSHIP MAKES THIS OFFERING PURSUANT TO THE NORTHWESTERN EXEMPTION IN THOSE PROVINCES AND TERRITORIES WHERE SECURITIES REGULATORY AUTHORITIES HAVE MADE BLANKET ORDERS PROVIDING REGISTRATION EXEMPTIONS FOR TRADES IN CONNECTION WITH CERTAIN PROSPECTUS EXEMPT DISTRIBUTIONS.

THE PROPERTY

The property ("Land") is owned by Yorkton Place Development Corporation ("LandCo"), a subsidiary of the Limited Partnership which owns 100% of the equity, and is strategically located within Surrey's Newton neighbourhood. The Land is bounded by 88th Avenue to the north, Scott Road to the west, Highway 10 to the south, and 152nd Street to the east. More specifically, the Land is located on the southeast corner of King George Boulevard and 64th Avenue. The immediate area is comprised of a mix of commercial buildings and single family homes.

LandCo considers the Land to be suitable for development and sale of condominium units due to its location, with the Land fronting onto a natural treed park to the north, and backing onto a natural ravine to the south. It provides an ideal environment for residential development. The Land is strategically situated on the southeast corner of King George Boulevard and 64th Avenue, which provides good street exposure for commercial use, and is in close proximity to schools and major transportation corridors. The Land's location, a short distance south of the Newton Town Centre and Highway 10, provides an appealing location for future commercial and residential development.

DESCRIPTION OF THE LIMITED PARTNERSHIP

The Limited Partnership is a Small Business Investment Limited Partnership as its only undertaking is making an investment in LandCo. The funds raised pursuant to this Offering is for the purpose of investing in LandCo and are raised by offering class "A" non-voting participating units ("Class A LP Units") in the Limited Partnership pursuant to the Yorkton Place Offering Memorandum dated June 29th, 2016 ("Offering Memorandum") and other exemptions described below. Any one non-related subscriber may purchase no greater than ten (10%) percent of the total Class A LP Units subscribed for pursuant to the Offering up to a maximum of 1,000,000 Class A LP Units ($1,000,000), assuming the Maximum Offering is completed by way of Units only.

A maximum of up to 10,000,000 Class A LP Units for up to a total of $10,000,000, or such other Maximum Offering as may be decided by the Issuer in its sole discretion ("Maximum Offering") are being offered in this Offering, subject to the closing of any Participating Loan as described in the Offering Memorandum. The general partner of the Limited Partnership is Yorkton Place General Partner Ltd. ("General Partner"), a corporation incorporated under the *Business Corporations Act* (British Columbia).

The Land is proposed to be developed by LandCo in two phases. Phase 1 will comprise a 2 storey commercial retail/office building (Building 4) and two single storey commercial buildings (Buildings 2 and 3) and Phase 2 will comprise a 6 storey mixed use retail/residential building (Building 1), zoned Comprehensive Development (CD) specific for a public market, which will be constructed with steel and concrete construction. According to the project summary document, the total gross building area used for the floor space ratio ("FSR") calculation is approximately ±89,100 square feet (potentially approximately ±108,250 square feet)[1], resulting in a proposed development density of approximately 0.94 FSR (potentially approximately 1.14 FSR).

LandCo plans to construct approximately 79 condominium units (potentially approximately 95 condominium units) in the mixed use retail/residential building (Building 1), comprised of one bedroom and two bedroom layouts. The residential portion of the building will have a gross floor area of approximately 60,000 square feet and a net floor area of approximately 53,400 square feet (potentially

[1] The square footage numbers in this Term Sheet are subject to change and are based on the general standard density currently approved for the proposed development. The numbers in parentheses reflect the potentially higher density allowance, assuming the Limited Partnership's application for this higher density is approved, but there is no assurance that any higher density will be approved.

approximately 83,650 square feet and a net floor area of 74,449 square feet), with the condominium units having an average size of approximately 675 square feet. Should additional floors be constructed, the above square footage numbers will be adjusted accordingly. The square footage figures remain subject to final zoning and design approvals.

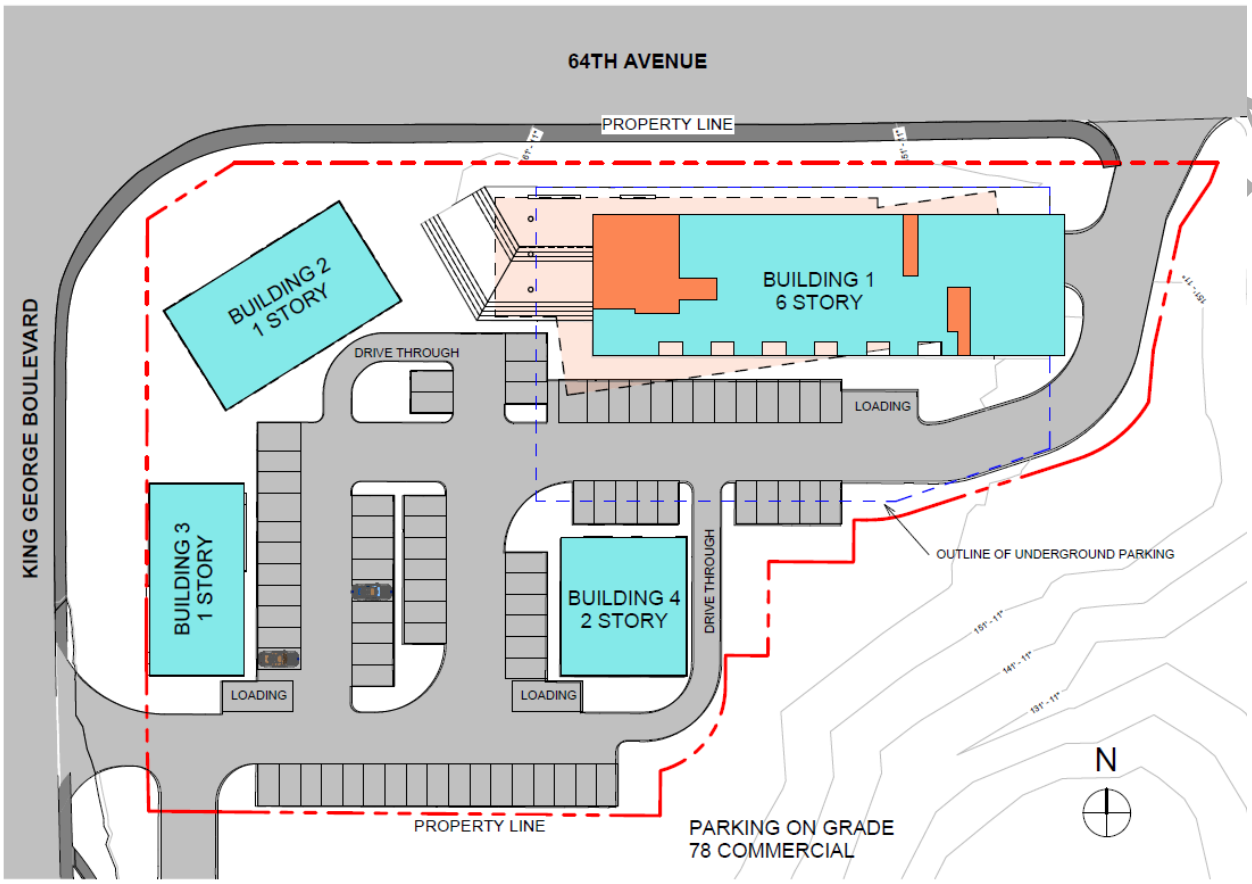
The 6 storey mixed use retail/residential building (Building 1) offers approximately 11,000 square feet (approximately 11,600 square feet) of ground floor retail space demised into commercial space divided into smaller strata units. The condominium units range between 750 to 1,000 units to allow the flexibility to combine units. The 2 storey commercial building (Building 4) offers a gross floor area of approximately 8,000 square feet (potentially approximately 6,200 square feet) demised into two ground floor retail units of approximately 2,500 square feet and approximately 3,000 square feet of second floor office space (potentially approximately one ground floor retail unit of 3,100 square feet and potentially approximately 3,100 square feet of second floor office space). The approximately 4,100 square feet (potentially approximately 4,100 square feet) single storey commercial building (Building 2) comprises a single retail unit, and the approximately 6,000 square feet (potentially approximately 3,100 square feet) single storey commercial building (Building 3) is expected to be demised into two retail units of approximately 2,100 and 3,900 square feet (potentially approximately 1,000 and 2,100 square feet). The configuration of the commercial space is subject to change based on market demand. The square footage remains subject to final zoning and design approvals.

Yorkton Place Limited Partnership Surrey, B.C.

SUMMARY OF THE OFFERING

ISSUER	Yorkton Place Limited Partnership ("Limited Partnership").
SECURITIES OFFERED	Class "A" Limited Partnership units ("Class A LP Units") in the Limited Partnership.
MAXIMUM OFFERING	Up to a Maximum Offering of $10,000,000 or 10,000,000 Class A LP Units, subject to the closing of any Participating Loan as described in the Offering Memorandum. **(The General Partner acting on behalf of the Limited Partnership may in its sole discretion conduct a Final Closing without reaching the full Maximum Offering.)**
OFFERING PRICE	$1.00 per Class A LP Unit.
MINIMUM SUBSCRIPTION	**The Issuer has the right and sole discretion to accept or to refuse any particular subscription.**
Class A LP Units	$500 or 500 Class A LP Units and increments of $1.00 or one (1) Class A LP Unit thereafter. Any one non-related subscriber may purchase no greater than ten (10%) percent of the total Class A LP Units subscribed for pursuant to the Offering up to a maximum of 1,000,000 Class A LP Units ($1,000,000), assuming the Maximum Offering is completed by way of Units only.
CLOSING DATE(S)	To be determined by the Limited Partnership from time to time, as determined at the sole discretion of the General Partner acting on behalf of the Limited Partnership. At each Closing of the Offering, the Issuer will firstly conduct the Closing on the subscriptions for Class A LP Units.
USE OF PROCEEDS	The Limited Partnership as a Small Business Investment Limited Partnership will use the gross proceeds to invest into LandCo, whereby LandCo will use such invested funds from the Offering for the repayment of the HMT Loan and the Repayable Loans used in the acquisition of the Land, and expenses of the Offering including all expenses of the Issuer and LandCo, which covers General Working Capital (including architectural, engineering, consultant and professional fees plus permits, financing, insurance, management fees).
DEFERRED PLAN	The Class A LP Units constitute a "qualified investment" for a RRSP, TFSA and LIRA (each, a "Deferred Plan"). The Deferred Plans will be administered by Western Pacific Trust Company. In order for an investment to be considered a "qualified investment" for Deferred Plans, there must be a greater than ten (10) Unitholders holding at least the minimum subscription.
OFFERING JURISDICTIONS	The Class A LP Units will be offered for sale in Alberta, British Columbia, Saskatchewan, Manitoba, Northwest Territories, Nunavut, and the Yukon Territory.
SECURITIES LAW EXEMPTIONS	The Offering will be made in accordance with the following exemptions from the prospectus requirements from National Instrument 45-106: *"Prospectus and Registration Exemptions"* ("NI 45-106"); (a) the "accredited investor" exemption found in Section 2.3 of NI 45-106; (b) the "family, friends and business associates" exemption found in Section 2.5 of NI 45-106; (c) the "offering memorandum" exemption found in Section 2.9 of NI 45-106; and (d) the "minimum amount investment ($150,000)" exemption found in Section 2.10 of NI 45-106 — for use only by corporate entities and not individual use.
SALES COMMISSIONS AND FINDER'S FEES	The Limited Partnership reserves the right as permitted by applicable securities legislation, to retain such qualified agents to help effect sales of the Units. Where an agent is retained, the agent may be paid aggregate fees and commissions of up to ten percent (10%) of the gross proceeds realized on the sale of Class A LP Units sold by such agent.
REPORTING	The Limited Partnership is not a reporting issuer in any jurisdiction in Canada. It is therefore not required to disclose any material change which occurs in its business and affairs, nor is it required to file any continuous disclosure with any securities regulatory authorities pursuant to the *Partnership Act* of British Columbia.
RISK FACTORS	Please refer to the list of risk factors that are described in the Offering Memorandum.

Yorkton Place Limited Partnership Surrey, B.C.



Yorkton Place Limited Partnership Surrey, B.C.

SENIOR MANAGEMENT EXPERIENCE

Ben Lui

Mr. Ben Lui is the President & CEO of Yorkton Group International Ltd., with businesses primarily encompassing real estate investment, development and management. Mr. Lui graduated from the University of Toronto with a Bachelor of Science degree in Computer Science and Commerce. With over 25 years of experience in real estate industry, Mr. Lui primarily focuses on business acquisitions, strategic business planning and development, real estate development and construction. A strong advocate of conservative investment approach providing sustainable growth, transparent communication and accountability, and well-executed business plans with attention to details, Mr. Lui brings to the Project and the investors the visionary leadership that has grown Yorkton Group's real estate business to over 40 affiliated companies comprised of hotel, condo and land developments and construction, property management and consulting, holdings of commercial and residential real estate portfolio, as well as large parcels of future development lands.

R. (Reg) Liyanage

Mr. Liyanage is the Executive Vice President of Yorkton Group International Ltd. Mr. Liyanage holds a B.Sc. degree from the University of Alberta, and comes from a financial services background and has held leadership positions, as well as ownership in a variety of businesses. In the commercial real estate field, Mr. Liyanage has over 20 years of experience with a focus on the successful marketing of a variety of commercial real estate properties, including condo units, strip mall units, as well as land syndications. In addition, Mr. Liyanage has extensive experience in project management, development, and redevelopment of commercial properties.

Zhaohui (Joey) Sun

Ms. Sun is the Vice President (Finance) of Yorkton Group and its affiliated companies. Ms. Sun is a Chartered Professional Accountant (CPA) and a Certified Management Accountant (CMA) with a Bachelor Degree in Accounting. As a highly accomplished and result-driven senior accounting and financial management executive with over 20 years of progressive experience in accounting, financial, administration and human resource management, Ms. Sun has experience in various business sectors, including manufacturing, oil and gas, construction, financing, and real estate investment, development and management in a senior management capacity. .

Manuel da Silva

Mr. da Silva is the President of Towerstone Development Corporation. Mr. da Silva has over 27 years of experience in real estate. Mr. da Silva was formerly Vice President of Hyland Pacific Holdings Inc. and Golden Ocean Group, U.K. in which he was responsible for creating development projects that fit within the company's business plan and generating business for an associated company known as Hyland Turnkey Limited. The Hyland Group is a recognized real estate development and management firm in Western Canada. During his tenure with the Hyland Group, Mr. da Silva led the development of new commercial and residential developments throughout Metro Vancouver, including negotiating key partnerships and joint ventures with the existing land owners that created opportunities for the Hyland Group.

Jordan J. Eng

Mr. Eng is the President of Peak Real Estate Marketing Ltd., and he is also the Vice-President of Success Realty and Insurance Ltd., a family business established in 1959 engaged in real estate sales and leasing, development, and property management, and property and casualty general insurance brokerage which he has been with since 1989 and is involved in all facets of the business. Between 1989 and 1993, Mr. Eng was the development manager for the construction of residential apartment buildings and mixed-use residential/commercial property for their family owned portfolio, and was involved in negotiating financing and overseeing the general construction of these properties. He also has an extensive background in the real estate field with 26 years' experience in the sale of commercial properties in Vancouver and Calgary.

FOR FURTHER INFORMATION PLEASE CONTACT:

YORKTON GROUP INTERNATIONAL LTD
Real Estate Investment, Development, Asset Management
25 YEARS of excellence since 1989

YORKTON PLACE LIMITED PARTNERSHIP
2430, 10180 - 101st Street
Edmonton, Alberta T5J 3S4
Telephone: (780) 409-8228
Fax: (780) 409-9228
Email: reg@yorktongroup.com

Private Placement

TERM SHEET
FOR CLASS "A" LP UNITS AND PARTICIPATING LOANS
YORKTON PLACE LIMITED PARTNERSHIP
("Limited Partnership")

THIS TERM SHEET IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSIDERED AS AN OFFERING OF SECURITIES OF THE LIMITED PARTNERSHIP. THIS TERM SHEET IS FOR MERE INFORMATIONAL PURPOSES ONLY FOR PERSONS WHO MAY QUALIFY AS PURCHASERS UNDER CERTAIN EXEMPTIONS FROM PROSPECTUS REQUIREMENTS CONTAINED IN SECURITIES LEGISLATION IN JURISDICTIONS WHERE THE SECURITIES REFERRED TO IN SUMMARY FORM HEREUNDER MAY BE OFFERED. NO SECURITIES COMMISSION OR SIMILAR REGULATORY AUTHORITY HAS ASSESSED THE MERITS OF THE SECURITIES REFERRED TO HEREUNDER AND ANY MISREPRESENTATION TO THE CONTRARY IS AN OFFENCE. THE LIMITED PARTNERSHIP AND YORKTON GROUP INTERNATIONAL LTD. ARE NOT REGISTERED AS EXEMPT MARKET DEALERS AS PROVIDED IN NI 31-103. THE LIMITED PARTNERSHIP MAKES THIS OFFERING PURSUANT TO THE NORTHWESTERN EXEMPTION IN THOSE PROVINCES AND TERRITORIES WHERE SECURITIES REGULATORY AUTHORITIES HAVE MADE BLANKET ORDERS PROVIDING REGISTRATION EXEMPTIONS FOR TRADES IN CONNECTION WITH CERTAIN PROSPECTUS EXEMPT DISTRIBUTIONS.

THE PROPERTY

The property ("Land") is owned by Yorkton Place Development Corporation ("LandCo"), a subsidiary of the Limited Partnership which owns 100% of the equity, and is strategically located within Surrey's Newton neighbourhood. The Land is bounded by 88th Avenue to the north, Scott Road to the west, Highway 10 to the south, and 152nd Street to the east. More specifically, the Land is located on the southeast corner of King George Boulevard and 64th Avenue. The immediate area is comprised of a mix of commercial buildings and single family homes.

LandCo considers the Land to be suitable for development and sale of condominium units due to its location, with the Land fronting onto a natural treed park to the north, and backing onto a natural ravine to the south. It provides an ideal environment for residential development. The Land is strategically situated on the southeast corner of King George Boulevard and 64th Avenue, which provides good street exposure for commercial use, and is in close proximity to schools and major transportation corridors. The Land's location, a short distance south of the Newton Town Centre and Highway 10, provides an appealing location for future commercial and residential development.

DESCRIPTION OF THE LIMITED PARTNERSHIP

The Limited Partnership is a Small Business Investment Limited Partnership as its only undertaking is making an investment in LandCo. The funds raised pursuant to this Offering is for the purpose of investing in LandCo and are raised by offering class “A” non-voting participating units ("Class A LP Units") in the Limited Partnership pursuant to the Yorkton Place Offering Memorandum dated June 29th, 2016 and other exemptions described below. Any one non-related subscriber may purchase no greater than ten (10%) percent of the total Class A LP Units subscribed for pursuant to the Offering up to a maximum of 1,000,000 Class A LP Units ($1,000,000), assuming the Maximum Offering is completed by way of Units only.

The Limited Partnership is also raising funds pursuant to this Offering by offering an unsecured participating convertible debenture ("Participating Loan") of a minimum amount of $100,000 on a participating basis provided that the borrowings of the Limited Partnership at any time does not exceed twenty percent (20%) of the capital of the Limited Partnership. Holders of a Participating Loan have the election to convert a portion of the outstanding principal of each respective Participating Loan, provided that such conversion would not result in the Participating Loan holder holding greater than ten percent (10%) of the total Class A LP Units issued and outstanding calculated immediately after such Closing and subscribed for pursuant to the Offering, at a conversion rate of $1.00 for each Class A LP Unit, subject to adjustment pursuant to the terms of the Participating Loan.

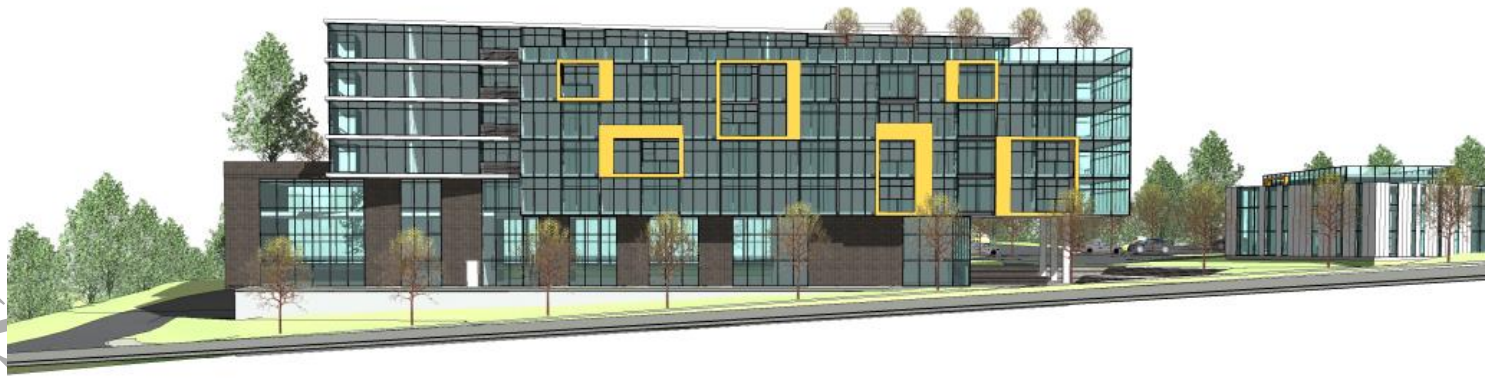
A maximum of up to 10,000,000 Class A LP Units or $10,000,000 of Participating Loans, or a combination of Class A LP Units and Participating Loans for aggregate gross proceeds of up to a combined total of $10,000,000, or such other Maximum Offering as may be decided by the Issuer in its sole discretion ("Maximum Offering") are being offered in this Offering. The general partner of the Limited Partnership is Yorkton Place General Partner Ltd. ("General Partner"), a corporation incorporated under the *Business Corporations Act* (British Columbia).

The Land is proposed to be developed by LandCo in two phases. Phase 1 will comprise a 2 storey commercial retail/office building (Building 4) and two single storey commercial buildings (Buildings 2 and 3) and Phase 2 will comprise a 6 storey mixed use retail/residential building (Building 1), zoned Comprehensive Development (CD) specific for a public market, which will be constructed with steel and concrete construction. According to the project summary document, the total gross building area used for the floor space ratio ("FSR")

calculation is approximately ±89,100 square feet (potentially approximately ±108,250 square feet)[1], resulting in a proposed development density of approximately 0.94 FSR (potentially approximately 1.14 FSR).

LandCo plans to construct approximately 79 condominium units (potentially approximately 95 condominium units) in the mixed use retail/residential building (Building 1), comprised of one bedroom and two bedroom layouts. The residential portion of the building will have a gross floor area of approximately 60,000 square feet and a net floor area of approximately 53,400 square feet (potentially approximately 83,650 square feet and a net floor area of 74,449 square feet), with the condominium units having an average size of approximately 675 square feet. Should additional floors be constructed, the above square footage numbers will be adjusted accordingly. The square footage figures remain subject to final zoning and design approvals.

The 6 storey mixed use retail/residential building (Building 1) offers approximately 11,000 square feet (approximately 11,600 square feet) of ground floor retail space demised into commercial space divided into smaller strata units. The condominium units range between 750 to 1,000 units to allow the flexibility to combine units. The 2 storey commercial building (Building 4) offers a gross floor area of approximately 8,000 square feet (potentially approximately 6,200 square feet) demised into two ground floor retail units of approximately 2,500 square feet and approximately 3,000 square feet of second floor office space (potentially approximately one ground floor retail unit of 3,100 square feet and potentially approximately 3,100 square feet of second floor office space). The approximately 4,100 square feet (potentially approximately 4,100 square feet) single storey commercial building (Building 2) comprises a single retail unit, and the approximately 6,000 square feet (potentially approximately 3,100 square feet) single storey commercial building (Building 3) is expected to be demised into two retail units of approximately 2,100 and 3,900 square feet (potentially approximately 1,000 and 2,100 square feet). The configuration of the commercial space is subject to change based on market demand. The square footage remains subject to final zoning and design approvals.



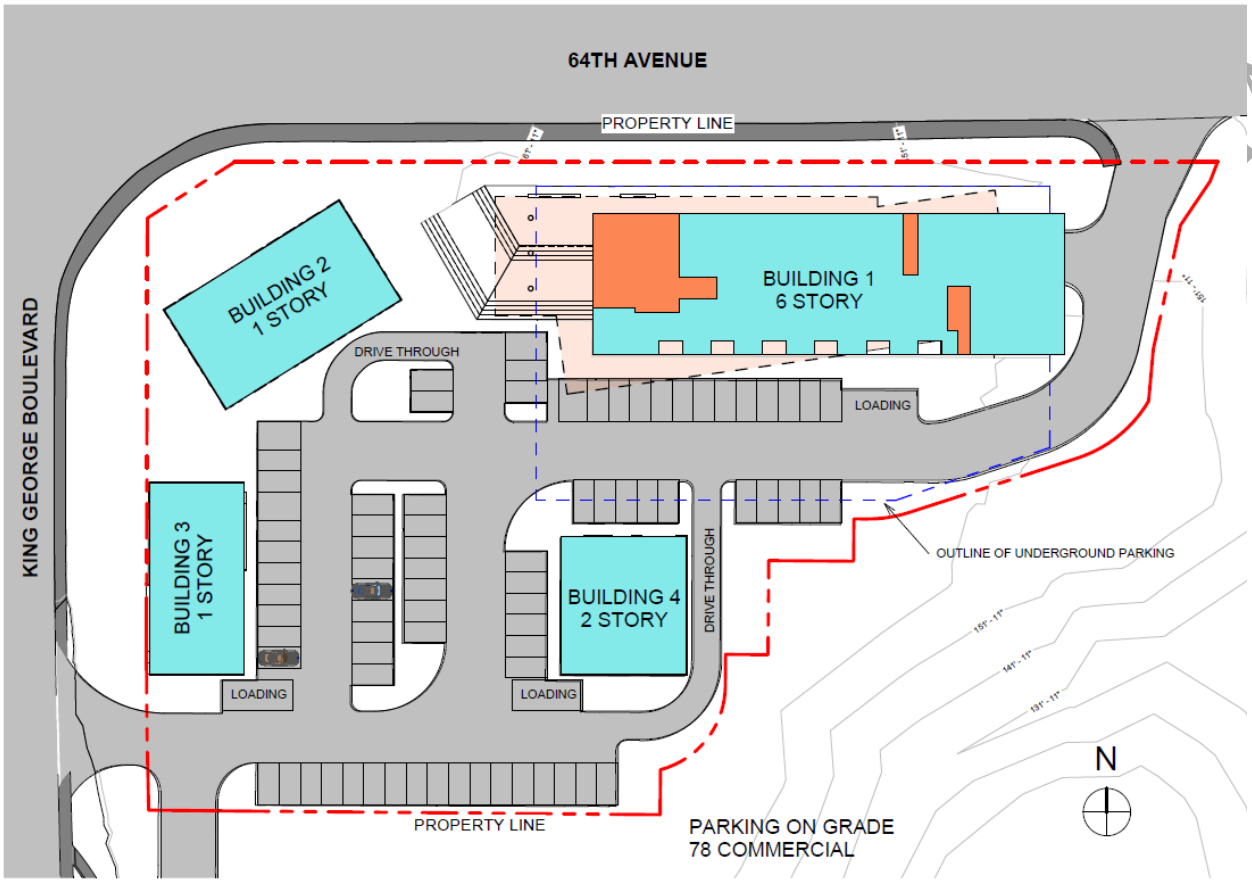
[1] The square footage numbers in this Term Sheet are subject to change and are based on the general standard density currently approved for the proposed development. The numbers in parentheses reflect the potentially higher density allowance, assuming the Limited Partnership's application for this higher density is approved, but there is no assurance that any higher density will be approved.

Yorkton Place Limited Partnership Surrey, B.C.

SUMMARY OF THE OFFERING

ISSUER	Yorkton Place Limited Partnership ("Limited Partnership").
SECURITIES OFFERED	Class "A" Limited Partnership units ("Class A LP Units") in the Limited Partnership or Participating Loans, or a combination of Class A LP Units and Participating Loans.
MAXIMUM OFFERING	Up to a Maximum Offering of $10,000,000 or 10,000,000 Class A LP Units or $10,000,000 of Participating Loans, or a combination of Class A LP Units and Participating Loans for aggregate gross proceeds of up to a combined total of $10,000,000. **(The General Partner acting on behalf of the Limited Partnership may in its sole discretion conduct a Final Closing without reaching the full Maximum Offering.)**
OFFERING PRICE	$1.00 per Class A LP Unit or $1.00 per dollar of principal of Participating Loan.
MINIMUM SUBSCRIPTION	**The Issuer has the right and sole discretion to accept or to refuse any particular subscription.**
Class A LP Units	$500 or 500 Class A LP Units and increments of $1.00 or one (1) Class A LP Unit thereafter. Any one non-related subscriber may purchase no greater than ten (10%) percent of the total Class A LP Units subscribed for pursuant to the Offering up to a maximum of 1,000,000 Class A LP Units ($1,000,000), assuming the Maximum Offering is completed by way of Units only.
Participating Loans	$100,000 per Participating Loan and increments of $1.00 thereafter up to a maximum of $10,000,000 assuming the Maximum Offering is completed by way of Participating Loans only. The Issuer has the right and sole discretion to refuse to accept any particular subscription for a Participating Loan if such subscription results in the Issuer's borrowings at any time exceeding twenty percent (20%) of the Limited Partnership's capital after the Closing on the subscriptions for Class A LP Units.
CLOSING DATE(S)	To be determined by the Limited Partnership from time to time, as determined at the sole discretion of the General Partner acting on behalf of the Limited Partnership. At each Closing of the Offering, the Issuer will firstly conduct the Closing on the subscriptions for Class A LP Units, and will secondly subsequently conduct the Closing on the subscriptions for Participating Loans.
USE OF PROCEEDS	The Limited Partnership as a Small Business Investment Limited Partnership will use the gross proceeds to invest into LandCo, whereby LandCo will use such invested funds from the Offering for the repayment of the HMT Loan and the Repayable Loans used in the acquisition of the Land, and expenses of the Offering including all expenses of the Issuer and LandCo, which covers General Working Capital (including architectural, engineering, consultant and professional fees plus permits, financing, insurance, management fees).
DEFERRED PLAN	The Class A LP Units constitute a "qualified investment" for a RRSP, TFSA and LIRA (each, a "Deferred Plan"). The Deferred Plans will be administered by Western Pacific Trust Company. In order for an investment to be considered a "qualified investment" for Deferred Plans, there must be greater than ten (10) Unitholders holding at least the minimum subscription. The Participating Loans will not meet the definition of a "Qualified Investment" (as defined under the ITA) for tax Deferred Plans.
OFFERING JURISDICTIONS	The Class A LP Units and Participating Loans will be offered for sale in Alberta, British Columbia, Saskatchewan, Manitoba, Northwest Territories, Nunavut, and the Yukon Territory.
SECURITIES LAW EXEMPTIONS	The Offering will be made in accordance with the following exemptions from the prospectus requirements from National Instrument 45-106: *"Prospectus and Registration Exemptions"* ("NI 45-106"); (a) the "accredited investor" exemption found in Section 2.3 of NI 45-106; (b) the "family, friends and business associates" exemption found in Section 2.5 of NI 45-106; (c) the "offering memorandum" exemption found in Section 2.9 of NI 45-106; and (d) the "minimum amount investment ($150,000)" exemption found in Section 2.10 of NI 45-106 — for use only by corporate entities and not individual use.
SALES COMMISSIONS AND FINDER'S FEES	The Limited Partnership reserves the right as permitted by applicable securities legislation, to retain such qualified agents to help effect sales of the Units and/or Participating Loans. Where an agent is retained, the agent may be paid aggregate fees and commissions of up to ten percent (10%) of the gross proceeds realized on the sale of Class A LP Units and/or Participating Loans sold by such agent.
REPORTING	The Limited Partnership is not a reporting issuer in any jurisdiction in Canada. It is therefore not required to disclose any material change which occurs in its business and affairs, nor is it required to file any continuous disclosure with any securities regulatory authorities pursuant to the *Partnership Act* of British Columbia.
RISK FACTORS	Please refer to the list of risk factors that are described in the Offering Memorandum.

Yorkton Place Limited Partnership Surrey, B.C.



Yorkton Place Limited Partnership Surrey, B.C.

SENIOR MANAGEMENT EXPERIENCE

Ben Lui

Mr. Ben Lui is the President & CEO of Yorkton Group International Ltd., with businesses primarily encompassing real estate investment, development and management. Mr. Lui graduated from the University of Toronto with a Bachelor of Science degree in Computer Science and Commerce. With over 25 years of experience in real estate industry, Mr. Lui primarily focuses on business acquisitions, strategic business planning and development, real estate development and construction. A strong advocate of conservative investment approach providing sustainable growth, transparent communication and accountability, and well-executed business plans with attention to details, Mr. Lui brings to the Project and the investors the visionary leadership that has grown Yorkton Group's real estate business to over 40 affiliated companies comprised of hotel, condo and land developments and construction, property management and consulting, holdings of commercial and residential real estate portfolio, as well as large parcels of future development lands.

R. (Reg) Liyanage

Mr. Liyanage is the Executive Vice President of Yorkton Group International Ltd. Mr. Liyanage holds a B.Sc. degree from the University of Alberta, and comes from a financial services background and has held leadership positions, as well as ownership in a variety of businesses. In the commercial real estate field, Mr. Liyanage has over 20 years of experience with a focus on the successful marketing of a variety of commercial real estate properties, including condo units, strip mall units, as well as land syndications. In addition, Mr. Liyanage has extensive experience in project management, development, and redevelopment of commercial properties.

Zhaohui (Joey) Sun

Ms. Sun is the Vice President (Finance) of Yorkton Group and its affiliated companies. Ms. Sun is a Chartered Professional Accountant (CPA) and a Certified Management Accountant (CMA) with a Bachelor Degree in Accounting. As a highly accomplished and result-driven senior accounting and financial management executive with over 20 years of progressive experience in accounting, financial, administration and human resource management, Ms. Sun has experience in various business sectors, including manufacturing, oil and gas, construction, financing, and real estate investment, development and management in a senior management capacity. .

Manuel da Silva

Mr. da Silva is the President of Towerstone Development Corporation. Mr. da Silva has over 27 years of experience in real estate. Mr. da Silva was formerly Vice President of Hyland Pacific Holdings Inc. and Golden Ocean Group, U.K. in which he was responsible for creating development projects that fit within the company's business plan and generating business for an associated company known as Hyland Turnkey Limited. The Hyland Group is a recognized real estate development and management firm in Western Canada. During his tenure with the Hyland Group, Mr. da Silva led the development of new commercial and residential developments throughout Metro Vancouver, including negotiating key partnerships and joint ventures with the existing land owners that created opportunities for the Hyland Group.

Jordan J. Eng

Mr. Eng is the President of Peak Real Estate Marketing Ltd., and he is also the Vice-President of Success Realty and Insurance Ltd., a family business established in 1959 engaged in real estate sales and leasing, development, and property management, and property and casualty general insurance brokerage which he has been with since 1989 and is involved in all facets of the business. Between 1989 and 1993, Mr. Eng was the development manager for the construction of residential apartment buildings and mixed-use residential/commercial property for their family owned portfolio, and was involved in negotiating financing and overseeing the general construction of these properties. He also has an extensive background in the real estate field with 26 years' experience in the sale of commercial properties in Vancouver and Calgary.

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SCHEDULE “E” – LIMITED PARTNERSHIP AGREEMENT

SECOND AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP OF YORKTON PLACE LIMITED PARTNERSHIP

June 28, 2016

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SECOND AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP OF YORKTON PLACE LIMITED PARTNERSHIP

THIS AGREEMENT is made as of February 19, 2016, restated and amended on June 23, 2016 and further restated and amended on June 28, 2016

AMONG:

YORKTON PLACE GENERAL PARTNER LTD. (formerly named 1065015 B.C. Ltd.), a corporation incorporated under the laws of British Columbia under number BC1065015 and having its registered office at 203 – 4545 West 10th Avenue, Vancouver, B.C. V6R 4N2 and its head office at 2430, 10180 – 101 Street, Edmonton, Alberta, T5J 3S4

(the "General Partner")

AND:

LUI HOLDINGS CORPORATION, a corporation incorporated under the laws of Alberta and having its registered office at 9322 Jasper Avenue, Edmonton, Alberta T5H 3T5

("LuiCo")

AND:

1054824 B.C. LTD., a corporation incorporated under the laws of British Columbia under number BC1054824 and having its registered office at 203 – 4545 West 10th Avenue, Vancouver, B.C. V6R 4N2

("BC Co.")

AND:

EACH AND EVERY PERSON who from time to time is admitted to the YORKTON PLACE LIMITED PARTNERSHIP as a Limited Partner and any person who is a successor to such Limited Partner

WHEREAS:

A. The General Partner and the Initial Limited Partners established the Partnership as a limited partnership under the laws of British Columbia pursuant to the Original Partnership Agreement and the Certificate;

B. Pursuant to the Original Partnership Agreement, each of the Initial Limited Partners was issued one Unit in the Partnership;

C. The General Partner and the Initial Limited Partners have agreed to amend and restate the

Original Partnership Agreement on the terms and conditions of the First Amended and Restated Agreement of Limited Partnership and to change the designation of the two Units held by the Initial Limited Partners to Class B LP Units having the rights set out therein;

D. The General Partner and the Initial Limited Partners have agreed to amend and restate the First Amended and Restated Partnership Agreement on the terms and conditions of this Agreement

In consideration of the following mutual promises, the Partners covenant and agree as follows:

ARTICLE 1 DEFINITIONS; DETERMINATIONS

Section 1.1 Definitions

Capitalized terms used in this Agreement shall have the meanings set forth below or as otherwise specified herein:

"**Additional Limited Partners**" has the meaning given to it in Section 4.3 and "**Additional Limited Partner**" means any one of them;

"**Additional Units**" has the meaning given to it in Section 4.3;

"**Affiliate**" has the meaning given thereto in the BCA;

"**Approved Lender**" means:

a) a Canadian bank, Canadian pension fund or other Canadian financial institution or a non-domestic bank, pension fund or other financial institution that is exempt from the requirement for the Partnership to pay withholding tax which carries on the business of making commercial real estate loans in Canada;

b) a Partner or an Affiliate of a Partner;

c) any other lender approved by the General Partner from time to time;

"**Assigning Limited Partner**" has the meaning set forth in Section 4.9;

"**Auditors**" means Collins Barrow LLP, until replaced by such other firm of chartered accountants as is appointed by the General Partner to be the auditors of the Partnership from time to time;

"**Base Interest Rate**" means on any date, the commercial lending rate of interest in effect from time to time, expressed as an annual rate, which BMO Bank of Montreal quotes in Vancouver, British Columbia, as the reference rate of interest (commonly known as "prime") to determine the rate of interest it will charge to its commercial customers for loans in Canadian dollar funds;

"**BCA**" means the *Business Corporations Act* (British Columbia), SBC 2002, c 57, as amended from

time to time;

"**BC Co**." means 1054824 B.C. Ltd. (BC1054824), a corporation incorporated under the BCA;

"**Business Day**" means a day, other than a Saturday, Sunday or statutory holiday, upon which chartered banks in Vancouver (British Columbia) are open for the transaction of business;

"**Business of the Partnership**" means the business of the Partnership as described in Section 2.3;

"**Capital**", at any time, means, with reference to a Partner, the amount paid in cash to the capital of the Partnership in respect of the Units held by such Partner (in the case of a Limited Partner), whether paid by the Limited Partner or on behalf of the Limited Partner, or the partnership interest as otherwise described of such Partner (in the case of the General Partner) plus other amounts, as may be agreed to, less the amount of cash or the agreed value of property which has been returned to such Partner (or any predecessor in interest of such Partner) out of the capital of the Partnership pursuant to the provision hereof in respect of such Units or such partnership interest as otherwise described, as the case may be, at or prior to such time and, with reference to the Partnership as a whole, means the aggregate Capital of all of the Partners;

"**Capital Account**" means the separate account maintained in the records of the Partnership for each Limited Partner and will at any particular time be calculated as:

a) all Capital Contributions by or on behalf of the Limited Partner to the Limited Partnership up to and including the particular time and the Limited Partner's Proportionate Share of Net Income, as allocated from time to time;

less:

b) all distributions by the Partnership to the Limited Partner representing a return or withdrawal of Capital Contributions and Net Income up to and including the particular time and the Limited Partner's proportionate Share of Net Loss, as allocated from time to time;

"**Capital Commitment**" with respect to each Limited Partner means the aggregate amount of cash (or other form of readily available funds) agreed to be contributed as capital to the Partnership by or on behalf of such Limited Partner, as specified in each Limited Partner's Subscription Agreement and "**Capital Commitments**" with respect to all Limited Partners means the aggregate of the aforesaid amounts;

"**Capital Contribution**" means the amount of cash received (and not repaid) by the Partnership from or on behalf of such Limited Partner pursuant to its Capital Commitment and "**Capital Contributions**" with respect to all Limited Partners means the aggregate of the aforesaid amounts;

"**Certificate**" where used in this Agreement means the certificate of limited partnership filed with the Registrar of Companies (British Columbia) under the Partnership Act on February 23, 2016 under number LP681856 and, where not inconsistent with the context, includes all amendments thereto;

"**Class A LP Unit**" means a Class A LP Unit in the capital of the Partnership and which entitles the holder thereof to certain rights and benefits as set out in this Agreement;

"**Class B LP Unit**" means a Class B LP Unit in the capital of the Partnership and which entitles the holder thereof to certain rights and benefits as set out in this Agreement;

"**Class C LP Unit**" means a Class C LP Unit in the capital of the Partnership and which entitles the holder thereof to certain rights and benefits as set out in this Agreement;

"**Class D LP Unit**" means a Class D LP Unit in the capital of the Partnership and which entitles the holder thereof to certain rights and benefits as set out in this Agreement;

"**Class E LP Unit**" means a Class E LP Unit in the capital of the Partnership and which entitles the holder thereof to certain rights and benefits as set out in this Agreement;

"**Confidential Information**" means: (i) information relating to the Partnership or the Business of the Partnership that is not generally known to the public (including information relating to the Project including, but not limited to, tenants, operations, valuations, due diligence investigations results, pricing structures, accounting and business methods, methods and processes, customers and clients and customer or client lists, copyrightable works and all technology, trade secrets and other proprietary information), (ii) information, the disclosure of which the General Partner in good faith believes is not in the best interests of the Partnership, and (iii) any other information which the General Partner or the Partnership is required by law or agreement to keep confidential;

"**Controlled**", "**Controlling**" and "**Control**" when used with respect to any Person, means (i) the power to direct the management and policies of such Person, directly or indirectly, whether through ownership of voting securities, by contract or otherwise, and (ii) the direct and indirect ownership of all equity and economic interests in such Person;

"**Cure Period**" has the meaning set forth in Section 3.9(a);

"**Defaulting Partner**" has the meaning set forth in Section 3.9(a);

"**Default Purchase Price**" has the meaning set forth in Section 3.9(b)(ii);

"**Distributable Cash from Operations**" means, subject as hereinafter set out, the distributable cash from operations received from the Business of the Partnership (which for greater clarification does not include Extraordinary Proceeds) and determined by the General Partner to be available for distribution to Partners and not required by the General Partner to meet the obligations of the Partnership and shall be net of Partnership Expenses incurred by the General Partner on behalf of the Partnership and such cash reserves for operations and capital replacement or refurbishment as the General Partner reasonably deems necessary;

"**Documents and Instruments**" has the meaning set forth in Sections 3.9(b)(ii);

"**Extraordinary Expenditures**" means expenditures required for the maintenance and/or operation of the Business of the Partnership in an amount under any specific contract in excess of $50,000;

"**Extraordinary Proceeds**" means those proceeds received by the Partnership from any sale, disposition or refinancing, of the Business of the Partnership or any investments held by the

Partnership and determined by the General Partner to be available for distribution to Partners and not required by the General Partner to meet the obligations of the Partnership, including net proceeds of liquidation as described in Section 11.5;

"**Fair Market Value**" of the assets of the Partnership and a Partner's Interest in the Partnership means the value thereof as determined by the General Partner in accordance with Article 12;

"**First Amended and Restated Agreement of Limited Partnership**" means the first amended and restated agreement of limited partnership dated June 23, 2016 between the General Partner and LuiCo and BC Co as the Initial Limited Partners, as amended from time to time;

"**Fiscal Year**" means the fiscal period of the Partnership as determined from time to time pursuant to the provisions of Section 2.5;

"**General Partner**" means Yorkton Place General Partner Ltd. (BC1065015), formerly named 1065015 B.C. Ltd., and its successors, in its capacity as and for so long as it remains general partner of the Partnership, and any successor general partner of the Partnership or permitted assignee of the General Partner;

"**Holder**", at any time, means in respect of a Unit that Person who is shown on the Register as the holder of such Unit at such time;

"**IFRS**" means International Financial Reporting Standards as established from time to time by the International Accounting Standards Board of the IFRS Foundation;

"**Improvements**" means all buildings, structures and improvements constructed from time to time on the Lands;

"**Independent Valuator**" means an independent and qualified valuator, appointed by the General Partner;

"**Initial Limited Partners**" means Lui Holdings Corporation and 1054824 B.C. Ltd. in their capacities as the initial limited partners of the Partnership, and "**Initial Limited Partner**" means any one of the Initial Limited Partners;

"**Issuer**" or "**Partnership**" has the meaning set forth in Section 2.1;

"**LandCo**" means Yorkton Place Development Corp. (BC1058346), a corporation incorporated under the BCA, of which all Class "B" Shares are held by the General Partner and all Class "A" Shares are held by the Partnership. Title to the Lands is currently registered in the name of LandCo;

"**LandCo Loan**" means the loan agreement entered into between the Partnership and LandCo, dated February 23, 2016 whereby the Partnership has agreed to lend to LandCo amounts from time to time, with interest at a rate to be determined by the Issuer as lender taking into consideration the net profit of the Project on the Maturity Date which shall not exceed eighteen percent (18%) per annum, calculated annually not in advance from the date of advance until repaid in full. In addition to such interest, the Borrower shall pay the Borrower's Fees, as defined therein. LandCo is not obliged to repay this loan until the Maturity Date, being the date when the Project is completed in all aspects by LandCo before business tax and dividends are declared to the Partnership. On the Maturity Date of the LandCo Loan,

the balance owing thereunder, interest and the Borrower's Fees shall become due and payable. LandCo is entitled to repay the LandCo Loan in whole or in part at any time without notice, penalty or bonus. The final loan amount shall be determined in the sole discretion of the Partnership as the lender as deemed appropriate by the General Partner based on the final amount of funds raised pursuant to the Offering;

"**Lands**" means, collectively, all of the land comprising the Project, consisting of those lands more specifically set out in Schedule D attached hereto;

"**Leases**" means all written leases, agreements to lease, subleases, tenancies and other rights of or occupation of or in respect of the Project or any part thereof, as the same may be amended, modified, replaced, restated or supplemented from time to time;

"**Limited Partners**" means the parties listed in Schedule A, as up-dated and re-stated from time to time, in their capacities as limited partners of the Partnership, and each Person that is admitted to the Partnership as a substitute Limited Partner pursuant to Section 4.9 or as an Additional Limited Partner pursuant to Section 4.3 or Section 4.5, for so long as each such Person continues to be a limited partner hereunder; and "**Limited Partner**" means any one of the Limited Partners;

"**Loans**" means at the relevant time any loans or advances, whether secured or unsecured, made by an Approved Lender to the Partnership, plus all accrued and unpaid interest thereon, and for greater certainty, includes the Participating Loans;

"**LuiCo**" means Lui Holdings Corporation (Alberta 24422875), a corporation incorporated under the laws of Alberta;

"**Major Partnership Resolution**" means:

a) a resolution passed by Limited Partners holding, in the aggregate, not less than a simple majority of the aggregate number of Units having the Right to Vote, in person or by proxy at a duly convened meeting of Partners, or any adjournment thereof, called in accordance with this Agreement; or

b) a written resolution in one or more counterparts consented to in writing by Limited Partners holding, in aggregate, not less than a simple majority of the aggregate number of Units having the Right to Vote;

"**Maturity Date**" means, with respect to the LandCo Loan, the date when the Project is completed in all aspects by LandCo before business tax and dividends are declared to the Partnership; or alternatively, with respect to the Participating Loans, the date on which the Project is completed in all aspects, that being the date of the final financial statements taking into account the distribution of net profits after the payment of all taxes of the Project to all Unitholders and Participating Loan holders on a *pari passu* basis calculated dollar for dollar based on the initial amount invested for each Subscriber regardless of having purchased Units or Participating Loans, and which date is not fixed and which may not occur which shall not constitute a default, an event of default or breach under the Participating Loan, howsoever caused;

"**Net Income**" or "**Net Loss**", for any fiscal period of the Partnership, means, respectively, the net

income (including capital gain) or net loss (including capital losses) of the Partnership, as determined by the General Partner in accordance with IFRS consistently applied and recorded in the accounts of the Partnership;

"**Non-Compliant Limited Partner**" has the meaning set forth in Section 4.15;

"**Offering Memorandum**" means the confidential offering memorandum of the Issuer dated June 29, 2016, including any amendments hereto;

"**Ordinary Partnership Resolution**" means:

a) a resolution passed by Limited Partners holding, in the aggregate, not less than a simple majority of the aggregate number of Units having the Right to Vote, in person or by proxy at a duly convened meeting of Partners, or any adjournment thereof, called in accordance with this Agreement; or

b) a written resolution in one or more counterparts consented to in writing by Limited Partners holding, in the aggregate, not less than a simple majority of the aggregate number of Units having the Right to Vote;

"**Organizational Expenses**" means all out-of-pocket third party expenses (including, without limitation, general administration, printing, travel, legal and accounting fees and expenses) actually and reasonably incurred in connection with the creation, organization and funding of the Partnership, including reasonable legal fees incurred by the Limited Partners in connection with the formation of the Partnership, and approved by the General Partner, acting reasonably;

"**Original Partnership Agreement**" or "**Agreement of Limited Partnership**" means the Agreement of Limited Partnership dated February 19, 2016 made between the General Partner and the Initial Limited Partners;

"**Participating Loan(s)**" or "**Participating Loan Agreement**" means the unsecured participating convertible debentures entered into between a Subscriber and the Partnership for a minimum subscription amount of $100,000 on a participating loan basis. Participating Loan holders have the option to convert a portion of the outstanding principal amount of each respective Participating Loan into Class A LP Units at a conversion rate of $1.00 for each Class A LP Unit, subject to adjustment and in accordance with the terms and conditions of the Participating Loans, provided that the conversion would not result in the Participating Loan holder holding greater than ten percent (10%) of the total Class A LP Units issued and outstanding calculated immediately after such Closing and subscribed for pursuant to the Offering. The Participating Loan shall bear Interest, as defined therein, subject to the terms and conditions of the Participating Loans. The Participating Loan holder shall be entitled to Interest only in the event that the Partnership earns any net profits after the payment of taxes by LandCo with respect to the Project on the Maturity Date and is able to fully repay the principal amount of the Participating Loan back to the Participating Loan holder, if any, depending on the financial performance of the Project. Such Interest shall be paid to the Participating Loan holder by way of a one-time payment of an amount of Interest representing the net profits after the payment of taxes by LandCo with respect to the Project to the Participating Loan holder on or after the Maturity Date pursuant to the Participating Loan holder's right to participate in the distribution of net profits after the payment of taxes by LandCo with respect to the Project on the same basis as the Unitholders, on a pari passu basis calculated dollar for dollar based on the initial amount invested for each Subscriber regardless of having purchased Units or Participating Loans, and provided only if the

Interest or payment of an amount of Interest has not been cancelled or deemed to have been cancelled pursuant to the Participating Loan. Participating Loan holders agree that the Participating Loans are subordinated and postponed in favour of any bank or lender in respect of any Project financing made to LandCo, and any claim of any bank or lender in respect of any Project financing made to LandCo shall take precedence and be fully paid in priority to the Participating Loans. The Partnership agrees to have the Participating Loan holder and the Partnership subordinate and postpone the Participating Loan to any such financings made to LandCo. As at the date of the Offering Memorandum, no Participating Loans have been issued. The Issuer has the right, in its sole discretion, to issue Participating Loans of a minimum subscription amount of $100,000 on a participating loan basis, as long as the aggregate principal of the Participating Loans and the Class A LP Units issued by the Partnership do not exceed the Maximum Offering, as defined in the Offering Memorandum, and provided that the borrowings of the Partnership at any time does not exceed twenty percent (20%) of the capital of the Partnership. The Partnership is not obliged to repay the Participating Loans until the Maturity Date, as defined therein, being the date on which the Project is completed in all aspects, that being the date of the final financial statements taking into account the distribution of net profits after the payment of all taxes of the Project to all Unitholders and Participating Loan holders on a pari passu basis calculated dollar for dollar based on the initial amount invested for each Subscriber regardless of having purchased Units or Participating Loans, and which date is not fixed and which may not occur which shall not constitute a default, an event of default or breach under the Participating Loan, howsoever caused. The Participating Loan with respect to both principal and Interest, as defined therein, is not repayable or demandable prior to or after the Maturity Date and will only be repaid on or after the Maturity Date and only if funds are available firstly to repay the principal amount, if any, and lastly to pay Interest, if any. Interest, if any, shall be calculated first, and the principal amount, if any, shall be repaid first and the Interest, if any, shall be paid last, thereby extinguishing the Participating Loan. Pursuant to the Participating Loan, the Partnership has the right, in its sole and absolute discretion, at any time before, on or after the Maturity Date to write-down the principal amount outstanding, including writing-down the principal amount to zero, or to cancel or deem to cancel the Interest or payment of an amount of Interest, including cancelling the Interest to zero. Such writing-down of the principal amount or cancellation of the Interest shall not constitute a default, an event of default or breach under the Participating Loan, howsoever caused;

"**Participating Loan holders"** means those persons who have subscribed for Participating Loans;

"**Partners**" means, collectively, the General Partner and the Limited Partners, and "**Partner**" means any one of the Partners;

"**Partnership**" or "**Issuer**" has the meaning set forth in Section 2.1;

"**Partnership Act**" means the *Partnership Act* (British Columbia), RSBC 1996, c 348, as amended from time to time, and includes any successor legislation;

"**Partnership Expenses**" means, without duplication, the aggregate of all costs, expenses and liabilities incurred in connection with the Business of the Partnership including, without limitation (i) all costs and expenses attributable to the funding and administration of Treasury Investments (including, without limitation, registration expenses and custodial and other fees), (ii) legal, accounting, auditing, consulting and other fees and expenses (including, without limitation, expenses associated with the preparation of financial statements for the Partnership, tax reporting information and any other reports required by Section 13.2), (iii) litigation and indemnification costs and expenses, judgments and settlements relating to the Partnership, (iv) any taxes, fees and other governmental

charges levied against the Partnership or for which the Partnership is liable, and (v) Organizational Expenses;

"**Partnership Property**" means (i) all of the issued and outstanding Class A non-voting equity shares of LandCo, and (ii) all other investments owned by the Partnership from time to time;

"**Partnership Regulatory Risk**" means a material risk of subjecting the Partnership, the General Partner, the Limited Partners or any of their respective partners, members or shareholders to any governmental law or regulation (or any violation thereof) or requiring registration with any governmental agency, other than as expressly contemplated herein;

"**Person**" or "**person**" means any individual, partnership, issuer, joint venture, syndicate, sole proprietorship, company or issuer with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted;

"**Private Account**" means the account established for each Partner on the books of the Partnership to which his or its respective share of Net Income is credited and to which the Partner's respective share of Net Loss and cash distributions are charged (except as to reductions of Capital which are charged to the Partner's Capital Account);

"**Project**" means LandCo's strata titled project to be built on the Lands and all business of LandCo in respect thereto including: (i) acquiring the Lands; (ii) increasing the equity value of LandCo through rezoning and development; (iii) effecting the pre-sales and sales of strata title units; (iv) to buildout a free-standing pad site and a lease with a major bank; (v) to buildout a free-standing pad site and a lease with a major coffee facility**;** (vi) to buildout a pad site incorporating a lease with a liquor store; (vii) construction of residential strata titled structure on the Lands in accordance with the approved zoning and architectural plans; and (vii) conducting any other business or activity incidental, ancillary or related thereto. Presently, two (2) offers to lease have been signed with LandCo with respect to the Lands. One offer to lease is with a major bank facility, and the other offer to lease is with a private liquor store. The two (2) offers to lease are conditional offers to lease, which may or may not materialize if any of the conditions therein are not fully met. All such lease arrangements are subject to change, and LandCo has the sole discretion and flexibility to change the tenant profile of the Project. The Project may be constructed and completed in a number of phases. The proposed development Project is approved for density in accordance with the current zoning allowances, and LandCo has applied for higher density with respect to the 6 storey mixed use retail/residential building (Building 1) within the 6 storey height limit;

"**Proportionate Share**" means, in respect of each Limited Partner, as at the date of determination, the percentage obtained when the aggregate outstanding Class A LP Units, Class C LP Units, Class D LP Units and Class E LP Units owned by a Limited Partner is divided by the aggregate of all outstanding Class A LP Units, Class C LP Units, Class D LP Units and Class E LP owned by all of the Limited Partners, including such Limited Partner, and multiplied by 100;

"**Sale and Purchase Agreement**" means the agreement for sale and purchase entered into by Peak Real Estate Development Ltd. and the Vendor dated November 12, 2015 to acquire the Lands from the Vendor, which, pursuant to an assignment entered into by Peak Real Estate Development Ltd. and LandCo dated February 25, 2016, Peak Real Estate Development Ltd. transferred and assigned all its rights, title and interest to the Lands to LandCo;

"**Receiver**" has the meaning set forth in Section 11.3;

"**Register**" means the register referred to in Section 4.8 maintained by the General Partner to record the names and addresses of the Limited Partners, the number of Units held by each Partner and particulars of the registration and assignment or transfer of the Units;

"**Right to Participate**" means the right expressly granted in this Agreement to a Unit or in a Participating Loan Agreement to a Participating Loan to participate in the distribution of Distributable Cash from Operations and Extraordinary Proceeds on a pari passu dollar for dollar basis with other Units and Participating Loans having the Right to Participate;

"**Right to Vote**" means the right expressly granted in this Agreement to the Class B LP Units to receive notice of, attend and vote at meetings of the Limited Partners, to sign consent resolutions of the Limited Partners, and to otherwise vote in respect of any matter or resolution to be decided by the Limited Partners;

"**Security**" has the meaning given to such term in the *Securities Act* (British Columbia), RSBC 1996, c. 418 in effect on the date hereof and "**Securities**" means more than one Security;

"**Security Holder**" has the meaning set forth in Section 4.18;

"**Subscribers**" means those persons subscribing for Units and/or Participating Loans pursuant to the Offering Memorandum;

"**Subscription Agreement**" means the subscription form and power of attorney, in the form approved by the General Partner from time to time, to be entered into between the Partnership and each Person wishing to subscribe for Units;

"**Tax Act**" means the *Income Tax Act* (Canada), RSC 1985, c 1, and the policies, rules and regulations thereunder, as amended;

"**Taxable Income**" or "**Tax Loss**", in respect of any Fiscal Year, means, respectively, the amount of income or loss of the Partnership for such period as determined by the General Partner in accordance with the provisions of the Tax Act (including the amount of the taxable capital gain or allowable capital loss from the disposition of each capital property of the Partnership as determined by the General Partner in accordance with the provisions of the Tax Act);

"**Third Party Financing**" has the meaning set forth in Section 6.4;

"**Treasury Investments**" means investments of cash assets of the Partnership in Canadian or Canadian provincial governmental obligations, Canadian bank sponsored money market instruments, Canadian bank deposits, Canadian certificates of deposit or other similar obligations and securities;

"**Unanimous Partnership Resolution**" means:

i) a resolution passed by Limited Partners holding, in the aggregate, not less than a simple majority of the aggregate number of Units having the Right to Vote, in person or by

proxy at a duly convened meeting of Partners, or any adjournment thereof, called in accordance with this Agreement; or

ii) a written resolution in one or more counterparts consented to in writing by Limited Partners holding, in aggregate, not less than a simple majority of the aggregate number of Units having the Right to Vote;

"**Unit**" or "**LP Unit**" means any Class A LP Unit, Class B LP Unit, Class C LP Unit, Class D LP Unit or Class E LP Unit, and "Units" or "LP Units" means all such units;

"**Unit Certificate**" means a certificate issued to a Limited Partner evidencing ownership of Units in the Partnership in the form set out in Schedule B hereto;

"**Unitholders**" means the persons who are holders of Class A LP Units;

"**Vendor**" means the original seller of the Lands, 0991342 BC Ltd., a corporation incorporated under the BCA.

Section 1.2 Interpretation

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) "this Agreement" or "Limited Partnership Agreement" means this First Amended and Restated Agreement of Limited Partnership as it may from time to time be supplemented, amended or restated, and includes the Schedules attached hereto;

(b) all references in this Agreement to designated "Articles", "Sections", "Paragraphs", "Schedules" and other subdivisions are to the designated Articles, Sections, paragraphs, Schedules and other subdivisions of this Agreement;

(c) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section, paragraph, Schedule or other subdivision of this Agreement;

(d) the table of contents and headings are for convenience only and do not form a part of this Agreement nor are they intended to interpret, define or limit the scope, extent or intent of this Agreement or any of its provisions;

(e) a general statement, term or matter when followed by the word "including', shall not be construed as limited to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not language such as "without limitation, or "but not limited to" or words of similar import are used with reference thereto, but rather the general statement, term or matter shall be deemed to refer to all items and matters that could reasonably fall within the broadest possible scope of such

general statement, term or matter;

(f) all accounting terms not otherwise defined herein have the meanings assigned to them, and all calculations to be made hereunder are to be made, in accordance with IFRS applicable to the undertaking of the Partnership;

(g) all references to currency herein are deemed to mean currency of Canada unless otherwise indicated;

(h) any reference to a statute shall include and shall, unless otherwise set out herein, be deemed to be a reference to such statute and to the regulations made pursuant thereto, with all amendments made thereto and in force from time to time, and to any statute or regulations that may be passed which has the effect of supplementing or superseding such statute or such regulations;

(i) any reference to a Person shall include and shall be deemed to be a reference to any Person that is a successor to such Person;

(j) any reference to "approval", authorization" or "consent" of the General Partner means the written approval, written authorization or written consent of the General Partner which may be granted, withheld or issued to terms and conditions as the General Partner determines in its sole discretion;

(k) words importing the masculine gender include the feminine or neuter gender and words in the singular including the plural, and vice versa and, where applicable, a corporation; and

(l) when calculating the period of time within which or following which any act is to be done or step is to be taken, the date which is the reference date in calculating such time period will be excluded. If the last day of such time period is not a business day, then the time period will end on the next Business Day.

Section 1.3 Schedules

The following are the Schedules to this Agreement:

Schedule A: Limited Partners and Schedule of Payments
Schedule B: Unit Certificate
Schedule C: Assignment of Units
Schedule D: Lands

ARTICLE 2 GENERAL PROVISIONS

Section 2.1 Formation

The Partners hereby confirm the formation of the Yorkton Place Limited Partnership as a limited partnership (the "**Partnership**") pursuant to and in accordance with the Partnership Act, and agree that the Partnership will continue upon the terms and conditions set out in this Agreement. The Partnership Term commenced on February 23, 2016 being the date of filing of the Certificate under the Partnership Act and shall continue until dissolution and termination of the Partnership in accordance with the provisions of Article 11.

Section 2.2 Name

The name of the Partnership shall be "**Yorkton Place Limited Partnership**" or such other name or names as the General Partner may designate from time to time. The General Partner shall promptly notify each Limited Partner in writing of any change in the Partnership's name and shall file all notices of such change in accordance with the Partnership Act.

Section 2.3 Business of the Limited Partnership

The Partnership is established as a "small business investment limited partnership" as defined in the Tax Act and its only undertaking and business activity will be the investing of its funds. The Partnership's investments will consist solely of small business securities, being 100% of the issued and outstanding Class "A" Shares of LandCo. The Limited Partnership will not carry on any other business nor invest any of its funds in any other properties or projects. The foregoing is referred to as the "**Business of the Partnership**". The Partnership will carry on the Business of the Partnership with a view to making a profit from the Business of the Partnership, and may exercise all powers ancillary and incidental thereto or in furtherance thereof. In furtherance of such purpose, the Partnership shall have and exercise all of the powers now or hereafter conferred under the laws of the Province of British Columbia on limited partnerships formed under such laws and may do any and all things necessary or incidental to such purpose or business.

Section 2.4 Place of Business

The Partnership shall maintain an office and principal place of business in Vancouver, British Columbia or such place or places as the General Partner may from time to time designate.

Section 2.5 Fiscal Year

The first fiscal period of the Partnership shall end on December 31, 2016 and thereafter each fiscal period shall commence on January 1 in each year and shall end on the earlier of December 31 in the following year or on the date of dissolution or other termination of the Partnership, unless changed by Major Partnership Resolution of the Limited Partners. Each such fiscal period is herein referred to as a "**Fiscal Year**".

Section 2.6 Restrictions on the Activities of the Partnership

(m) This Agreement shall not be deemed to create an agreement (in the nature of a limited partnership or any other arrangement) among the Partners with respect to any activities whatsoever other than the activities within the Business of the Partnership.

(n) None of the Partners or the Partnership shall be responsible or liable for any indebtedness or obligation of any other Partner incurred either before or after the execution of this Agreement, except as to those joint responsibilities, liabilities, indebtedness or obligations incurred pursuant to, and as limited by, the terms of this Agreement.

(o) The assets of the Partnership shall be deemed owned by the Partnership as Partnership Property, and no Partner individually shall own any interest in the assets of the Partnership.

(p) The Partnership shall not enter into any investment or carry on business in any jurisdiction unless the General Partner has taken all steps which, on the advice of counsel, are required by the laws of that jurisdiction for the Limited Partners to benefit from limited liability to the same extent that such Limited Partners enjoy limited liability under the Partnership Act. The Partnership shall not enter into any investment or carry on business in any jurisdiction in which the laws do not recognize the liability of the Limited Partners to be limited unless the General Partner has previously advised the Limited Partners in writing of such action and, on the advice of counsel, the Limited Partners have determined that the risks associated with the possible absence of limited liability in such jurisdiction are not significant considering the relevant circumstances, and the Limited Partners have approved such action by Major Partnership Resolution.

(q) The Partnership shall carry on business in such a manner as to ensure, to the greatest extent possible, the limited liability of the Limited Partners, and the General Partner shall register the Partnership in jurisdictions other than its principal place of business if and only if the General Partner considers it appropriate or necessary to do so.

ARTICLE 3 CAPITAL CONTRIBUTIONS AND CAPITAL COMMITMENTS

Section 3.1 Aggregate Capital Commitments

The aggregate Capital Commitments at any time shall not exceed the amount of $40,001,000.00, unless a greater amount is approved by Major Partnership Resolution.

Section 3.2 Capital Account

The General Partner will establish accounts on the books of the Partnership for the General Partner's Capital and for each Limited Partner's Capital, to which all Capital Contributions made by the respective Partners will be credited and from which all Capital distributions made by the respective Partners will be deducted.

Section 3.3 Contributed Capital

A Limited Partner will contribute their respective Capital Commitment to the Capital of the Partnership in respect of each Unit subscribed for by such Limited Partner which contribution will be reflected in the Capital Account maintained for such Limited Partner in accordance with this Agreement.

Section 3.4 Private Accounts

The General Partner will establish a Private Account on the books of the Partnership for the General Partner and each of the Limited Partners, to which Net Income, and all other amounts to which Partners are entitled (other than Capital) are credited and to which Net Loss and all distributions to Partners (other than distributions of Capital) are charged. At the sole discretion of the General Partner, the General Partner may maintain the Private Account and Capital Account for each Partner together on the books of the Partnership if the balance in each of the Private Accounts and Capital Accounts may be ascertained.

Section 3.5 No Additional Capital Contributions

Except as agreed by all of the Limited Partners, no Limited Partner shall be required or permitted to make any Capital Contribution to the Partnership in excess of its Capital Commitment.

Section 3.6 Interest on Capital Contributions; Interest on Overdue Amounts

No Limited Partner shall be entitled to interest on the amount of its initial or additional Capital Contribution to the Partnership.

Section 3.7 Subscription Agreement

Each Limited Partner shall enter into a Subscription Agreement and sign and provide the General Partner with all additional documents and information as required by the General Partner prior to or concurrently with its admission to the Partnership.

Section 3.8 No Right to Withdraw Amounts

No Partner will have any right to withdraw any amount or receive any distribution from the Partnership except as expressly provided for in this Agreement and no distribution to any Partner will

be deemed a return or withdrawal of Capital (except as expressly provided in this Agreement), but if any court of competent jurisdiction at any time determines that, notwithstanding the provisions of this Agreement, a Limited Partner is obligated to pay any amount distributed to such Limited Partner to or for the account of the Partnership or to any creditor of the Partnership, then such obligation will be the obligation of such Limited Partner.

Section 3.9 Limited Partner's Default on Capital Commitment

(a) If a Limited Partner (a "**Defaulting Partner**") fails to make full payment of any portion of its Capital Commitment or any other payment required hereunder when due, the General Partner shall provide a notice to the Defaulting Partner, describing the default and indicating the amount of the payment in default. The Defaulting Partner shall pay such amount within 10 Business Days after receipt by such Limited Partner of such written notice from the General Partner (the "**Cure Period**"). The Defaulting Partner is liable to pay interest on any portion of its Capital Commitment or any other payment required hereunder as remains due and unpaid from the original due date up to and including the date of payment at that variable rate per annum which is equal to 6% per annum above the Base Interest Rate, adjusted immediately, without notice, upon any change in the Base Interest Rate.

(b) If the Defaulting Partner fails to pay all amounts owing by it to the Partnership by the end of the Cure Period, then without prejudice to any other recourse against the Defaulting Partner which the Partnership or any other Partner may have, the General Partner may undertake one or more of the steps set out in Sections 3.9(b)(i) and (ii):

i) the General Partner may, on behalf of the Partnership, pursue and enforce all rights and remedies the Partnership may have against such Defaulting Partner with respect to the default, including a lawsuit to recover any losses sustained or incurred in connection with or arising as a result of such default including, without limitation, the costs of any valuation undertaken in connection with the sale of the interest of the Defaulting Partner in the Partnership, as provided below, or damages or penalties payable by the Partnership as a result of its inability to pay any costs or expenses related to the Project;

ii) the General Partner may on behalf of the Partnership offer to purchase the Defaulting Partner's interest and, if such an offer is made, the Defaulting Partner shall be deemed to accept such offer on the terms and conditions set forth herein. At the closing of such purchase (on a date and at a place designated by the General Partner), the Partnership shall, as payment in full for the Defaulting Partner's interest being purchased, pay to the Defaulting Partner by certified cheque, bank draft or solicitors' trust cheque an amount equal to (A) 80% of the Fair Market Value of the Defaulting Partner's interest in the Partnership (such Fair Market Value to be determined in accordance with Article 12 by the General Partner whose valuation shall, absent manifest error,

be final and binding) (the "**Default Purchase Price**") and (B) less any liability or indebtedness of the Defaulting Partner to the Partnership (including the losses described in clause (i) hereof) and less the portion of the Defaulting Partner's obligation to make both defaulted and future Capital Contributions pursuant to its Capital Commitment. The Defaulting Partner shall execute and deliver all documents and instruments to give effect to the purchase and sale (the "**Documents and Instruments**"). The Defaulting Partner shall be required to provide reasonable and standard representations and warranties in the Documents and Instruments with respect to any matter relating to the Partnership including, without limitation, that it is the beneficial owner of its interest in the Partnership and that such interest is not subject to any mortgage, lien, pledge, encumbrance, security interest or adverse claim. The General Partner shall set reasonable time limits for acceptance or deemed acceptance of the offer. The cost of any such valuation shall be borne by the Defaulting Partner whose interest is being sold and may be deducted from the proceeds of such sale together with any other reasonable expenses incurred in connection therewith;

iii) if the General Partner, on behalf of the Partnership, does not purchase the Defaulting Partner's interest, the General Partner may offer to sell the Defaulting Partner's interest to the Limited Partners (other than any other Defaulting Partners) for an amount equal to the Default Purchase Price, pro rata based upon the respective Proportionate Shares of such Limited Partners on the terms set forth below. If any Limited Partner does not elect to purchase the entire interest offered to it, the portion of the interest not being purchased shall be offered pro rata on the same basis to the Limited Partners who have purchased the entire interest offered to them until either all of such interest is acquired or no Limited Partner wishes to make a further purchase on the same terms as set forth in Section 3.9(b)(ii), *mutatis mutandis*, provided that any indebtedness of the Defaulting Partner to the Partnership shall be assumed by the purchasing Limited Partner in proportion to the interest of the Defaulting Party purchased by such Limited Partner;

iv) if the entire Defaulting Partner's interest is not purchased in the manner set forth in Section 3.9(b)(iii), the General Partner may offer the remaining interest to a third party or parties on the same terms as originally offered to the Partners pursuant to Section 3.9(b)(iii) (in which case such third party or parties shall, as a condition of purchasing such interest, comply with Section 4.9 and become a party to this Agreement);

v) if the Defaulting Partner does not execute any Document or Instrument referred to in Section 3.9(b)(ii) or required pursuant to the terms hereof within 30 days of the receipt thereof, the General Partner shall be entitled to sign such Document or Instrument on behalf of the Defaulting Partner and to deliver it to the purchaser or purchasers of the Defaulting Partner's interest. For such purpose, each Defaulting Partner appoints the General Partner as its attorney, with full power of substitution, in the name of the Defaulting Partner to execute any such Document or Instrument to give effect thereto. Such appointment, being coupled with an interest, is irrevocable by each Defaulting Partner and

shall not be revoked by the insolvency, bankruptcy, dissolution, liquidation or other termination of the existence of the Defaulting Partner. Each Defaulting Partner agrees that it will not assert any claim against the Partnership, the General Partner, any Limited Partner nor any other Person that challenges, directly or indirectly, the authority of the General Partner to execute such document or instrument or the validity or enforceability of such document or instrument. Each Defaulting Partner agrees that it shall ratify and confirm all that the General Partner may do or cause to be done pursuant to the foregoing.

(c) If the Defaulting Partner fails to pay amounts owing by it to the Partnership by the end of the Cure Period, it shall thereafter not be entitled to exercise any Right to Vote which may be attached to its Units on any matter affecting the Partnership.

(d) The Partnership shall have the right to satisfy any amount from time to time owing to it by the Defaulting Partner by way of set-off against any amount owing by the Partnership to the Defaulting Partner hereunder, including, without limitation, distributions of Net Income or return of the Defaulting Partner's Capital Contributions. After amounts owing by the Defaulting Partner to the Partnership have been paid in full, the Partnership shall pay to the Defaulting Partner the balance of amounts owing by the Partnership to the Defaulting Partner.

ARTICLE 4 UNITS

Section 4.1 Units and Capital

The interest of the Limited Partners in the Partnership shall be divided into and represented by 10,000,000 Class A LP Units, 1,000 Class B LP Units, 10,000,000 Class C LP Units, 10,000,000 Class D LP Units and 10,000,000 Class E LP Units. Additional Units may be issued subject to Section 4.5. The two Units issued to the Initial Limited Partners pursuant to the Original Partnership Agreement are hereby converted into and designated as Class B LP Units. The Partnership shall not issue fractional Units.

Section 4.2 Rights and Obligations of Units

The Units shall have the following rights and obligations (except as otherwise expressly provided in this Agreement):

(a) the Class A LP Units, the Class C LP Units, the Class D LP Units and the Class E LP Units shall not have the Right to Vote;

(b) the Class B LP Units shall have the Right to Vote;

(c) the Class A LP Units, the Class C LP Units, the Class D LP Units and the Class E LP Units shall have the right to receive allocations of Net Income and Taxable Income on a pari passu dollar for dollar basis with the Participating Loans;

(d) the Class A LP Units, the Class C LP Units, the Class D LP Units and the Class E LP Units shall have the right to receive allocations of Net Loss and Tax Loss on a pari passu dollar for dollar basis;

(e) the Class A LP Units, the Class C LP Units, the Class D LP Units and the Class E LP Units shall have the Right to Participate on a pari passu dollar for dollar basis with the Participating Loans;

(f) the Class A LP Units, the Class B LP Units, the Class C LP Units, the Class D LP Units and the Class E LP Units shall have the obligation to make Capital Commitments to the Partnership for the amounts set out in their Subscription Agreements. For greater certainty, the Partners shall not have any obligation to contribute to the Partnership any amounts above their Capital Commitments;

(g) the Class A LP Units, the Class B LP Units, the Class C LP Units, the Class D LP Units and the Class E LP Units will be redeemable by the Partnership at the discretion of the General Partner without the consent of the holders of the Units, and the following provisions shall apply to any redemption of Units selected by the General Partner for redemption:

i) the redemption price in respect of each Unit to be redeemed will be determined by the General Partner in its discretion (the "Redemption Price"), which Redemption Price may be different for different classes of Units;

ii) the Units selected by the General Partner will be redeemable by the Partnership at the Redemption Price together with any portion of Distributable Cash from Operations and Extraordinary Proceeds allocated by the General Partner to the Units to be redeemed but not paid (collectively the "Redemption Amount");

iii) if less than all of the Units of a class are to be redeemed, the Units to be redeemed will be selected by the General Partner on pro rata basis ;

iv) before redeeming any Unit, the General Partner must give notice to each registered holder of the Unit selected for redemption of the Partnership's intention to redeem at least seven (7) days before the date set for redemption. Accidental failure to give such notice to any registered holder will not affect the validity of the redemption. Such notice must set out the Redemption Amount, the date of redemption and if only part of the registered holder's Units are to be

redeemed, the number to be redeemed. On or within ten (10) days after the date set for redemption, the Partnership will pay the Redemption Amount to the registered holders of the Units to be redeemed, on surrender of the relevant certificates at the head office of the General Partner or such other place in Canada specified in such notice, and upon that occurring, the certificates for such Units will be cancelled and the Units will be redeemed. If only part of the Units are redeemed, a new certificate for the balance will be issued at the expense of the Partnership. As of the date specified for redemption the registered holders of the Units selected for redemption will not have any rights in respect of such Units, except to receive the Redemption Amount. If the Partnership does not pay the Redemption Amount in accordance with the foregoing, the rights of the registered holders of such Units will remain unimpaired. The Partnership will have the right at any time after the sending of notice of redemption of any Units to deposit the Redemption Amount of such shares to an account in any chartered bank or trust company or law firm in Canada named in such notice, to be paid without interest to the registered holders of such Units upon surrender of the relevant certificates to such bank, trust company or law firm. Upon the later of such deposit being made or the date specified for redemption in such notice, the Units for which such deposit has been made will be redeemed. After such deposit or such redemption date, the rights of the registered holders will be limited to receiving without interest the Redemption Amount deposited against surrender of the certificates held by them; and

v) notwithstanding the foregoing, the holders of the Units selected for redemption may waive notice of any such redemption by instrument or instruments in writing.

Section 4.3 Initial and Subsequent Offerings

The General Partner, subject to the receipt of the Subscription Agreement, documents and information referred to in Section 3.7 and subject to the other terms and limits hereof, is authorized to offer Units (the "**Additional Units**") for sale from time to time until the total number of issued Units reaches the limits set out in Sections 3.1 and 4.1. The Class A LP Units and the Class B LP Units will be issued for cash consideration of $1.00 per Class A LP Unit or Class B LP Unit, as the case may be. The Class C LP Units, Class D LP Units and Class E LP Units will be issued for such cash or other consideration as the General Partner may determine from time to time, taking into account all of the circumstances of the Partnership at such time. The Class C LP Units, the Class D LP Units and the Class E LP Units may be issued for different consideration and on different terms and conditions by the General Partner.

The General Partner is authorized to admit, one or more Persons (the "**Additional Limited Partners**") to the Partnership as Limited Partners and to issue Additional Units to the Additional Limited Partners and, subject as aforesaid, the Partners hereby consent to the admission of, and will admit, the Additional Limited Partners to the Partnership, without further act of the Partners. The parties acknowledge that the issuance of Additional Units to the Additional Limited Partners will dilute the proportionate interest of each of the Partners in the Partnership. Any Holder of Additional Units shall:

(a) sign and deliver a declaration in form acceptable to the General Partner that such Person has the status as set out in Section 7.2; and

(b) agree in writing to be bound by the terms of this Agreement and to assume the obligations of the assignor or transferor in respect of the Partners and the Partnership and of a Limited Partner under this Agreement.

Upon the admission of such Additional Limited Partners, the General Partner will amend the Register by showing the name of each Additional Limited Partner, the residential address of such Additional Limited Partner or, in the case of a corporation, an address of the corporation, and the amount of capital contributed or agreed to be contributed, and will make such other filings and recordings as are required by law or this Agreement.

Notwithstanding any other provision of this Agreement, the General Partner shall not issue or offer to issue any additional Class B LP Units (including any Class B LP Units that would be Supernumery Units) without the prior consent of the Initial Limited Partners, which consent may be withheld or granted on terms and conditions as determined by each Initial Limited Partner in its sole discretion.

Section 4.4 Limited Transfer Rights and No Preference between Limited Partners Holding Same Class of Units

Except as otherwise expressly provided herein, each Unit shall be non-transferable.

No Partner in respect of any Unit held by such Partner will have any preference, priority or right in any circumstance, except as expressly provided herein, over any other Partner in respect of any Unit of that same class held by such other Partner, except arising out of or resulting from the number of Units of that class held by such Partner.

Section 4.5 Offering of Supernumerary Units

Notwithstanding Sections 3.1, 4.1 and 4.3, the Limited Partners holding Class B LP Units may, by Major Partnership Resolution, authorize the General Partner at any time and from time to time, to offer further Class C LP Units, Class D LP Units and/or Class E LP Units for sale (including to the current Limited Partners, in priority) in addition to the maximum number of such Units authorized to be issued by the above Sections (such additional Units are herein referred to as the "**Supernumerary Units**"). The parties acknowledge that the issuance of Supernumerary Units will dilute the proportionate interest of each of the Partners in the Partnership.

The General Partner is authorized to offer such Supernumerary Units for sale to any Person (including any Limited Partner) as the General Partner determines and the General Partner may accept subscriptions in respect of such Supernumerary Units if the aggregate subscription price in respect of such Supernumerary Units does not exceed the aggregate amount of additional funds reasonably estimated by the General Partner as being required to meet the foreseeable requirements of the Partnership. The subscription price of each such Supernumerary Unit will be established by the General Partner taking into account all of the circumstances of the Partnership at such time.

Any Holder of Supernumerary Units shall:

(a) sign and deliver a declaration in form acceptable to the General Partner that such Person has the status as set out in Section 7.2; and

(b) agree in writing to be bound by the terms of this Agreement and to assume the obligations of the assignor or transferor in respect of the Partners and the Partnership and of a Limited Partner under this Agreement.

Section 4.6 Subscription for Units

No subscription may be made or will be accepted for a fraction of a Unit. The General Partner will have the right, in its discretion, to refuse to accept any particular subscription for a Unit. If, for any reason, a subscription for a Unit is not accepted or such subscription is accepted and the subscriber is not entered on the Register as a Limited Partner, the General Partner will cause the Partnership to refund to such subscriber any payment for such Unit by such subscriber as nearly as possible in the form in which payment was made. The General Partner will be deemed to have accepted a subscription for Units if the General Partner forwards to the subscriber a written acceptance of the subscription, or if a Unit Certificate in the name of such subscriber representing the number and class of Units for which such subscriber has subscribed is issued to such subscriber. Upon the acceptance of such subscription by the General Partner and the payment or contribution of the subscription price for such units by certified cheque, bank draft or electronic transfer, the General Partner will amend the Register by showing the name of such subscriber as a Limited Partner and the number and class of Units held by such subscriber as a result of such subscription.

Section 4.7 Unit Certificate

Every holder of a Unit who is entered on the Register as a Limited Partner is entitled without charge to one Unit Certificate representing the Unit or Units held by such holder upon payment for same being made as shown in Schedule A. A Unit Certificate may be sent by prepaid mail to the holder entitled thereto at the address shown in the Register for such holder, and neither the General Partner nor the Partnership will be liable for any loss by a holder that results from such Unit Certificate so sent being lost in the mail or stolen. Every Unit Certificate will be signed manually by at least one officer or director of the General Partner and any additional signatures may be printed or otherwise mechanically reproduced and, in such event, a Unit Certificate is as valid as if signed manually, notwithstanding that any person whose signature is so printed or mechanically reproduced will have subsequently ceased to hold the office that such officer or director is stated on the Unit Certificate to hold.

Section 4.8 Register and Other Records

The General Partner or such other Person as the General Partner may appoint will:

(a) make on behalf of the Partnership all recordings or filings with any governmental authority that are required to be made by the Partnership;

(b) maintain:

i) a Register consisting of a list of the full name and last known residential address of each Partner, or in the case of a Partner that is a corporation, an address of the corporation, indicating whether the Partner is a General Partner or a Limited Partner and the number of Units held by each Limited Partner and particulars of registration and assignment or transfer of Units;

ii) a copy of the Certificate;

iii) a copy of this Agreement and all amendments thereto; and

iv) any such other records as may be required by law.

The General Partner is authorized to make such reasonable rules and regulations applicable to all Partners as it may, from time to time, consider necessary or desirable in connection with the services to be performed in respect of the Register, including the appointment of an agent to perform the functions of the General Partner under this Section 4.8, the form and content of the Register, the establishment of record dates and the documentation required to record assignment or transfer of Units and other matters. The appointment by the General Partner of an agent will not relieve the General Partner of any of its duties or obligations hereunder.

Section 4.9 Assignment or Transfer of Units by Limited Partner

Subject to this Section 4.9 and Sections 4.10, 4.11 and 4.14, a Unit may be assigned or transferred by a Limited Partner or his agent duly authorized in writing (both referred to as an "**Assigning Limited Partner**") to a Person without the approval of the other Limited Partners, subject to compliance with all applicable securities and other laws, but unless the assignee or transferee becomes a substituted Limited Partner in accordance with the provisions of this Section 4.9 as set forth below, such assignee or transferee, except as required or provided by law, shall not be entitled to any of the rights granted to a Limited Partner hereunder.

An assignee or transferee of Units by an Assigning Limited Partner shall become a substituted Limited Partner, entitled to the full rights of a Limited Partner if, and only if:

i) the General Partner consents to such assignment or transfer (which consent may be unreasonably or arbitrarily withheld);

ii) the assignee or transferee has signed and delivered a declaration in form acceptable to the General Partner that such Person has the status as set out in Section 7.2;

iii) the assignee or transferee has delivered to the General Partner an assignment substantially in the form attached hereto as Schedule C, and power of attorney in a form satisfactory to the General Partner completed and executed in a manner acceptable to the General Partner;

iv) the assignee or transferee has agreed in writing to be bound by the terms of this Agreement and to assume the obligations of the assignor or transferor in respect of the Partners and the Partnership and of a Limited Partner under this Agreement;

v) the assignee or transferee has delivered or caused to be delivered to the General Partner, the Unit Certificate representing such Unit duly endorsed for assignment or transfer; and

vi) the assignee or transferee has paid such reasonable fees and disbursements as are charged or incurred by the General Partner and the Partnership by reason of the assignment or transfer.

Upon the satisfaction of all of the requirements of this Section 4.9 as set forth above, the General Partner:

i) shall admit the assignee or transferee to the Partnership as a substituted Limited Partner and the Partners hereby consent to the admission of, and will admit the assignee or transferee to the Partnership as a Limited Partner, without further act of the Partners; and

ii) shall record the assignment or transfer and shall amend the Register by showing the name of the assignee or transferee as a Limited Partner and make such filings and recordings as are required by law.

Upon being recorded as a Limited Partner in the Register, any such assignee or transferee shall be entitled to all of the rights and powers and subject to all of the restrictions and liabilities of the Assigning Limited Partner.

Section 4.10 Form of Transfer

In addition to the requirements of Section 4.9, if required by the General Partner, the execution of an assignment or transfer of a Unit must be guaranteed by a Canadian chartered bank, a trust company qualified to carry on business in any Province of Canada, a member of the Mutual Fund Dealers Association of Canada, a member of any recognized Canadian stock exchange or in some other manner acceptable to the General Partner.

Additional Documentation on Assignment or Transfer; Refusal to Transfer

If the subscriber or the assignor or transferor or the assignee or transferee of a Unit is a body corporate it must, in addition to the requirements of Sections 4.9 and 4.10, furnish to the General Partner such documents, certificates, assurances and other instruments as the General Partner may require. If the subscriber or the assignor or transferor or the assignee or transferee of a Unit is other than an individual in his own capacity or a body corporate in its own capacity, it must, in addition to the requirements of Sections 4.9 and 4.10 furnish to the General Partner evidence satisfactory to the General Partner of its capacity to enter into this Agreement and become a Limited Partner and pay all, costs of the General Partner in reviewing such evidence. Notwithstanding anything set out herein, the General Partner shall have the right, in its sole and absolute discretion, to refuse to consent to an assignment or transfer of a Unit and no Unit may be assigned or transferred without the General Partner's approval, which approval may be unreasonably withheld.

Section 4.11 Continued Liability after Assignment or Transfer

Upon the assignment or transfer of a Unit being recorded on the Register and the assignee or transferee becoming a Limited Partner, the assignor or transferor of the Unit will not be relieved of any liability in respect of the Unit assigned or transferred which arises out of any matter occurring after the date of the amendment to the Register reflecting such assignment or transfer. Such assignor or transferor will also continue to remain liable for any contribution returned to such assignor or transferor by the Partnership plus interest calculated in accordance with Section 3.6 on any additional contribution required to be made by such assignor or transferor to the extent required by operation of law and for any default prior to amendment of the Register as to any obligation to the Partnership of such assignor or transferor under this Agreement in respect of the Unit assigned or transferred.

Section 4.12 No Assignments or Transfers of Less than One Unit

No assignment or transfer of less than one Unit will be recognized or entered in the Register.

Section 4.13 Incapacity, Death, Insolvency or Bankruptcy

Where a Person becomes entitled to a Unit on the incapacity, death, insolvency or bankruptcy of a Limited Partner, or otherwise by operation of law, in addition to the requirements of Sections 4.9, 4.10 and 4.11, such entitlements will not be recognized or entered in the Register in respect of such entitlement until such Person:

(a) has produced evidence satisfactory to the General Partner of such entitlement; and

(b) has delivered such other evidence, approvals and consents in respect of such entitlement as the General Partner may require and as may be required by law or by this Agreement.

Section 4.14 Compulsory Acquisition — Tax Status

Upon becoming aware that a Limited Partner is not in compliance with the representations and warranties set out in Section 7.2 (the "**Non-Compliant Limited Partner**"), the General Partner may require the Non-Compliant Limited Partner to transfer its interests in the Partnership to a Person or Persons in compliance with such representations and warranties in accordance with Section 4.9, such transfer to be effective as of the day before the date on which the Non-Compliant Limited Partner ceased to be in compliance with the representations and warranties set out in Section 7.2. If the Non-Compliant Limited Partner fails to transfer its interests in the Partnership to a Person who is qualified to hold such interests under the terms of this Agreement within 30 days of the giving of notice by the General Partner to the Non-Compliant Limited Partner to so transfer its interests: (i) the provisions of Section 3.9(c) shall apply to such Non-Compliant Limited Partner as though it was a Defaulting Partner that has failed to pay amounts owing by it to the Partnership by the end of a Cure Period, and (ii) the provisions of Section 3.9(b) shall be applicable to the compulsory acquisition described in this Section 4.15 save and except that the reference to "80% of the Fair Market Value" in Section 3.9(b)(ii) shall be read as "100% of the Fair Market Value" and in all cases "Defaulting Partner" shall be deemed to include the Non-Compliant Limited Partner.

Section 4.15 Lost Unit Certificates

Where a Limited Partner claims that a Unit Certificate representing a Unit recorded in the name of such Limited Partner has been defaced, lost, apparently destroyed or wrongly taken, the General Partner will cause a new Unit Certificate to be issued in substitution for such Unit Certificate if such Limited Partner files with the General Partner a form of proof of loss and such other documentation satisfactory to the General Partner and, if required by the General Partner, an indemnity bond in a form and in an amount satisfactory to the General Partner to indemnify and hold harmless the General Partner and the Partnership from any cost, damage, liability or expense suffered or incurred as a result of or arising out of issuing such new Unit Certificate, and satisfies such other reasonable requirements and pays such reasonable fees as are imposed by the General Partner.

Section 4.16 Parties Not Bound to See to Trust or Equity

The General Partner will not be bound to see to or take notice of the execution of any trust (whether express, implied or constructive), lien, charge, pledge or equity to which any Unit or any interest therein is subject, nor to ascertain or inquire whether any sale, assignment or transfer of any Unit or any interest therein by any Limited Partner is authorized by such trust, lien, charge, pledge or equity, nor to recognize any Person as having any interest in any Unit except for the Person recorded on the Register as the holder of such Unit. The receipt of the Person in whose name any Unit is recorded in the Register, or of the Person to whom the Unit has been pledged or hypothecated and who has requested and received an outstanding written acknowledgment of pledge or hypothecation from the General Partner as contemplated in Section 4.18, will be sufficient discharge for all money, security and other property payable, issuable or deliverable in respect of such Unit and from all liability therefor. Unless the General Partner has been requested to and has given an outstanding written acknowledgment of pledge or hypothecation in respect of a Unit as contemplated in Section 4.18, the Partnership and the General Partner are entitled to treat the Person recorded in the Register as the holder with respect to such Unit as the absolute owner of the Unit.

Section 4.17 Pledge of a Unit

Subject as hereinafter provided, a Partner may not pledge or hypothecate a Unit held by such Partner as security for a loan to, or an obligation of, such Partner unless the General Partner approves such pledge or hypothecation, which approval may be unreasonably or arbitrarily withheld, and, if such Unit is so pledged or hypothecated, the General Partner will, upon receipt of a written request from such Partner and provided such Partner pays all of the General Partner's costs and expenses associated with dealing with such request, deliver a written acknowledgment to the Person (the "**Security Holder**") specified by such Partner in such written request acknowledging such pledge or hypothecation and confirming that, upon receipt by the General Partner of a written order from the Security Holder setting forth an address for service, all distributions by the Partnership in respect of such Unit following the receipt by the General Partner of such written order will be made, subject to the provisions of any applicable law to the contrary, to the Security Holder at the address set forth in such written order, until the Security Holder delivers a release of such acknowledgment to the General Partner, and such Partner, by delivering such written request to the General Partner, hereby authorizes the General Partner to make, and consents to the making of, all such distributions pursuant to such written order. Notwithstanding any of the foregoing, a Partner may only pledge or hypothecate a Unit held by such Partner to a Security Holder that is a Canadian chartered bank except with the prior written consent of the General Partner.

Withdrawal and Resignation

No Partner shall have the right to withdraw or resign from the Partnership except as expressly provided herein (including Section 10.2) or as permitted by a Major Partnership Resolution. Where any Partner is entitled to withdraw or resign and does withdraw or resign from the Partnership, the Partnership will pay to such Partner in cash the aggregate of the balance in such Partner's Private Account and Capital Account within 5 Business Days after the withdrawal or resignation of such Partner and concurrently the withdrawal or resignation of such Partner will be entered on the Register, provided that the Partnership shall not be required to make such payment if the making of such payment would cause the Partnership to become insolvent. In such event the Partnership shall make the aforementioned payments as soon as is reasonably possible.

ARTICLE 5 DISTRIBUTIONS AND ALLOCATIONS

Section 5.1 Pari Passu Allocation to Partners Holding Units having the Right to Participate and of Participating Loan Holders

Except as specifically provided otherwise in this Agreement, where any amount is, pursuant to any provision of this Agreement, allocated or distributed on a "pari passu dollar for dollar" basis among Partners holding Units having the Right to Participate and Participating Loan holders, such amount will be apportioned among those Partners and those Participating Loan holders in the proportion that their respective Capital Contribution and/or balance of their Participating Loan, as the case may be, is of the aggregate of the Capital Contributions of Partners holding Units having the Right to Participate and the outstanding balances of all Participating Loans.

Section 5.2 Distributions — Mode of Payment

Distributions by the Partnership to the Limited Partners shall be made by cheque or electronic transfer.

Section 5.3 Distribution Policy

From time to time, the General Partner shall determine the Distributable Cash from Operations and the Extraordinary Proceeds, in the priority, manner and at the times set forth in Sections 5.4 and 5.5.

Section 5.4 Distribution of Distributable Cash from Operations

Subject to Sections 5.3 and 3.9, the General Partner shall distribute Distributable Cash from Operations as follows:

(a) firstly, to the General Partner, the unpaid costs and expenses pursuant to Section 8.9;

(b) secondly, the balance to the Limited Partners holding Units having the Right to Participate and the Participating Loan holders on a pari passu dollar for dollar basis,

to be paid no later than90 days after the Maturity Date.

Section 5.5 Distributions of Extraordinary Proceeds

Upon receipt of any Extraordinary Proceeds by the Partnership and after the repayment of all loans owing by the Partnership, the General Partner shall distribute the Extraordinary Proceeds as follows:

(a) firstly, to the General Partner, the unpaid costs and expenses pursuant to Section 8.9;

(b) secondly, the balance to the Limited Partners holding Units having the Right to Participate and the Participating Loan holders on a pari passu dollar for dollar basis.

Section 5.6 Determination of Taxable Income of Tax Loss

All determinations of income, loss and expenses shall be carried out in accordance with the rules set out in the Tax Act. Subject to applicable law, the General Partner shall have the right, in computing the income or loss of the Partnership for Canadian income tax purposes, to adopt a different method of accounting than required elsewhere in this Agreement, to adopt different treatments of particular items and to make and revoke elections on behalf of the Partnership and the Partners as the General Partner may deem to be in the best interest of the Partners, provided however that such adoption, elections and revocations do not prejudice or impair the tax-exempt status of any Limited Partners.

Section 5.7 Allocation of Net Income, Net Loss, Taxable Income and Tax Loss

Net Income, Net Loss, Taxable Income and Tax Loss of the Partnership for any Fiscal Year will be allocated as at the end of such Fiscal Year to each Person who was a Partner during the Fiscal Year for income tax purposes as follows:

(a) the Net Income and Taxable Income of the Partnership for a given Fiscal Year is to be allocated to the Limited Partners holding Units having the Right to Participate and the Participating Loan holders on a pari passu dollar for dollar basis;

(b) the Net Loss and Tax Loss of the Partnership for a given Fiscal Year is to be allocated to the Limited Partners holding Units having the Right to Participate on a pari passu dollar for dollar basis.

The General Partner will:

(c) add to the Private Account maintained for the Partner, all income allocated to a Partner; and

(d) deduct from the Private Account maintained for the Partner, any losses allocated to the Partner or any amounts distributed to the Partner.

The amount of income or loss allocated to a Limited Partner may exceed or be less than the amount of

cash distributed to such Limited Partner.

All items not included in computing the income or loss of the Partnership for income tax purposes and which are relevant in computing the income or loss of the Partners for income tax purposes are to be allocated to Partners in the same manner as net income or loss.

Section 5.8 Distribution to Non-Resident

The General Partner will not be required to make all or any part of a distribution to a Partner who the General Partner reasonably considers to be non-resident within the meaning of the Tax Act, without having first obtained a favourable legal opinion from its solicitors that a distribution to such non-resident Partner will not adversely affect the Partnership or the other Partners. A distribution so withheld will be accumulated, held and invested for and on behalf of such non- resident Partner. The General Partner will be entitled to apply any part of such funds and the income arising from the investment thereof toward the payment of any tax exigible under the Tax Act in respect of those funds and to pay its costs in making such determination of residency.

ARTICLE 6 THE PROJECT AND LANDCO

Section 6.1 Sale and Purchase Agreement and Ownership of Project

The Partners acknowledge that pursuant to the Sale and Purchase Agreement assigned to LandCo, LandCo has purchased and owns registered and beneficial title to the Lands. LandCo has made all such payments and completed all steps required to be paid and done to complete the purchase of the Lands by LandCo pursuant to the Sale and Purchase Agreement.

Section 6.2 Investment in LandCo by Partnership

The Partnership has invested and will, from time to time, invest its funds in LandCo by:

(a) subscribing for Class "A" Shares in LandCo; and

(b) lending the LandCo Loan;

for such price, in such amounts and on such terms and conditions as the General Partner may approve in its discretion.

The Partners acknowledge and consent to the General Partner acquiring and disposing of Class "B" Shares in LandCo at such times and on such terms for the benefit of the General Partner as the General Partner may approve in its discretion.

Section 6.3 Management Duties for the Project

The Partners acknowledge that Landco will have the responsibility to operate, maintain and manage the Project and in doing so, may engage agents or contractors to provide services for fees, including fees based on asset value, revenue and/or net income of LandCo. LandCo will insure the Project to its

full insurable value having regard to prudent practices, industry standards and any requirements of Third Party Financing.

Section 6.4 Loans and Security for the Project

The Partners acknowledge that LandCo shall be authorized to borrow money from time to time for the purchase, development, maintenance, marketing and/or operation of the Projectto the greatest extent commercially practicable, through debt financing borrowed by LandCo from Approved Lenders on such terms as LandCo and the General Partner may approve ("**Approved Lender Financing**"). Such financing will, to the extent possible, be secured upon the Project, and will be without recourse to the Limited Partners except as to their respective Capital Contributions to the Partnership.

ARTICLE 7 RELATIONSHIP BETWEEN PARTNERS

Section 7.1 Status of General Partner

The General Partner represents and warrants to and covenants with each Limited Partner that the General Partner:

a) is and will continue to be a valid and subsisting corporation under the laws of the Province of British Columbia or such other jurisdiction under which the General Partner may continue or under which a successor to the General Partner may be amalgamated or continued, and is and will continue to be qualified to carry on business in, and to be a valid and subsisting corporation under the laws of the Province of British Columbia and such other jurisdiction in which such qualification may be necessary;

a) has and will continue to have the legal capacity and authority to act as the General Partner and to perform its obligations under this Agreement and that such obligations do not and will not conflict with or constitute a default under its constating documents or any agreement by which it is bound; and

c) will act with the utmost fairness and good faith towards the other Partners in carrying out the Business of the Partnership on behalf of the Partnership.

Section 7.2 Status of Each Limited Partner

Each Limited Partner represents and warrants to and covenants with each other Partner that such Limited Partner:

a) is not a non-resident of Canada for purposes of the Tax Act or, if such entity is a partnership, (i) is a Canadian partnership within the meaning of the Tax Act, (ii) is not a financial institution for the purposes of Section 142.2 of the Tax Act, (iii) is not a "tax shelter" as defined in subsection 237.1(1) of the Tax Act, and (iv) has not "listed or traded on a stock exchange or other public market" within the meaning of the phrase as adopted under Section 197 of the Tax Act any "investment" (as defined under Section 122.1 of the Tax Act) in the Partnership;

b) has and will continue to have the capacity and competence to enter into and be bound by this Agreement;

b) covenants and agrees to observe and perform the terms of this Agreement; and

c) will, at the request of the General Partner from time to time provide such evidence of compliance with such representations, warranties and covenants as the General Partner may require.

Section 7.3 Limitations on Authority of Limited Partners

No Limited Partner in its capacity as a Limited Partner will or will be entitled to:

a) take part in the control or management of the Business of the Partnership;

b) execute any document which binds or purports to bind the Partnership or any other Partner as such;

c) purport to have the power or authority to bind the Partnership or any other Partner as such;

d) have any authority to undertake any obligation or responsibility on behalf of the Partnership;

e) bring any action against any property of the Partnership, whether real or personal, or file or register, or permit any lien or charge to be filed or registered or remain undischarged, against any property of the Partnership in respect of the interest of such Partner in the Partnership; or

f) compel a partition, judicial or otherwise, of any of the property of the Partnership or require any of the property of the Partnership to be distributed to the Partners in kind.

Section 7.4 Power of Attorney

Each Limited Partner, and each Person who hereafter is a subscriber for an Additional Unit or an assignee or transferee of a Unit and assignee or transferee of the interest as Limited Partner of the holder of such Unit, hereby irrevocably nominates, constitutes and appoints under seal the General Partner, with full power of substitution, as his or its agent and true and lawful attorney to act on his or its behalf with full power and authority in his or its name, place and stead to execute, swear to, acknowledge, deliver, record and file as and where required and under seal or otherwise, the following:

a) this Agreement, the Certificate and any other instrument required to qualify, continue and keep the Partnership in good standing as a limited partnership in or otherwise to comply with the laws of any jurisdiction in which the Partnership offers Units for sale, or may carry on business or own or lease property or in order to maintain the limited liability of the Limited Partners and to comply with the applicable laws of such jurisdiction (including such amendments to the Register or the Certificate as may be

necessary to reflect the admission to the Partnership of any Partner or the assignment or transfer of a Unit);

b) any amendment to this Agreement permitted hereunder and any instrument and any amendment to the Register or the Certificate necessary to reflect this Agreement or the terms of any amendment to this Agreement;

c) any instrument required in connection with the dissolution and termination of the Partnership;

d) any assignment or transfer of a Unit pursuant to Section 4.9;

e) any instrument required in connection with any election or filing that may be made under the Tax Act or other fiscal or taxation legislation of any jurisdiction applicable to the Partnership or the Partners;

f) on behalf of the Partnership, any document as may be deemed necessary or advisable by the General Partner in connection with carrying on the Business of the Partnership or to carry out fully the provisions of this Agreement, including any instrument required by a governmental body in connection with the Partnership or the Business of the Partnership; and

g) on behalf of the Partnership, any agreement, document or instrument in connection with the Business of the Partnership including, without limitation, any deed or transfer of title to or an interest in the Business of the Partnership and any note, deed of trust or mortgage or other instrument of security or encumbrance charging title to or an interest in the Business of the Partnership.

To evidence the foregoing, each Limited Partner shall execute and seal such powers of attorney in such form prescribed by the General Partner from time to time containing the powers set forth above. The power of attorney granted herein and therein is made under seal, is irrevocable and is a power coupled with an interest and will survive the disability or legal incapacity of a Limited Partner or the assignment by Limited Partner of the whole or any part of the interest of such Limited Partner in the Partnership and extends to and is binding upon the heirs, executors, administrators and other legal representatives and successors and assigns of such Limited Partner and if such Limited Partner is an individual, will survive the death or disability of such Limited Partner until notice of such death or disability is delivered to the General Partner and, if required, may be exercised by the General Partner on behalf of each Limited Partner in executing any instrument by listing all the Limited Partners thereon or on a schedule thereto and executing such instrument with a single signature as attorney and agent for all, of them.

Each Limited Partner agrees to be bound by any representation or action made or taken by the General Partner pursuant to such power of attorney and hereby waives any and all defences which may be available to contest, negate or disaffirm the action of the General Partner taken in good faith under such power of attorney. Each Limited Partner hereby appoints the General Partner as his agent with authority upon receipt of notice of the death or disability of the Limited Partner to transfer Units held by such Limited Partner into the name of the General Partner in trust for the estate of such Limited Partner and thereafter to transfer such Units into the name of the executor, administrator, committee or personal representative of such Limited Partner.

Section 7.5 Unlimited Liability of General Partner

The General Partner will have unlimited liability for the debts, liabilities and obligations of the Partnership.

Section 7.6 Limited Liability of Limited Partners

Subject to the provisions of the Act, the liability of a Limited Partner for the debts, liabilities and obligations of the Partnership will be limited to the amount of the Capital for each Unit held by such Limited Partner, and a Limited Partner will not be liable for any further claims, assessments or contributions to the Partnership except that if a Limited Partner is also the General Partner it will be liable to third parties as such.

Section 7.7 Indemnity of Limited Partners

The General Partner indemnifies and holds harmless each Limited Partner from any cost, damage, liability, expense or loss suffered or incurred by such Limited Partner which is not limited in the manner provided in Section 7.6, unless the liability of such Limited Partner is not so limited as a result of or arising out of any act or omission of such Limited Partner.

Section 7.8 Limitations of Liability of General Partner

Subject to Section 7.7, the General Partner will not be liable to the Partnership or any Limited Partner for any act, omission or error in judgment other than any act, omission or error in judgment resulting from or arising out of:

a) the negligence of the General Partner; or

b) the wilful neglect of the General Partner to act in accordance with the standards set out in Section 7.1(c).

Section 7.9 Indemnity of Partnership

Subject to Section 7.8, the General Partner will indemnify and hold harmless the Partnership from any cost, damage, liability expense or loss (including legal expenses on a solicitor and own client basis) suffered or incurred by the Partnership resulting from the negligence of the General Partner, or the wilful neglect of the General Partner to act in accordance with the standards set out in Section 7.1(c). No action, suit or proceeding alleging a failure of the General Partner to act as required by this Agreement will be settled unless the settlement is approved by a Major Partnership Resolution.

Section 7.10 Indemnity of General Partner

If, and only if, the General Partner has acted as required by this Agreement, the Partnership will

indemnify and hold harmless the General Partner from any cost, damage, liability, expense or loss suffered or incurred by the General Partner resulting from or arising out of any act or omission of the General Partner on behalf of the Partnership or in furtherance of the Business of the Partnership.

Section 7.11 The General Partner May Hold Units

The General Partner or any of its Affiliates may subscribe for and acquire Units or purchase Units and will be entered on the Register as a Limited Partner in respect of the number and class of Units held by the General Partner or any of its Affiliates from time to time and will be entitled to a Unit Certificate specifying such number and class of Units.

Section 7.12 General Partner as Limited Partner

Save and except as set out in this Agreement, if the General Partner or any of its Affiliates is shown on the Register as a Limited Partner, then the General Partner or any of its Affiliates will be entitled to all of the rights of a Limited Partner under this Agreement and will have the same rights and powers and will be subject to the same restrictions as a Limited Partner except that in respect of its contributions as a Limited Partner it will have the right against the other Partners that it would have if it were not also a general partner.

Section 7.13 Compliance with Laws

Each Limited Partner and each Person who is a subscriber for an Additional Unit, or a transferee of a Unit and assignee of the interest as Limited Partner of the holder of such Unit, on request by the General Partner, will immediately execute such certificates and other instruments necessary to comply with any law or regulation of any jurisdiction for the continuation, good standing or Business of the Partnership.

Section 7.14 Confidentiality of Information

Each Limited Partner shall keep confidential and not disclose any information and materials regarding the Partnership and the Project in such Partner's possession or scope of knowledge (whether or not such information or materials have been designated by the General Partner as Confidential Information) except:

a) to its advisors, consultants and Affiliates;

b) each Limited Partner may, in order to satisfy its reporting obligations, provide the following information to its direct and indirect investors, (but only to the extent that such investors are informed of the confidential nature of the information and are bound by obligations of confidentiality that are substantially similar to those set out herein): (i) the name and address of the Partnership, (ii) the fact that such Limited Partner is a limited partner of the Partnership, (iii) the identity of the General Partner, (iv) the date the Limited Partner was admitted as a Limited Partner, (v) the amount of such Limited Partner's Capital Commitment, (vi) the aggregate amount of such Limited Partner's

Capital Contributions, (vii) the aggregate amount of distributions received by such Limited Partner from the Partnership, (viii) the reported value of such Limited Partner's interest in the Partnership (in accordance with the reports furnished by the General Partner to such Limited Partner pursuant to Section 13.2), (ix) such Limited Partner's net internal rate of return with respect to the Partnership's performance as a whole as prepared by such Limited Partner, and (x) a description of the Project; or

c) to the extent (i) disclosure of such information or materials is required by law, (ii) the information or materials were previously known to such Partner (other than due to a breach of this Agreement), (iii) the information or materials become publicly known except through the actions or inactions of such Partner, or (iv) a Partner holds an interest in the Partnership as portfolio manager on behalf of fully managed accounts, in which case the Partner may release information to the fully managed accounts.

If any Limited Partner is required by law to disclose any Confidential Information, such Limited Partner shall promptly notify the General Partner in writing prior to making any disclosure, which notification shall include the nature of the legal requirement and the extent of the required disclosure, and shall cooperate with the General Partner to preserve the confidentiality of such information consistent with applicable law.

Section 7.15 No Termination

The dissolution, winding-up (whether voluntary or involuntary), amalgamation or bankruptcy of a Limited Partner shall not affect the existence of the Partnership, and the Partnership shall continue for the term of this Agreement until its existence is terminated as provided herein.

Section 7.16 Status and Government Regulation

Each Limited Partner shall cooperate with the General Partner in complying with the applicable provisions of any Canadian federal, provincial or municipal law and each Limited Partner and the General Partner shall use reasonable efforts not to take any affirmative action which would create a Partnership Regulatory Risk.

Section 7.17 Competition

Except as expressly set out in this Agreement, nothing in this Agreement shall be deemed to restrict in any way the freedom of any Limited Partner or any Affiliate of the General Partner to conduct any business or activity whatsoever (including the acquisition, development, leasing, sale, operation and management of any property) without any accountability to the other Limited Partners. Each Limited Partner and each Affiliate of the General Partner shall have the absolute right to engage in any business venture for its own individual profit and no Limited Partner, by reason of this Agreement, shall have any interest in any other property owned by the other Limited Partner or Affiliate of the General Partner, or any business or venture engaged in by the other Limited Partner or Affiliate of the General Partner.

ARTICLE 8 MANAGEMENT OF PARTNERSHIP

Section 8.1 Authority of General Partner

The General Partner is authorized to carry on the Business of the Partnership, with full power and authority to administer, manage, control and operate the Business of the Partnership, and has all power and authority to do any act, take any proceeding, make any decision and execute and deliver any instrument, deed, agreement or document, under the seal of the General Partner or otherwise, necessary for or incidental to carrying out the Business of the Partnership for and on behalf of and in the name of the Partnership. No Person dealing with the Partnership will be required to inquire into the authority of the General Partner to do any act, take any proceeding, make any decision or execute and deliver any instrument, deed, agreement or document for and on behalf of and in the name of the Partnership.

Section 8.2 Power of General Partner

Without limiting the generality of Section 8.1, the General Partner has, in connection with the Business of the Partnership, except as herein expressly provided, full power and authority for and on behalf of and in the name of the Partnership to carry out any and all of the Business of the Partnership and to perform all acts and enter into and perform all contracts and other undertakings which it may deem necessary, advisable or incidental thereto including, without limiting the generality of the foregoing, the full power and authority:

a) to enter into perform, amend, enforce and terminate any agreement in connection with the Business of the Partnership on such terms and conditions as the General Partner considers appropriate;

b) to offer Units for subscription on a syndicated basis in accordance with applicable securities laws and regulations, on such terms as the General Partner may approve in its discretion;

c) to prepare, amend, file and distribute an offering memorandum or other disclosure document for the Units and the Participating Loans in such form as the General Partner may approve in its discretion;

d) to invest the Partnership's funds in LandCo as contemplated by Section 6.2 for such such price, in such amounts and on such terms and conditions as the General Partner may approve in its discretion;

e) to borrow and obtain Loans and advances (including without limitation the Participating Loans) from any party, including, without limitation, any Partner, from time to time, without requirement of approval by the Partners and without restriction as to quantum of such borrowings except as set out in Section 8.5, loans and advances upon the credit of the Partnership and to incur and to assume and covenant to pay indebtedness, liabilities and obligations of all kinds, to guarantee obligations of, co-covenant with and join in the covenants of, others, whether in respect of the indebtedness, liabilities or obligations of the Partnership or of others, and to raise or secure the repayment thereof, in such manner, upon such terms and conditions, and in

all respects as the General Partner thinks fit, and in particular may, without limiting the generality of the foregoing:

i) draw, make, accept, endorse, execute, negotiate, issue and deliver bills of exchange, promissory notes, cheques, drafts, orders for payment or delivery of money, receipts, directions, evidences of indebtedness, other negotiable and non-negotiable instruments and bonds, debentures, debenture stocks and other debt obligations either outright or as security for any indebtedness, liabilities or obligations of the Partnership or of any other person;

ii) mortgage, pledge, charge whether by way of specific or floating charge, or give other security on the undertaking and on the whole or any part of the property and assets of the Partnership (both present and future);

iii) negotiate, finalize, amend, execute and deliver the terms, conditions and security agreements and documents for the Loans, including Participating Loans, and to offer Participating Loans for subscription on a syndicated basis in accordance with applicable securities laws and regulations;

iv) execute and deliver all agreements, instruments and documents relative to the foregoing;

f) to provide indemnities or other forms of assurance to third parties in respect of the indebtedness, liabilities or obligations of the Partnership or LandCo;

g) to open, maintain and close on behalf of and in the name of the Partnership bank accounts and to appoint signing officers from time to time and to make deposits and draw cheques and other orders for payment;

h) to incur and pay all costs, expenses and expenditures of the Partnership including, without limitation, the payment of all fees, bonuses or other monies payable to the General Partner as described herein, which amounts shall include, without limitation, the amounts described in Articles 5 and 8;

i) to invest funds not immediately required for the Business of the Partnership in short term securities or accounts;

j) to retain such legal counsel, experts, advisors or consultants as the General Partner may deem necessary or advisable and to rely upon the advice of such Persons;

k) to commence or defend any action or proceeding in connection with the Partnership, its business or its property;

l) to file returns required by any governmental or like authority;

m) to make any election or filing that may be made under the Tax Act or any other taxation or fiscal legislation of any jurisdiction applicable to the Partnership or the Partners;

n) to enter into any agreement for the management or operation of the Business of the Partnership or any part thereof, which manager may be an Affiliate of the General Partner;

o) to employ all persons necessary for the conduct of the Business of the Partnership;

p) to execute, acknowledge and deliver any and all agreements, instruments and documents and to take any other steps as the General Partner deems necessary or advisable to effect the power and authority of the General Partner and any and all of the foregoing for and on behalf of and in the name of the Partnership;

q) to redeem Units pursuant to Section 4.2; and

r) to do all other acts and things necessary, incidental or advisable in connection with or for the furtherance of the Business of the Partnership.

The General Partner may contract with any Person to carry out any of the duties of the General Partner hereunder and may delegate to such Person any power and authority of the General Partner hereunder, but no such contract of delegation will relieve the General Partner of any of its obligations hereunder. In particular, the General Partner may delegate specific powers to the Manager from time to time in order to permit the Manager to administer and manage the Project.

Section 8.3 Execution of Documents

Any and all powers of the General Partner may be exercised by the execution and delivery by the General Partner (or an agent or employee designated by it) for and on behalf of and in the name of the Partnership, and under seal or otherwise, of instruments, deeds, agreements or documents in such forms as the General Partner (or agent or employee designated by it) may deem sufficient.

Section 8.4 Reliance by Third Parties

Third parties dealing with the Partnership are entitled to rely conclusively upon the power and authority of the General Partner as herein set forth. The power of the General Partner to represent the Partnership in dealings with third parties is unrestricted insofar as third parties are concerned and no person dealing with the Partnership will be required to inquire into the authority of the General Partner to take any act or proceeding, to make any decision or to execute and deliver any instrument, deed, agreement or document for or on behalf of or in the name of the Partnership.

Section 8.5 Extraordinary Expenditures and Limitation on Partnership Borrowing

The General Partner will seek the approval of the Limited Partners by Major Partnership Resolution if any Extraordinary Expenditures are required.

The Partnership shall be authorized to borrow money from time to time on terms that are approved by the General Partner, including without limitation, borrowing the Participating Loans on such terms and conditions as the General Partner may approve in its discretion. However, to maintain the Partnership's status as a "small business investment limited partnership" under the Tax Act and the

regulations thereto, the Partnership shall not borrow money except for the purpose of earning income from its investment and the amount of such borrowings at any time shall not exceed 20% of the Partnerships' Capital Contributions at that time.

Section 8.6 Interim Investments

The General Partner may invest funds of the Partnership not immediately required for the Business of the Partnership, including, without restriction, Treasury Investments, as the General Partner in its sole discretion determines.

Section 8.7 Exercise of Powers and Discharge of Duties

The General Partner will exercise its powers and discharge its duties under this Agreement in good faith towards and in the best interests of the Limited Partners and in connection therewith, will exercise the degree of care, diligence and skill that a reasonably prudent person in comparable circumstances would exercise.

Section 8.8 Notice of Transactions with Affiliates and Approval by Partnership

The General Partner hereby notifies the Limited Partners that the General Partner intends, on behalf of the Partnership, to enter into, carry out, modify, extend and terminate the following agreements and transactions with or involving an Affiliate of the General Partner on terms and conditions approved by the General Partner from time to time:

a) Participating Loan Agreements pursuant to which the Partnership borrows all or a portion of the Participating Loans from subscribers thereof, which Participating Loans will be convertible into Class A LP Units at the option of the Participating Loan holder at a conversion rate of $1.00 of debt for one Class A LP Unit, subject to adjustment in pursuant to the terms of the Participating Loan Agreements , provided the conversion must not result in the Participating Loan holder holding greater than ten percent (10%) of the total Class A LP Units issued and outstanding calculated immediate after closing of the applicable round of subscriptions;

b) Subscription agreements and other documents relating to the General Partner's subscription and disposition of Class "B" Shares in LandCo;

c) The LandCo Loan, including agreements and other documents relating to the LandCo Loan; and

d) Other Agreements necessary to the Partnership's Business.

The Limited Partners hereby ratify and approve of the above agreements and transactions involving Affiliates of the General Partner, which agreements will remain in effect in accordance with their contractual terms notwithstanding the termination or removal of the General Partner's position as general partner of the Partnership.

Nothing in this Section 8.8 will limit the authority of the General Partner to enter into material

contracts or amend this Agreement from time to time as herein provided.

Section 8.9 Reimbursement of Expenses

The General Partner will be reimbursed by the Partnership for all costs actually incurred in the performance of its duties hereunder, including the Organizational Expenses and all other costs directly incurred for the benefit of the Partnership or in the performance of this Agreement and including such portion of the indirect and general and administrative costs of the General Partner reasonably allocable to the services rendered by the General Partner under this Agreement.

Section 8.10 Commingling of Funds

The General Partner shall use its best efforts to ensure that the funds and assets of the Partnership will not be commingled with the funds or assets of any other Person (including those of the General Partner), will not be lent to the General Partner or any of its Affiliates and will not be used by the General Partner or any of its Affiliates for its own benefit.

Section 8.11 Condition Precedent to Removal of General Partner

As a condition precedent to the removal of the General Partner, except on its bankruptcy, insolvency or winding-up the Partnership shall have paid to the General Partner all unpaid fees owing and any credit balance in the Private Account of the General Partner.

Section 8.12 Organizational Expenses

The Partnership shall reimburse the General Partner for Organizational Expenses reasonably incurred by the General Partner.

Section 8.13 Partnership Expenses

The Partnership shall pay all Partnership Expenses.

Section 8.14 Manner of Payment

All amounts payable at any particular time to the General Partner pursuant to, or as contemplated by, this Article 8 (less any tax required by law to be deducted therefrom) shall be paid to the General Partner by cheque, bank draft, money order or electronic transfer.

Section 8.15 No Transfer, Withdrawal or Loans

The General Partner shall not sell, assign, transfer, pledge, mortgage or otherwise dispose of any of its interest in the Partnership, except to an Affiliate of the General Partner, without approval by Major Partnership Resolution and shall not borrow or withdraw any funds or securities from the Partnership,

except as expressly permitted by this Agreement. There shall be no change of Control of the General Partner, except to an Affiliate of the General Partner during the Partnership Term.

Section 8.16 Conflicts of Interest

The General Partner (or its Affiliates and related parties) will be permitted to carry on the management, ownership, acquisition and operation of other projects which compete or may compete with the Business of the Partnership.

ARTICLE 9 PARTNERSHIP MEETINGS

Section 9.1 Meetings of Partners Holding Class B LP Units

A general meeting of the Limited Partners holding Class B LP Units shall be held at such times as the General Partner may determine. In addition, the General Partner may at any time and will upon receipt of a written request from Limited Partners holding in the aggregate not less than 20% of all Class B LP Units specifying the purpose or purposes of the meeting, call a special meeting of Partners holding Class B LP Units. If the General Partner fails to call a meeting of Partners holding Class B LP Units within 21 days after receipt of such request from the above Limited Partners, any Limited Partner holding a Class B LP Unit may call such meeting in accordance with the terms hereof. Meetings will be held in the City of Vancouver, British Columbia or such other place and at the time set out in the notice unless a Partner is attending by telephone, electronic or other communications facilities as described in Section 9.20. The expenses of calling and holding all meetings will be for the account of the Partnership. The General Partner shall be entitled to receive notice of, to attend at, but shall have no right to vote on any matter at, all meetings of Partners (except as the holder of Class B LP Units if the General Partner is at the relevant time a holder of such Units).

Section 9.2 Notice

At least seven days' notice (but no more than 45 days' notice) of any meeting of Partners holding Class B LP Units or of any resolution proposed to be passed by the written consent of the Partners holding Class B LP Units pursuant hereto will be given to all Partners holding Class B LP Units stating the time and place of the meeting, if any, and, in reasonable detail (including the subject matter, but not necessarily the text, of any resolution proposed to be passed at such meeting or otherwise), all matters which are to be the subject of a vote at such meeting or for such consent. The same notice of any meeting of Partners holding Class B LP Units will be given to the General Partner.

Section 9.3 Chairman

The chief executive officer, or in his absence any other officer, of the General Partner will be the chairman of a meeting of Partners holding Class B LP Units if present thereat. If no officer of the General Partner is present at a meeting of Partners holding Class B LP Units, the Partners holding Class B LP Units will appoint a chairman of such meeting by Ordinary Partnership Resolution.

Section 9.4 Quorum

The required quorum at all meetings of Partners holding Class B LP Units, including adjourned meetings under Section 9.5, will consist of not less than two (2) Persons present in person holding or representing by proxy, in aggregate, not less than 50% of all Class B LP Units. If a quorum is present at the beginning of a meeting, a quorum shall be deemed to be present throughout the meeting.

Section 9.5 Adjourned Meetings

If a quorum is not present at a meeting called or requested by the Limited Partners holding Class B LP Units, the meeting will be dissolved. If a quorum is not present at a meeting of Partners holding Class B LP Units called by the General Partner within 30 minutes after the time fixed for holding such meeting, such meeting will be adjourned by the chairman of such meeting to a date not more than 14 days after the date of such meeting determined by the General Partner and at a time and place determined by the General Partner. At least seven days' notice of the adjourned meeting will be given to all Partners holding Class B LP Units and the requirements of Section 9.2 will apply to such notice mutatis mutandis. However, the quorum as required by Section 9.4 must be present before the adjourned meeting may transact business.

9.6 Voting Rights of Limited Partners

Subject to Section 9.7, each Partner holding one or more Class B LP Units will be entitled to one vote for each Class B LP Unit held by such Partner on any poll taken at a meeting of Partners. The holders of Class A LP Units, Class C LP Units, Class D LP Units and Class E LP Units will not, as such, have any Right to Vote or attend meetings of the Partnership.

Section 9.6 Voting Rights of General Partner and any Affiliate

The General Partner, as such, will not be entitled to vote at any meeting of Partners but will be entitled to vote in respect of Units held by it as a Limited Partner holding Class B LP Units in the same manner as any other Limited Partner holding Class B LP Units. If any Affiliate of the General Partner is the holder of Class B LP Units, such Affiliate will be entitled to vote in respect of such Class B LP Units.

Section 9.7 Voting and Conflict

Except as otherwise provided herein, at all meetings of Partners holding Class B LP Units, each Limited Partner (including the General Partner in respect of any Class B LP Units held by the General Partner as a Limited Partner) will be entitled to cast one vote for each Class B LP Unit owned by such Limited Partner. Only Limited Partners shown on the Register at the earlier of the time of such meeting or the record date thereof or a Person appointed by such Partner by proxy, will be entitled to vote at such meeting. At all meetings of the Partners holding Class B LP Units on a matter voted upon:

a) for which no poll is required or requested, a declaration made by the chairman of the

meeting as to the vote thereon will be conclusive evidence thereof; and

b) for which a poll is required or requested, the result of the poll will be deemed to be the vote of the meeting on the matter in respect of which the poll was taken.

Section 9.8 Partner Other Than an Individual

If a Partner holding Class B LP Units is other than an individual, it may appoint under seal an officer, director or other authorized Person as its representative to attend, vote and act on its behalf at a meeting of Partners.

Section 9.9 Attendance of Others

Any officer or director of the General Partner, counsel for the General Partner and the Partnership and representatives of the auditor of the Partnership, if any, may attend and speak at any meeting of Partners.

Section 9.10 Voting

Every question submitted to a meeting of Partners:

a) which requires a Major Partnership Resolution will be decided by a poll; and

b) which does not require a Major Partnership Resolution will be decided by Ordinary Resolution on a show of hands unless a poll is demanded, either before or immediately after the declaration of the results of a show of hands, in which case a poll will be taken.

The chairman of a meeting of Partners will be entitled to vote in respect of Class B LP Units held by him or represented by him by proxy but, in the case of an equality of votes, the chairman of the meeting will not have a casting vote. On any vote at a meeting of Partners holding Class B LP Units, a declaration by the chairman of the meeting concerning the result of the vote will be conclusive.

Section 9.11 Record Dates

The General Partner may from time to time but not more than 21 days in advance of a meeting, cause the Register to be closed for a period of time, not exceeding five days for the purpose of determining the holders of Units. Any Partner holding Class B LP Units who was shown as a Partner holding Class B LP Units at the time so fixed will be treated as a Partner even though he has since that record date disposed of his Class B LP Units, and no Partner becoming such after that date will be entitled receive notice of and to vote at a meeting or any adjournment thereof or to be treated as a Partner of record for any purposes relating to such meeting.

Section 9.12 Poll

At a meeting of Partners, a poll requested or required concerning:

a) the election of a chairman or an adjournment will be taken immediately on request; and

b) any matter other than the election of a chairman or an adjournment will be taken at such time as the chairman shall direct.

Section 9.13 Resolutions Binding

Any Major Partnership Resolution or Ordinary Partnership Resolution passed in accordance with this Agreement will be binding on all Partners and their respective heirs, executors, administrators, other legal representatives, successors and assigns, whether or not such Partner was present or represented by proxy at the meeting at which such resolution was passed, whether or not such Partner received notice of the meeting or a copy of the resolution in writing passed pursuant to this Agreement and whether or not such Partner was entitled to attend at such meeting or to vote in respect of that resolution.

Section 9.14 Appointment of Proxy and Voting

A Partner holding Class B LP Units may attend any meeting of Partners holding Class B LP Units personally or may be represented thereat by proxy, and votes at meetings of Partners holding Class B LP Units may be cast on a poll personally or by proxy. The instrument appointing a proxy will be in writing under the hand of the appointor or his agent duly authorized in writing, or, if the appointor is a body corporate, under its seal or by an officer or agent thereof duly authorized and such instrument will cease to be valid one year after the date thereof. Any individual may be appointed a proxy, whether or not such individual is a Partner. No proxy will be voted at any meeting unless it will have been placed or deposited with the General Partner for verification prior to the opening of the meeting at which such vote will be taken.

Section 9.15 Validity of Proxies

An instrument appointing a proxy purporting to be executed by or on behalf of a Partner will be valid unless challenged at the time of or prior to its exercise and the Person challenging such instrument will have the burden of proving to the satisfaction of the chairman of the meeting of Partners at which such instrument is proposed to be used that such instrument is invalid, and any decision of the chairman of the meeting in respect of the validity of such instrument will be final.

Section 9.16 Revocation of Proxy

A vote cast in accordance with the terms of an instrument of proxy will be valid notwithstanding the previous death, incapacity, insolvency or bankruptcy of the Partner giving the proxy or the revocation of the proxy unless written notice of such death, incapacity, insolvency, bankruptcy or revocation will have been received by the chairman of the meeting prior to the time such vote is cast.

Section 9.17 Joint Holders

A proxy given on behalf of joint holders must be executed by all of them and may only be revoked by all of them, and if more than one of several joint holders is present at a meeting and they do not agree as to which of them is to exercise any vote to which they are jointly entitled, then although present for the purpose of determining the existence of a quorum, they will for the purposes of voting be deemed not to be present.

Section 9.18 Form of Proxy

An instrument of proxy, whether for a specified meeting of Partners or otherwise, will as nearly as circumstances permit, be in the following form:

> "I _____ of _____ in the Province of _____ being a Partner of Yorkton Place Limited Partnership hereby appoint _____ or failing him _____ as my proxy to attend and vote for me and on my behalf at the meeting of Partners of Yorkton Place Limited Partnership to be held on the_____ day of_____ and any adjournment thereof.
>
> Witness my hand this _____ day of _____"

Section 9.19 Conduct of Meetings

The rules and procedures for the conduct of a meeting of Partners not prescribed herein will be determined by the chairman of the meeting. The Partners holding Class B LP Units may attend a meeting of Partners in person or by means of telephone, electronic or other communications facilities whereby all persons participating in the meeting can hear and speak to each other simultaneously and instantaneously.

Section 9.20 Minutes

The General Partner will cause minutes of all proceedings and resolutions at each meeting of Partners, and of all consent resolutions of the Partners, to be made and entered in books to be kept for that purpose and such minutes, when signed by the chairman of the meeting or by the chairman of the next succeeding meeting, will be conclusive of the matters stated in them and the meeting will be deemed to have been duly convened and held and all proceedings and resolutions in them will be deemed to have been duly taken and passed or defeated (as the case may be).

Powers Exercisable by Major Partnership Resolution

The Partnership shall not take any of the following actions unless approved by a Major Partnership Resolution:

a) admit a new General Partner to the Partnership in anticipation of the bankruptcy,

insolvency, dissolution, liquidation, winding up, removal, or resignation of the General Partner, such admission to become effective only upon the actual bankruptcy, insolvency, dissolution, liquidation, winding up removal, or resignation of the General Partner;

b) waive any default on the part of the General Partner on such terms as they may determine and release it from any claims in respect thereof;

c) settle any action, suit or proceeding alleging a failure of the General Partner to act as required by this Agreement;

d) continue the Partnership if the Partnership is terminated by operation of law;

e) agree to any compromise or arrangement by the Partnership with any creditor or creditors or class or classes of creditors, or with the holders of any shares or securities of the General Partner;

f) authorize the withdrawal of any Limited Partner from the Partnership;

g) require the General Partner on behalf of the Partnership to enforce any obligation or covenant on the part of the General Partner or any Limited Partner;

h) sell, dispose, assign, transfer or exchange all or substantially all of the assets owned by the Partnership;

i) purchase, lease or otherwise acquire an interest in any asset(s) using proceeds from a sale, assignment, transfer or other disposition referred to in Section 9.22(h);

j) subject to Section 10.4, remove the General Partner or elect a new General Partner;

k) subject to Article 11, dissolve the Partnership;

l) subdivide or consolidate, from time to time, the Units;

m) waive any rights under this Agreement;

n) amend, modify, alter or repeal any Major Partnership Resolution; or

o) take such other actions as require approval by a Major Partnership Resolution under this Agreement.

The foregoing powers, and any other powers conferred on the Limited Partners by this Agreement, will not be exercised, if the exercise thereof would constitute management of the Business of the Partnership by the Limited Partners.

ARTICLE 10 CHANGE, RESIGNATION OR REMOVAL OF GENERAL PARTNER

Section 10.1 Assignment of Interest of General Partner

The General Partner, as such, may not sell, assign, transfer or otherwise dispose of its interest in the Partnership as General Partner except if such sale, assignment, transfer or disposition is in connection with and ancillary to a merger or amalgamation of the General Partner resulting in the surviving or continuing corporation or body corporate being the General Partner.

Section 10.2 Resignation of the General Partner

The General Partner may resign as such on not less than 60 days prior written notice thereof to the Limited Partners and such resignation will become effective upon the earlier of the appointment of a new General Partner by the Limited Partners pursuant to a Major Partnership Resolution and the expiry of such 60 day period. If no new General Partner has been appointed by the time the resignation of the existing General Partner becomes effective the Partnership will be dissolved pursuant to Article 11.

Section 10.3 Bankruptcy or Dissolution

The General Partner by agreeing to be bound by this Agreement, will be deemed to resign as the General Partner in the event of the bankruptcy, dissolution, liquidation or winding up of the General Partner (or the commencement of any act or proceeding in connection therewith which is not contested in good faith by the General Partner) or the appointment of a trustee, receiver or receiver-manager of the affairs of the General Partner but such resignation will not be effective until, and the General Partner will not cease to be the General Partner until, the earlier of:

a) the appointment of a new General Partner by a Major Partnership Resolution; or

b) 120 days after the occurrence of such event or appointment.

If no new General Partner has been appointed the Partnership by the time such deemed resignation becomes effective, the Partnership will be dissolved pursuant to Article 11.

Section 10.4 Removal of General Partner

Subject to Section 8.11, the General Partner may be removed as the General Partner by Major Partnership Resolution in the event of a material breach of this Agreement by the General Partner which has not been rectified within 60 days of the date the General Partner receives written notice from a Limited Partner of the particulars of such breach, provided such resolution also admits a new General Partner to the Partnership as a replacement for the General Partner being removed. Notwithstanding the foregoing, the replacement of the General Partner shall not be effective until all guarantees or other financial assistance provided by the General Partner or any of its Affiliates to or for the benefit of the Partnership have been fully discharged or repaid (as the case may be).

Section 10.5 Payment to General Partner on Termination

Upon any removal pursuant to Section 10.4, the General Partner, or its Affiliates, shall be entitled to receive any monies owing to it pursuant to this Agreement or any other agreements with the Partnership as and when those monies become due and payable under this Agreement or any other agreement with the Partnership. For greater certainty, the removal of the General Partner pursuant to Section 10.4 will not, in and of itself, cause any payment due to the General Partner or its Affiliates to be accelerated and immediately due for payment. If the General Partner owns any Units, it will be bound by the provisions of this Agreement applicable to it as a Limited Partner and not as a General Partner.

Section 10.6 Transfer of Management

On the admission of a new General Partner to the Partnership on the resignation or removal of the General Partner, the resigning or retiring General Partner will do all things and take all steps to transfer the administration, management, control and operation of the Business of the Partnership and the books, records and accounts of the Partnership to the new General Partner and will execute and deliver all deeds, certificates, declarations and other documents necessary or desirable to effect such transfer.

Section 10.7 Transfer of Title

On the resignation or removal of the General Partner and the admission of a new General Partner the resigning or retiring General Partner will transfer legal title to any property and assets of the Partnership held by the retiring General Partner or its nominee to such new General Partner or any nominee designated by the new General Partner and will execute and deliver all transfers, certificates, declarations and other documents necessary or desirable to effect such transfer.

Section 10.8 Release

On the resignation or removal of the General Partner, the Partnership will release and hold harmless the General Partner resigning or being removed from all costs, damages, liabilities or expenses suffered or incurred by such General Partner as a result of or arising out of events occurring in relation to the Partnership after such resignation or removal, other than any wilful act or omission by the resigning General Partner.

Section 10.9 Rights upon Resignation

Upon the resignation and withdrawal of the General Partner, the Partnership will pay to the withdrawing General Partner the amount of the General Partner's Capital Account and the amount of the General Partner's Private Account.

Section 10.10 New General Partner

A new General Partner will become a party to this Agreement by signing a counterpart hereof and by doing so will agree to be bound by all of the provisions hereof and to assume the obligations, duties and liabilities of the General Partner hereunder as and from the date the new General Partner becomes a party to this Agreement.

ARTICLE 11 DISSOLUTION OF THE PARTNERSHIP

Section 11.1 Events of Dissolution

The Partnership will be dissolved on the earliest of:

a) the authorization of such dissolution by Major Partnership Resolution;

b) the end of the Fiscal Year in which all of the property of the Partnership has been disposed of;

c) 60 days after the giving of written notice of resignation by the General Partner pursuant to Section 10.2 unless, within 60 days from the giving of such notice, a new General Partner is appointed by the Limited Partners pursuant to a Major Partnership Resolution and is admitted to the Partnership as set forth herein;

d) 120 days after the bankruptcy or dissolution of the General Partner pursuant to Section 10.3 unless, within 120 days from the time of the bankruptcy or dissolution of the General Partner, a new General Partner is appointed by the Limited Partners pursuant to a Major Partnership Resolution and is admitted to the Partnership as set forth herein; and

e) December 31, 2066, provided that the said date has not been extended by Major Partnership Resolution.

Section 11.2 Events not Causing Dissolution

The Partnership will not be dissolved or terminated by the resignation, removal, death, incompetence, bankruptcy, insolvency, dissolution, liquidation, winding up or receivership of, or the admission, resignation or withdrawal of, any Limited Partner. No Partner will bring an application pursuant to the Partnership Act to dissolve the Partnership except pursuant to this Article.

Section 11.3 Receiver

On dissolution of the Partnership, the General Partner will act as the receiver (the "**Receiver**") of the Partnership. If the General Partner is be unable or unwilling to act as the Receiver, the Partners, by Ordinary Resolution, may appoint an appropriate Person to act as the Receiver.

Section 11.4 Liquidation of Assets

The Receiver will prepare or cause to be prepared a statement of financial position of the Partnership, a copy of which will be forwarded to each Person who was shown on the Register as a Partner as at the date of dissolution. The Receiver will wind up the affairs of the Partnership and all property of the Partnership will be liquidated in an orderly manner. The Receiver will manage and operate the Business of the Partnership (unless then sold) and will have all powers and authority of the General Partner under this Agreement. The Receiver will be paid its reasonable fees and disbursements incurred in carrying out its duties as such.

Section 11.5 Distribution of Proceeds of Liquidation

The Receiver will determine the net proceeds from liquidation of the Partnership and will distribute the same in the manner and form that the Receiver determines, after consulting with accountants or Auditors for the Partnership, to be efficient for income tax purposes in the following order of priority:

a) firstly, to pay the expenses of dissolution and liquidation;

b) secondly, to pay the debts and liabilities of the Partnership to its creditors (which for the purposes of this Paragraph b) shall exclude the Participating Loans) or to make due provision for payment thereof;

c) thirdly, to provide reserves the Receiver considers reasonably necessary for any contingent or unforeseen liability or obligation of the Partnership (which for the purposes of this Section shall exclude the Participating Loans) which will be paid to an escrow agent to be held for payment of liabilities or obligations of the Partnership;

c) fourthly, to pay to the Partners holding Units having the Right to Participate and the Participating Loan holders the amount of their respective Capital Contributions and Participating Loan balance on a pari passu dollar for dollar basis; and

e) lastly, to pay the balance, if any, to the Partners holding Units having the Right to Participate and the Participating Loan holders on a pari passu dollar for dollar basis and calculated using the balance of the Participating Loans as at the time immediately prior to the distribution made pursuant to paragraph d) above .

Section 11.6 Return of Capital

Except as provided in this Agreement, no Partner will have the right to demand or receive a return of Capital in a form other than cash, but nothing herein will prohibit a return of Capital in a form other than cash.

Section 11.7 Termination of Partnership

The Partnership will terminate when all of its assets have been disposed of and the net proceeds therefrom, after payment of or due provision for the payment of all debts, liabilities and obligations of the Partnership to creditors, have been distributed as provided in this Article 11.

Section 11.8 Transfer of Title

On the resignation or removal of the General Partner and the admission of a new General Partner the resigning or retiring General Partner will transfer legal title to any property and assets of the Partnership held by the retiring General Partner or its nominee to such new General Partner or any nominee designated by the new General Partner and will execute and deliver all transfers, certificates, declarations and other documents necessary or desirable to effect such transfer.

ARTICLE 12 VALUATION

Section 12.1 Valuation

a) For purposes of this Agreement, in determining the Fair Market Value of the assets of the Partnership, or of any Limited Partner's interest in the Partnership, the following shall apply:

i) in the case of the Project, the Project will be valued at the amount determined by the General Partner or the Independent Valuator appointed by the General Partner, as the case may be, as the fair market value;

ii) in the case of Treasury Investments, or any other assets of the Partnership, they will be valued at an amount equal to their face value or cost plus accrued interest, unless in the view of the General Partner or the Independent Valuator, as the case may be, the fair market value differs from the face value or cost thereof;

iii) the recorded value of any cash on hand, on deposit or on call, and prepaid expenses shall be the cost amount thereof; and

iv) the recorded value of any money market instruments shall be deemed to be cost plus accrued unpaid interest.

b) The Fair Market Value of the interest of a Limited Partner in the Partnership on a particular day shall be the Limited Partner's Proportionate Share of the Fair Market Value of the assets of the Partnership on that day, as defined herein, and determined in the manner set forth in Section 12.1(a) less:

i) any allowances for impairment losses recorded against the Project; and
ii) all Partnership Expenses and liabilities.

ARTICLE 13 BOOKS OF ACCOUNTS

Section 13.1 Books

The General Partner for and on behalf of the Partnership shall maintain complete and accurate books of account of the Partnership's affairs and the calculations under Sections 5.4 and 5.5 at the

Partnership's principal office.

Section 13.2 Reports

The General Partner shall furnish to the Limited Partners the following reports within 120 days after the end of each Fiscal Year, the costs of which are to be borne by the Partnership:

i) valuation reports which shall include (A) a report on the Limited Partner's Capital Account including amounts contributed, outstanding and distributed, and (B) a determination of amounts which may be payable to the Limited Partner pursuant to Sections 5.4 and 5.5;

ii) financial statements for the Partnership for such year (audited by the Auditors) together with summary of financial and other information relating to the Project; and

iii) tax return information for the Partnership.

ARTICLE 14 MISCELLANEOUS

Section 14.1 Change of Partners

This Agreement may be amended by the General Partner, without notice to or consent of any other Partner, to reflect the admission, resignation or withdrawal of any Partner, or the assignment by any Partner of the whole or any part of its interest in the Partnership, under or pursuant to the terms hereof or of the Partnership Act.

Section 14.2 Amendment

This Agreement may be amended by the General Partner with the authorization and consent of the Limited Partners given by Major Partnership Resolution. The General Partner may, without prior notice to or consent from any Partner, amend this Agreement:

a) to add covenants, restrictions or provisions which, in the opinion of counsel for the Partnership, are for the protection of the Limited Partners as a group;

b) to reflect the issue of Additional Units or Supernumerary Units in accordance with Section 4.3 and 4.5; and

c) to cure any ambiguity or to correct or supplement any provision contained herein which, in the opinion of counsel for the Partnership, may be defective or inconsistent with any other provision hereof if, in the opinion of such counsel, such amendment does not in a material way adversely affect the rights of the Limited Partners as a group.

Section 14.3 Successors and Assigns

This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective administrators, successors and permitted assigns.

Section 14.4 Governing Law; Severability

This Agreement shall be interpreted and construed in accordance with the laws of the Province of British Columbia, the laws of Canada applicable therein (without giving effect to the conflicts of laws principals thereof) and, to the maximum extent possible, in such manner as to comply with all the terms and conditions of the Partnership Act. If it is determined by a court of competent jurisdiction that any provision of this Agreement is invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.

Section 14.5 Further Assurances

The parties hereto shall with reasonable diligence do all such things and provide all such reasonable assurances as may be required to consummate any transaction contemplated hereby, and each party shall execute and deliver such further documents or instruments required by any other party as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions.

Section 14.6 Other Business

Each Limited Partner (including a Limited Partner that is the General Partner or any Affiliate thereof) is entitled, without the consent of the other Limited Partners, to carry on any business of the same or similar nature and which may be in competition with that of the Partnership, and is not liable to account to the Partnership or the other Limited Partners therefor.

Section 14.7 Statutory Reference

Any reference to a statute shall include and shall be deemed to be a reference to such statute and to the regulations made pursuant thereto, with all amendments made thereto and in force from time to time, and to any statute or regulation that may be passed which has the effect of supplementing or superseding the statute so referred to or the regulations made pursuant thereto.

Section 14.8 Time

Time shall be of the essence hereof.

Section 14.9 Notices

All notices, demands, approvals and other communications to be given and delivered under or by reason of provisions under this Agreement shall be in writing and shall be deemed to have been given when personally delivered, sent by facsimile transmission or electronic mail (in each case, with receipt electronically confirmed) or express overnight courier service, to the addresses or facsimile numbers set forth below for the General Partner and in Schedule A for the Limited Partners or to such other address or facsimile number as has been indicated to the Partners in writing.

For the General Partner:

Yorkton Place General Partner Ltd.
203 – 4545 West 10th Avenue
Vancouver, B.C. V6R 4N2

Section 14.10 Miscellaneous

This document contains the entire Agreement among the parties and supersedes all prior arrangements or understanding with respect thereto. Notwithstanding the provisions of this Agreement, it is hereby acknowledged and agreed that the General Partner on its own behalf or on behalf of the Partnership without the approval of any Limited Partner or any other person may enter into a side letter or similar agreement with a Limited Partner which has the effect of establishing rights under, or altering or supplementing the terms of this Agreement or of any Subscription Agreement. The parties hereto agree that any terms contained in a side letter or similar agreement to or with a Limited Partner shall govern with respect to such Limited Partner notwithstanding the provisions of this Agreement or of any Subscription Agreement.

Section 14.11 Form, Interpretation and Execution of Agreement

Descriptive headings are for convenience only and shall not control or affect the meaning or construction of any provision of this Agreement. This Agreement may be executed in any number of counterparts, any one of which need not contain the signatures of more than one party, but all of such counterparts together shall constitute one agreement. The transmission by electronic document or facsimile of a copy of the execution page hereof reflecting the execution of this Agreement by any party hereto shall be effective to deliver this Agreement by that party and evidence that party's agreement to the terms, provisions and conditions hereof, all without the necessity of having to produce an original copy of such execution page. Whenever from the context it appears appropriate, each term stated in either the singular or the plural shall include the singular and the plural, and pronouns stated in either the masculine, the feminine or the neuter gender shall include the masculine, feminine and neuter.

Section 14.12 No Third Party Beneficiaries

Except as expressly provided herein, no Person which is not a party hereto shall have any rights or remedies pursuant to this Agreement. In this regard, the General Partner will act as trustee for each Person who has rights and remedies under the provisions of this Agreement and accepts these trusts and will hold and enforce these provisions on behalf of such Persons.

Section 14.13 Language

The parties agree that this Agreement, as well as all notices and other documents contemplated herein, be drawn up in the English language only. Any translation(s) of this Agreement and other documents contemplated herein shall be for information purposes only and in the event of any discrepancy, the English version of this Agreement and other documents contemplated herein shall prevail over any translation.

Section 14.14 Legal Advice

Each of the Limited Partners further acknowledges that it has been recommended that it obtain independent legal advice before entering into this Agreement and that it has had a reasonable opportunity to do so.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and, where indicated, by their respective duly authorized officers as of the day and year first written above.

LUI HOLDINGS CORPORATION
as Initial Limited Partner

By: *(signed) "Ben Lui"*

Name: Benny (Ben) Lui

Title: Director

1054824 B.C. LTD.
as Initial Limited Partner

By: *(signed) "Jordan Eng"*

Name: Jordan Eng

Title: Director

YORKTON PLACE GENERAL PARTNER LTD.,
as General Partner

By: *(signed) "Ben Lui"*

Name: Benny (Ben) Lui

Title: President

SCHEDULE A

LIMITED PARTNERS, CAPITAL COMMITMENTS AND ADDRESSES FOR NOTICE

Limited Partner	Capital Commitment	Address for Notice
Lui Holdings Corporation	$51.00 for 51 Class B LP Units	9322 Jasper Avenue Edmonton, Alberta T5H 3T5 Attention: Ben Liu Email: benlui@yorktongroup.com Fax: 780-409-9228
1054824 B.C. Ltd	$49.00 for 49 Class B LP Units	c/o Peak Towers Development Ltd. #228 – 237 Keefer Street Vancouver, B.C. V6A 1X6 Attention: Jordan Eng Manuel da Silva Email: jordaneng@telus.net and towerstone_dev@hotmail.com Fax: n/a

SCHEDULE B

UNIT CERTIFICATE
YORKTON PLACE LIMITED PARTNERSHIP
(a Limited Partnership formed under the laws of the Province of British Columbia)

THIS IS TO CERTIFY that _____ is the owner of _____Class A / Class B / Class C / Class D / Class E Units in **Yorkton Place Limited Partnership** and, as such, is entitled to all of the rights, privileges, and notices of a Limited Partner holding such Units as set forth in the Partnership Agreement (defined below).

This Certificate and the Units represented hereby are held subject to the conditions and restrictions contained in the Second Amended and Restated Agreement of Limited Partnership dated June 28, 2016 establishing and continuing the Limited Partnership (the "**Partnership Agreement**"), made and entered into between Yorkton Place General Partner Ltd., a corporation incorporated pursuant to the laws of the Province of British Columbia, as General Partner and the parties listed therein as limited partners as the same may be amended from time to time.

DATED as of the ____ day of _____, ____.

YORKTON PLACE GENERAL PARTNER LTD.
as General Partner of YORKTON PLACE LIMITED PARTNERSHIP
by its authorized signatory:

_____

SCHEDULE C

ASSIGNMENT OF UNITS
YORKTON PLACE LIMITED PARTNERSHIP
(a Limited Partnership formed under the laws of the Province of British Columbia)

The undersigned, a Limited Partner of Yorkton Place Limited Partnership (the "**Partnership**"), hereby assigns to_____

(Name of Assignee and Social Insurance Number or Business Identification Number)

all the undersigned's rights, title and interest in and to a Partnership Unit(s) described as follows:

Partnership Unit Number(s)	**Number of Units**

The Undersigned agrees to deliver to the general partner of the Partnership (the "**General Partner**") such documents, certificates, assurances and other instruments as the General Partner may require to effect this assignment and to continue and keep in good standing the Partnership as a limited partnership. The undersigned agrees that the power of attorney previously granted by the undersigned to the General Partner shall continue in full force and effect, and shall be irrevocable, until all Certificates, all amendments to all Certificates and all other instruments required to effect this assignment and to continue and keep in good standing the Partnership as a limited partnership have been delivered to the General Partner as aforesaid and have been recorded or filed and where required.

DATED at _____ , this _____ day of _____, 20___.

_____
Signature
Print name:

SCHEDULE D

LANDS

Civic Address:	6396 King George Boulevard, Surrey, B.C.
PID:	029-450-616
Legal Description:	LOT 1 SECTION 9 TOWNSHIP 2 NEW WESTMINSTER DISTRICT PLAN EPP41277