



Amended Offering Memorandum

WESTBOW CAPITAL INCOME FUND

Offering of

Series A Units

Series B Units

Series E Units

Series F Units

January 8, 2019 as amended on May 24, 2019

No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. The information disclosed on this page is a summary only. Investors should read the entire Offering Memorandum for full details about the Offering. This is a risky investment. You could lose all the money you invest. See Item 8 - Risk Factors.

Private Placement

AMENDED OFFERING MEMORANDUM

January 8, 2019 as amended
on May 24, 2019

WESTBOW CAPITAL INCOME FUND

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

Reporting Issuer: No.

SEDAR filer: Yes, to the limited extent prescribed by the Canadian Securities Administrators' National Instrument 45-106 - *Prospectus Exemptions*.

THE OFFERING

Securities Offered: The securities being offered pursuant to this offering (the "**Offering**") are units of the Westbow Capital Income Fund (the "**Fund**"), which are comprised of:

- **Series A Units:** This series of units is offered to investors who are not eligible to purchase Series B, Series E or Series F Units.
- **Series B Units:** This series of units is offered to investors who are not eligible to purchase Series E or Series F Units.
- **Series E Units:** This series of units is offered to investors who purchase such units through a dealer sponsored fee-for service or wrap program and who pay an asset-based fee to their dealer.
- **Series F Units:** This series of units is offered to investors who purchase such units through a dealer sponsored fee-for service or wrap program and who pay an asset-based fee to their dealer.

(collectively, the "**Offered Units**")

Price Per Security: The price per Offered Unit shall be in accordance with the schedule outlined below:

- \$9.75 per Offered Unit until the earlier of September 30, 2019 or gross proceeds of \$16,000,000 are raised under the Offering and concurrent offerings;
- thereafter \$10.00 per Offered Unit until the earlier of December 31, 2019 or gross proceeds of \$24,000,000 are raised under the Offering and concurrent offerings.

The Manager has the right to modify, in its discretion, the price per Offered Unit and the deadlines or gross proceeds that trigger a change in the price per Offered Unit set forth above. If the Manager determines to exercise its discretion in this respect, it will provide advance notification to that effect to each of the securities dealers through whom subscriptions for Offered Units are being solicited.

Maximum Offering:	\$30,000,000. The Manager may, without notice to investors, increase or decrease the Maximum Offering.
Minimum Offering:	There is no minimum Offering. You may be the only investor. Funds available under the Offering may not be sufficient to accomplish our proposed objectives. See Item 8 - Risk Factors.
Minimum Subscription Amount:	The minimum investment in the Fund for Series A Units, Series E Units and Series F Units is \$6,000. The minimum investment in the Fund for Series B Units is \$100,000. These minimum amounts may be waived by the Manager, in its sole discretion. See Item 5.2 - Subscription Procedure.
Payment Terms:	Investors must pay the subscription price in full, by certified cheque, bank draft or such other manner as may be accepted by the Manager at the time of delivering a fully completed and signed Subscription Agreement. See Item 5.2 - Subscription Procedure.
Proposed Closing Date(s):	Closings will occur from time to time at the discretion of the Manager.
Income Tax Consequences:	There are important tax consequences relating to the ownership of these securities. The Fund has been advised that, provided that the Fund qualifies as a "mutual fund trust" for purposes of the Tax Act at all relevant times, the Offered Units will be qualified investments for Exempt Plans. You should consult your own professional tax advisors to obtain advice respecting any tax consequences to you. Although it is intended that the Fund qualify as a "mutual fund trust" for purposes of the Tax Act, the Fund will not be a "mutual fund" or "investment fund" under applicable securities laws. See Item 6 - Income Tax Consequences.
Selling Agents and Commissions:	<p>The Fund will sell Offered Units under the Offering through agents that are: (a) exempt market dealers registered under applicable securities laws in Canada; or (b) investment dealers that are registered under applicable securities laws in Canada and that are members of the Investment Industry Regulatory Organization of Canada.</p> <p>For the Selling Commissions that will be payable by the Fund in respect of the Offered Units, See Item 7 - Compensation Paid to Sellers and Finders.</p>

RESALE RESTRICTIONS

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

INVESTORS' RIGHTS

If you are purchasing Offered Units pursuant to the offering memorandum exemption contained in Section 2.9 of National Instrument 45-106 – *Prospectus Exemptions*, you have two business days to cancel your agreement to purchase these securities. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the agreement. See **Item 11 - Investors' Rights.**

REDEMPTION RIGHTS

An investment in Offered Units should be considered a long-term investment. You will not have any expected liquidity event in the short-term other than receiving cash distributions from the Fund. While the Trust Units have rights of redemption, those rights are subject to certain restrictions.

The Redemption Price payable to Investors redeeming Trust Units may be lower than the price per Trust Unit paid by the Investor for such Trust Unit, as a Trust Unitholder will receive a lower Redemption Price if such Trust Unitholders redeems his or her Offered Units within a certain period of time from the date of investment (depending on the series of Trust Unit held by the Trust Unitholder). This is intended to protect the Fund and existing Trust Unitholders from a reduction in the value of the Fund due to the payment of Selling Commissions and offering costs.

Once the quarterly cash redemption threshold of \$50,000 is reached, redeeming Trust Unitholders may receive from the Fund (in lieu of cash), Redemption Notes. Redemption Notes will be unsecured and subordinated debt securities of the Fund. Redemption Notes will have a maturity of five years or less. There will be no market for Redemption Notes. **Redemption Notes will not be qualified investments for Exempt Plans.**

As an extraordinary measure and subject to the unanimous approval of the independent review committee of the Fund, the Trustees or the Manager may, from time to time, suspend the redemption of Trust Units or postpone the date of payment of redeemed Trust Units. Examples of such circumstances which as an extraordinary measure may require a suspension of redemptions include, without limitation, if the Trustees or the Manager reasonably determine that: (a) the Fund's (or the Partnership's) assets are invested in such a manner so as to not reasonably permit immediate liquidation of sufficient assets; (b) there exists a state of affairs that constitutes circumstances under which liquidation by the Fund (or the Partnership) of part or all of its investments is not reasonable or practicable, or would be prejudicial to the Fund or Trust Unitholders generally; (c) not suspending redemptions would have an adverse effect on continuing Trust Unitholders; or (d) they are unable to value the assets of the Fund. The Trustees or the Manager may also suspend the redemption of Trust Units upon an announcement by the Trustees that the Fund will be terminated. For greater certainty, the intention of this provision is not to generally restrict the ability of Trust Unitholders to redeem Trust Units, but rather to permit the Trustees or the Manager to protect the Fund and/or its Trust Unitholders from the harm that would be caused by permitting redemptions when extraordinary and unusual circumstances are present.

See Item 5.1.4 - Redemption of Trust Units, Item 2.7.1 - Declaration of Trust - Redemption of Trust Units and Item 8 - Risk Factors.

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CAUTIONARY STATEMENTS

ABOUT THIS OFFERING MEMORANDUM

This Offering Memorandum constitutes an offering of securities only in those jurisdictions and only to those persons to whom they may be lawfully offered for sale. This Offering Memorandum is not, and under no circumstances is to be construed as, a prospectus or advertisement or a public offering of these securities. This Offering is being made pursuant to certain prospectus exemptions contained in NI 45-106. Under no circumstances will the Fund accept a subscription for Offered Units if its distribution cannot be made in reliance on any such exemption. Persons resident in the province of Québec are not permitted to rely on the offering memorandum exemption contained in Section 2.9 of NI 45-106. This Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy securities within the United States or by residents of the United States.

Prospective Investors should only rely on the information in this Offering Memorandum or any related OM Marketing Materials and should not rely on some parts of this Offering Memorandum or OM Marketing Materials to the exclusion of others. No person has been authorized to give any information or make any representation in respect of the Fund or the securities offered herein and any such information or representation that is given or received must not be relied upon.

FORWARD-LOOKING INFORMATION

This Offering Memorandum contains certain information, statements or disclosures that constitute forward-looking information under applicable securities laws (collectively, "**forward-looking information**"). All statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results or developments that the Fund anticipates or expects may or will occur in the future (in whole or in part) should be considered forward-looking information. In some cases, forward-looking information can be identified by terms such as "future", "may", "will", "intend", "expect", "anticipate", "believe", "potential", "enable", "plan", "estimate", "project", "should", "continue", "contemplate" or other comparable terminology. Forward-looking information presented in this Offering Memorandum includes, but is not limited to:

- statements with respect to how the available funds are anticipated to be used by the Fund and the Partnership;
- the investment criteria, objectives, restrictions and strategies of the Fund and the Partnership;
- types of Properties that will be acquired by the Partnership;
- the identification, successful negotiation and acquisition of Properties by the Partnership;
- the Manager's belief that its investment strategy can achieve returns for Investors;
- the realization of anticipated benefits of acquisitions of Properties, the timing thereof and the methods of funding;
- the expectation, timing and payment of distributions;
- the Fund's intentions or expectations concerning its ability to raise capital under the Offering or otherwise, including the ability of the Fund to complete the Maximum Offering;
- intentions or expectations about the Partnership's ability to raise capital in addition to the sale of the LP Units to the Fund;
- the incurrence of indebtedness by the Partnership;
- long-term or short-term plans and objectives of the Fund and the Partnership;
- expectations with respect to the stability of real estate markets in Western Canada and elsewhere;
- the Fund's and the Partnership's intentions and expectations regarding payment of Selling Commissions and offering costs, the Management Fee, the Acquisition Fee and ongoing general and administrative expenses, including the fees and expenses described in **Item 3.2 - Fees and Expenses**;
- the future offering price of the Offered Units;

- reimbursement of the Fund by the Partnership in respect of certain costs and expenses to be incurred by the Fund;
- the term of each of the Fund and the Partnership and the effects of the dissolution of the Fund and the Partnership; and
- the Fund's and the Partnership's treatment under governmental regulatory regimes, securities laws and tax laws.

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

- expectations about the stability of the general economic and political environment in which the Fund and the Partnership operate;
- expectations about the Fund's and the Partnership's respective abilities to raise sufficient capital to complete their respective business objectives, including the advance of available funds to the Partnership and investments in the Properties;
- intentions or expectations about the Partnership's ability or opportunity to dispose of any interest in any Property;
- the ability of the General Partner of the Partnership to obtain qualified staff, equipment and services in a timely and cost-efficient manner;
- a stable competitive environment;
- no significant event occurring outside the ordinary course of business such as a natural disaster or other calamity;
- the Fund's qualification as a "mutual fund trust" and not a "SIFT trust" under the Tax Act;
- future currency exchange rates;
- the impact of Canadian federal income taxes;
- the possibility of substantial redemptions of Trust Units; and
- the Fund's and the Partnership's treatment under governmental regulatory regimes, securities laws and tax laws.

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

- risks associated with the partial "blind pool" nature of the Offering;
- risks associated with the speculative nature of an investment in the Offered Units and the Partnership's investment in the Properties, including the lack of any guarantee that the Fund, the Partnership or the Investors will obtain a return on their respective investments;
- risks associated with the availability of investments that meet the Partnership's investment objectives;

- risks associated with the concentration of investments in the portfolio of the Partnership which could result in the Partnership's portfolio being less diversified than anticipated;
- risks associated with the ability of the Fund to make distributions on the Trust Units;
- risks associated with the Fund and the Partnership having no assets or operational history;
- risks associated with the Fund's and the Partnership's financing efforts, including that the Fund does not reach the Maximum Offering and that the Partnership does not raise sufficient capital to achieve its objectives or that sufficient, cost-effective financing to fund capital expenditures, Trust Unit redemptions, and ongoing general, administrative and operating costs and expenses associated or incurred in connection with the Properties cannot be obtained;
- risks associated with the reliance and operational dependence of the Fund on the Partnership and the reliance of the Fund and the Partnership on the Manager for the provision of certain services pursuant to the Management Agreement;
- risks associated with the relationship between the Fund, the Partnership and the Manager and potential conflicts of interest involving the Manager on the one hand, and the Fund, the Partnership and the Investors on the other;
- risks associated with the ownership of real estate properties;
- risks associated with valuing investments, including the risk of improperly assessing the value of a Property;
- risks associated with fluctuations in foreign currency exchange rates;
- risks associated with the competition faced by the Partnership in locating and securing investments in Properties;
- failure to realize the anticipated benefits from the acquisition of Properties;
- risks associated with rent control, renovations, utilities payments, and vacancy rates;
- risks associated with the dependence of the Fund and the Partnership on certain key personnel of the Fund, the Partnership, the Manager, the General Partner and the Manager;
- risks associated with general economic conditions; and
- risks associated with obtaining real estate regulatory approvals.

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

Although the Fund believes that the expectations reflected in the forward-looking information are reasonable, it cannot guarantee future results. Because of the risks, uncertainties and assumptions contained herein, prospective Investors should not place undue reliance on forward-looking information. We are not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable laws. The foregoing statements expressly qualify any forward-looking information contained in this Offering Memorandum.

MARKETING MATERIALS

Any "**OM marketing materials**" (as such term is defined in NI 45-106) related to each distribution under this Offering Memorandum and delivered or made reasonably available to a prospective Investor before the termination of such distribution will be, and will be deemed to be, incorporated by reference into this Offering Memorandum, provided that any OM marketing materials to be incorporated by reference into this Offering Memorandum are not part of the Offering Memorandum to the extent that the contents of such OM marketing materials have been modified or superseded by a statement contained in an amended or restated offering memorandum or OM marketing materials subsequently delivered or made reasonably available to a prospective Investor prior to the execution of the Subscription Agreement by the Investor. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it

modifies or supersedes. The making of a modifying or superseding statement is not deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded is not deemed, except as so modified or superseded, to constitute a part of this Offering Memorandum.

MARKET AND INDUSTRY DATA

This Offering Memorandum, and OM marketing materials incorporated by reference herein, may contain statistical data, market research and industry forecasts that were obtained from government or other industry publications and reports or are based on estimates derived from such publications and reports. Government and industry publications and reports generally indicate that they have obtained their information from sources believed to be reliable, but do not guarantee the accuracy and completeness of their information. While the Fund believes this data to be reliable, market and industry data is subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. The Fund has not independently verified any of the data from independent third party sources referred to in this Offering Memorandum or ascertained the underlying assumptions relied upon by such sources.

GLOSSARY

In this Offering Memorandum (including in the face pages hereof), unless the context otherwise requires, the following words and terms have the indicated meanings:

"Acquired Properties "	Means Windsor Place and 179 Rajput Way.
"Acquisition Fee "	means the fee payable by the Partnership to the Manager upon the acquisition of a Property equal to 1% of the total purchase price of such Property plus additional capital committed to such Property. The Acquisition Fee is treated as a Common Expense of the Partnership.
"affiliate "	has the meaning given thereto in NI 45-106.
"associate "	has the meaning given thereto in NI 45-106.
"BCBCA "	means the <i>Business Corporations Act</i> (British Columbia), as amended, including the regulations promulgated thereunder.
"Capital Contribution "	means, in respect of each Partner at any time, the amount of money or the value of any property that such Limited Partner or General Partner has actually contributed to the Partnership.
"Closing "	means the respective completion of an issue and sale to Investors of Offered Units under the Offering from time to time.
"Closing Date "	means the date of a Closing. Closings will occur from time to time at the discretion of the Manager.
"CMHC "	means Canada Mortgage and Housing Corporation.
"Common Expenses "	means expenses of the Partnership which are not Series Expenses, as determined by the General Partner in its sole discretion, subject to the unanimous approval of the Independent Review Committee.
"conflict of interest matter "	means a situation where a reasonable person would consider the person in question, or an entity related to such person, to have an interest which may conflict with their ability act in good faith and in the best interests of the Fund or the Partnership.
"Conflict of Interest Policy "	has the meaning given thereto in Item 2.1.7 - Conflict of Interest .
"Corresponding LP Units "	means the LP Unit that is acquired by the Fund with the net proceeds the Fund received from the issuance of a particular Trust Unit.
"Counsel "	means Norton Rose Fulbright Canada LLP, counsel to the Fund.
"CRA "	means the Canada Revenue Agency.
"Declaration of Trust "	means the declaration of trust dated January 2, 2019 governing the Fund, as it may be supplemented, amended or amended and restated at any time and from time to time in accordance with its terms. See Item 2.7.1 - Declaration of Trust .
"Distributable Proceeds "	has the meaning given thereto in Item 5.1.1 - Distributions - Partnership Distributions .
"DPSP "	means a trust governed by a deferred profit sharing plan.
"DRIP "	means the distribution reinvestment plan adopted by the Fund.
"Exempt Plans "	means an RRSP, an RESP, an RRIF, a DPSP, a TFSA or an RDSP.

"Final Closing Date"	means the earlier to occur of (i) January 2, 2021; and (ii) the date upon which the Partnership and the Fund has collectively received gross proceeds of \$30,000,000 pursuant to the Offering or other treasury offering or securities of the Partnership and the Fund (not including proceeds pursuant to the reinvestment of distributions).
"Fund"	means Westbow Capital Income Fund, a trust formed under the laws of British Columbia pursuant to the Declaration of Trust.
"General Partner"	means WB Capital GP Inc., a corporation formed pursuant to the BCBCA which is the general partner of the Partnership.
"Gross Proceeds"	has the meaning given thereto in Item 5.1.1 - Distributions - Partnership Distributions .
"IFRS"	means international financial reporting standards.
"Independent Review Committee"	has the meaning given thereto in Item 2.1.8 - Independent Review Committee .
"Investor"	means a person subscribing for and purchasing Offered Units pursuant to the Offering.
"Limited Partners"	means the limited partners of the Partnership from time to time.
"LP Units"	means limited partnership units of the Partnership, including the Corresponding LP Units.
"Management Agreement"	means the management agreement dated January 3, 2019 between the Manager, the Fund, the Partnership and the General Partner, as may be amended or restated from time to time.
"Management Fee"	<p>means a monthly fee payable by the Partnership to the Manager equal to 1/12th of 1.9% of the gross purchase price paid by investors to the Fund and the Partnership for each of the Series A, Series B, Series E, Series F and Series P units of each of the Fund and the Partnership (excluding for greater certainty, the purchase price of LP Units purchased by the Fund), as at the last date of the preceding month, calculated and payable in advance at the beginning of each month. See Item 3.2 - Fees and Expenses and also Item 3.1 - Compensation and Securities Held.</p> <p>The Management Fee may vary for other series of Trust Units and LP Units and is treated as a Series Expense attributed to a particular series of LP Units.</p>
"Manager"	means Westbow Asset Management Inc., a corporation formed pursuant to the BCBCA.
"Market Value"	<p>means, with respect to a LP Unit, a price equal to the value of such LP Unit, such price to be determined on the assumption that each of the Partnership's investments was on the date of determination sold for its fair market value determined in accordance with the Partnership Agreement and the proceeds therefrom were on the date of determination distributed to the Partners in accordance with the Partnership Agreement, after credit or debit, as the case may be, for the amount of the Partnership's other assets and liabilities determined in accordance with IFRS.</p> <p>In the Partnership Agreement, the "fair market value" for all assets shall: (a) be determined by the General Partner on the basis of reasonable valuation methods in accordance with IFRS, and (b) be unanimously approved by the Independent Review Committee.</p>
"Maximum Offering"	means offering proceeds of up to \$30,000,000, to be achieved through the issue and sale of Offered Units under the Offering. The Manager may, without notice to investors, increase or decrease the Maximum Offering.

"Net Capital Contribution"	<p>means, with respect to a series of LP Units:</p> <ul style="list-style-type: none"> (a) the aggregate purchase price paid for the LP Units of such series, net of any commission or other fees paid by the Partnership (but not, for greater certainty, any commission or other fees paid by the Fund) to a dealer or a wholesaler with respect to the sale of the LP Units and offering costs; plus (b) any Reinvested Amounts with respect to such series of LP Units; minus (c) the aggregate Redemption Price paid by the Partnership in respect of LP units of such series that have been redeemed, <p>as reasonably adjusted by the General Partner in its sole discretion, including in order to account for (i) conversions of, and conversions into, LP Units of such series, (ii) redesignations of, and redesignations into, LP Units of such series, and (iii) market appreciation or depreciation of the Partnership's investments.</p> <p>The Net Capital Contribution of the General Partner, in its capacity as the General Partner, is \$10.00.</p>
"Net Proceeds"	has the meaning given thereto in Item 5.1.1 - Distributions - Partnership Distributions .
"Net Series Proceeds"	has the meaning given thereto in Item 5.1.1 - Distributions - Partnership Distributions .
"NI 45-106"	means National Instrument 45-106 - <i>Prospectus Exemptions</i> of the Canadian Securities Administrators.
"NI 81-107"	means National Instrument 81-107 - <i>Independent Review Committee for Investment Funds</i> of the Canadian Securities Administrators.
"Non-Resident"	means: (a) a person (within the meaning of the Tax Act but, for greater certainty, not including a partnership) who is not resident in Canada for the purposes of the Tax Act; or (b) a partnership that is not a "Canadian partnership" as defined in the Tax Act.
"Offered Units"	means, collectively, the Series A Units, Series B Units, Series E Units and Series F Units offered under the Offering.
"Offering"	means the Fund's offering, issue and sale of Offered Units on a private placement basis, as more particularly described in this Offering Memorandum.
"Offering Jurisdictions"	means the provinces and territories of Canada.
"Offering Memorandum"	means this amended offering memorandum pertaining to the Offering, including any amendment, restatement or update to this amended offering memorandum.
"Partner"	means the General Partner and each of the Limited Partners of the Partnership.
"Partnership"	means WB Capital Limited Partnership, a limited partnership formed under the laws of British Columbia governed by the Partnership Agreement, whose partners will be the General Partner and the Limited Partners, including the Fund.
"Partnership Act"	means the <i>Partnership Act</i> (British Columbia).
"Partnership Agreement"	means the limited partnership agreement dated January 2, 2019 governing the Partnership, as may be amended or restated from time to time. See Item 2.7.2 - Partnership Agreement .

"Permitted Investments"	<p>means, as defined in the Partnership Agreement, permitted investments by the Partnership pending intended uses of funds, including:</p> <ul style="list-style-type: none"> (a) obligations issued or guaranteed by the Government of Canada or any province of Canada or any agency or instrumentality thereof; (b) commercial paper or other short-term debt of a person whose commercial paper or other short-term debt have a rating of R-2 (or higher) by DBRS Limited or A-3 (or higher) by Standard and Poor's Rating Services, or an equivalent rating by a "designated rating organization" (as defined under applicable securities law s); (c) interest-bearing accounts, term deposits, guaranteed investment certificates, certificates of deposit or bankers' acceptances of or guaranteed or accepted by any Canadian chartered bank or other financial institution, the long-term debt or deposits of which have a rating of BBB (or higher) by DBRS Limited or BBB (or higher) by Standard and Poor's Rating Services, or an equivalent rating by a "designated rating organization" (as defined under applicable securities law s); or (d) any combination thereof. <p>For the purpose of this definition of Permitted Investments, "short-term" means having a date of maturity or call for payment that is one year or less from the date on which the investment is made.</p>
"person"	<p>means any individual, general partnership, limited partnership, joint venture, syndicate, sole proprietorship, company, corporation or other body corporate with or without share capital, joint stock company, association, trust, trust company, bank, pension fund, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority, department or political subdivision thereof, or other organization or entity, whether or not a legal entity, however designated or constituted.</p>
"Preferred Return"	<p>means, in respect of the Series A LP Units, Series B LP Units, Series E LP Units and Series F LP Units, a cumulative, non-compounding fixed distribution at the rate of \$0.70 per Offered Unit per year, which begins to accrue in respect of the applicable LP Unit beginning on the issuance date of such LP Unit.</p> <p>The Preferred Return may vary for other series of LP Units.</p>
"Property" or "Properties"	<p>means primarily residential real estate properties located in Western Canada, with a focus on low -to-medium density real estate properties.</p>
"Quarterly Limit"	<p>means \$50,000, being the total amount of cash payable by the Fund in respect of Trust Units tendered for redemption in a calendar quarter, which limit may be increased or waived by the Trustees or the Manager. See Item 2.7.1 - Declaration of Trust - Redemption of Trust Units.</p>
"RDSP"	<p>means a trust governed by a registered disability savings plan.</p>
"Redemption Note Interest Rate"	<p>means 2% plus the yield to maturity on five year marketable bonds issued by the Government of Canada in Canadian Dollars, based on the mid-market closing yields of such bonds as published by the Bank of Canada on the business day preceding the day on which the notice of redemption of a Trust Unit is given.</p>
"Redemption Notes"	<p>means debt securities of the Fund that may be created and issued from time to time, that are subordinated and unsecured, have a maturity of five years or less, are pre-payable at any time at the option of the Fund prior to maturity, without notice, bonus or penalty and pay an annual rate of interest equal to the Redemption Note Interest Rate, which interest is payable quarterly in arrears.</p>

"Redemption Price"

means the price per Trust Unit that a Trust Unitholder whose Trust Units are being redeemed shall be entitled to receive, which shall be equal to the redemption proceeds received by the Fund from the Partnership with respect to the Fund's redemption of the Corresponding LP Unit, which shall be the lesser of: (a) the subscription price such Trust Unit (up to a maximum of \$10) multiplied by the percentage set out below, minus any amount distributed in respect of such Trust Unit in respect of the Series A Return of Capital, Series B Return of Capital, Series E Return of Capital or Series F Return of Capital of the Corresponding LP Unit, as applicable; and (b) the Market Value of the Corresponding LP Unit of such Trust Unit.

The percentages are as follow s:

Period of time between the issuance date of the LP Unit being redeemed and the date the notice of redemption is provided	Series A	Series B	Series E	Series F
< 1 year	90%	93%	95%	95%
1 year to < 2 years	92%	95%	97%	97%
2 years to < 3 years	94%	97%	99%	99%
3 years to < 4 years	96%	99%	100%	100%
4 years to < 5 years	98%	100%	100%	100%
5 years and greater	100%	100%	100%	100%

Pursuant to the foregoing table, a Trust Unitholder will receive a lower Redemption Price if such Trust Unitholders redeems his or her Offered Units within a certain period of time from the date of investment (depending on the series of Trust Unit held by the Trust Unitholder). This is intended to protect the Fund and existing Trust Unitholders from a reduction in the value of the Fund due to the payment of Selling Commissions and offering costs.

"Reimbursement Agreement"

means the reimbursement agreement dated January 3, 2019 among the Fund, the Manager, the General Partner and the Partnership, as may be amended or restated from time to time.

"Reinvested Amounts"

has the meaning given thereto in **Item 5.1.1 - Distributions - Partnership Distributions**.

"RESP"

means a trust governed by a registered education savings plan.

"RRIF"

means a trust governed by a registered retirement income fund.

"RRSP"

means a trust governed by a registered retirement savings plan.

"Selling Commission"

means, in respect of a Trust Unit, any commissions paid or fees paid to brokers or intermediaries in connection with the issuance of such Trust Units.

"Series A LP Units"

means series A units of the Partnership.

"Series A Return of Capital"

has the meaning given thereto in **Item 5.1.1 - Distributions - Partnership Distributions**.

"Series A Units"

means series A units of the Fund.

"Series B LP Units"

means series B units of the Partnership.

"Series B Return of Capital"

has the meaning given thereto in **Item 5.1.1 - Distributions - Partnership Distributions**.

"Series B Units"

means series B units of the Fund.

"Series Expenses"

means expenses of the Partnership referable to a specific series of LP Units (including for greater certainty, trailing commissions), as determined by the General

Partner in its sole discretion, subject to the unanimous approval of the Independent Review Committee. For greater certainty, the Management Fee may vary for each series of LP Units and is treated as a Series Expense attributed to a particular series of LP Units.

"Series E LP Units"	means series E units of the Partnership.
"Series E Return of Capital"	has the meaning given thereto in Item 5.1.1 - Distributions - Partnership Distributions .
"Series E Units"	means series E units of the Fund.
"Series F LP Units"	means series F units of the Partnership.
"Series F Return of Capital"	has the meaning given thereto in Item 5.1.1 - Distributions - Partnership Distributions .
"Series F Units"	means series F units of the Fund.
"Series I LP Units"	means series I units of the Partnership.
"Series I Units"	means series I units of the Fund.
"Series M LP Units"	means series M units of the Partnership.
"Series M Units"	means series M units of the Fund.
"Series P LP Units"	means series P units of the Partnership.
"Series P Units"	means series P units of the Fund.
"Series Proceeds"	has the meaning given thereto in Item 5.1.1 - Distributions - Partnership Distributions .
"Special Resolution"	<p>means, with respect to the Fund:</p> <ul style="list-style-type: none"> (a) a resolution proposed to be passed as a special resolution at a meeting of Trust Unitholders (including an adjourned meeting) duly convened for that purpose and held in accordance with the Declaration of Trust and passed by more than 66⅔% of the votes cast on such resolution by Trust Unitholders present or represented by proxy at the meeting; or (b) notwithstanding any other provision of the Declaration of Trust, a resolution in writing executed by Trust Unitholders holding more than 66⅔% of the votes attached to outstanding Trust Units at any time. <p>and with respect to the Partnership:</p> <ul style="list-style-type: none"> (a) a resolution of Limited Partners approved by more than 66⅔% of the votes cast by Limited Partners, in person or by proxy, at a meeting of the Limited Partners (or any adjournment thereof) called in accordance with the Partnership Agreement, or (b) a written resolution signed by Limited Partners holding more than 66⅔% of the votes attached to all of the LP Units that would have been entitled to vote on such resolution at a meeting of the Limited Partners called in accordance with the Partnership Agreement.
"Subscription Agreement"	means a subscription agreement to be executed by each Investor providing for the purchase of Offered Units in the form provided by the Manager.
"subsidiary"	has the meaning given thereto in NI 45-106.
"Tax Act"	means the <i>Income Tax Act</i> (Canada) and the regulations thereunder, as amended from time to time.

"TFSA"	means a trust governed by a tax-free savings account.
"Trailing Commission"	means an ongoing deferred commission paid to selling dealers.
"Trust Unit"	means trust units of the Fund, including the Offered Units.
"Trust Unitholder"	means a registered holder of Trust Units at any time and from time to time, as shown on the register maintained by or on behalf of the Fund for outstanding Trust Units.
"Trustees"	means, at any time, the trustees of the Fund, which currently are Nick Westeringh and Dick Westeringh. See Item 3 - Directors, Trustees, Management, Promoters and Principal Holders .
"Windsor Place"	means the property located at 8301/8401/8501 Wilshire Boulevard, Fort Saskatchewan, Alberta, which was acquired by the Partnership on April 18, 2019. See Item 2.3.1 - Acquired Properties .
"Westbow Construction"	means Westbow Construction Group Ltd., a corporation formed pursuant to the BCBCA.

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

In this Offering Memorandum, references to "**dollars**" and "\$" are to the currency of Canada, unless otherwise indicated.

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

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

SUMMARY OF THIS OFFERING MEMORANDUM

The Fund and the Partnership

The Fund is an unincorporated trust governed by the laws of the Province of British Columbia and the federal laws of Canada applicable thereto. The Fund was created on January 2, 2019, pursuant to the Declaration of Trust. The Manager acts as the manager of the Fund. The Manager was incorporated on January 2, 2019 pursuant to the BCBCA and will manage, along with the Trustees, the affairs of the Fund. See **Item 2.1.2 - The Fund** and **Item 2.7.1 - Declaration of Trust**.

Although it is intended that the Fund qualify as a "mutual fund trust" for purposes of the Tax Act, the Fund will not be a "mutual fund" or "investment fund" under applicable securities laws.

The Partnership is a limited partnership formed on January 3, 2019, pursuant to the Partnership Act. The General Partner was incorporated on January 2, 2019, pursuant to the BCBCA. See **Item 2.1.3 - The Partnership and the General Partner** and **Item 2.7.2 - Partnership Agreement**.

Nick Westeringh and Dick Westeringh are the Trustees of the Fund and the directors and officers of the Manager and the General Partner. See **Item 3 - Directors, Trustees, Management, Promoters and Principal Holders**.

The Manager will provide certain management and administration services to the Fund and the Partnership pursuant to the Management Agreement. See **Item 2.7.3 - Management Agreement** and **Item 2.1.5 - Relationship with the Manager**.

Investment Objectives and Strategies

The Fund was established with the objective of investing, indirectly, through the Partnership, in investments, including Properties. The Fund intends to create a diversified portfolio of predominantly Properties that generate a yield that will enable the Fund to provide quarterly distributions to Trust Unitholders (with an initial target of 5% per annum, though distributions may be lower during the first fiscal year of the Partnership) and capital growth over the term of the Fund. The Fund intends to, through the Partnership, be actively involved in the management and operation of the Properties. See **Item 2.2 - Our Business**.

The Fund and the Partnership have a limited operating history. The Partnership is a partial "blind pool", meaning that other than the Acquired Properties, the investments to be made by the Partnership, indirectly with the proceeds of the Offering have not yet been identified. See **Item 8 - Risk Factors**.

In order to meet the investment objectives of the Fund, the Manager intends to invest in real estate that generates current income and physical properties with the objective of generating strong capital growth.

The Partnership believes that the residential real estate market is an opportunity for strong risk adjusted rewards. Real estate as an investment class has proven over time to be relatively stable and historically offers dependable returns. Residential real estate, as a subset within real estate investments, is also traditionally one of the lower risk investment categories as it is generally less affected by shifting trends affecting real estate (including the recent rise of online retail, home office use, and other developments).

The Partnership will conduct due diligence on prospective Properties in order to locate investment opportunities that satisfy the Partnership's investment objectives. The Partnership intends to target Properties located in geographic areas featuring high occupancy levels, expanding populations, and growing economies. By focusing on these types of areas, the Partnership believes that it will increase the chances of achieving strong cash flows and net operating income, ultimately benefiting Trust Unitholders. Although residential property will be the Partnership's primary focus, the Partnership will also periodically assess opportunities for diversifying its portfolio of Properties to accommodate other classes of real estate, including commercial, industrial, and mixed-use properties (to the extent that such other classes of real estate supplement the Partnership's residential real estate portfolio). From a geographic perspective, the Partnership's initial focus will be in Western Canada. Western Canada was selected because the Manager's strong understanding of market conditions and

relationships in that region that will assist the Partnership in successfully locating and acquiring Properties. Although the Partnership does not intend to actively seek out Properties outside of Western Canada, it may make acquisitions outside this geographic region (including in Eastern Canada and the United States), at the discretion of the Manager (subject to the unanimous approval of the Independent Review Committee), if an appropriate opportunity presents itself.

The information and expectations presented above are forward-looking statements and are based on the Manager's reasonable assumptions as at the date of this Offering Memorandum. There can be no assurance that the condition, event, plans and assumptions on which such forward-looking statements are based will occur. See Item 8 - Risk Factors.

Acquired Properties

Windsor Place

Windsor Place is a well-located residential apartment complex located close to HWY 21 within the Edmonton regional area. Windsor Place offers 144 units and was constructed between 2015 and 2016. At the time of acquisition, Windsor Place was 90% occupied.

Since the acquisition in April, 2019, the Manager has begun executing its strategy of improving operational management of the Property with a goal of achieving greater efficiencies, including replacing the existing property manager. See **Item 2.3.1 - Acquired Properties**.



Transaction Details:

Purchase Price	\$25,100,000
Transaction Costs (incl. CMHC insurance premiums)	\$1,300,000
Mortgage Amount	\$22,123,000
Estimated 12-month Net Operating Income	\$1,300,000
Acquisition Capitalization Rate	5.18%

Total Capitalization Rate	4.85%
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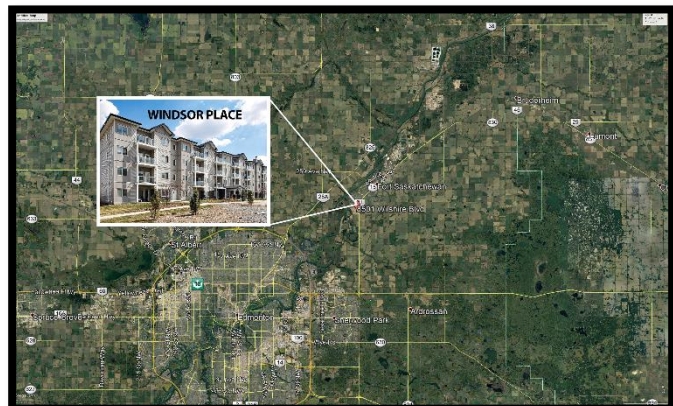
Property Details:	Building Type	Residential Apartment Complex
	Address	8301/8401/8501 Wilshire Boulevard, Fort Saskatchewan, AB
	Stories	4
	Units	144
	Site Size	6.498 acres
	Year Constructed	2015-2016
	Occupancy Rate	90% at acquisition

Location and Market:

Windsor Place is located just off HWY 21, 35 minutes to downtown Edmonton. The Edmonton metropolitan area is a major gateway to northern Alberta and is home to many industries, including airlines, oil & gas, and mineral mining. Edmonton is the sixth-largest city in Canada with over one million in population. Windsor Place is located very close to the highway so it presents a great rental opportunity for young professionals who need more affordable rental options and allows them to commute for work into the Edmonton area.

Fort Saskatchewan has numerous major employers in multiple key sectors. With strong employers in the area and a business-friendly climate, Fort Saskatchewan presents a strong local economy and numerous jobs for potential tenants of Windsor Place.

Fort Saskatchewan has a small but growing population due to the high quality of life and economic opportunities in the area. Between 2018 and 2023, the population in the city was forecasted to grow by approximately 2.23% (ESRI Business Analyst Online 2018 and Statistics Canada Census Profile 2016). This is significant as it is outpacing the growth of the Edmonton region (2.09%) and Alberta (1.82%). The median age in Fort Saskatchewan is 34.8, suggesting a young workforce. In recent years, younger generations have tended to remain in the rental market longer and defer purchasing property.



Transaction Source: Off-market deal presented by CBRE in Edmonton.

Value Creation Strategy: Windsor Place enjoys a robust cash-flow, and as the buildings were constructed in 2015 and 2016, there is no need for renovations at the time of acquisition. Value is expected to be created primarily through improved management operations. The Manager has already made certain changes to property management in an effort to reduce vacancy rates, improve rental income, and to reduce operating expenses. As a result of the Partnership securing CMHC financing on Windsor Place, its mortgage interest rate was locked-in at 2.65% for 10 years. This low interest rate is expected to help to minimize annual debt service needs and strengthen annual cash flow from Windsor Place.

179 Rajput Way

On May 2, 2019, the Partnership acquired a two-story, detached home located at 179 Rajput Way in Saskatoon, Saskatchewan, for \$403,000. 179 Rajput Way is divided into 2 rental units and a detached garage that could be leased separately. The Manager believes that the Property's location in the Evergreen neighbourhood and short distance to the University of Saskatchewan make it a desirable rental location and expects the units to rent out quickly. The Manager also believes that major infrastructure developments in northwest Saskatoon will increase the value of the Property in the long-term.

The Offering

The Offered Units are offered to persons resident in the Offering Jurisdictions pursuant to certain exemptions from the prospectus requirements contained in the securities legislation in the Offering Jurisdictions. Under no circumstances will the Fund accept a subscription for Trust Units if its distribution cannot be made in reliance on any such exemption. Persons resident in the province of Québec are not permitted to rely on the offering memorandum exemption contained in Section 2.9 of NI 45-106.

Any monies received with a rejected order will be promptly refunded without any interest. See **Item 5.2 - Subscription Procedure**.

The Offered Units

Investments in the Fund are represented by Trust Units. The Fund is permitted to have an unlimited number of series of Trust Units, which may be created and issued by the Trustees in their sole discretion from time to time, having such attributes as determined by the Trustees.

The Offered Units are comprised of the following:

- **Series A Units:** This series of units is offered to investors who are not eligible to purchase Series B, Series E or Series F Units.
- **Series B Units:** This series of units is offered to investors who are not eligible to purchase Series E or Series F Units.
- **Series E Units:** This series of units is offered to investors who purchase such units through a dealer sponsored fee-for service or wrap program and who pay an asset-based fee to their dealer.
- **Series F Units:** This series of units is offered to investors who purchase such units through a dealer sponsored fee-for service or wrap program and who pay an asset-based fee to their dealer.

Price Per Security

The price per Offered Unit shall be as follows:

- \$9.75 per Offered Unit until the earlier of September 30, 2019 or gross proceeds of \$16,000,000 are raised under the Offering and concurrent offerings;

- thereafter \$10.00 per Offered Unit until the earlier of December 31, 2019 or gross proceeds of \$24,000,000 are raised under the Offering and concurrent offerings.

The Manager has the right to modify, in its discretion, the price per Offered Unit and the deadlines or gross proceeds that trigger a change in the price per Offered Unit set forth above. If the Manager determines to exercise its discretion in this respect, it will provide advance notification to that effect to each of the securities dealers through whom subscriptions for Offered Units are being solicited.

Maximum Offering	\$30,000,000. The Manager may, without notice to Investors, increase or decrease the Maximum Offering.
Minimum Offering	There is no minimum Offering. You may be the only Investor. Funds available under the Offering may not be sufficient to accomplish our proposed objectives. See Item 8 - Risk Factors.
Minimum Subscription Amount	The minimum investment in the Fund for Series A Units, Series E Units and Series F Units is \$6,000. The minimum investment in the Fund for Series B Units is \$100,000. These minimum amounts may be waived by the Manager, in its sole discretion. See Item 5.2 - Subscription Procedure.
Payment Terms	Investors must pay the subscription price in full, by certified cheque, bank draft or such other manner as may be accepted by the Manager at the time of delivering a fully completed and signed Subscription Agreement. See Item 5.2 - Subscription Procedure.
Proposed Closing Date(s)	Closings will occur from time to time at the discretion of the Manager.
Purchase of Partnership Units	The Fund will use the proceeds of the Offering of Series A Units, Series B Units, Series E Units and Series F Units, to purchase, respectively, Series A LP Units, Series B LP Units, Series E LP Units and Series F LP Units of the Partnership. The LP Unit that is acquired by the Fund with the proceeds the Fund received from the issuance of a particular Trust Unit is referred to herein as that Trust Unit's " Corresponding LP Unit ".
Partnership Distributions	<p>The Partnership will seek to make distributions to its Limited Partners (including the Fund) on a regular basis, with the amount of any such distributions determined by the General Partner in its sole discretion. Such distributions, if any, will generally be made on a quarterly basis, however, the General Partner reserves the right to make more frequent distributions in its sole discretion. Distributions will be paid to Limited Partners of record as of the distribution date and will be paid on or before the 30th day following the distribution date.</p> <p>When determining amounts available for distribution, the General Partner will:</p> <ol style="list-style-type: none"> first, ascertain the sum of all cash amounts received by the Partnership since the previous distribution was declared by the Partnership (such aggregate amount being the "Gross Proceeds"); second, subtract from the Gross Proceeds (i) amounts necessary for the payment of all outstanding Common Expenses (including the Acquisition Fee) for which reserves have not previously been made, (ii) amounts reasonably reserved for future Common Expenses, and (iii) amounts reasonably reserved having regard to current and anticipated commitments of the Partnership (the Gross Proceeds less the aggregate amounts in (i), (ii) and (iii) being the "Net Proceeds"); third, divide the Net Proceeds among the various series of LP Units and the General Partner based on the aggregate Net Capital Contributions made by each such series and the General Partner, respectively to the Partnership, with the Net Proceeds allocated to each series being the "Series Proceeds"; and fourth, subtract from the Series Proceeds of each series of LP Units (i)

amounts necessary for the payment of all outstanding Series Expenses (including the Management Fee) with respect to the applicable series of LP Units for which reserves have not previously been made, and (ii) amounts reasonably reserved for future Series Expenses of the series of LP Units (the Series Proceeds less the aggregate amounts in (i) and (ii) being the "**Net Series Proceeds**").

For greater certainty, amounts paid to Trust Unitholders in connection with redemptions of Trust Units will reduce the aggregate Net Capital Contributions made by the applicable series of Trust Units being redeemed. Once the Net Series Proceeds of a particular series of LP Units has been determined, then the General Partner will, to the extent possible based on the amount of such Net Series Proceeds, pay to the holder of each LP Unit of such series of LP Units an amount equal to the outstanding and accrued Preferred Return with respect to such LP Unit (or, to the extent such Net Series Proceeds are not sufficient to pay the outstanding and accrued Preferred Returns of all LP Units of such series of LP Units, an amount equal to such LP Unit's *pro rata* amount of the Net Series Proceeds based on the outstanding and accrued Preferred Return owed to such LP Unit relative to the aggregate outstanding and accrued Preferred Returns owed to all LP Units of such series) (with the Net Series Proceeds less such aggregate amounts paid with respect to such series of LP Units being the "**Distributable Proceeds**").

The Distributable Proceeds with respect to a particular series of LP Units will then be apportioned equally among the LP Units of such series. Following such apportionment, the Distributable Proceeds, in the sole discretion of the General Partner, will be either (a) reinvested in the Partnership and allocated on the books and records of the Partnership to such series of LP Units (with such amounts being referred to as "**Reinvested Amounts**") or (b) distributed in the following amounts and order of priority:

Series A LP Units

- (a) first, 100% to the holder of the LP Unit until the holder has received aggregate distributions in an amount equal to \$10 with respect to such LP Unit (excluding, for greater certainty, any Preferred Return distributions received by such holder with respect to such LP Unit but including, for greater certainty, any other previous distributions received by the holder with respect to such LP Unit) (the distributions pursuant to this section are referred to as the "**Series A Return of Capital**");
- (b) second, 50% to the General Partner and 50% to the holder of the LP Unit until the General Partner has received aggregate distributions under this paragraph (b) equal to 25% of the total distributions made pursuant to the Preferred Return and this paragraph (b) (for illustrative purposes if \$75 is distributed pursuant to the Preferred Return and \$25 is distributed under this paragraph (b) then the total distribution would be \$100); and
- (c) thereafter, 25% to the General Partner and 75% to the holder of the LP Unit.

Series B LP Units

- (a) first, 100% to the holder of the LP Unit until the holder has received aggregate distributions in an amount equal to \$10 with respect to such LP Unit (excluding, for greater certainty, any Preferred Return distributions received by such holder with respect to such LP Unit but including, for greater certainty, any other previous distributions received by the holder with respect to such LP Unit) (the distributions pursuant to this section are referred to as the "**Series B Return of Capital**");
- (b) second, 50% to the General Partner and 50% to the holder of the LP Unit until the General Partner has received aggregate distributions under this paragraph (b) equal to 25% of the total distributions made pursuant to the Preferred Return and this paragraph (b) (for illustrative purposes if \$75 is distributed pursuant to the Preferred Return and \$25 is distributed under this paragraph (b) then the total distribution would be \$100); and
- (c) thereafter, 25% to the General Partner and 75% to the holder of the LP Unit.

Series E LP Units

- (a) first, 100% to the holder of the LP Unit until the holder has received aggregate distributions in an amount equal to \$10 with respect to such LP Unit (excluding, for greater certainty, any Preferred Return distributions received by such holder with respect to such LP Unit but including, for greater certainty, any other previous distributions received by the holder with respect to such LP Unit) (the distributions pursuant to this section are referred to as the "**Series E Return of Capital**");
- (b) second, 50% to the General Partner and 50% to the holder of the LP Unit until the General Partner has received aggregate distributions under this paragraph (b) equal to 25% of the total distributions made pursuant to the Preferred Return and this paragraph (b) (for illustrative purposes if \$75 is distributed pursuant to the Preferred Return and \$25 is distributed under this paragraph (b) then the total distribution would be \$100); and
- (c) thereafter, 25% to the General Partner and 75% to the holder of the LP Unit.

Series F LP Units

- (a) first, 100% to the holder of the LP Unit until the holder has received aggregate distributions in an amount equal to \$10 with respect to such LP Unit (excluding, for greater certainty, any Preferred Return distributions received by such holder with respect to such LP Unit but including, for greater certainty, any other previous distributions received by the holder with respect to such LP Unit) (the distributions pursuant to this section are referred to as the "**Series F Return of Capital**");
- (b) second, 50% to the General Partner and 50% to the holder of the LP Unit until the General Partner has received aggregate distributions under this paragraph (b) equal to 25% of the total distributions made pursuant to the Preferred Return and this paragraph (b) (for illustrative purposes if \$75 is distributed pursuant to the Preferred Return and \$25 is distributed under this paragraph (b) then the total distribution would be \$100); and
- (c) thereafter, 25% to the General Partner and 75% to the holder of the LP Unit.

Any Net Proceeds allocated to the General Partner as described above shall be distributed to the General Partner.

For greater certainty, no additional LP Units will be issued with respect to any Reinvested Amounts.

Any and all distributions made to the Limited Partners (including, without limitation, upon dissolution or liquidation of the Partnership) shall be in the form of cash.

See Item 5.1.1 - Distributions - Partnership Distributions .

Fund Distributions

When the Fund receives a distribution from the Partnership with respect to a Corresponding LP Unit (as described above), the Fund will promptly declare and pay a distribution to the holder of record of the applicable Trust Unit in an amount equal to the distribution received with respect to the Corresponding LP Unit (less amounts the Fund estimates will be required for expenses of the Fund and other obligations of the Fund to fund liabilities, expenses, any tax liability and any reserves established by the Manager, in its sole discretion).

See Item 5.1.1 - Distributions - Fund Distributions .

Distribution Policy

The General Partner's objective is to make quarterly cash distributions at a target annual rate of equal to the \$0.50 per LP Unit (though distributions may be lower during the first fiscal year of the Partnership). For greater certainty, to the extent that cash distributions are lower than the Preferred Return (\$0.70 per Offered Unit), the difference between the Preferred Return and actual cash distributions will accrue in respect of such LP Unit. Distributions from the Partnership are not guaranteed.

The Fund intends to distribute amounts received from the Partnership to Trust Unitholders in accordance with the Declaration of Trust. Although it is the Partnership's intention that distributions on the LP Units be primarily paid from cash flow from the Partnership's investments, in certain circumstances, payments and distributions may exceed the cash flow of the Partnership for any particular distribution period (including the period prior to the Partnership investing in any Properties). In such circumstances, distributions to the Fund (and in turn the Trust Unitholders) may consist, directly or indirectly, of the proceeds from the sale of securities by the Fund (including this Offering).

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

It is important for Investors in Offered Units to consider the particular risk factors that may affect the industry in which they are investing, and therefore the stability of the distributions that Trust Unitholders receive. See, for example, **Item 8.4 - Risks Pertaining to the Business**, which section also describes the Fund's assessment of those risk factors, as well as the potential consequences to a Trust Unitholder if the events contemplated by a particular risk factor should occur.

Distribution Reinvestment Plan

The Fund has adopted the DRIP, which will allow eligible holders of Trust Units to elect to have their quarterly cash distributions (if any) reinvested entirely or partially in additional Trust Units of the same series, as outlined in the table below:

- All DRIP Option: Trust Unitholder will receive 100% of their quarterly distribution amount in additional Trust Units through the DRIP.
- 50/50 Cash/DRIP Option: Trust Unitholder will receive 50% of their quarterly distribution in cash and the other 50% in additional Trust Units through the DRIP.
- All Cash Option: Trust Unitholder will receive 100% of their quarterly distribution amount in cash.

Upon making an initial selection, Trust Unitholders who select the "All DRIP Option" or the "50/50 Cash/DRIP Option" will be locked-in for the first three years of their investment term. After the three-year lock-in period, such Trust Unitholders may freely move into and out of the "All DRIP Option", "50/50 Cash/DRIP Option" and "All Cash Option" on a quarterly basis by notifying the Manager at least ten (10) Business Days prior to the end of each quarter. Trust Unitholders who select the "All Cash Option" will not be locked-in for any period.

The issuance price for Trust Units issued pursuant to the DRIP will be \$9.75 per Trust Unit during the lock-in period of three years. Subsequent to such locked-in period, the issuance price for Trust Units issued pursuant to the DRIP will be determined by the Manager in its sole discretion.

The Manager may, at its discretion, terminate the DRIP.

See **2.7.5 Distribution Reinvestment Plan**.

Redemption

Redemption rights under the Declaration of Trust are subject to certain restrictions.

Trust Units are redeemable at the option of the Trust Unitholder subject to the terms and conditions set out in the Declaration of Trust.

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

- (a) the total amount payable by the Fund in respect of such Trust Units and all other Trust Units validly tendered for redemption in the same calendar quarter exceeds \$50,000 (the "**Quarterly Limit**"); provided that the Trustees or the Manager may, in its sole discretion, waive or increase such limitation in respect of all Trust Units tendered for redemption in any calendar quarter;
- (b) in the Trustees' or the Manager's opinion (in their sole discretion) the Fund is or, after the redemption, would be unable to pay its liabilities as they become due; or
- (c) in the Trustees' or the Manager's opinion (in their sole discretion), the Fund has insufficient liquid assets to fund such redemptions or that the liquidation of assets at such time would be to the detriment of the remaining Trust Unitholders or the Fund, generally.

If, as a result of any such limitations under the Declaration of Trust, a Trust Unitholder is not entitled to receive cash upon the redemption of some or all of the Trust Units tendered for redemption, then the Redemption Price per Trust Unit to which the Trust Unitholder would otherwise be entitled, is to be paid and satisfied by the delivery to such holders of Redemption Notes (subject to any applicable regulatory approvals).

On a redemption by a holder of Trust Units, the Redemption Price per Trust Unit shall be equal to the redemption proceeds received by the Fund from the Partnership with respect to the Fund's redemption of the Corresponding LP Unit, which shall be the lesser of: (a) the subscription price of such Trust Unit (up to a maximum of \$10) multiplied by the percentage set out below, minus any amount distributed in respect of such Trust Unit in respect of the Series A Return of Capital, Series B Return of Capital, Series E Return of Capital or Series F Return of Capital of the Corresponding LP Unit, as applicable; and (b) the Market Value of the Corresponding LP Unit of such Trust Unit.

The percentages are as follows:

Period of time between the issuance date of the LP Unit being redeemed and the date the notice of redemption is provided	Series A	Series B	Series E	Series F
< 1 year	90%	93%	95%	95%
1 year to < 2 years	92%	95%	97%	97%
2 years to < 3 years	94%	97%	99%	99%
3 years to < 4 years	96%	99%	100%	100%
4 years to < 5 years	98%	100%	100%	100%
5 years and greater	100%	100%	100%	100%

Pursuant to the foregoing table, a Trust Unitholder will receive a lower Redemption Price if such Trust Unitholders redeems his or her Offered Units within a certain period

of time from the date of investment (depending on the series of Trust Unit held by the Trust Unitholder). This is intended to protect the Fund and existing Trust Unitholders from a reduction in the value of the Fund due to the payment of Selling Commissions and offering costs.

See **Item 2.7.1 - Declaration of Trust**, **Item 5.1.4 - Redemption of Trust Units** and **Item 8 - Risk Factors**.

Transfer of Trust Units

No Trust Unitholder shall transfer or dispose of its Trust Units to any other person except with the prior written consent of the Manager and in compliance with applicable securities laws and the Declaration of Trust.

The Manager

The Fund and the Partnership have retained the Manager to, among other things: (i) identify potential Properties for acquisition by the Partnership; (ii) determine whether prospective investments by the Partnership meet the Partnership's investment criteria and restrictions; (iii) evaluate prospective investments, including conducting any due diligence required; and (iv) supervise property management, financial and business planning services for the Partnership, including overseeing the operations of the Properties. The principals of the Manager are also the principals of the General Partner and the Trustees of the Fund. See **Item 2.1.4 - The Manager**.

Management and Other Fees and Expenses

The Partnership will pay the Management Fee and the Acquisition Fee to the Manager and reimburse the Manager for certain expenses. In addition. See **Item 3.2 - Fees and Expenses**.

Management Fee:

For investment management services related to the Fund and the Partnership, the Manager will receive a monthly fee payable by the Partnership to the Manager equal to 1/12th of 1.9% of the gross purchase price paid by investors to the Fund and the Partnership for each of the Series A, Series B, Series E, Series F and Series P units of each of the Fund and the Partnership (excluding for greater certainty, the purchase price of LP Units purchased by the Fund), as at the last date of the preceding month, calculated and payable, in advance, at the beginning of each month. See **Item 3.2 - Fees and Expenses** and also **Item 3.1 - Compensation and Securities Held**.

The Management Fee may vary for other series of Trust Units and LP Units and is treated as a Series Expense attributed to a particular series of LP Units.

Acquisition Fee:

For services related to the research, identification, due diligence, financing and acquisition of a Property, the Manager will receive a fee upon the acquisition of a Property equal to 1% of the total purchase price of such Property plus additional capital committed to such Property. See **Item 3.2 - Fees and Expenses** and also **Item 3.1 - Compensation and Securities Held**.

For greater certainty, the Acquisition Fee is treated as a Common Expense of the Partnership.

Expenses:

The Fund and the Partnership will pay for all ongoing expenses associated with the operation of the Fund and the Partnership, including all general and administrative expenses, marketing and operating expenses, insurance costs, office space and staffing costs, expenses related to the acquisition and disposition of Properties, legal, banking, audit and accounting fees, investor reporting costs, printing and mailing costs and costs incurred in connection with any governmental or regulatory filing requirements.

The Manager provides to the Partnership and the Fund, among other services, office space, furniture, day-to-day office supplies and services, and assistance with all continuous disclosure obligations imposed on the Fund and the Partnership by applicable laws (which for greater certainty excludes external legal, accounting and other advisors). The costs of providing such services are reimbursed by the Partnership to the Manager, such reimbursement to be unanimously approved by the Independent

Review Committee (in addition to the requisite majority of directors of the General Partner or the Trustees, as applicable). See **Item 2.7.3 - Management Agreement - Fees and Expenses**.

Partnership Distributions:

Pursuant to the Partnership Agreement, the General Partner will be entitled to receive distributions.

See **Item 2.7.2 - Partnership Agreement - Distributions of the Partnership**.

Relationship with the Manager

As entities managed by the Manager, the Fund and the Partnership operate differently from independent, stand-alone entities. The directors and officers of the Manager are also the directors and officers of the General Partner and the Trustees of the Fund. In addition, the Manager will provide management and administration services to the Fund and the Partnership pursuant to the Management Agreement. This relationship, including potential conflicts of interest and other material considerations arising from the Fund and the Partnership's relationship with the Manager are described in further detail under **Item 2.1.5 - Relationship with the Manager**, **Item 2.1.7 - Conflict of Interest** and **Item 2.7.3 - Management Agreement**.

Independent Review Committee

The Manager and the General Partner will appoint an independent review committee (the "**Independent Review Committee**") which shall be comprised of not less than one member. All members of the Independent Review Committee shall be "independent" as such term is defined in NI 81-107. For clarity, NI 81-107 does not apply to the Fund and the Partnership but is being used solely as a reference for "independent".

The unanimous approval of the Independent Review Committee (in addition to the requisite majority of directors of the General Partner, the Manager or the Trustees, as applicable) shall be required:

- (a) prior to the allocation of expenses as Common Expenses or Series Expenses, and prior to the allocation of expenses between the Partnership and the General Partner or any of their affiliates;
- (b) with respect to any conflict of interest matter regarding the business of the Fund, the Partnership, the Manager and the General Partner, including but not limited to, (i) the approval of expenses, fees or other costs and any related-party transactions or contracts involving the Fund, the Partnership, the Manager or the General Partner or related-party transactions or contracts involving their directors, officers, shareholders or affiliates; (ii) the allocation of investment opportunities among the Partnership and other entities managed or controlled by the Manager; (iii) any material amendment to the Management Agreement; and (iv) the acquisition of Properties outside of western Canada; and
- (c) with respect to the determination of the fair market value of an asset pursuant to the Partnership Agreement (including with respect to the calculation of the Redemption Price).

The Partnership will pay the reasonable remuneration of the Independent Review Committee.

Leverage

Although the Partnership Agreement contains no strict limitations on incurring debt, the Manager will target a loan-to-value ratio of approximately 75%, at the portfolio level.

Term of the Fund and the Partnership

The General Partner shall dissolve the Partnership and distribute the assets of the Partnership pursuant to the Partnership Agreement to the Limited Partners of the Partnership by the fifth anniversary of the Final Closing Date. The General Partner may extend the term of the Partnership beyond five years with up to two 18-month extensions, in the sole discretion of the General Partner. See **Item 2.7.2 - Partnership Agreement - Dissolution**.

Following a distribution of all of the assets of the Partnership, the Partnership Agreement will be terminated and the Partnership will be wound up. The Manager shall then distribute the assets of the Fund pursuant to the Declaration of Trust and wind up the Fund.

**Income Tax
Consequences**

There are important tax consequences relating to the ownership of these securities. The Fund has been advised that, provided that the Fund qualifies as a "mutual fund trust" for purposes of the Tax Act at all relevant times, the Trust Units will be qualified investments for Exempt Plans. You should consult your own professional tax advisors to obtain advice respecting any tax consequences to you. Although it is intended that the Fund qualify as a "mutual fund trust" for purposes of the Tax Act, the Fund will not be a "mutual fund" or "investment fund" under applicable securities laws. See **Item 6 - Income Tax Consequences**.

**Selling Agents and
Commissions**

The Fund will sell Offered Units under the Offering through agents that are: (a) exempt market dealers registered under applicable securities laws in Canada; or (b) investment dealers that are registered under applicable securities laws in Canada and that are members of the Investment Industry Regulatory Organization of Canada.

For the Selling Commissions that will be payable by the Fund in respect of the Offered Units, See **Item 7 - Compensation Paid to Sellers and Finders**.

**Concurrent and
Subsequent Offerings**

Concurrent with or subsequent to this Offering, the Fund and the Partnership may also offer additional securities, which may not have the same terms as the Series A, Series B, Series E or Series F units of the Fund and the Partnership.

The Fund and the Partnership currently also offer Series I, Series M and Series P units of the Fund and the Partnership. It is expected that certain institutional investors will subscribe for Series I units of the Fund or the Partnership. It is expected that the Manager's management team or their affiliates or associates will subscribe for Series M units of the Fund or the Partnership and certain high net worth individuals and friends and family of the Manager's management team will subscribe for Series P units of the Fund or the Partnership. The terms of the Series M and Series P units of the Fund and the Partnership are the same as the Series F units of the Fund and the Partnership, provided that no management fee is payable by the Partnership on the Series M units of the Fund and the Partnership. The terms of Series I Units, including management fees, is expected to be individually negotiated with the applicable investor.

The Fund or the Partnership may, from time to time, negotiate with additional investors (such as institutional investors) the terms of purchase of a new series of Trust Units or LP Units, as applicable, including the Management Fee, Preferred Return and the distributions to the General Partner that will be paid by the Fund or the Partnership in respect of such investor's Trust Units or LP Units, as applicable.

See **Item 4 - Capital Structure**.

Risk Factors

It is strongly recommended that each prospective Investor, in order to assess tax, legal and other aspects of an investment in Trust Units, obtain independent advice with respect to the Offering and this Offering Memorandum. There is a risk that an investment in the Fund will be lost entirely. Only Investors who do not require immediate liquidity of their investment and who can afford the loss of their entire investment should consider the purchase of Trust Units. An investment in the Trust Units is subject to a number of risks. See Item 8 - Risk Factors.

ITEM 1 - USE OF AVAILABLE FUNDS

1.1 Available Funds

The table below represents the estimated available funds under the Offering:

	Assuming \$15,000,000 Offering ⁽¹⁾	Assuming Maximum Offering ⁽¹⁾
A. Amount to be raised by this Offering	\$15,000,000	\$30,000,000
B. Selling Commissions and other fees ⁽²⁾⁽³⁾	\$1,087,500	\$2,175,000
C. Estimated Offering Costs (e.g. legal, accounting, audit, etc.)	\$200,000	\$200,000
D. Available Funds: $D = A - (B + C)$ ⁽⁴⁾⁽⁵⁾	\$13,712,500	\$27,625,000
E. Additional Sources of Funding Required	\$0	\$0
F. Working Capital Deficiency ⁽⁶⁾	\$0	\$0
G. Total: $G = (D + E) - F$ ⁽⁴⁾⁽⁵⁾	\$13,712,500	\$27,625,000

Notes:

- (1) There is no Minimum Offering. The Fund may complete the issue and sale of Offered Units at any time and from time to time at one or more Closings until the Maximum Offering is reached or the Offering is otherwise terminated. The Fund may, without notice to Investors, increase or decrease the Maximum Offering.
- (2) The amount assumes that all of the Offered Units issued under the Offering are Series A Units and that the Fund pays up-front commission and administrative fee of 6%, and one year of Trailing Commissions of 1.25%, on the gross proceeds realized on the sale of the Series A Units to the selling agents. See **Item 7 - Compensation Paid to Sellers and Finders**.
- (3) The Fund and the Partnership may, from time to time, enter into agreements with third parties to provide marketing, administration and related services in connection with the Offering on such terms and conditions as may be deemed advisable by the Manager or General Partner. The above table does not include any fees payable in connection with such arrangements.
- (4) The Fund intends to use the available funds to purchase LP Units. See **Item 1.2 - Use of Available Funds**.
- (5) Available funds may not be sufficient to accomplish the Fund's objectives. There is no assurance that the Maximum Offering will be completed. There is no assurance that the Fund will realize sufficient funding under the Offering to permit it to acquire (through the Partnership) an interest in any Property or otherwise advance the business of the Fund or the Partnership. See **Item 8 - Risk Factors**.
- (6) As at April 30, 2019, the Fund had a working capital surplus of \$156,000.

1.2 Use of Available Funds

1.2.1 Use of Available Funds by the Fund

Description of intended use of available funds listed in order of priority	Assuming \$15,000,000 Offering	Assuming Maximum Offering
The available funds from this Offering will be used by the Fund to invest in Corresponding LP Units	\$13,712,500	\$27,625,000

1.2.2 Use of Available Funds by the Partnership

Description of intended use of available funds listed in order of priority	Assuming \$15,000,000 Offering	Assuming Maximum Offering
Acquisition of Properties (including the payment of Acquisition Fees) ⁽¹⁾⁽²⁾	\$13,149,500	\$26,789,000
Transaction costs related to the above ⁽³⁾	\$263,000	\$536,000
Working capital for the next 12 months ⁽⁴⁾⁽⁵⁾	\$300,000	\$300,000
Total	\$13,712,500	\$27,625,000

Notes:

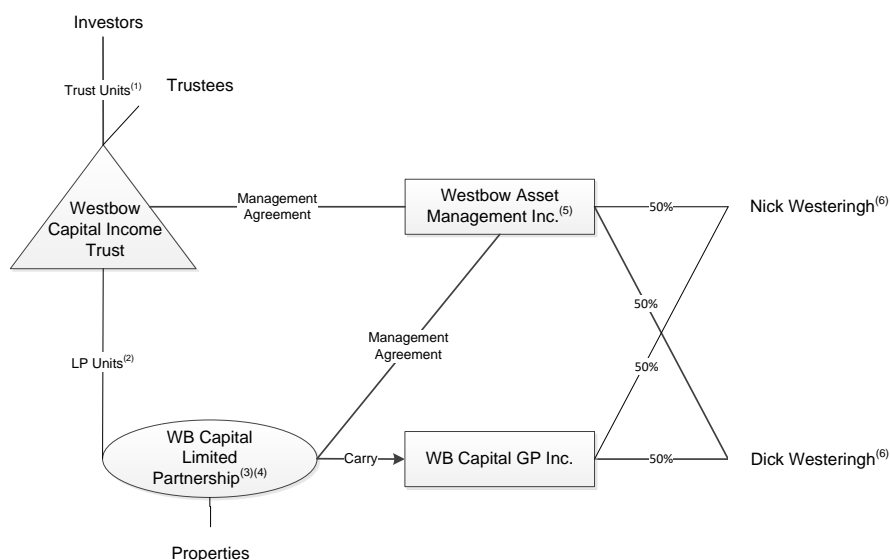
- (1) Pending the acquisition of any Property, the Partnership intends to invest such funds in Permitted Investments.
- (2) No part of the proceeds of the Offering will be used to fund property construction or development, land acquisition, building permits or similar activities. The Partnership will only be acquiring fully-constructed Properties. If the Partnership acquires aging or distressed Properties to be renovated by Westbow Construction, such renovations will be improvements to the Properties as opposed to the completion of unfinished structural elements.
- (3) The exact amount of the transaction costs associated with investments to be made by the Partnership is not known at this time. Such amounts will be paid to various third party service providers including, but not limited to lenders, law firms, brokerages, engineering firms and environmental firms for services provided in association with funding, due diligence and eventual closing of acquisitions for the Partnership. The General Partner has estimated transaction costs to represent approximately 2% of the purchase price of a Property.
- (4) The Partnership anticipates funding its working capital requirements, estimated to be approximately \$300,000 annually, through a combination of available funds from the Offering, income from Properties and future financing. As the Fund is intended to be a vehicle to obtain financing for the Partnership from time to time as may be required by the Partnership to enable it to achieve its investment objectives, the Partnership has entered into the Reimbursement Agreement with the Fund and the Manager whereby the Partnership will pay for all ongoing expenses associated with the operation of the Fund, other than Selling Commissions and offering costs.
- (5) This estimated amount of working capital includes payment by the Partnership of the salaries of certain wholesalers employed by the Partnership. Such wholesalers assist the Fund and the Partnership in marketing the Trust Units to registered securities dealers.

1.3 Reallocation

The Fund and the Partnership intend to utilize the available funds as stated above. The Fund and the Partnership will reallocate the available funds only for sound business reasons in the discretion of the Manager or the General Partner, as applicable. Unforeseen events or changes in business conditions may result in the application of available funds in a different manner than is described in this Offering Memorandum. Reallocation of funds for any purpose not contemplated in this Offering Memorandum will require the prior unanimous approval of the Independent Review Committee (in addition to the requisite majority of directors of the General Partner, the Manager or the Trustees, as applicable).

ITEM 2 - BUSINESS OF THE FUND**2.1 Structure****2.1.1 Organizational Chart**

The proposed structure of the Fund, the Partnership, the Manager and the General Partner is outlined below.



Notes:

- (1) Investors under this Offering will hold the Offered Units. See **Item 5.1 - Terms of Offered Units**.
- (2) The Fund will use the proceeds of the Offered Units to purchase LP Units.
- (3) Concurrent with or subsequent to this Offering, the Fund and the Partnership may also offer additional securities, which may not have the same terms as the Series A, Series B, Series E and Series F units of the Fund and the Partnership. See **Item 4 - Capital Structure**.
- (4) The Partnership seeks to invest in primarily residential real estate properties located in Western Canada, with a focus on low-to-medium density real estate properties.
- (5) The head office of each of the Fund, the Manager, the Partnership and the General Partner is located at 7350 Barrow Road, Chilliwack, BC, V2R 4J8.
- (6) Nick Westeringh and Dick Westeringh hold shares in the Manager and the General Partner indirectly through holding companies.

2.1.2 The Fund

The Fund is an investment trust formed as of January 2, 2019 under the laws of British Columbia pursuant to the Declaration of Trust. The Fund is governed by the Declaration of Trust among the Trustees, the Manager and the Trust Unitholders, as beneficiaries, which establishes the rights and obligations of the Trust Unitholders, the Trustees and the Manager. See **Item 2.7.1 - Declaration of Trust**.

The Trustees for the Fund are Nick Westeringh and Dick Westeringh. See **Item 3 - Directors, Trustees, Management, Promoters and Principal Holders**. The Trustees are responsible for the management and control of the business and affairs of the Fund on a day-to-day basis in accordance with the terms of the Declaration of Trust. However, the Trustees, on behalf of the Fund, have retained the Manager to carry out the duties of the Trustees under the Declaration of Trust and have delegated to the Manager the power and authority to manage and direct the day-to-day business, operations and affairs of the Fund.

Although it is intended that the Fund qualify as a "mutual fund trust" for purposes of the Tax Act, the Fund will not be a "mutual fund" or "investment fund" under applicable securities laws.

The Fund will use the proceeds of the Offering of Series A Units, Series B Units, Series E Units and Series F Units to purchase, respectively, Series A LP Units, Series B LP Units, Series E LP Units and Series F LP Units of the Partnership. See **Item 2.1.3 - The Partnership and the General Partner** and **Item 2.2 - Our Business**.

2.1.3 The Partnership and the General Partner

The Partnership is a limited partnership formed pursuant to the Partnership Act on January 3, 2019. The Partnership is governed by the Partnership Agreement among the General Partner and the Limited Partners. See **Item 2.7.2 - Partnership Agreement**.

The General Partner was incorporated on January 2, 2019 pursuant to the BCBCA. The General Partner will control and have responsibility for the business of the Partnership, to bind the Partnership and to admit Limited Partners and do or cause to be done, in a prudent and reasonable manner, any and all acts necessary, appropriate or incidental to the business of the Partnership. The General Partner has exclusive authority to manage and control the activities of the Partnership and is liable by law, as a general partner, for the debts of the Partnership. However, the General Partner has retained the Manager to manage the Partnership and have delegated to the Manager the power and authority to manage and direct the day-to-day business, operations and affairs of the Partnership.

The directors and officers of the General Partner are Nick Westeringh and Dick Westeringh. See **Item 3 - Directors, Trustees, Management, Promoters and Principal Holders**.

The Partnership is expected to hold and have responsibility for all of the assets of the business. The Partnership may acquire Properties, and may issue securities to additional investors. The ability of the Partnership to make distributions to the Fund, and accordingly, the ability of the Fund to make distributions on Trust Units, will be completely dependent upon the Partnership receiving payments from Properties acquired by the Partnership. If the Partnership does not receive payment from the Properties held by it, the Partnership will not have sufficient cash flow to make cash distributions to Limited Partners, including the Fund. In addition, the amount of cash distributions will be subject to foreign exchange risk to the extent that they are sourced from a Property located outside of Canada. See **Item 8 - Risk Factors**.

2.1.4 The Manager

The Manager was incorporated on January 2, 2019 pursuant to the BCBCA. The Manager is an asset management corporation and will manage certain affairs of the Fund, the Partnership and the General Partner pursuant to the Management Agreement.

2.1.5 Relationship with the Manager

The Fund and the Partnership do not have any employees and depend on the management and administration services provided by the Manager pursuant to the Management Agreement.

The Partnership will pay the Management Fee and the Acquisition Fee to the Manager and reimburse the Manager for certain expenses. See **Item 3.2 - Fees and Expenses**.

The success of the Fund and the Partnership depends on the Manager's ability to identify and present the Fund and the Partnership with Property acquisition opportunities.

The Manager's commitment to the Fund and the Fund's and the Partnership's abilities to take advantage of opportunities are subject to a number of limitations, such as the Partnership's financial capacity, the suitability of an acquisition in terms of the underlying asset characteristics and its fit with the Partnership's investment strategy, limitations arising from applicable tax and regulatory regimes and certain other restrictions. Under the terms of the Declaration of Trust, the Partnership Agreement and the Management Agreement, the Fund and the Partnership acknowledge and agree that the Manager may pursue other business activities and provide services to third parties that compete directly or indirectly with the Fund and the Partnership, though these activities will be subject to the Conflict of Interest Policy. See **Item 2.1.8 - Independent Review Committee** and **Item 8 - Risk Factors**.

2.1.6 Westbow Construction and its Relationship with the Fund and the Partnership

Westbow Construction was founded in 1977 by Dick Westeringh, when he set out as a framing contractor. Under Dick's leadership, he was able to manage a crew that framed over 1,600 homes by 1988. In 1987, Westbow Construction became a full service real estate developer by expanding to services including design, infrastructure, and finishing. By 2002, Westbow Construction had operations across numerous markets within North America and had sold over 500 homes as a real estate developer. Dick's son, Nick Westeringh, joined Westbow Construction in 2009 and has helped grow and diversify the Westbow group of companies. By 2015, the 1,000th home was sold as a developer and continuing along the aggressive growth trend, only three years later in 2018 the 1,500th home was sold. The Westbow group of companies have become a foremost real estate developer and builder in Western Canada. The Westbow group of companies currently holds over \$200 million of assets which includes real estate developments, agricultural land and other holdings. The Westbow group of companies has over \$245 million of residential real estate development over the last five years, over 400 homes under development and over 100 employees. Westbow Construction was incorporated on April 11, 2013, pursuant to the BCBCA and is extra-provincially registered in Saskatchewan.

The success of the Partnership's business depends heavily on the involvement of Westbow Construction, including with respect to the following:

- (a) Certain of the Properties to be acquired by the Partnership is expected to be purpose-built residential real estate properties constructed and/or developed by Westbow Construction. Upon completion of construction and/or development of such Properties, the Partnership will purchase the Properties from Westbow Construction.
- (b) Part of the Partnership's investment strategy includes acquiring older Properties and renovating them to attract high-quality tenants and more favourable rental rates. The process of renovation and rehabilitation of such Properties is expected to be carried out primarily by Westbow Construction.
- (c) Westbow Construction may be used to carry out major repairs and maintenance on the Properties.
- (d) The Manager intends to source certain potential investment opportunities based on the relationships Westbow Construction maintains with its business partners and will, in part, rely on Westbow Construction to identify potential Properties in which the Partnership will invest. The Manager will also rely on Westbow Construction's experience and relationships in connection with disposition of Properties.

Although the success of the Fund and the Partnership depends on the involvement of Westbow Construction, Westbow Construction has no obligation to provide any of the services listed above. In particular, Westbow Construction has no obligation to build or sell purpose-built properties it constructs and/or develops to the Partnership or to renovate Properties that the Partnership acquires from third-parties.

The Partnership and the Manager do not deal at arm's length with Westbow Construction. As such, there is greater risk that transactions between the Partnership and the Manager, on one hand, and Westbow Construction, on the other hand, may be perceived as not taking place at fair market value. To address this risk, the unanimous approval

of the Independent Review Committee will be required for transactions between the Partnership and/or the Manager and Westbow Construction.

2.1.7 Conflict of Interest

The Fund's and the Partnership's organizational and ownership structure and strategy involve a number of relationships that may give rise to conflicts of interest between Investors, on the one hand, and the Manager (or its principals), on the other hand. The Fund, the Partnership, the Manager and the General Partner have adopted a conflict of interest policy (the "**Conflict of Interest Policy**") dated effective January 3, 2019, as may be amended or restated from time to time, to establish a process for identifying and managing conflict of interest matters. In particular, conflicts of interest could arise, among other reasons, because:

- (a) each of Nick Westeringh and Dick Westeringh has economic interests in or acts as senior management for other entities. Furthermore, Nick Westeringh and Dick Westeringh are permitted, subject to the Conflict of Interest Policy, to pursue other business activities and provide services to third parties;
- (b) the Fund's and the Partnership's relationship with the Manager involves a number of arrangements pursuant to which the Manager provides (directly or indirectly) various services, and circumstances may arise in which these arrangements will need to be amended or new arrangements will need to be entered into. As the Fund's and the Partnership's arrangements with the Manager were effectively determined by the Manager (or its principals) in the context of the formation of the Fund and the Partnership, they may contain terms that are less favorable than those which otherwise might have been negotiated between unrelated parties;
- (c) The Manager and its principals are entitled to share in the returns generated by the Partnership's operations, which could create an incentive for it to assume greater risks when making decisions or determining the Redemption Price differently than it otherwise would in the absence of such entitlement; and
- (d) the liability of the Manager, Nick Westeringh and Dick Westeringh is limited under their arrangements with the Fund and the Partnership and the Fund and the Partnership have agreed to indemnify the Manager, Nick Westeringh and Dick Westeringh against claims, liabilities, losses, damages, costs or expenses which they may face in connection with those arrangements, which may lead them to assume greater risks when making decisions than they otherwise would if such decisions were being made solely for their own account, or may give rise to legal claims for indemnification that are adverse to the interests of Investors.

2.1.8 Independent Review Committee

The Manager and the General Partner will appoint an independent review committee (the "**Independent Review Committee**") which shall be comprised of not less than one member. All members of the Independent Review Committee shall be "independent" as such term is defined in NI 81-107. For clarity, NI 81-107 does not apply to the Fund and the Partnership but is being used solely as a reference for "independent". The current member of the Independent Review Committee is Henry Jansen. The Independent Review Committee is contemplated in the Declaration of Trust at Section 9.18 and the Partnership Agreement at Section 6.10.

The unanimous approval of the Independent Review Committee (in addition to the requisite majority of directors of the General Partner or the Manager, or the Trustees, as applicable) shall be required:

- (a) prior to the allocation of expenses as Common Expenses or Series Expenses, and prior to the allocation of expenses between the Partnership and the General Partner or any of their affiliates;
- (b) with respect to any conflict of interest matter regarding the business of the Fund, the Partnership, the Manager and the General Partner, including but not limited to, (i) the approval of expenses, fees or other costs and any related-party transactions or contracts involving the Fund, the Partnership, the Manager, the General Partner or Westbow Construction or related-party transactions or contracts involving their directors, officers, shareholders or affiliates; (ii) the allocation of investment opportunities among the Partnership and other entities managed or controlled by the Manager; (iii) any material amendment to the Management Agreement; and (iv) the acquisition of Properties outside of western Canada; and
- (c) with respect to the determination of the fair market value of an asset pursuant to the Partnership Agreement (including with respect to the calculation of the Redemption Price).

The Partnership will pay the reasonable remuneration of the Independent Review Committee.

Subject to the Conflict of Interest Policy, the Trustees and the officers and directors of the Manager and General Partner shall have the right, as expressly provided in the Declaration of Trust and the Partnership Agreement, to engage in businesses of every type and description and other activities for profit, and to engage in and possess interests in business ventures of any and every type or description irrespective of whether (a) such activities are similar to those activities of the Fund, the Manager, the Partnership or the General Partner or (b) such businesses and activities directly compete with, or disfavor or exclude, the Fund, the Manager, the Partnership or the General Partner. There is no obligation for the Trustees and the officers and directors of the Manager or General Partner or their affiliates to present any particular business or investment opportunity to the Fund and the Partnership. In addition, Nick Westeringh and Dick Westeringh may establish in the future, other limited partnerships or other investment vehicles which have or may have investment objectives that are the same as or similar to those of the Fund and the Partnership. Any of those individuals may act as adviser, service provider, manager, trustee, director, officer and/or general partner to such organizations. Although none of the Trustees and the officers and directors of the Manager and General Partner devotes his/her full time to the business and affairs of the Fund and the Partnership, they will devote as much time as is necessary for the management of the business and affairs of the Fund and the Partnership.

2.2 Our Business

The Fund was established with the objective of investing, indirectly, through the Partnership, in investments, including Properties. The Fund intends to create a diversified portfolio of predominantly Properties that generate a yield that will enable the Fund to provide quarterly distributions to Trust Unitholders (with an initial target of 5% per annum, though distributions may be lower during the first fiscal year of the Partnership) and capital growth over the term of the Fund. The Fund intends to, through the Partnership, be actively involved in the management and operation of the Properties.

The Fund will use the proceeds of the Offering of Series A Units, Series B Units, Series E Units and Series F Units to purchase, respectively, Series A LP Units, Series B LP Units, Series E LP Units and Series F LP Units of the Partnership. The Partnership will, in turn, use the funds available to it from the sale of LP Units to the Fund to acquire Properties. The Manager will select Properties based on the criteria described below.

The Partnership expects to receive income from the Properties and will also receive proceeds from the disposition of any sale of an interest in the Properties, which amounts it will distribute to its Limited Partners, including the Fund, in accordance with **Item 2.7.2 - Partnership Agreement - Distributions of the Partnership**.

2.2.1 Investment Overview

The Partnership believes that residential real estate is likely to remain in high demand regardless of other economic factors and technology changes in the coming years. Based on an initial analysis, 72% of privately owned homes owned in Canada are in the low-to-mid density range, which is the Partnership's target market. Furthermore, the combination of increased population growth in Canada, low supply of rental real estate and a generation of millennials increasingly choosing to rent rather than to buy has the potential to culminate in an excellent opportunity for rental residential real estate investment.

The Partnership believes that the residential real estate market is an opportunity for strong risk adjusted rewards. Real estate as an investment class has proven over time to be relatively stable and historically offers dependable returns. Residential real estate, as a subset within real estate investments, is also traditionally one of the lower risk investment categories as it is generally less affected by shifting trends affecting real estate (including the recent rise of online retail, home office use, and other developments).

The Partnership will focus on acquiring Properties in accordance with 3 primary strategies, each of which is described in greater detail below:

1. Acquiring purpose-build rental Properties developed by Westbow Construction;
2. Acquiring newer Properties from third parties; and
3. Acquiring aging and/or distressed Properties from third parties which will be renovated by Westbow Construction.

The Partnership will conduct due diligence on prospective Properties in order to locate investment opportunities that satisfy the Partnership's investment objectives. The Partnership intends to target Properties located in geographic areas featuring high occupancy levels, expanding populations, and growing economies. By focusing on these types of areas, the Partnership believes that it will increase the chances of achieving strong cash flows and net operating

income, ultimately benefiting Trust Unitholders. Although residential property will be the Partnership's primary focus, the Partnership will also periodically assess opportunities for diversifying its portfolio of Properties to accommodate other classes of real estate, including commercial, industrial, and mixed-use properties (to the extent that such other classes of real estate supplement the Partnership's residential real estate portfolio).

2.2.2 Property Identification

The Property identification process is based on the Manager's experience and judgment, market sources (including sources from Westbow Construction), and independent research. Once a Property has been identified for possible acquisition, the Manager will conduct an in-depth physical and financial analysis of the Property.

2.2.3 Financial Analysis

After identification, the Manager will conduct a preliminary financial analysis based on the information provided by the seller or the seller's agents. The financial analysis evolves through the due diligence process. As new information is discovered and confirmed through the due diligence process, the financial models of the Property will be adjusted and re-analyzed. Considerations in the financial analysis stage include:

- Discounted Cash Flow Analysis. Analyzing the present value of the Property's projected future cash flows to determine a range of implied values;
- Replacement Cost Analysis. Determining the cost to replace the Property with a similar asset at current market prices;
- Sensitivity Analysis. Including both upside and downside scenarios;
- Purchase Method. Determining optimal method for acquiring the Property (ie: mortgage/vendor take back/etc.);
- Interest Rates. Evaluating competitiveness of Property interests rates relative to alternative prospects and whether Property arrangement can sustain interest rate fluctuations;
- Leverage. Determining the level of financing required to acquire and manage the Property.

2.2.4 Due Diligence

The diligence process will be carried out by the Manager. The steps undertaken will generally include the following processes:

A. *Property Value and Outlook*

- Property Valuation. Determining whether proposed purchase/sale price of the Property is at or below current appraised value or market value, including based on third-party property appraisals, if deemed appropriate;
- Future Value. Estimating the potential future value of the Property, including based on age and extent of required improvements;
- Tenant Credit and Lease Analysis. For prospective existing rental Properties, considering the credit worthiness of current tenants and reviewing the terms of existing rental lease; and
- Other Considerations. Evaluating additional concerns, including the structural, legal and environmental condition of the Property. Considering any current engineering, environmental, legal, or surveying reports or arranging for such reports, including title searches and environmental inspections, if necessary.

B. *Economic Climate*

- Population Trends. Evaluating then current demand for residential real estate with respect to population trends and changes. Determining whether the Property can meet current demand; and
- Geographic Trends. Considering geographic location of Property and evaluating region from economic and socio-geographical perspectives.

C. *Local Factors*

- Industry/employment. Considering prominent economic sectors of local region and future proposed industries. Evaluating employment rate of local region;
- Transportation/infrastructure. Considering location of Property in relation to transportation and infrastructure, such as roadways, rail and shipping routes, and public transit;
- Governmental Considerations. Considering possible barriers to acquisition and growth of Property arising from local, provincial, or federal levels of government, as well as applicable regulatory bodies; and
- Rent control. Assessing rent control rules and regulations applicable to local region.

2.2.5 Investment Strategy

A. *Investment Strategy*

The Partnership will focus on acquiring Properties which it believes are operating at a rate of return lower than such Properties' potential under the management of the Partnership and the Manager. Through strategic investments in low-to-mid density residential properties, as well as diversifying into other real estate classes (to the extent that such other classes supplement the Partnership's residential portfolio), the Partnership will strive to build a portfolio of Properties with strong returns. From a geographic perspective, the Partnership's initial focus will be in Western Canada. Western Canada was selected because the Manager's strong understanding of market conditions and relationships in that region that will assist the Partnership in successfully locating and acquiring Properties. Although the Partnership does not intend to actively seek out Properties outside of Western Canada, it may make acquisitions outside this geographic region (including in Eastern Canada and the United States), at the discretion of the Manager (subject to the unanimous approval of the Independent Review Committee), if an appropriate opportunity presents itself.

The Partnership will look to build a strong portfolio of Properties using three primary methods:

1. **Acquiring purpose-build rental Properties developed by Westbow Construction:** by leveraging its relationship with Westbow Construction, the Partnership expects to be able to acquire high-quality Properties at favourable prices (resulting from the lack of ancillary costs (such as marketing) typical in transactions with third party vendors). By purchasing Properties developed by Westbow Construction, the Partnership will ensure that it receives Properties which have been properly constructed using durable materials;
2. **Acquiring newer Properties from third party real estate vendors:** in addition to purchasing properties from Westbow Construction, the Partnership will transact with third parties to acquire Properties that are newly built or otherwise recently renovated. Acquiring newer or recently renovated Properties will help the Partnership attract high-quality tenants and reduce the risk of maintenance and other costs;
3. **Acquiring aging and/or distressed Properties from third parties which will be renovated by Westbow Construction:** the Partnership will also seek to acquire aging and/or distressed Properties that are believed to be good candidates for renovation or rehabilitation by Westbow Construction. The Partnership anticipates that these Properties, once renovated, will be able to attract high-tenants and demand higher rates of rent.

For greater certainty, neither the Fund, the Partnership, the General Partner nor the Manager are engaged in construction or development of Properties. The Partnership will only invest in fully-constructed Properties (some of which may be developed by Westbow Construction). If the Partnership acquires aging or distressed Properties to be renovated by Westbow Construction, such renovations will be improvements to the Properties as opposed to the completion of unfinished structural elements.

In looking to establish a portfolio of Properties with strong cash flows, the Partnership expects to use leverage and the subsequent pay-down of debt using cash flow to build equity in various real estate markets. The Partnership believes that by using its local market expertise and strategic partnerships, it can develop a robust portfolio of Properties within Western Canada.

The Partnership will be strategic in its investment approach in order to balance the risk and return on its investments and to capitalize on the potential for income generation and capital appreciation of its Properties. In doing so, the Partnership will consider and analyze the relative advantages and disadvantages to re-mortgaging certain Properties

to increase returns (for example if a Property is not mortgaged under CMHC, owning such Property may be made more affordable by refinancing under CMHC) and freeing-up additional capital to employ towards further Property acquisitions. The Partnership will periodically assess whether cash flow received from Properties should be re-invested or used to pay-down existing mortgages and manage debt ratios. The Partnership will employ careful due diligence, as discussed above, when identifying and acquiring Properties and will make use of appropriate leverage.

B. Financial Strategy

- The Partnership will adopt a disciplined approach to financial oversight of the Properties to maintain an appropriate capital structure.
- The Partnership has a management team with years of experience in property development which the Partnership believes will allow them to maintain appropriate levels debt to equity in the acquired Properties.
- The Partnership's financial strategy involves determining the appropriate mortgage terms for Properties and amortizing debt that is paid down by rent received.
- The Partnership will endeavor to minimize refinancing exposure and interest rate risk by strategically arranging for the mortgage terms of its Properties to mature at different times.

C. Portfolio Strategy

Factors that the Partnership will consider during identification and acquisitions of Properties include: (i) high occupancy rates, (ii) high rents, (iii) cash flow potential, and (iv) strong appreciation potential.

The Partnership will seek to include both newer Properties and some degree of older Properties in its portfolio. The newer properties are expected to attract high-quality and long-term tenants. With high-quality and long-term tenants, there are generally less repairs, maintenance, and expenses involved in property management. While the older Properties may not immediately attract high-quality tenants to the same degree as the newer Properties, the Partnership expects to be able to acquire the older Properties at lower prices than the newer Properties. Thereafter, strategic upgrades and renovations made by Westbow Construction are expected to attract higher quality tenants and allow the rents to be increased.

D. Competitive Advantage

Due to the relative attractiveness to investors of investments in real estate, there exists competition for valuable real estate investment properties in areas that have high rates of return and appreciation potential. The Partnership's competition for acquiring real estate properties include corporations, private equity funds, hedge funds, real estate development companies, private investors, and real estate investment trusts.

The Partnership believes that the following factors relating to the Partnership's investment strategy will contribute to the success of the Partnership relative to its competition:

- Design-Build Synergy. The Partnership's relationship with Westbow Construction concerning the acquisition of purpose built rental Properties is expected to be a competitive advantage. The Partnership is able to acquire Properties from Westbow Construction at favorable rates relative to transactions with third parties. Renovations to existing Properties by Westbow Construction will also be arranged at favorable rates.
- Focus on Low-to-Mid Density. Focusing on low-to-mid density Properties is expected to increase the ability of the Partnership to attract high-quality tenants who typically rent for longer terms. This is expected to lead to lower vacancy rates as well as lower repair and maintenance costs for the Partnership. Since most of the Partnership's competition invest in higher-density properties, the Partnership should face less competition and have access to a higher volume of prospective investments at more favorable prices.
- Everyday Homes. The majority of the Properties acquired by the Partnership are expected to be accessible to individuals using the Properties as their primary residence. The Partnership believes that this will provide a higher degree of liquidity to the Partnership. The Partnership's competitors generally seek to acquire properties that are only accessible to institutional investors, providing the Partnership with an investment niche. The Partnership's strategy of separating multi-unit Properties into individual units is also perceived as an advantage by the Partnership, as it allows for premiums upon disposition of the Properties – as a Property appreciates in value, often the rental income

does not keep pace. The ease of selling individual units will help the Partnership counterbalance rental income decrease and keep overall profitability higher.

- Purpose Built Rentals. The Properties anticipated to be constructed by Westbow Construction and added to the portfolio will be designed with durable, low maintenance materials in order to minimize repairs and maintenance expenses.

E. Principal Markets

The Partnership expects to focus initially on Properties located in Western Canada. However, if attractive investment opportunities present themselves in other markets in North America (such as Eastern Canada and the United States), the Partnership will consider expanding its initial investment scope. The initial focus on Western Canada is due to the Partnership's experience in this market, which the Partnership believes will allow it to better make strategic Property acquisitions. Furthermore, while operating in Western Canada, the Partnership will be able to leverage its relationship with Westbow Construction, which operates primarily in Western Canada.

F. Expectations of Returns

The Partnership expects to obtain returns on its Property investments in 4 principal ways:

- Debt Reduction. Due to the use of leverage to increase overall return on investment, the Partnership expects to make regular mortgage payments with respect to its Properties. Mortgage rates and terms will be arranged in such a manner that monthly rent payments from tenants will go towards satisfying outstanding mortgage balances.
- Equity Increases on New Construction Purchases. As a result of its relationship with Westbow Construction, the Partnership expects to be able to acquire newly constructed Properties at favorable rates. Such cost savings will result in equity gains for the Partnership's portfolio.
- Positive Cash Flow. A goal of the Partnership will be to maximize the profitability of its Properties, which can be accomplished by acquiring Properties that have positive cash flows. By employing appropriate due diligence procedures in all Property acquisitions, Westbow will strive to maintain a positive cash flow for the portfolio as a whole.
- Asset Appreciation. Hard assets such as real estate typically experience appreciation over time, which is a significant source of equity growth. By leveraging borrowed money to acquire appreciating Properties, there will be an opportunity for an improved rate of return.

G. Growth Strategy

The Partnership anticipates a strong potential to organically grow cash flow and rates of return from acquired Properties, including:

- Renovations to Existing Properties: The Partnership may acquire distressed properties that are suitable for renovations. By leveraging the expertise in construction project management of Westbow Construction, the Partnership expects to be able to arrange for high-quality renovations at favourable prices. The rehabilitation of Properties is expected to result in reduced vacancies, attraction of higher-quality tenants, and the opportunity to increase rent rates. Renovations to Properties also presents opportunities for equity increases, since distressed Properties are often sold at a discount, but could appraise for a higher amount after the renovations are complete. Upgrading kitchens, bathrooms, and common areas will be the typical focus of the renovation projects.
- Below-Market Rents will be Increased: If the Partnership acquires any Properties where units are renting for below-market rent, the Partnership will attempt to have the rate increased to align with market standards. Rental rate increases may generally be accomplished during lease renewal periods or if there is tenant turnover. The Partnership may be able to achieve rents above the average rates in areas in which it acquires either newly constructed Properties or Properties intended for renovation, as each has the potential to garner premium rent rates. The Partnership will establish a plan to increase rent rates on an annual basis, in line with or above market averages (and in accordance with relevant laws and regulations regarding rent rates).

- Utility Payments: It is expected that tenants will be responsible for paying their own water and electricity utilities in the Properties acquired by the Partnership, as is typical for low-density properties (such as single family homes and small multi-family homes like duplexes or triplexes), and certain higher density multi-family apartment buildings. Any Property where the tenant is responsible for utility payments will result in cost-saving for the Partnership.
- Property Management Strengths: The Partnership anticipates that its strong connections with property managers and expertise in the real estate market across Western Canada will allow the Partnership to efficiently manage the Properties in its portfolio. The Partnership intends to further develop its relationships with property managers to realize operating efficiencies and gain market knowledge, providing the Partnership with the opportunity to minimize property management fees in the future and increase net operating income.

H. Property Management

The Manager will provide management services with respect to the Properties to keep the Properties in good order and maintain a high level of tenant and customer satisfaction. In order to ensure that the Properties are operating efficiently and on cost-effective bases, the Manager will retain individuals or property management firms which understand the market in which each property is located and which will oversee the day-to-day management of the individual Properties. The Manager will assess on a case by case basis the advantages and disadvantages of overseeing each Property directly, or delegating management to third party managers. The Partnership expects that a greater portion of its Properties will be managed directly by the Manager as its portfolio of Properties grows. If the Partnership and the Manager elect to delegate management responsibility of a particular Property to a third party, the price paid to such third party will be determined based on the market price for such services in the relevant market. Property management fees paid to third parties may be calculated as a percentage of the rental revenue of the particular Property. See **Item 2.7.3 - Management Agreement**.

I. Capital Improvements

The Partnership will closely consider capital improvement requirements for Properties during the acquisition analysis and due diligence procedure. The Partnership will generally prefer to acquire Properties where there are no or minimal short-term capital expenditure requirements. Through the Partnership's relationship with Westbow Construction, renovations are expected to be efficient and cost effective. Ultimately, the Partnership understands the importance of upgrading important components of the Properties after acquisition.

J. Property Dispositions

The Partnership anticipates holding its Properties for the term of the Partnership and will generally not dispose of any acquired Property until such time. Upon the culmination of the term of the Partnership (or, if the term of the Partnership is extended, upon the culmination of the extension term(s)), the Partnership will seek to ensure that a liquidity event is available for investors. A liquidity event may include, but is not limited to: (a) a sale of the Properties; or (b) a sale of the LP Units held by the Fund. Notwithstanding the foregoing, circumstances may arise whereby the Partnership may dispose of Properties prior to the end of the term of the Fund. For example, if the Partnership believes that a particular real estate market in which it owns Properties is at its peak and that there may be a major downturn in that market, the Manager may determine, in its discretion that particular Properties be disposed of and that the proceeds of such disposition(s) be reinvested in markets with more favourable outlooks. As the Partnership will be investing primarily in low-to-mid density properties, its Properties should be relatively easy to dispose of due to the historically robust market of buyers of lower-density residential real estate (including individuals purchasing properties as their primary residence).

The information and expectations presented above are forward-looking statements and are based on the Manager's reasonable assumptions as at the date of this Offering Memorandum. There can be no assurance that the condition, event, plans and assumptions on which such forward-looking statements are based will occur. See **Item 8 - Risk Factors**.

There can be no guarantee that losses will not be realized from investing in Trust Units and there can be no assurance that the Partnership's strategy will be successful or that the objective of earning a profit from such Property acquisitions will be achieved. There can be no assurances that the Properties will earn a return or that the Partnership will make a profit or even recoup all or a portion of its investments. There can be no assurance that there will be sufficient income received by the Partnership from the Properties to make any future distributions to the Fund. The success of the Partnership in these objectives will depend to a certain extent on the efforts and abilities of the Manager and on a number of other external factors such as, among other things, bank interest rates and the general economic conditions that may prevail from time to time, which factors are beyond the control of the Manager. See **Item 8 - Risk Factors**.

The Partnership may change any aspect of its investment strategy at the discretion of the General Partner or the Manager, including in response to changes in market factors affecting Canada and the United States, and applicable regional economic trends. Accordingly, the disclosure in this **Item 2.2 - Our Business** may change without notice to Investors.

2.3 Development of the Business

Since formation, the Fund has incurred costs in connection with the Offering and has been engaged in activities in preparation for the Offering, which have included, among other things: (a) consulting with financial and legal advisors; and (b) preparing offering documents and the agreements discussed in this Offering Memorandum.

The Partnership is a partial "blind pool", meaning that other than the Acquired Properties, the investments to be made by the Partnership, indirectly with the proceeds of the Offering have not yet been identified. See **Item 8 - Risk Factors**.

2.3.1 Acquired Properties

Windsor Place

Windsor Place is a well-located residential apartment complex located close to HWY 21 within the Edmonton regional area. Windsor Place offers 144 units and was constructed between 2015 and 2016. At the time of acquisition, Windsor Place was 90% occupied.

Since the acquisition in April, 2019, the Manager has begun executing its strategy of improving operational management of the Property with a goal of achieving greater efficiencies, including replacing the existing property manager.



Transaction Details:

Purchase Price	\$25,100,000
Transaction Costs (incl. CMHC insurance premiums)	\$1,300,000
Mortgage Amount	\$22,123,000
Estimated 12-month Net Operating Income	\$1,300,000

Acquisition Capitalization Rate	5.18%
Total Capitalization Rate	4.85%

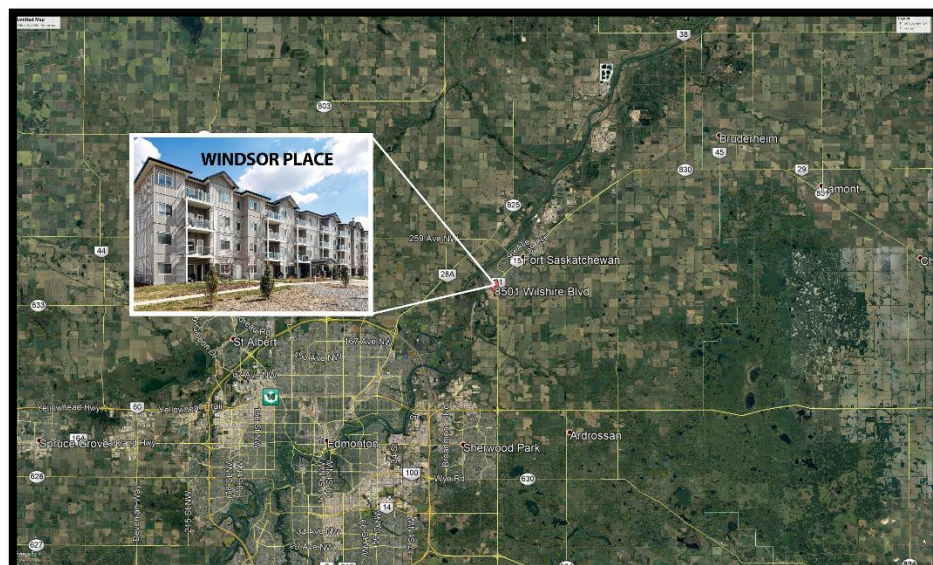
Property Details:	Building Type	Residential Apartment Complex
	Address	8301/8401/8501 Wilshire Boulevard, Fort Saskatchewan, AB
	Stories	4
	Units	144
	Site Size	6.498 acres
	Year Constructed	2015-2016
	Occupancy Rate	90% at acquisition

Location and Market:

Windsor Place is located just off HWY 21, 35 minutes to downtown Edmonton. The Edmonton metropolitan area is a major gateway to northern Alberta and is home to many industries, including airlines, oil & gas, and mineral mining. Edmonton is the sixth-largest city in Canada with over one million in population. Windsor Place is located very close to the highway so it presents a great rental opportunity for young professionals who need more affordable rental options and allows them to commute for work into the Edmonton area.

Fort Saskatchewan has numerous major employers in multiple key sectors. With strong employers in the area and a business-friendly climate, Fort Saskatchewan presents a strong local economy and numerous jobs for potential tenants of Windsor Place.

Fort Saskatchewan has a small but growing population due to the high quality of life and economic opportunities in the area. Between 2018 and 2023, the population in the city was forecasted to grow by approximately 2.23% (ESRI Business Analyst Online 2018 and Statistics Canada Census Profile 2016). This is significant as it is outpacing the growth of the Edmonton region (2.09%) and Alberta (1.82%). The median age in Fort Saskatchewan is 34.8, suggesting a young workforce. In recent years, younger generations have tended to remain in the rental market longer and defer purchasing property.



Transaction Source: Off-market deal presented by CBRE in Edmonton.

Value Creation Strategy: Windsor Place enjoys a robust cash-flow, and as the buildings were constructed in 2015 and 2016, there is no need for renovations at the time of acquisition. Value is expected to be created primarily through improved management operations. The Manager has already made certain changes to property management in an effort to reduce vacancy rates, improve rental income, and to reduce operating expenses. As a result of the Partnership securing CMHC financing on Windsor Place, its mortgage interest rate was locked-in at 2.65% for 10 years. This low interest rate is expected to help to minimize annual debt service needs and strengthen annual cash flow from Windsor Place.

179 Rajput Way

On May 2, 2019, the Partnership acquired a two-story, detached home located at 179 Rajput Way in Saskatoon, Saskatchewan, for \$403,000. 179 Rajput Way is divided into 2 rental units and a detached garage that could be leased separately. The Manager believes that the Property's location in the Evergreen neighbourhood and short distance to the University of Saskatchewan make it a desirable rental location and expects the units to rent out quickly. The Manager also believes that major infrastructure developments in northwest Saskatoon will increase the value of the Property in the long-term.

2.4 Long-Term Objectives

2.4.1 Long-Term Objectives of the Fund

The Fund's long-term objectives are:

- (a) to conduct the Offering, including the issue and sale of Offered Units over multiple Closings (for a breakdown of anticipated costs see **Item 1.1 - Available Funds**);
- (b) to acquire LP Units of the Partnership; and
- (c) to earn, allocate and distribute to Trust Unitholders in accordance with the Declaration of Trust, income derived from its investment in the Partnership (see **Item 5.1.1 - Distributions** and **Item 5.1.2 - Distribution Policy of the Fund and the Partnership**.)

2.4.2 Long-Term Objectives of the Partnership

The Partnership's long-term objectives are:

- (a) to raise capital from the sale of LP Units to the Fund and other investors;
- (b) to acquire, develop, operate and manage a portfolio of Properties;
- (c) to earn, allocate and distribute to holders of LP Units in accordance with the Partnership Agreement (including the Fund), income derived from the Properties (see **Item 2.2 - Our Business**, **Item 5.1.1 - Distributions** and **Item 5.1.2 - Distribution Policy of the Fund and the Partnership**); and
- (d) to undertake future sales of acquired Properties (see **Item 2.2.5 - Investment Strategy - Property Dispositions**).

The time and cost to complete the events under this **Item 2.4 - Long-Term Objectives** cannot be confirmed until the Partnership identifies suitable Properties. There is no assurance that any of these events will occur. The Offering is a partial "blind pool" offering, meaning that other than the Acquired Properties, the specific Properties in which the Partnership will invest have not yet been identified as of the date of this Offering Memorandum. See **Item 8 - Risk Factors**.

2.5 Short-Term Objectives

2.5.1 Short-Term Objectives of the Fund

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

<u>What We Must Do and How We Will Do It</u>	<u>Target Completion Date</u>	<u>Our Cost to Complete</u>
Complete the Offering up to the Maximum Offering and acquire LP Units to be issued by the Partnership	Various Closings to be completed until the Final Closing	See Item 1.2 - Use of Available Funds

2.5.2 Short-Term Objectives of the Partnership

The Partnership's objectives for the 12 months following the date of this Offering Memorandum are discussed below.

<u>What We Must Do and How We Will Do It</u>	<u>Target Completion Date</u>	<u>Our Cost to Complete</u>
Acquire capital through the sale of LP Units to the Fund	Various Closings to be completed until the Final Closing	See Item 1.2 - Use of Available Funds
Acquisition of Properties (including the payment of Acquisition Fees)	Ongoing ⁽¹⁾	See Item 1.2 - Use of Available Funds ⁽²⁾

Notes:

- (1) The time and cost to complete this event cannot be confirmed until the Partnership identifies suitable Properties to acquire. There is no assurance that any of these events will occur. The Offering is a partial "blind pool" offering, meaning that other than the Acquired Properties, the specific Properties in which the Partnership will invest have not yet been identified as of the date of this Offering Memorandum. See **Item 8 - Risk Factors**.
- (2) The exact amount of the transaction costs associated with investments to be made by the Partnership is not known at this time. Such amounts will be paid to various third party service providers including, but not limited to, lenders, law firms, brokerages, engineering firms and environmental firms for services provided in association with funding, due diligence and eventual closing of acquisitions for the Partnership. The General Partner has estimated transaction costs to represent approximately 2% of the purchase price of a Property.

2.6 Insufficient Funds

The available funds may not be sufficient to accomplish the Fund's and the Partnership's proposed objectives and there is no assurance that alternative financing will be available on acceptable terms or at all. The Fund or the Partnership may, to the extent available on acceptable terms, obtain institutional financing or other arm's length, third party financing. No alternate financing has been arranged for the Fund or the Partnership as of the date of this Offering Memorandum. There is no assurance that the Fund and the Partnership will have adequate working capital to meet the anticipated requirements described in this Offering Memorandum. See **Item 8 - Risk Factors**.

2.7 Material Agreements

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

- (a) Declaration of Trust;
- (b) Partnership Agreement;
- (c) Management Agreement;
- (d) Reimbursement Agreement; and
- (e) Distribution Reinvestment Plan.

Prospective Investors may obtain a copy of each of the material agreements listed above by requesting same from the Partnership at investment@westbow.ca or in person during normal business hours at the offices of the Fund, located at 7350 Barrow Road, Chilliwack, BC, V2R 4J8.

2.7.1 Declaration of Trust

The rights and obligations of Trust Unitholders are governed by the Declaration of Trust.

The following is a summary only of certain terms in the Declaration of Trust which, together with other summaries of additional terms of the Declaration of Trust appearing elsewhere in this Offering Memorandum, are qualified in their entirety by reference to the actual text of the Declaration of Trust, a review of which is recommended to purchasers.

Purpose of the Fund

The Declaration of Trust provides that the undertaking and activities of the Fund are restricted to:

- (a) acquiring, investing in, holding, transferring, disposing of and otherwise dealing with securities issued by the Partnership, and borrowing funds and issuing debt securities, directly or indirectly, for that purpose, and issuing Redemption Notes;
- (b) temporarily holding cash in connection with and for the purposes of the Fund's undertaking, paying administration and trust expenses, paying any amounts required in connection with the redemption of Trust Units and making distributions to Trust Unitholders and borrowing funds and issuing Redemption Notes for those purposes, directly or indirectly;
- (c) issuing Trust Units and other securities of the Fund for the purposes of:
 - (i) obtaining funds to conduct the undertakings and activities described above, including raising funds for further investments, acquisitions or development;
 - (ii) repaying any indebtedness or borrowings of the Fund;
 - (iii) establishing and implementing distribution reinvestment plans, Trust Unit purchase plans, incentive option and other compensation plans, if any, established by the Fund or an affiliate of the Fund;
 - (iv) making non-cash distributions to holders of Trust Units as contemplated by the Declaration of Trust, including *in specie* redemptions and distributions pursuant to distribution reinvestment plans, if any, established by the Fund;
 - (v) giving effect to any arrangement or reorganization; or
 - (vi) satisfying obligations (if any) to pay the applicable Redemption Price for the redemption, purchase or other acquisition of Trust Units, in certain circumstances contemplated in the Declaration of Trust;
- (d) guaranteeing the obligations of its affiliates pursuant to any good faith debt for borrowed money or any other obligation incurred by such entity in good faith for the purpose of carrying on its business, and pledging securities and other property owned by the Fund as security for any obligations of the Fund, including obligations under any such guarantee. The Fund may only provide a guarantee in respect of the indebtedness of another person if the Fund does not, directly or indirectly, receive any fees or other consideration for providing the guarantee and the Trustees or the Manager have determined that such guarantee forms part of the core investment undertakings of the Fund; provided that the Fund will not, in any event, provide a guarantee which would result in the Fund not being considered a unit trust or a mutual fund trust for purposes of the Tax Act;
- (e) granting security in any form, over any or all of the Fund's assets to secure any or all of the obligations of the Fund or its affiliates;
- (f) repurchasing or redeeming securities of the Fund, including Trust Units, subject to the provisions of the Declaration of Trust and applicable law;
- (g) carrying out any of the transactions, and entering into and performing any of the obligations of the Fund under any agreements contemplated by the Declaration of Trust;
- (h) engaging in all activities ancillary or incidental to any of those activities set forth in paragraphs (a) through (g) above; and

- (i) undertaking such other activities or taking such actions, including investing in securities, as is to be approved by the Trustees or the Manager from time to time,

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

Attributes and Issuance of Trust Units

The beneficial interests of the Fund shall be represented and constituted by an unlimited number of Trust Units of a single class divided into an unlimited number of series. Trust Units may be created and issued by the Trustees in their sole discretion from time to time. The Trustees shall have sole discretion in determining the attributes which shall attach to each series of units. The issued and outstanding Trust Units may be subdivided or consolidated from time to time by the trustees without the prior approval of, or notice to, any Trust Unitholder. Except with the prior consent of the Manager, the Fund will not accept any subscriptions for or record any transfer of any interest in less than a whole Trust Unit. However, fractional Trust Units may be issued, and shall have attached thereto the rights, privileges, limitations, restrictions and conditions attaching to whole Trust Units in the proportion that they bear to a whole Trust Unit.

Transfer of Trust Units

Trust Units may only be transferred in accordance with applicable securities laws and the Declaration of Trust. The Declaration of Trust provides that no Trust Units are to be transferred without the written consent of the Manager (which consent may be unreasonably withheld) and otherwise in accordance with the Declaration of Trust. To validly transfer any Trust Unit, the Declaration of Trust requires a Trust Unitholder to execute and deliver to the Manager a transfer form and acknowledgement confirming the transfer in which the transferee agrees, among other things, to be bound by the terms of the Declaration of Trust, in a form acceptable to the Manager. See **Item 8 - Risk Factors** and **Item 10 - Resale Restrictions**.

Redemption of Trust Units

Trust Units are redeemable at the option of the Trust Unitholder subject to the terms and conditions set out in the Declaration of Trust. A Trust Unitholder who wishes to exercise the redemption right must complete and deliver a redemption notice, in a form approved by the Manager, to the Manager. Upon receipt of the redemption notice by the Fund, all rights to and under the Trust Units tendered for redemption are surrendered (including the right to receive any distributions thereon that are declared payable to the Trust Unitholders after the day of receipt by the Fund of the redemption notice) and the former holder thereof is entitled only to receive a price per Trust Unit equal to the Redemption Price.

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

- (a) the total amount payable by the Fund in respect of such Trust Units and all other Trust Units validly tendered for redemption in the same calendar quarter exceeds \$50,000 (the "**Quarterly Limit**"); provided that the Trustees or the Manager may, in their sole discretion, waive or increase such limitation in respect of all Trust Units tendered for redemption in any calendar quarter;
- (b) in the Trustees' or the Manager's opinion (in their sole discretion), the Fund is or, after the redemption, would be unable to pay its liabilities as they become due; or
- (c) in the Trustees' or the Manager's opinion (in their sole discretion), the Fund has insufficient liquid assets to fund such redemptions or that the liquidation of assets at such time would be to the detriment of the remaining Trust Unitholders or the Fund, generally.

Trust Units tendered for redemption in any calendar quarter in which the total amount payable by the Fund pursuant to the Declaration of Trust exceeds the Quarterly Limit are to be redeemed for a combination of cash and a distribution *in specie* as specified in the Declaration of Trust on a *pro rata* basis, subject to any applicable regulatory approvals.

If, as a result of any such limitations under the Declaration of Trust, a Trust Unitholder is not entitled to receive cash upon the redemption of some or all of the Trust Units tendered for redemption, then the Redemption Price per Trust

Unit to which the Trust Unitholder would otherwise be entitled, subject to receipt of all necessary approvals from governing authorities (which the Fund shall use reasonable commercial efforts to obtain), is to be paid and satisfied by the delivery to such holders of Redemption Notes. In such circumstances, the Fund will issue a cheque to the Trust Unitholder for the amount (if any) that is not subject to limitation and it will issue Redemption Notes in satisfaction of the Redemption Price or portion thereof that is subject to limitation.

The Fund will redeem Trust Units according to the order in which redemption notices are received by the Trustees or the Manager. Unless the Quarterly Limit is waived pursuant to paragraph (a) above, and provided paragraphs (b) and (c) above do not apply, Trust Units tendered for redemption in any calendar quarter in which the total amount payable by the Fund exceeds the Quarterly Limit are to be redeemed for a combination of cash and a distribution in specie on a pro rata basis, provided however that, if the Quarterly Limit has not been exhausted by redemptions which pre-date the redeeming Trust Unitholder's redemption notice then the minimum cash to be distributed to such redeeming Trust Unitholder is to be not less than \$1,000 (unless waived by the Trustees or the Manager in their sole discretion or the entire Redemption Price is paid in cash). For illustration and greater certainty (and subject always to the Declaration of Trust), if the Fund receives more than 50 redemption requests in a calendar quarter, then (provided that certain other limitations on cash redemptions do not apply) the first 50 redeeming Trust Unitholders are to receive the first \$1,000 of their Redemption Price in cash and the remainder of the Redemption Price by a distribution *in specie*, and each redeeming Trust Unitholder beyond the first 50 is to receive the entire Redemption Price by a distribution *in specie*.

As an extraordinary measure and subject to the unanimous approval of the Independent Review Committee, the Trustees or the Manager may, from time to time, suspend the redemption of Trust Units or postpone the date of payment of redeemed Trust Units. Examples of circumstances which as an extraordinary measure may require a suspension of redemptions include, without limitation, if the Trustees or the Manager reasonably determine that: (a) the Fund's (or the Partnership's) assets are invested in such a manner so as to not reasonably permit immediate liquidation of sufficient assets; (b) there exists a state of affairs that constitutes circumstances under which liquidation by the Fund (or the Partnership) of part or all of its investments is not reasonable or practicable, or would be prejudicial to the Fund or Trust Unitholders generally; (c) not suspending redemptions would have an adverse effect on continuing Trust Unitholders; or (d) they are unable to value the assets of the Fund. The Trustees or the Manager may also suspend the redemption of Trust Units upon an announcement by the Trustees that the Fund will be terminated. For greater certainty, the intention of this provision is not to generally restrict the ability of Trust Unitholders to redeem Trust Units, but rather to permit the Trustees or the Manager to protect the Fund and/or its Trust Unitholders from the harm that would be caused by permitting redemptions when extraordinary and unusual circumstances are present.

The Fund has the right and entitlement, and is authorized and empowered, to offer to any one or more Trust Unitholders, as the Trustees or the Manager may determine, and upon acceptance of such offer by the holder of such Trust Units to whom such offer was made, to purchase for cancellation, at any time, by private agreement or otherwise, the whole or from time to time any part of the outstanding Trust Units in respect of which the offer was accepted, at a price per security and on a basis as determined by the Trustees or the Manager but in compliance with all applicable laws, rules, regulations or policies governing same.

Limited Retraction of Trust Units by Fund

The Trustees or the Manager may, at any time and from time to time, upon providing a notice of retraction, redeem one or more of the then outstanding Trust Units as if such Trust Units were tendered by the applicable Trust Unitholders for redemption as at the date of the notice of retraction if the Trustees or the Manager determine in their reasonable discretion that the continued ownership of the Trust Units by the Trust Unitholder would (a) constitute or give rise to a violation of applicable law, or (b) otherwise subject the Fund, the Manager, the Partnership or the General Partner to material onerous legal, tax or other regulatory requirements that cannot be reasonably avoided. The provisions of the Declaration of Trust concerning redemptions of Trust Units apply *mutatis mutandis* with respect to such retraction.

Distributions of the Fund

The distribution entitlements of the Offered Units are set forth in **Item 5.1.1 - Distributions**.

Trustees

The Fund shall have a minimum of two and not more than 11 trustees. The number of trustees of the Fund within such range shall be determined by resolution of the Trustees, and may be changed by resolution of the Trustees from time to time. As of the date hereof, the number of trustees of the Fund has been fixed at two, and shall continue at such number until such time as the Trustees pass a resolution to fix the number of trustees of the Fund at a new number. Following the passage of a resolution by the Trustees fixing the number of trustees of the Fund at a greater number (not to exceed 11) than was fixed immediately prior to the passage of such resolution, the Trustees (by

majority resolution) or the Manager may appoint additional trustees to fill the vacancies created by the increase in number of trustees of the Fund. Trustees (including the initial Trustees) are appointed for a term of office which shall continue until the earlier of their death, resignation or removal in accordance with the Declaration of Trust.

A Trustee may resign at any time by an instrument in writing signed by him or her and delivered to the Fund. Such resignation shall take effect on the later of (a) 60 days following the date that notice of such resignation is delivered to the Fund and (b) any effective date of resignation as may be specified in the notice. Following resignation of a Trustee, the remaining Trustees may appoint an individual as a replacement Trustee, provided that should they fail to do so, then the Manager may appoint a replacement Trustee. Any Trustee may be removed at any time, with or without cause, by the Manager giving such Trustee five days written notice.

The Trustees (or any of them) may be removed at any time by (a) a resolution proposed to be passed as a special resolution at a meeting of Trust Unitholders (including an adjourned meeting), voting as a single series, duly convened for that purpose and held in accordance with the Declaration of Trust and passed by more than 75% of the votes cast on such resolution by Trust Unitholders present or represented by proxy at the meeting; or (b) a resolution in writing executed by Trust Unitholders holding more than 75% of the votes attached to outstanding Trust Units of all series at any time.

Trustees shall be entitled to receive for their services as Trustees such reasonable compensation as the Trustees may determine from time to time (provided that Nick Westeringh, Dick Westeringh shall not receive compensation), as well as reimbursement of their out-of-pocket expenses incurred in acting as a Trustee. Such Trustees, either directly or indirectly, shall also be entitled to receive remuneration (in such amount as is determined in the discretion of the Trustees) for services rendered to the Fund in any other capacity. See **Item 3.1 - Compensation and Securities Held**.

The Declaration of Trust provides that, subject to the specific limitations contained in the Declaration of Trust, the Trustees have, without further or other action or consent, and free from any power of control on the part of the Trust Unitholders, full, absolute and exclusive power, control and authority over the Fund's assets and management of the affairs of the Fund to the same extent as if the Trustees were the sole and absolute beneficial owners of the Fund's assets in their own right, to do all such acts and things as in their sole judgment and discretion that are necessary or incidental to, or desirable for, carrying out the trust created by the Declaration of Trust.

The Manager

Pursuant to the Declaration of Trust, the Manager shall have the powers and duties provided for in the Declaration of Trust and may be given, without limitation, the power to further delegate management and administration of the Fund, as well as the power to retain and instruct such appropriate experts or advisors to assist in the performance of those duties and obligations. In the Declaration of Trust, the Trustees delegated to the Manager full and absolute right, power and authority to undertake, perform and provide, for and on behalf of the Fund, all acts, duties and responsibilities as the Manager considers, in its sole discretion, necessary or desirable in connection with all matters required for and in connection with completion of any closing in connection with any offering of Trust Units from time to time. The Management Agreement sets forth certain rights, restrictions and limitations which pertain to the performance by the Manager of the duties delegated to it by the Trustees. See **Item 2.7.3 - Management Agreement**.

All determinations of the Manager which are made in good faith relating to the Fund shall be final and conclusive and shall be binding upon the Fund and all Trust Unitholders.

The services of the officers and directors of the Manager will not be exclusive to the Manager or the Fund and nothing in the Declaration of Trust or the Management Agreement shall prevent them from, subject to the Conflict of Interest Policy, engaging in other activities (whether or not those other activities are the same or similar to the activities being carried out on behalf of the Manager or the Fund).

Standard of Care

Each Trustee and the Manager, in exercising the powers and authority conferred upon them pursuant to the Declaration of Trust, will act honestly and in good faith with a view to the best interests of the Fund and in connection therewith shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Trustees and the Manager are not required to devote their entire time to the investments or business or affairs of the Fund.

To the extent that the performance of certain duties and activities has been granted to the Manager in the Declaration of Trust, or that the Trustees have delegated the performance of certain duties and activities to the Manager, the Trustees shall be deemed to have satisfied the aforesaid standard of care.

Limitation on Non-Resident Ownership

The Fund intends to qualify (and continue to qualify) as a mutual fund trust under the Tax Act. This requires, among other things, that the Fund not be established or maintained primarily for the benefit of Non-Residents. Accordingly, at no time are Non-Residents entitled to beneficially own more than 45% of the outstanding Trust Units. If the Manager becomes aware that the beneficial owners of 45% of the outstanding Trust Units are or may be Non-Residents, or that such situation is foreseeable, the Manager may refuse subscriptions from individuals who cannot provide a declaration that they are not a Non-Resident. Furthermore, the Declaration of Trust grants the Manager the ability to (a) require Non-Resident Trust Unitholders to sell or otherwise dispose of Trust Units, or (b) require Non-Resident Trust Unitholders to redeem their Trust Units. Neither the Manager, the Trustees, nor any transfer agent appointed by the Fund will have liability for sales or redemptions of Trust Units in connection with the above.

If the Tax Act is (or is proposed to be) amended in a manner which places new restrictions on Non-Residents beneficially owning Trust Units, the Declaration of Trust permits the Trustees to take any action they consider necessary (including amending the Declaration of Trust) to ensure that the Fund maintains its status as a mutual fund trust.

Limitation of Liability and Indemnification

The Trustees, the Manager and the directors, officers, employees, shareholders, consultants, agents or representatives of the Fund, the Trustees and the Manager, as the case may be, in incurring any debts, liabilities or obligations, or taking or omitting any other actions for or in connection with the affairs of the Fund are, and shall be conclusively deemed to be, acting for and on behalf of the Fund, and not in their own personal capacities.

Neither the Trustees, the Manager, any of their affiliates, and their respective partners, officers, directors, shareholders, agents and employees, nor the Independent Review Committee (and its members), nor any person who serves at the request of the Trustees or the Manager on behalf of the Fund as an officer, director, partner, employee or agent of any other entity (each, an "**Indemnified Person**" and for whom the Trustees and the Manager hold such rights in trust, as applicable) is liable to any Trust Unitholder for any action taken or not taken in good faith in reliance on any documents that are, prima facie, properly executed; for any depreciation of, or loss to, the Fund incurred by reason of the sale of any asset or security; for the loss or disposition of monies or securities; for any action or failure to act of any other person to whom the Trustees have delegated any of their duties under the Declaration of Trust; or for any other action or failure to act including the failure to compel in any way any former Trustee to redress any breach of trust or any failure by any person to perform obligations or pay monies owed to the Fund, except in cases where the Indemnified Person has demonstrated fraud, gross negligence or wilful neglect or the breach of the standard of care discussed above in the performance of its duties. If the Trustees or the Manager have retained an appropriate expert or advisor with respect to any matter connected with its duties under the Declaration of Trust, the Trustees may act or refuse to act based on the advice of such expert or advisor and, notwithstanding any provision of the Declaration of Trust, including the standard of care, neither the Trustees nor the Manager are liable for any action or refusal to act based on the advice of any such expert or advisor which it is reasonable to conclude is within the expertise of such expert or advisor to give.

No Indemnified Person is subject to any liability whatsoever in tort, contract or otherwise, in connection with the Fund's assets or the affairs of the Fund, including in respect of any loss or diminution in value of any of the Fund's assets, to the Fund or to the Trust Unitholders or to any other person for anything done or permitted to be done by the Trustees or the Manager. No Indemnified Person is subject to any personal liability for any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Fund arising out of anything done or permitted or omitted to be done in respect of the execution of the duties of the office of the Trustees or the Manager for or in respect of the affairs of the Fund except in cases where the Indemnified Person has demonstrated fraud, gross negligence or wilful neglect or the breach of the standard of care discussed above in the performance of his duties. No property or assets of the Trustees or the Manager are subject to any levy, execution or other enforcement procedure with regard to any obligations under the Declaration of Trust or under any other related agreements. No recourse may be had or taken, directly or indirectly, against an Indemnified Person. The Fund is to be solely liable therefor and resort is to be had solely to the Fund's assets for payment or performance thereof.

Each Indemnified Person is entitled to be and shall be indemnified and reimbursed out of the assets of the Fund in respect of any and all claims, liabilities, damages, losses, costs and expenses (including amounts paid by satisfaction of judgments, in compromises and settlements, as fines and penalties and legal or other costs and reasonable expenses of investigating or defending against any claim or alleged claim) of any nature whatsoever, known or unknown, liquidated or unliquidated, that are incurred by any Indemnified Person and arise out of or in connection with the affairs of the Fund, the performance by such Indemnified Person of any of its duties under the Declaration of Trust or otherwise in connection with the matters contemplated therein, provided that the Indemnified Person shall not be indemnified out of the assets of the Fund in respect of any such amounts that arise out of or as a result of the fraud, gross negligence or wilful neglect or the breach of the standard of care in the performance of its duties.

Trustees' Other Interests and Conflicts of Interest

Pursuant to the Declaration of Trust, the Trustees may, subject to the Conflict of Interest Policy, have other interests or associations of whatever nature or kind aside from those related to the Fund. Each Trustee is expressly permitted:

- (a) to be an associate, affiliate, securityholder, director, officer, trustee, employee, agent or consultant of, or otherwise involved with a person from or to whom assets of the Fund or of its associates or affiliates have been or are to be purchased or sold;
- (b) to be a person, or to be an associate, affiliate, securityholder, director, officer, trustee, employee, agent or consultant of (or otherwise involved with) a person, with whom the Fund or its associates or affiliates contracts or deals or which supplies services to the Fund or its associates or affiliates;
- (c) to acquire, hold and dispose of, for such Trustee's own account, any property (real, personal, tangible or intangible) even if such property is of a character which could be held by the Fund, and to exercise all rights of an owner of such property as if such Trustee were not a Trustee;
- (d) to acquire, hold and sell Trust Units as principal, or as an affiliate or associate or fiduciary for any other person, and to exercise all rights of a holder thereof as if such Trustee was not a Trustee; and
- (e) to have business interests of any nature and to continue such business interests while a Trustee.

Furthermore, each Indemnified Person shall have the right to engage in businesses of every type and description and other activities for profit, and to engage in and possess interests in business ventures of any and every type or description irrespective of whether (a) such activities are similar to those activities of the Fund, the Manager, the Partnership or the General Partner or (b) such businesses and activities directly compete with, or disfavor or exclude, the Fund, the Manager, the Partnership or the General Partner. Such business interests, activities and engagements shall be deemed not to constitute a breach of the Declaration of Trust or any duties stated or implied by law or equity, including fiduciary duties, owed to any of the Fund or the Partnership (or any of their respective investors) and shall be deemed not to be a breach of the Trustees' fiduciary duties or any other obligation of any type whatsoever of the Trustees. None of the Fund or the Partnership or any other person shall have any rights by virtue of the Declaration of Trust or the relationship established thereby or otherwise in any business ventures of an Indemnified Person. The Indemnified Persons shall have no obligation hereunder or as a result of any duties stated or implied by law or equity, including fiduciary duties, to present business or investment opportunities to the Fund, the Partnership or the Trust Unitholders.

Pursuant to the Declaration of Trust, the Trust Unitholders acknowledge and accept that there are, and will continue to be, potential or actual interests of one or more of the Trustees, or their associates or affiliates (including conflicts of interest) with respect to business or other interests held directly or indirectly by, and/or contractual arrangements or transactions directly or indirectly involving, one or more of the other Trustees, or their respective associates or affiliates, or the Fund or its associates and affiliates or any of them, and the Trust Unitholders agree that:

- (a) any Trustee is hereby expressly permitted (notwithstanding any liability which might otherwise be imposed by applicable law or in equity upon such Trustee as a trustee) to derive direct or indirect benefit, profit or advantage from time to time as a result of dealing with another Trustee or his associates or affiliates or the Fund or its associates or affiliates or as a result of the relationships, matters, contracts, transactions, affiliations or other interests it may have and such Trustee shall not be liable in law or in equity to pay or account to the Fund, or to any Trust Unitholder (whether acting individually or on behalf of itself, holders of Trust Units of a series or all Trust Unitholders as a single class) for any such direct or indirect benefit, profit or advantage nor, in such circumstances, will any contract or transaction be void or voidable at the instance of the Fund, of any Trust Unitholder or any other person; and
- (b) interests of any Trustee, or their respective associates or affiliates, including any conflicts of interest, will not form the basis for any claim against such Trustee, or their respective affiliate or associate, or for any attempt to challenge or attack the validity of any contract, transaction or arrangement (or renewal, extension or amendments of same) which the Trustees may enter into on behalf of the Fund;

provided, in each case, that the Trustee in question has otherwise exercised its powers and discharged its duties honestly and in good faith in respect to the matter, contract, transaction or interest in question.

The Manager shall appoint the Independent Review Committee, which will review "conflict of interest matters" with respect to the Fund. See **Item 2.1.8 - Independent Review Committee**. Conflicts of interest and potential conflicts of interest that are unanimously approved by the members of the Independent Review Committee from time to time are

deemed to be approved by all Trust Unitholders. The Independent Review Committee may grant approvals for any matters that may give rise to an actual or potential conflict of interest and, to the extent that such conflict of interest matters are permitted by the guidelines, policies and procedures adopted by the Independent Review Committee, that no further special approval will be required to permit a conflict of interest matter following approval by the Independent Review Committee.

Term and Dissolution of the Fund

Subject to the Declaration of Trust, the Fund shall continue for an indefinite term or such prior date that is the earlier of: (a) the date the Trustees or the Manager have resolved to terminate and dissolve the Fund; (b) the date upon which the Partnership is wound up and dissolved pursuant to the Partnership Agreement; and (c) the date which is one day prior to the date, if any, the Fund would otherwise be void by virtue of any applicable rule against perpetuities then in force in British Columbia. Once the Manager is able to determine, with a reasonable degree of certainty, the time at which the Fund will be in a position to distribute the Fund's assets in connection with the wind-up and termination of the affairs of the Fund, then the Manager shall give notice of the timing of such anticipated distribution to the Trust Unitholders.

Meetings and Resolutions of Trust Unitholders

The Fund may but is not required to hold annual meetings of Trust Unitholders (or Trust Unitholders holding any particular series of Trust Units). The Trustees may call special meetings of Trust Unitholders (or Trust Unitholders holding any particular series of Trust Units), at any time and from time to time and for any purpose.

A meeting of Trust Unitholders may be convened at any time and for any purpose by the Trustees and must be convened if requisitioned by a written requisition of Trust Unitholders holding not less than 20% of the total of the Trust Units then outstanding. A written meeting requisition must: (a) set forth the name and address of each person who is supporting the requisition and the number of Trust Units held; (b) state in reasonable detail the business proposed to be transacted at the meeting; and (c) be sent to the Trustees in accordance with the Declaration of Trust.

Trust Unitholders may attend and vote at all meetings of the Trust Unitholders either in person or by proxy and a proxyholder need not be a Trust Unitholder. At any meeting of the Trust Unitholders, a quorum consists of two or more Trust Unitholders present in person or by proxy. Where business at a meeting affects one or more series of Trust Units to an extent substantially differing from that in or to which it affects the rights of another series, the meeting is to be called a "series meeting" and the holders of the series of Trust Units so affected will not be bound by any action taken at the meeting or by instrument in writing unless more than 50% (or more than 66⅔% in the case of a Special Resolution) of the holders of the affected series of Trust Units vote in favour of the resolution or sign the instrument in writing, as the case may be.

Trust Unitholders shall be entitled to pass resolutions that will bind the Trustees only with respect to the removal of Trustees pursuant to the Declaration of Trust and matters required by applicable laws or the Declaration of Trust to be submitted to Trust Unitholders for approval.

Power of Attorney

Upon becoming a Trust Unitholder, each Trust Unitholder grants to the Trustees a power of attorney constituting the Trustees (whether acting individually or collectively) with full power of substitution as his true and lawful attorney to act on his behalf, with full power and authority in his name, place and stead to execute, under seal or otherwise, swear to, acknowledge, deliver, make, file or record (and to take all requisite actions in connection with such matters), when, as and where required: (a) the Declaration of Trust and any other instrument required, or desirable to, qualify, continue and keep in good standing the Fund as a mutual fund trust in all jurisdictions that the Trustees deem appropriate and to ensure that the Fund is not a SIFT trust under the Tax Act in all jurisdictions that the Trustees deem appropriate; (b) any instrument, deed, agreement or document in connection with carrying on the affairs of the Fund as authorized in the Declaration of Trust, including all conveyances, transfers and other documents required to effect any sale, transfer, repurchase or other disposition of Trust Units necessitated, required or permitted under the Declaration of Trust; (c) all conveyances, transfers and other documents required in connection with the dissolution, liquidation or termination of the Fund in accordance with the terms of the Declaration of Trust; (d) any and all elections, determinations or designations whether jointly with third parties or otherwise, under the Tax Act or any other taxation or other legislation or similar laws of Canada or of any other jurisdiction in respect of the affairs of the Fund or of a Trust Unitholder's interest in the Fund; (e) any instrument, certificate and other documents necessary or appropriate to reflect and give effect to any amendment to the Declaration of Trust which is authorized from time to time as contemplated by the terms of the Declaration of Trust; (f) all transfers, conveyances and other documents required to deal with Trust Units, including to facilitate transfers, acquisitions and dispositions of Trust Units; (g) any instrument, deed, agreement or document as may be necessary or appropriate in connection with carrying on the business and undertaking of the Fund; and (h) all other instruments and documents on his behalf and in his name or in the name of the Fund as may be deemed necessary by the Trustees to carry out fully the Declaration of Trust in

accordance with its terms; and, for further certainty, it is acknowledged and agreed by each Trust Unitholder that the Trustees may exercise any of the powers granted under this power of attorney irrespective of whether the Manager has been expressly authorized to take any such actions referred to above, and that the Trustees may substitute the Manager as a delegate, in whole or in part, of the powers granted in the Declaration of Trust.

Under the Declaration of Trust, each Trust Unitholder agrees that the power of attorney is irrevocable, is a power coupled with an interest, and shall survive the insolvency, death, mental incompetence, disability and any subsequent legal incapacity of the Trust Unitholder and shall survive the assignment by the Trust Unitholder of all or part of the Trust Unitholder's interest in the Fund and will extend to and bind the heirs, executors, administrators and other legal representatives and successors and assigns of the Trust Unitholder. Each Trust Unitholder agrees in the Declaration of Trust to be bound by any representations or actions made or taken by the Trustees or their delegate pursuant to the power of attorney and hereby waives any and all defences which may be available to contest, negate or disaffirm any actions taken by the Trustees in good faith under the power of attorney. The power of attorney shall continue in respect of each and every one of the initial Trustees so long as they are a Trustee of the Fund, and shall also continue in respect of a new Trustee as if the new Trustee was an initial Trustee hereunder.

Amendments to Declaration of Trust

The Declaration of Trust contains provisions that allow it to be amended, altered, supplemented or restated by Special Resolution and with the prior approval of the Trustees and the Manager. However, the Trustees may add to, delete, amend, modify, vary or change the provisions of the Declaration of Trust without the consent, approval or ratification of the Trust Unitholders, the Manager or any other person at any time, for the purpose of:

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

Notwithstanding the foregoing, no such addition, deletion, amendment, modification, variation or change or any other alteration, supplement or restatement is valid under the Declaration of Trust or binds the Trustees or any Trust Unitholders to the extent that it purports to:

- (a) modify the voting rights in the Declaration of Trust without the approval or consent of the Trust Unitholders by resolution passed by the affirmative votes of the holders of more than 90% of the total of the Trust Units then outstanding and represented at a meeting called for such purpose;
- (b) reduce the percentage of votes required to be cast at a meeting of the Trust Unitholders for any Trust Unitholder approval or Special Resolution, without the approval or consent of the Trust Unitholders by resolution passed by the affirmative votes of the holders of more than 90% of the total Trust Units then outstanding and represented at the meeting called for such purpose;
- (c) reduce the interest in the Fund's assets represented by any series of Trust Units without the approval or consent of the Trust Unitholders of such series by resolution passed by the affirmative votes of the holders of more than 90% of the total Trust Units of such series then outstanding and represented at the meeting called for such purpose; or

- (d) results in the Fund failing to qualify as a mutual fund trust under the Tax Act at any time.

Fiscal Year-End

Each fiscal year and taxation year of the Fund ends on December 31 of each calendar year unless the taxation year is deemed to end on a different date under the Tax Act.

2.7.2 Partnership Agreement

The rights and obligations of Limited Partners (including the Fund) are governed by the Partnership Agreement.

The following is a summary only of certain terms in the Partnership Agreement which, together with other summaries of additional terms of the Partnership Agreement appearing elsewhere in this Offering Memorandum, are qualified in their entirety by reference to the actual text of the Partnership Agreement, a review of which is recommended to Investors.

Purpose of the Partnership

The purpose of the Partnership is to seek income and capital appreciation through one or more direct or indirect investments in Properties.

Capital of the Partnership and Nature of the LP Units

The capital of the Partnership is divided into an unlimited number of Series A LP Units, Series B LP Units, Series E LP Units, Series F LP Units, Series M LP Units Series P LP Units and Series I LP Units.

The General Partner is permitted to designate, from time to time, additional classes and series of LP Units. Each class and/or series of LP Units may have different attributes including different fees than those chargeable against LP Units of another class and/or series, be subject to a different distribution policy, and may have different redemption or other features than other classes and/or series of LP Units, in each case as the General Partner may determine.

Each Limited Partner shall be entitled to one vote for each LP Unit held by such Limited Partner in respect of all matters to be voted upon by the Limited Partners or any of them.

The Capital Contribution per LP Unit of any one series need not be equal to the Capital Contribution per LP Unit of any other series. The General Partner may at any time name or rename a class and/or series without otherwise affecting the attributes of such class and/or series. The General Partner may in its discretion from time to time convert or redesignate one or more LP Units of any one class or series as being LP Units of another class or series, subject to certain provisions of the Partnership Agreement.

Except as otherwise provided for in the Partnership Agreement, each issued and outstanding LP Unit of each series shall be equal to each other LP Unit of the same series with respect to all matters, including the right to receive allocations and distributions from the Partnership and otherwise.

Transfer of the LP Units

A Limited Partner may not assign or otherwise transfer its interest in whole or in part to any person without the prior written consent of the General Partner, which consent may unreasonably withheld. Any attempted assignment, transfer or substitution not made in accordance with the Partnership Agreement will be null and void. In addition, no assignment or transfer of an interest shall be made unless:

- (a) such assignment or transfer would not violate applicable law;
- (b) such assignment or transfer would not cause the Partnership to lose its status as a limited partnership under the Partnership Act or for income tax purposes;
- (c) the assignee or transferee is a resident of Canada (or a Canadian partnership) within the meaning of the Tax Act;
- (d) the assignee or transferee is not a financial institution (as defined in the Tax Act) if, following such transfer, the Partnership would be a financial institution; and
- (e) the assignee and any beneficial purchaser for which the assignee is acting is not a person or partnership an interest in which would be, and is not acquiring an interest in the Partnership as, a tax shelter investment (as defined in the Tax Act).

Redemption of LP Units

There is no general right of redemption by a Limited Partner and all redemptions are subject to the approval of the General Partner, in its sole discretion, provided that in the event that a Limited Partner that is a mutual fund trust for the purposes of the Tax Act makes a demand for redemption of any LP Units held by it, then the General Partner shall approve such redemption of LP Units, and shall redeem such LP Units in accordance with the other provisions of the Partnership Agreement.

To request the redemption of an LP Unit, a Limited Partner must send a duly completed and properly executed notice, in a form approved by the General Partner, requesting the General Partner to redeem the LP Unit.

If a redemption request is accepted by the General Partner then the redemption price payable by the Partnership in respect of the LP Unit accepted for redemption will be satisfied by way of a cash payment (to be paid by cheque) on the last day of the calendar quarter in which the redemption is accepted, provided that the entitlement of a Limited Partner to receive cash upon the redemption of an LP Unit shall be limited where:

- (a) the total amount payable by the Partnership in respect of such LP Unit and all other LP Units tendered for redemption in the same calendar quarter exceeds \$50,000; provided that the General Partner may, in its sole discretion, waive such limitation in respect of all LP Units tendered for redemption in any calendar quarter;
- (b) in the General Partner's opinion (in its sole discretion), the Partnership is or, after the redemption, would be unable to pay its liabilities as they become due; or
- (c) in the General Partner's opinion (in its sole discretion), the General Partner has insufficient liquid assets to fund such redemptions or that the liquidation of assets at such time would be to the detriment of the remaining Limited Partners or the Partnership, generally.

LP Units tendered for redemption in any calendar quarter in which the total amount payable by the Partnership exceeds the \$50,000 are to be redeemed for a combination of cash and a distribution of Redemption Notes as specified in the Partnership Agreement on a *pro rata* basis, subject to any applicable regulatory approvals.

If, as a result of any such limitations in paragraph (c), a Limited Partner is not entitled to receive cash upon the redemption of some or all of the Limited Partner's LP Units approved for redemption, then the redemption price per LP Unit to which the Limited Partner would otherwise be entitled will be paid and satisfied by the delivery to the Limited Partner of unsecured debt securities of the Partnership.

Fair Market Value

In the Partnership Agreement, the "fair market value" of any asset will be (a) determined by the General Partner on the basis of reasonable valuation methods in accordance with IFRS, and (b) be unanimously approved by the Independent Review Committee.

Required Withdrawals

The General Partner may require the complete or partial withdrawal of a Limited Partner as if all LP Units held by such Limited Partner were tendered for redemption in accordance with the Partnership Agreement if the General Partner determines in its reasonable discretion that continued undiminished membership of the Limited Partner in the Partnership would (a) constitute or give rise to a violation of applicable law, or (b) otherwise subject the Partnership or the General Partner to material onerous legal, tax or other regulatory requirements that cannot reasonably be avoided.

Limitations on Ownership of LP Units

Each Limited Partner must, upon request, provide evidence to the General Partner that it is not a Non-Resident or a "financial institution" (as defined in the Tax Act) and that an interest in such Limited Partner is not a "tax shelter investment" for the purposes of the Tax Act. Where a Limited Partner fails to provide such evidence, or a Limited Partner is a Non-Resident or "financial institution", or an interest in a Limited Partner is a "tax shelter investment", the General Partner may require such Limited Partner to sell its LP Units. If such Limited Partner does not sell its LP Units as required, the Partnership Agreement allows the General Partner to sell the Limited Partner's LP Units on behalf of the Limited Partner in such manner as the General Partner may determine, including by purchasing the LP Units from the Limited Partner at their redemption price. The General Partner may also elect to redeem such Limited Partner's LP Units as if such LP Units were tendered by the applicable Limited Partner for redemption.

Pursuant to the Partnership Agreement, all determinations with respect to the foregoing limitations on ownership of LP Units are to be made by the General Partner in its sole discretion and shall be conclusive, final and binding except to the extent modified by a subsequent determination by the General Partner.

Distributions of the Partnership

The distribution entitlements of the LP Units to be purchased by the Fund with the proceeds of the Offered Units are set forth in **Item 5.1.1 - Distributions - Partnership Distributions**.

Authority and Liability of the General Partner

Subject to the terms of the Partnership Agreement and the provisions of the Partnership Act, the General Partner has full unrestricted power and exclusive authority to (a) carry on the activities of the Partnership and to do and to perform any and all things necessary for, incidental to or connected with carrying on the activities of the Partnership; and (b) represent and bind the Partnership.

The Partnership Agreement requires the General Partner to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Partnership and to exercise the same degree of care, diligence and skill that a reasonably prudent person would exercise in similar circumstances.

The General Partner may delegate to any person all those aspects of its powers and authority as it deems appropriate in the circumstances and may assign any of its rights and obligations under the Partnership Agreement to the Manager, provided that the General Partner retains the right to supervise and oversee the activities of the Manager. The relationship between the General Partner and the Manager is governed by the Management Agreement. Pursuant to the Partnership Agreement, the General Partner may enter into a property management agreement with an affiliate of the Manager with respect to property management services.

The General Partner shall be subject to all of the liabilities applicable under the Partnership Act; provided, however, that to the fullest extent permitted by law, none of the General Partner nor any of its affiliates and their respective partners, officers, directors, trustees, shareholders, agents and employees, nor the Independent Review Committee (and its members), nor any person who serves at the request of the General Partner on behalf of the Partnership as an officer, director, partner, employee or agent of any other entity (each, an "**Indemnified Party**"), shall be liable to the Partnership or to any Partner for: (a) any mistake in judgment made in good faith, unless such mistake in judgment resulted from fraud, wilful misconduct or gross negligence by such Indemnified Party, (b) any act or omission taken or suffered by such Indemnified Party in good faith in connection with the conduct of the affairs of the Partnership or otherwise in connection with the Partnership Agreement or the matters contemplated therein, unless such act or omission resulted from fraud, wilful misconduct or gross negligence by such Indemnified Party, or (c) any mistake, negligence, dishonesty or bad faith of any broker or other agent of the Partnership unless such Indemnified Party was responsible for the selection or monitoring of such broker or agent and such Indemnified Party acted in such selection without due care or acted in such monitoring capacity in a manner which constituted fraud, wilful misconduct or gross negligence.

To the fullest extent permitted by law, the Partnership shall indemnify and hold harmless each of the Indemnified Parties from and against any and all claims, liabilities, damages, losses, costs and expenses (including amounts paid by satisfaction of judgments, in compromises and settlements, as fines and penalties and legal or other costs and reasonable expenses of investigating or defending against any claim or alleged claim) of any nature whatsoever, known or unknown, liquidated or unliquidated, that are incurred by any Indemnified Party and arise out of or in connection with the affairs of the Partnership, the performance by such Indemnified Party of any of the General Partner's responsibilities in the Partnership Agreement or otherwise in connection with the matters contemplated therein; provided that an Indemnified Party shall be entitled to indemnification thereunder only to the extent that such Indemnified Party acted in good faith and such Indemnified Party's conduct did not constitute fraud, wilful misconduct or gross negligence.

Reimbursement of Costs and Expenses

The General Partner may pay out of the assets and property of the Partnership all expenses relating to the administration, management and operation of the Partnership and the carrying on of its activities. The expenses payable by the Partnership shall be reduced to the extent that such expenses are appropriately borne or reimbursed by a Property. Where any disbursements on account of the expenses which are to be paid by the Partnership are made by the General Partner or the Manager on behalf of the Partnership, the General Partner or the Manager shall be entitled to obtain prompt reimbursement therefor from the Partnership upon providing the Partnership with a proper account.

Authority and Liability of Limited Partners

No Limited Partner, in its capacity as a Limited Partner, shall: (a) take part in the control of the business of the Partnership; (b) execute any document that binds, or purports to bind, the Partnership or another Partner; (c) hold itself out as having the power or authority to bind the Partnership or another Partner; (d) undertake any obligation or responsibility on behalf of the Partnership; or (e) bring an action for partition or sale in respect of any or all of the assets or property of the Partnership or record or permit any encumbrance in respect of such property.

Subject to the provisions of the Partnership Act or other applicable law, the liability of each Limited Partner for the debts, commitments and obligations of the Partnership is limited to the amount of the Limited Partner's Capital Contribution.

Outside Activities

The General Partner shall, for so long as it is the general partner of the Partnership, maintain as its sole activity the activity of acting as the general partner of the Partnership and undertaking activities that are ancillary or related thereto. The General Partner is not permitted to engage in any business or activity or incur or guarantee any debts or liabilities except in connection with or incidental to its performance as general partner.

The Limited Partners acknowledged in the Partnership Agreement that there are and will continue to be potential or actual conflicts of interest of the Indemnified Parties (other than the General Partner) with respect to business or other interests held by, and/or contractual arrangements or transactions involving, one or more Indemnified Parties. Pursuant to the Partnership Agreement, the Limited Partners agreed that such conflicts of interest of the Indemnified Parties will not form the basis for any claim against any Indemnified Party, or for any attempt to challenge or attack the validity of any contract, transaction or arrangement.

Each Indemnified Party (other than the General Partner) shall have the right to engage in businesses of every type and description and other activities for profit, and to engage in and possess interests in business ventures of any and every type or description irrespective of whether (a) such activities are similar to those activities of the General Partner, the Fund, the Manager or the Partnership or (b) such businesses and activities directly compete with, or disfavor or exclude, the Fund, the Partnership, the Manager or the General Partner. Such business interests, activities and engagements shall be deemed not to constitute a breach of the Partnership Agreement or any duties stated or implied by law or equity, including fiduciary duties, owed to any of the General Partner or the Partnership (or any of their respective investors) and shall be deemed not to be a breach of the General Partner's fiduciary duties or any other obligation of any type whatsoever of the General Partner. None of the General Partner, the Fund, the Partnership or any other person shall have any rights by virtue of the Partnership Agreement or the partnership relationship established thereby or otherwise in any business ventures of an Indemnified Party.

The General Partner and the Indemnified Parties (including Messrs. Nick Westeringh, Dick Westeringh) shall have no obligation under the Partnership Agreement or as a result of any duties stated or implied by law or equity, including fiduciary duties, to present business or investment opportunities to the Fund, the Partnership or the Limited Partners.

Independent Review Committee

The General Partner will appoint the Independent Review Committee. See **Item 2.1.8 - Independent Review Committee**.

Manager

Pursuant to the Partnership Agreement, the Manager is granted certain powers and duties, including providing advice and certain management and administrative services to the Partnership. In consideration for the services provided by the Manager, the Partnership will pay to the Manager a fee or fees as provided for in the Management Agreement. The initial Manager of the Partnership shall be Westbow Asset Management Inc.

Withdrawal or Removal of the General Partner

The General Partner may not be removed until such time as the Partnership has been dissolved. Notwithstanding the foregoing, the General Partner may be removed at any time by: (i) a resolution proposed to be passed as a special resolution at a meeting of Limited Partners (including an adjourned meeting), voting as a single series, duly convened for that purpose and held in accordance with the provisions of the Partnership Agreement and passed by more than 75% of the votes cast on such resolution by Limited Partners present or represented by proxy at the meeting; or (ii) a resolution in writing executed by Limited Partners holding more than 75% of the votes attached to outstanding LP Units of all Series at any time. Notwithstanding the foregoing, the resolution to remove the General Partner shall only be effective if it includes provision for the appointment of a substitute general partner of the Partnership to be appointed concurrent with the removal of the General Partner. The Limited Partners must provide the General

Partner with written notice stating the effective date of the removal, provided that the removal of the General Partner shall only take effect, notwithstanding the resolution, once the following has occurred:

- (a) the full and unconditional release of the General Partner and its affiliates or associates (as the case may be) is obtained in respect of any mortgage or other indebtedness, liability or obligation of the Partnership to which they are subject, whether as a guarantor, co-covenantor or otherwise;
- (b) the payment of all money owing to the General Partner as of the effective date of the removal; and
- (c) the payment of an amount equal to the carried interest that would be payable to the General Partner if the property of the Partnership were on the effective date of the removal sold for their fair market value determined in accordance with the Partnership Agreement and the proceeds therefrom were on the date of determination distributed to the Partners in accordance therewith, after credit or debit, as the case may be, for the amount of the Partnership's assets and liabilities determined in accordance with IFRS;

Assignment of Interest

The General Partner may not sell, assign, transfer or otherwise dispose of its interest, and the General Partner shall not have the right to resign or withdraw from the Partnership, except upon written notice from the General Partner to the Partnership and with the prior approval of the Limited Partners given by Special Resolution unless such assignment, transfer or disposition is to an affiliate of the General Partner.

Determination and Allocation of Net Income or Net Loss

Except as may be otherwise required for purposes of the Partnership Agreement, the net income or net loss of the Partnership for any fiscal year will be calculated in accordance with the Tax Act, consistently applied. Net income or net loss of the Partnership will be calculated annually as at the end of the fiscal year of the Partnership. Subject to the terms of the Partnership Agreement, the net income or net loss of the Partnership for each fiscal year shall be allocated among the Partners by the General Partner in a manner consistent with the distribution provisions set out in the Partnership Agreement, provided, however, where a Limited Partner redeems LP Units during a fiscal year but is not redeeming all LP Units held by it during a fiscal year, the net income or net loss of the Partnership allocable to the LP Units of the Limited Partner so redeemed shall be determined by the General Partner in its sole discretion, reasonably exercised. In so allocating the net income or net loss, the General Partner shall act reasonably and fairly, taking into account the amount and timing of actual and anticipated distributions to each of the Partners (including the General Partner) with a view to ensuring that, over the term of the Partnership, each Partner is allocated a portion of the Partnership's net income that substantially corresponds to the distributions received by such Partner.

Tax Reporting

The General Partner shall send, in a timely manner, to each Person who was a Limited Partner at any time during a fiscal year, such information and documents as are reasonably necessary for such person to make appropriate tax filings with respect to that fiscal year (provided however that the Partnership shall not be required to re-compute its Canadian tax results (as defined in the Tax Act) in the functional currency of any particular Limited Partner that has made a functional currency election under the Tax Act.) The General Partner shall file, on behalf of itself and the Limited Partners, annual Partnership information returns and declarations and any other information required to be filed under the Tax Act and any other applicable tax legislation in respect of Partnership matters.

Capital Account

There shall be established for each Partner on the books of account of the Partnership a capital account which shall be credited with each Partner's Capital Contributions. The General Partner shall also credit to the capital account of each Partner the amount of all income of the Partnership allocated to such Partner and shall debit the capital account of such Partner the amount of all losses of the Partnership allocated to such Partner and the amount of any funds or the fair market value of any property (determined on the date of distribution, net of liabilities assumed by such Partner) distributed from time to time by the Partnership to the Partner. The interest of a Partner shall not terminate by reason of there being a negative or nil balance in the Partner's account.

Dissolution

The Partnership shall dissolve and its affairs shall be wound up upon the earliest of:

- (a) the fifth anniversary of the Final Closing Date, which date may be extended, in the sole discretion of the General Partner, for up to two additional 18-month periods;

- (b) the date of the occurrence of any event that makes it unlawful for the activities of the Partnership to continue to be carried on;
- (c) the date that the General Partner resigns or is removed in accordance with the Partnership Agreement, unless a successor general partner has been appointed by Special Resolution of the Limited Partners within 30 days of the resignation or removal of the General Partner, with any such appointment being deemed to have occurred on the date of resignation or removal, as the case may be, of the General Partner; or
- (d) the date of completion of the disposition of all investments of the Partnership and distribution to the Limited Partners of all net sale proceeds therefrom.

Immediately following dissolution of the Partnership, the General Partner or an appointee of the General Partner will wind up the affairs of the Partnership and, in doing so, shall dispose of the property of the Partnership and distribute the proceeds to the Partners in accordance with the Partnership Agreement.

Meetings

The General Partner may at any time and from time to time call a meeting of the Partners for the purpose of considering any business set out in a meeting notice. Provided that at least five years have elapsed since the initial Closing Date, upon receipt of a request for a meeting: (a) issued by Partners holding in aggregate not less than 20% of the issued and outstanding LP Units; and (b) contains sufficient detail; the General Partner shall call such a meeting.

Accounting and Reporting

The General Partner shall keep and maintain full, complete and accurate books of account and records of the Partnership with respect to the Partnership's activities and financial affairs at the principal address of the Partnership. Such books of account and records shall be retained by the General Partner for a minimum period of seven years or longer if required by applicable law and shall be made available for review by Limited Partners upon request.

A Limited Partner will not have access to any information of the Partnership contained in its books of account and records (other than the record) which, in the opinion of the General Partner, should be kept confidential in the interests of the Partnership, and each Limited Partner waives any right, statutory or otherwise, to greater access to the books of account and records of the Partnership than is permitted in the Partnership Agreement, to the greatest extent permitted by law.

Within 120 days after the end of each fiscal year, the General Partner shall make available to each person who is a Limited Partner consolidated financial statements of the Partnership, prepared in accordance with IFRS and accompanied by an audit engagement report.

Power of Attorney

Pursuant to the Partnership Agreement, each Limited Partner irrevocably nominates and appoints the General Partner and any person appointed to replace the General Partner, in accordance with the Partnership Agreement, as its true and lawful attorney on its behalf with full power and authority in such Limited Partner's name to execute, acknowledge, deliver, record and file, as and where required or appropriate, certain necessary instruments or documents.

The foregoing power of attorney is a power coupled with an interest and will survive the death or disability of a Limited Partner and extend to the heirs, executors, administrators, successors and assigns of the Limited Partner. The power of attorney granted by each Limited Partner is irrevocable.

Amendments to the Partnership Agreement

The Partnership Agreement may be amended in writing by the General Partner with the consent of the Limited Partners given by Special Resolution, provided that any amendment which materially and adversely affects the rights, liabilities or obligations of any Limited Partner in a manner that is different from that of all other Limited Partners shall have been approved by such Limited Partner.

The General Partner may also amend the Partnership Agreement without prior notice to or consent from any Limited Partner:

- (a) for the purpose of adding to the Partnership Agreement (or amending existing provisions) any provisions which, in the reasonable opinion of the General Partner, are for the protection of the Limited Partners or to mitigate potential adverse commercial or tax consequences;
- (b) making amendments which, in the opinion of the General Partner, provide additional protection or added benefits for the holders of LP Units;
- (c) to cure any ambiguity or to correct or supplement any provisions which, in the reasonable opinion of the General Partner, are defective or inconsistent with any other provision of the Partnership Agreement, provided that, in the reasonable opinion of the General Partner, the cure, correction or supplemental provision does not and will not adversely affect the interests of any Limited Partner,
- (d) in response to changes to accounting standards from time to time provided that the General Partner has reasonably determined that such changes will not adversely affect the interests of any Limited Partner, and
- (e) in any other manner provided the amendment does not materially adversely affect (and is not likely to materially adversely affect in the future) the pecuniary interests of any Limited Partner.

For greater certainty, each amendment requires the written approval of the General Partner.

Fiscal Year-End

The fiscal year of the Partnership shall end on the 31st day of December of each calendar year or such other date as the General Partner may determine from time to time, provided that the General Partner has obtained any necessary consents from applicable taxation authorities.

2.7.3 Management Agreement

The Manager, the Fund and the Partnership have entered into the Management Agreement, pursuant to which the Partnership and the Fund have engaged the Manager to provide or arrange for the provision of certain management and administration services to the Fund and the Partnership.

The following is a summary only of certain terms in the Management Agreement which, together with other summaries of additional terms of the Management Agreement appearing elsewhere in this Offering Memorandum, are qualified in their entirety by reference to the actual text of the Management Agreement, a review of which is recommended to purchasers.

Services Rendered

Under the Management Agreement, the Manager has been appointed as manager, to have overall responsibility for the prudent management, administration and operation of the investments made the Fund and the Partnership. The Management Agreement stipulates that the Manager will provide the following services to the Fund the and Partnership:

- (a) identifying potential Properties for acquisition by the Partnership;
- (b) determine whether prospective investments by the Partnership meet the investment criteria and restrictions set out in this Offering Memorandum;
- (c) evaluate prospective investments, including conducting any due diligence required;
- (d) undertake and perform all acts, duties and responsibilities with respect to the acquisition and disposition of Properties, and negotiating and carrying out the acquisition and disposition of the Properties;
- (e) establishing appropriate legal and accounting systems for the proper control of the Properties owned by the Partnership;
- (f) providing supervision of property management, financial and business planning services for the Partnership, including overseeing the operations of the Properties;
- (g) overseeing the execution of any business plans established for an investment and ensuring that such plans remain appropriate for the assets from time to time;

- (h) maintaining ongoing liaison with lenders and using best efforts to arrange financing of any mortgage loans or a refinancing of any mortgage loans and any subsequent refinancing;
- (i) conducting ongoing analysis of market conditions to monitor the Partnership's investment in its Properties;
- (j) prepare and cause to be provided to unitholders on a timely basis all information to which unitholders are entitled under the Declaration of Trust, the Partnership Agreement and under applicable laws, including notices, financial statements and tax information relating to the Fund and the Partnership and, if applicable, file such information with the applicable governing authorities;
- (k) prepare, or cause to be prepared, the financial statements of the Fund and the Partnership, as well as relevant tax information, which are to be provided to unitholders or to be included in any offering document;
- (l) compute, determine, declare and direct distributions (if any) to unitholders and, in connection therewith, withhold (or advise the Trustees and the General Partner to withhold) all amounts required by applicable tax law, and make all such remittances and filings (or advise the Trustees and the General Partner to make all such remittances and filings) in connection with such withholdings;
- (m) determine any amounts requiring determination pursuant to the terms of the Declaration of Trust and the Partnership Agreement;
- (n) ensure compliance by the Fund and the Partnership with all applicable laws, including without limitation, securities legislation and related regulation (which includes all of the Fund's and the Partnership's continuous disclosure obligations);
- (o) provide investor relations services to the Fund and the Partnership;
- (p) arrange for and hold any meetings of unitholders as may be called pursuant to the Declaration of Trust and the Partnership Agreement and prepare, approve and arrange for the distribution of all such materials (including notices of meetings, instruments of proxy and information circulars) in respect thereof;
- (q) attend to all administrative and other matters arising in connection with any redemptions of units of the Fund and the Partnership;
- (r) monitor the Fund's status as such a "mutual fund trust" and a "unit trust", within the meaning of the Tax Act, and provide the Trustees with written notice when the Fund ceases or is at risk of ceasing to be a mutual fund trust or a "unit trust";
- (s) monitor the Fund's and the Partnership's investment and holding in or of property to ensure that the Fund is not at any time a "SIFT trust" and the Partnership is not at any time a "SIFT partnership" as defined the Tax Act;
- (t) monitor the Fund's compliance with subsection 132(7) of the Tax Act and monitor and enforce the non-resident restrictions contained in the Declaration of Trust and the Partnership Agreement;
- (u) undertake, perform and provide, for and on behalf of the Fund and the Partnership, all acts, duties and responsibilities as the Manager considers, in its discretion, necessary or desirable in connection with, or for completion of, any offering of securities of the Fund or the Partnership;
- (v) establish, implement and amend (when and as required, once established) any distribution reinvestment plans, unit purchase plans, and incentive option and other compensation plans as may be determined to be desirable for the Fund or the Partnership to establish, and attend to all matters in connection with the operation of such plans;
- (w) attend to all matters in connection with the administration or operation of any unitholder rights plan, distribution reinvestment plans, unit purchase plans, incentive option and other compensation plans as may be established by the Fund or the Partnership from time to time;
- (x) exercise, in respect of all matters properly construed as having been delegated to the Manager, the discretion which the Trustees and the General Partner are otherwise permitted to exercise under the Declaration of Trust and the Partnership Agreement, respectively, in respect to such matters;

- (y) engage (including negotiate contracts with) and oversee third party providers of services to the Fund or the Partnership (including investment advisors, registrars, underwriters, accountants, lawyers, appraisers, brokers, consultants, technical advisors, depositories, custodians, transfer agents or otherwise) in connection with provision of the services pursuant to the Management Agreement; and
- (z) provide such other services to the Fund and the Partnership as may be agreed from time to time by the Manager, the Fund and the Partnership from time to time.

Supervision of Property Management

In addition to the foregoing services, the Manager will, during the term of the Management Agreement, take all steps necessary to supervise and monitor the management of the Properties by a property manager or managers appointed by the Manager for such purpose, including:

- (a) conducting regular visits to such Properties;
- (b) verifying proper maintenance of such Properties through ongoing site inspections and meetings with the property managers;
- (c) assessing the local rental market on a periodic basis to ensure that rents are maintained at optimal levels;
- (d) using reasonable commercial efforts to ensure that vacancies are minimized;
- (e) establishing procedures with respect to internal financial controls;
- (f) reviewing the annual budget and monthly financial performance with respect to that budget; and
- (g) reviewing the need for any capital repairs on an ongoing basis.

Fees and Expenses

In consideration for providing the services pursuant to the Management Agreement, the Partnership will pay the Manager the Management Fee and the Acquisition Fee. The Manager may share some or all of the fees it receives pursuant to the Management Agreement with any other person in its sole discretion.

The Fund or the Partnership, as applicable, will reimburse the Manager immediately upon the request of the Manager for all costs and expenses incurred by the Manager in the performance of its duties under the Management Agreement. The parties acknowledge and agree that all or a portion of the compensation paid or payable to employees or other personnel of the Manager, as well as overhead costs (e.g. the cost of office space, furniture and day-to-day office supplies and services) associated with such employees who devote a portion of their time to the provision of services to the Fund and the Partnership may be allocated to the Fund and the Partnership (or any of them) as expenses of the Fund and the Partnership.

Without limiting the foregoing, the Partnership shall, in addition to the Management Fee and the Acquisition Fee, pay or reimburse the Manager for all sales, use, value added, withholding or other taxes, customs duties or other governmental charges, which are levied or imposed by any governing authority by reason of the Management Agreement or any agreement contemplated by the Management Agreement, except for any income taxes, corporation taxes, capital taxes or other similar taxes payable by the Manager which are personal to the Manager.

Delegation

Pursuant to the Management Agreement, the Manager may delegate specific aspects of its obligations under the Management Agreement to any other person. The Manager shall not, in any manner, be liable or held to account for the activity or inactivity of any person, other than an affiliate of the Manager, to whom any such obligations may be delegated. Any such delegation shall not impact the Management fee or Acquisition Fee to which the Manager is entitled.

Indemnification and Liability of the Manager

Pursuant to the Management Agreement, each of the Fund and the Partnership agrees to indemnify and save harmless the Manager and its affiliates and associates, and their respective partners, officers, directors, trustees, securityholders, agents and employees (each, a "**Manager Indemnified Party**" and for whom the Manager holds such rights in trust), as applicable, from and against all debts, obligations, duties, agreements, claims, losses (other than loss of profit), actions, proceedings, costs, expenses and damages which may be brought, incurred or suffered by the Manager's Indemnified Parties in connection with, or arising out of the performance of the Manager's obligations under this Agreement, save and except where such debts, obligations, duties, agreements, claims, losses (other than loss of profit), actions, proceedings, costs, expenses and damages result from the gross negligence or willful misconduct of any Manager Indemnified Party.

No Manager Indemnified Party shall be liable to the Fund or the Partnership for any loss, expense, injury, death or damage (including indirect, incidental, consequential, special or punitive), whether contractual or tortious, suffered or incurred by the Fund or the Partnership resulting from or in any way attributable to or arising out of any act or omission, whether negligent or otherwise, of any Manager Indemnified Party in conducting or carrying out the services under the Management Agreement, except when and to the extent that such loss, expense, injury, death or damage is a direct result of, or is directly attributable to, the gross negligence or willful misconduct of such Manager Indemnified Party, provided that an act or omission of any Manager Indemnified Party shall not be deemed to be gross negligence or willful misconduct, insofar as such act or omission was done or was omitted to be done in accordance with the instructions of or with the concurrence of the Trustees, the General Partner, the Fund or the Partnership.

The total aggregate liability of a Manager Indemnified Party to the Fund, the Partnership or any of their respective partners, officers, directors, trustees, securityholders, agents and employees pursuant to the Management Agreement shall not exceed the fees paid to the Manager under the Management Agreement.

Other Activities of Manager

Neither the Manager nor any affiliate nor any director, officer, member, partner, shareholder or employee of either will be prohibited from engaging in other business activities, or providing services to, any third parties, including third parties that compete directly or indirectly with the Fund or the Partnership.

Term and Termination

The Management Agreement shall be terminable:

- (a) automatically, upon the winding-up and dissolution of the Fund and the Partnership; and
- (b) by the Fund or the Partnership (but only with respect to itself) at any time upon the occurrence and during the continuation of any of the following events:
 - (i) effective upon 30 days' prior written notice to the Manager;
 - (ii) the commission by the Manager of any act constituting fraud, willful misconduct, negligence or a willful and material violation of applicable laws;
 - (iii) a material breach by the Manager of its duties and responsibilities under the Management Agreement, which breach is not cured within 60 days of the receipt from the Fund or the Partnership of written notice of such breach by the Manager; or
 - (iv) the dissolution, liquidation, bankruptcy, insolvency or winding-up of the Manager.
- (c) by the Manager at any time upon the occurrence and during the continuation of any of the following events:
 - (i) effective upon 30 days' prior written notice to the Fund or the Partnership;
 - (ii) the commission by the Fund or the Partnership of any act constituting fraud, willful misconduct, negligence or a willful and material violation of applicable laws;
 - (iii) upon a material breach by the Fund or the Partnership of its duties and responsibilities under the Management Agreement, which breach is not cured within 60 days of the receipt from the Manager of written notice of such breach by the Fund or the Partnership, as applicable; or

- (iv) the dissolution, liquidation, bankruptcy, insolvency or winding-up of the Fund or the Partnership.

Effective upon termination of the Management Agreement, the Fund and the Partnership will immediately cease, and will cause each of their respective affiliates, subsidiaries and associates to cease: (i) using "Westbow", "WB" and all related names which, in the opinion of the Manager is substantially or confusingly similar to such names or logos, and (ii) using or displaying any trademarks and service marks or other indicia or origin used or held by Westbow Construction.

Upon termination, the Fund and the Partnership, as applicable, will continue to be responsible for the payment to the Manager of, and upon the Manager's demand therefor will pay to the Manager, any and all fees payable under the Management Agreement and all expenses eligible for reimbursement that are incurred and paid by the Manager during the term of, and in accordance with the provisions of, the Management Agreement.

2.7.4 Reimbursement Agreement

As the Fund is intended to be a vehicle to obtain financing for the Partnership from time to time as may be required by the Partnership to enable it to invest in its business, the Partnership has entered into the Reimbursement Agreement with the Fund and the Manager dated January 3, 2019.

Under the terms of the Reimbursement Agreement, the Partnership has agreed to reimburse the Fund and the Manager for, or pay directly, all costs and expenses to be incurred by them, for and on behalf of the Partnership, in connection with the Fund and the Manager obtaining financing for the Partnership, including: (a) maintaining the Fund's and the Manager's existence which includes, but is not limited to, the Fund's obligations to unitholders under the Declaration of Trust, all accounting and legal costs and all costs of compliance with applicable laws (including the Tax Act); and (b) administration of any unitholder rights plans, distribution reinvestment plans and unit purchase plans.

2.7.5 Distribution Reinvestment Plan

The Fund has adopted the DRIP, which will allow eligible holders of Trust Units to elect to have their quarterly cash distributions (if any) reinvested entirely or partially in additional Trust Units of the same series, as outlined in the table below:

- All DRIP Option: Trust Unitholder will receive 100% of their quarterly distribution amount in additional Trust Units through the DRIP.
- 50/50 Cash/DRIP Option: Trust Unitholder will receive 50% of their quarterly distribution in cash and the other 50% in additional Trust Units through the DRIP.
- All Cash Option: Trust Unitholder will receive 100% of their quarterly distribution amount in cash.

Upon making an initial selection, Trust Unitholders who select the "All DRIP Option" or the "50/50 Cash/DRIP Option" will be locked-in for the first three years of their investment term. After the three-year lock-in period, such Trust Unitholders may freely move into and out of the "All DRIP Option", "50/50 Cash/DRIP Option" and "All Cash Option" on a quarterly basis by notifying the Manager at least ten (10) Business Days prior to the end of each quarter. Trust Unitholders who select the "All Cash Option" will not be locked-in for any period.

The issuance price for Trust Units issued pursuant to the DRIP will be \$9.75 per Trust Unit during the lock-in period of three years. Subsequent to such locked-in period, the issuance price for Trust Units issued pursuant to the DRIP will be determined by the Manager in its sole discretion.

All holders of Series A Units, Series B Units, Series E Units and Series F Units resident in Canada are eligible to participate in the DRIP. Trust Unitholders who do not enroll in the DRIP will receive their regular cash distributions. The Manager reserves the right to limit the amount of new Trust Units of any series available under the DRIP on any particular distribution payment date. Accordingly, participation may be prorated in certain circumstances. In the event of proration, or if for any other reason all or a portion of the distributions cannot be reinvested under the DRIP, holders of Trust Units enrolled in the DRIP will receive the portion of their distribution that cannot be reinvested as regular cash distributions.

All Trust Units acquired under the DRIP on the reinvestment of cash distributions will be issued from treasury of the Fund on the applicable distribution payment date. Participation in the DRIP does not relieve Trust Unitholders of any liability for any income or other taxes that may be payable on or in respect of the distributions that are reinvested for their account under the DRIP. An account will be maintained by the Manager, or such other party as may be

appointed by the Fund as plan agent, on behalf of the Fund, for each participant with respect to purchases of Series A Units, Series B Units, Series E Units and Series F Units made under the DRIP for the participant's account.

The Manager, or such other party as may be appointed by the Fund as plan agent, will send or otherwise make available to each participant (other than CDS Clearing and Depository Services Inc.) an annual unaudited statement regarding cash distributions credited and reinvested for the participant's account under the DRIP during the period. These statements are a participant's continuing record of purchases of Trust Units made for their account and should be retained for income tax purposes. Beneficial owners who participate in the DRIP indirectly through a broker, investment dealer, financial institution or other nominee will not receive such statements and should consult such nominee to confirm what statements or reports (if any) will be provided by the nominee, whether for tax reporting or otherwise.

ITEM 3 - DIRECTORS, TRUSTEES, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

3.1 Compensation and Securities Held

The following table sets out information regarding each Trustee, each director and officer of the Manager and the General Partner, and the promoter of the Fund.

Name and Municipality of Principal Residence	Positions Held and the Date of Obtaining that Position	Compensation Paid by the Fund or Related Party Since Inception and the Compensation Anticipated to be Paid in the Current Financial Year	Number, Type and Percentage of Securities Held After Completion of the Maximum Offering
Nick Westeringh Chilliwack, British Columbia	Trustee of the Fund since January 2, 2019 Chief Executive Officer and director of the Manager and General Partner since January 2, 2019	See Note 1	105,264 Series M LP Units See Note 2
Dick Westeringh Chilliwack, British Columbia	Trustee of the Fund since January 2, 2019 Managing Director and director of the Manager and the General Partner since January 2, 2019	See Note 1	105,264 Series M LP Units See Note 2
Jason Tiessen Chilliwack, British Columbia	Chief Financial Officer of the Manager and the General Partner since January 2, 2019	See Note 1	N/A

Notes:

- (1) Nick Westeringh, Dick Westeringh and Jason Tiessen are not compensated directly by the Fund, the General Partner or the Partnership. They are compensated by the Manager, which receives compensation from the Partnership. See **Item 3.2 - Fees and Expenses**. Neither the Manager, nor Messrs. Westeringh, Westeringh or Tiessen receive any additional compensation from any Property for services provided by them other than as disclosed herein.
- (2) Nick Westeringh and Dick Westeringh indirectly hold shares of the General Partner. Consequently, Messrs. Westeringh and Westeringh will receive income (indirectly) from their beneficial ownership of the General Partner, which receives distributions from the Partnership in its capacity as general partner of the Partnership. See **Item 3.2 - Fees and Expenses** and **Item 5.1.1 - Distributions**.

3.2 Fees and Expenses

3.2.1 Fees

Management Fee

For investment management services related to the Fund and the Partnership, the Manager will receive a monthly fee payable by the Partnership to the Manager equal to 1/12th of 1.9% of the gross purchase price paid by investors to the Fund and the Partnership for each of the Series A, Series B, Series E, Series F and Series P units of each of the

Fund and the Partnership (excluding for greater certainty, the purchase price of LP Units purchased by the Fund), as at the last date of the preceding month, calculated and payable, in advance, at the beginning of each month.

The Management Fee may vary for other series of Trust Units and LP Units and is treated as a Series Expense attributed to a particular series of LP Units.

Acquisition Fee

For services related to the research, identification, due diligence, financing and acquisition of a Property, the Manager will receive a fee upon the acquisition of a Property equal to 1% of the total purchase price of such Property plus additional capital committed to such Property.

For greater certainty, the Acquisition Fee is treated as a Common Expense of the Partnership.

Fees in respect of any additional series of units of the Fund and the Partnership created from time to time shall be agreed to by the Fund, the Partnership, the Manager and the General Partner, as applicable, at such time.

Partnership Distributions

Pursuant to the Partnership Agreement, the General Partner will be entitled to receive distributions. **Item 2.7.2 - Partnership Agreement - Distributions of the Partnership.**

3.2.2 Expenses

The Fund and the Partnership will pay for all ongoing expenses associated with the operation of the Fund and the Partnership, including all general and administrative expenses, marketing and operating expenses, insurance costs, office space and staffing costs, expenses related to the acquisition and disposition of Properties, legal, banking, audit and accounting fees, investor reporting costs, printing and mailing costs and costs incurred in connection with any governmental or regulatory filing requirements.

The Manager provides to the Partnership and the Fund office space, furniture, day-to-day office supplies and services, internal accounting staff, payroll, information technology, the maintenance of books and records and assistance with all continuous disclosure obligations imposed on the Fund and the Partnership by applicable laws (which for greater certainty excludes external legal, accounting and other advisors), the costs of providing such services are reimbursed by the Partnership to the Manager on a cost basis, such reimbursement to be unanimously approved by the Independent Review Committee (in addition to the requisite majority of directors of the General Partner or the Manager, or the Trustees, as applicable). See **Item 2.7.3 - Management Agreement - Fees and Expenses.**

As the Fund is intended to be a vehicle to obtain financing for the Partnership from time to time, as may be required by the Partnership to enable it to invest in its business, the Partnership has entered into the Reimbursement Agreement with the Fund and the Manager whereby the Partnership will pay for all ongoing expenses associated with the operation of the Fund, other than Selling Commissions and offering costs. See **Item 1.1 - Available Funds** for estimated offering costs.

3.3 Management Experience

The principal occupation and business background of each Trustee and each director and officer of the Manager and the General Partner is as follows:

<u>Name</u>	<u>Principal Occupations and Related Experience</u>
NICK WESTERINGH Trustee of the Fund Chief Executive Officer and director of the General Partner and the Manager	<p>Nick is a trustee of the Fund and a Chief Executive Officer and director of the Manager and the General Partner. Nick started investing in real estate when he was 16 years old through a 50/50 partnership in a property. This provided Nick with the opportunity to gain valuable experience in real estate investing at an early age.</p> <p>Nick's skill and passion for real estate continued to grow along with the success of Westbow Construction. Nick now has 13 years of experience the real estate investment business. He has progressed from site laborer to CEO of the Westbow Group of Companies, employing and overseeing dozens of staff. Nick currently owns and manages (in his personal capacity) 6 rental property units with 10 tenants.</p>

Name**Principal Occupations and Related Experience****DICK WESTERINCH**

Trustee of the Fund

Managing Director and director of the General Partner and the Manager

Dick is a trustee of the Fund and a Managing Director and director of the Manager and the General Partner. Dick founded Westbow Construction in 1977. Dick began his business as a framing contractor, growing it to become a large builder-developer. Westbow Construction is now considered a foremost builder developer in the Fraser Valley and Saskatchewan; supplying homes for hundreds of families.

Dick has been involved in the real estate investment industry for over 40 years. Through his experience he has learned how to achieve success through several market cycles. He is excited to help others attain similar success and will use his many years of experience to maximize Investor value.

Dick has been managing rental properties for as long as he has been in the development business. He currently owns and manages (in his personal capacity) approximately 80 rental property units and recently sold a 41 unit rental property complex which he had owned and managed for several years.

JASON TIESSEN

Chief Financial Officer of the Manager and the General Partner

Jason started his accounting career with KPMG and joined the Westbow team in 2013. Throughout his 11-year accounting career, Jason has applied his knowledge and skill in a broad range of fields. He also brings strong management and leadership expertise to Westbow from his many years of experience as the Director of Academics at one of the largest ESL schools in Vancouver.

Jason oversees the financial reporting and accounting for the entire Westbow group of companies, while working closely with Nick Westeringh to build long term financial plans and business strategy is to continue Westbow's growth.

3.4 Independent Review Committee Member**Name****Principal Occupations and Related Experience****HENRY JANSEN**

Henry graduated from British Columbia Institute of Technology in 1970 with a diploma in business management, and later went on to obtain his Certified General Accountant designation in 1986. He developed a deep understanding of the construction industry through his experience as the owner/manager of a successful medium-size construction firm for 40 years. Henry has worked in public practice accounting since 1981 and is currently a partner at Jansen DeWolde Chartered Professional Accountants.

Henry has strong leadership ability gained from serving on numerous boards throughout his career. He has served on First West Credit Union's board since 1979 and was inducted into the Canadian Credit Union Association Hall of Fame in 2018 for his positive impact on the Canadian credit union system. Other notable boards on which Henry has served include the Credit Union Central of B.C. (22 years, with three years as chair), Credit Union Central of Canada (12 years), Co-operators Insurance Group (2 years), University of the Fraser Valley (6 years), and Timothy Christian School (25 years).

3.5 Penalties, Sanctions and Bankruptcy

There has been: (a) no penalty or sanction that has been in effect during the last 10 years or any cease trade order that has been in effect for a period of more than 30 consecutive days during the past 10 years against; and (b) no declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors or appointment of a receiver, receiver manager or trustee to hold assets, has been in effect during the last 10 years with regard to any; Trustee of the Fund or any director or executive officer of the Manager or the General Partner or a control person of the Fund, the Partnership, the Manager or the General Partner or any issuer of which a Trustee of the Fund or any director or executive officer of the Manager or the General Partner or a control person of the Fund, the Partnership, the Manager or the General Partner was a trustee, director, executive officer or control person at that time.

3.6 Loans

As of the date of this Offering Memorandum, the Manager has incurred certain offering costs on behalf of the Fund. Such offering costs will be reimbursed out of the proceeds of the Offering. There is no other outstanding indebtedness between the Fund and the Trustees, the Manager, the General Partner or the Manager or their directors and officers.

ITEM 4 - CAPITAL STRUCTURE

4.1 Unit Capital of the Fund

The following table sets out the outstanding unit capital of the Fund:

Description of Security	Number Authorized to be Issued	Price per Security	Number Outstanding as at May 22, 2019	Number outstanding assuming \$15,000,000 Offering ⁽¹⁾⁽²⁾	Number outstanding assuming Maximum Offering ⁽¹⁾⁽²⁾
Initial Trust Unit ⁽³⁾	1	\$10.00	0	0	0
Series A Units ⁽⁴⁾	Unlimited	\$9.75	70,247.04	987,227.26	2,525,688.80
Series B Units ⁽⁴⁾	Unlimited	\$9.75	0	0	0
Series E Units ⁽⁴⁾	Unlimited	\$9.75	0	0	0
Series F Units ⁽⁴⁾	Unlimited	\$9.75	0	0	0
Series M Units ⁽⁴⁾⁽⁵⁾	Unlimited	\$9.75	6,426.58	6,426.58	6,426.58
Series P Units ⁽⁴⁾⁽⁶⁾	Unlimited	\$9.75	182,306.56	182,306.56	182,306.56
Series I Units ⁽⁴⁾⁽⁷⁾	Unlimited	\$9.75	0	0	0

Notes:

- (1) There is no Minimum Offering. The Fund may complete the issue and sale of Offered Units at any time and from time to time at one or more Closings until the Maximum Offering is reached or the Offering is otherwise terminated. The Fund may, without notice to Investors, increase or decrease the Maximum Offering.
- (2) The amount assumes that all of the Offered Units issued under the Offering are Series A Units issued at a price of \$9.75 per Series A Unit.
- (3) On January 2, 2019, one Trust Unit was issued to constitute the Fund for \$10.00, which Trust Unit was subsequently redeemed by the Fund.
- (4) See **Item 2.7.1 - Declaration of Trust** and **Item 5.1 - Terms of Offered Units** for the terms of the Trust Units.
- (5) The terms of the Series M units of the Fund are the same as the Series F Units, provided that no Management Fee is payable.
- (6) The terms of the Series P units of the Fund are the same as the Series F Units. It is expected that certain high net worth individuals and friends and family of the Manager's management team will subscribe for Series P units of the Fund.
- (7) This series of units is offered to institutional investors at the discretion of the Manager.

4.2 Unit Capital of the Partnership

The following table sets out the outstanding unit capital of the Partnership:

Description of Security	Number Authorized to be Issued	Price per Security ⁽¹⁾	Number Outstanding as at May 22, 2019	Number Outstanding assuming \$15,000,000 Offering ⁽²⁾⁽³⁾	Number Outstanding assuming Maximum Offering ⁽²⁾⁽³⁾
Initial Partnership Unit ⁽⁴⁾	1	\$10.00	0	0	0
Series A LP Units ⁽⁵⁾	Unlimited	See Note 1	70,247.04	987,227.26	2,525,688.80
Series B LP Units ⁽⁵⁾	Unlimited	See Note 1	110,530	110,530	110,530
Series E LP Units ⁽⁵⁾	Unlimited	See Note 1	0	0	0
Series F LP Units ⁽⁵⁾	Unlimited	See Note 1	0	0	0
Series M LP Units ⁽⁶⁾⁽⁷⁾	Unlimited	See Note 1	217,848.60	217,848.60	217,848.60

Description of Security	Number Authorized to be Issued	Price per Security⁽¹⁾	Number Outstanding as at May 22, 2019	Number Outstanding assuming \$15,000,000 Offering⁽²⁾⁽³⁾	Number Outstanding assuming Maximum Offering⁽²⁾⁽³⁾
Series P LP Units ⁽⁸⁾	Unlimited	See Note 1	240,240.56	240,240.56	240,240.56
Series I LP Units ⁽⁹⁾	Unlimited	See Note 1	0	0	0

Notes:

- (1) The Fund will use the proceeds of the Offering of Series A Units, Series B units and Series F Units to purchase, respectively, Series A LP Units, Series B LP Units, Series E LP Units and Series F LP Units of the Partnership. The purchase price of each LP Unit to be purchased by the Fund shall be the net proceeds of each Offered Unit of the Fund (net of Selling Commissions and offering costs).
- (2) There is no minimum offering. The Fund may complete the issue and sale of Offered Units at any time and from time to time at one or more Closings until the Maximum Offering is reached or the Offering is otherwise terminated. The Fund may, without notice to Investors, increase or decrease the Maximum Offering.
- (3) The amount assumes that all of the Offered Units issued under the Offering are Series A Units.
- (4) On January 2, 2019, one LP Unit was issued to constitute the Partnership for \$10.00, which LP unit was subsequently redeemed by the Partnership.
- (5) See **Item 2.7.2 - Partnership Agreement** for the terms of the LP Units.
- (6) The terms of the Series M units of the Partnership are the same as the Series F LP Units, provided that no Management Fee is payable.
- (7) On February 28, 2019, Nick Westeringh and Dick Westeringh subscribed for \$2,000,000 of Series M units of the Partnership using their own funds.
- (8) The terms of the Series P units of the Partnership are the same as the Series F LP Units. It is expected that certain high net worth individuals and friends and family of the Manager's management team will subscribe for Series P units of the Partnership.
- (9) This series of units is offered to institutional investors at the discretion of the Manager.

4.3 Long-Term Debt Securities

As of the date hereof, the Fund and the Partnership have no long-term debt obligations.

Although the Partnership Agreement contains no strict limitations on incurring debt, the Manager will target a loan-to-value ratio of approximately 75%, at the portfolio level.

4.4 Prior Sales

The following table sets forth a description of the previously issued securities of the Fund and the Partnership since their formation. These securities have not been issued as part of this Offering.

4.5 Prior Sales by the Fund

Date of Issuance	Type of Security Issued	Number of Securities Issued	Price per Security	Total Funds Received
January 2, 2019	Initial Trust Unit	1 ⁽¹⁾	\$10.00	\$10.00
February 28, 2019	Class A Trust Units	11,309	\$9.50	\$107,435.50
February 28, 2019	Class M Trust Units	421	\$9.50	\$3,999.50
February 28, 2019	Class P Trust Units	20,318	\$9.50	\$193,021
March 30, 2019	Class A Trust Units ⁽²⁾	48.02	\$9.50	\$456.23
March 30, 2019	Class M Trust Units ⁽²⁾	1.79	\$9.50	\$16.98
March 30, 2019	Class P Trust Units ⁽²⁾	86.28	\$9.50	\$819.68
April 5, 2019	Class A Trust Units	21,711	\$9.50	\$206,254.50
April 5, 2019	Class M Trust Units	4,317	\$9.50	\$41,011.50
April 5, 2019	Class P Trust Units	61,345	\$9.50	\$582,777.50
April 30, 2019	Class A Trust Units	37,179.02	\$9.50	\$353,200.73
April 30, 2019	Class M Trust Units	1,686.79	\$9.50	\$16,024.48
April 30, 2019	Class P Trust Units	100,557.28	\$9.50	\$955,294.18

Note:

(1) On January 2, 2019, one Trust Unit was issued to constitute the Fund for \$10.00, which Trust Unit was subsequently redeemed by the Fund.

(2) Units issued pursuant to the DRIP.

4.6 Prior Sales by the Partnership

<u>Date of Issuance</u>	<u>Type of Security Issued</u>	<u>Number of Securities Issued</u>	<u>Price per Security</u>	<u>Total Funds Received</u>
January 2, 2019	Initial LP Unit	1 ⁽¹⁾	\$10.00	\$10.00
February 28, 2019	Class M LP Units	210,528	\$9.50	\$2,000,016
February 28, 2019	Class P LP Units	21,053	\$9.50	\$200,003.5
February 28, 2019	Class A LP Units	11,309	\$9.50	\$107,435.50
February 28, 2019	Class M LP Units	421	\$9.50	\$3,999.50
February 28, 2019	Class P LP Units	20,318	\$9.50	\$193,021
March 30, 2019	Class M LP Units ⁽²⁾	894.02	\$9.50	\$8,493.22
March 30, 2019	Class A LP Units ⁽²⁾	48.02	\$9.50	\$456.23
March 30, 2019	Class M LP Units ⁽²⁾	1.79	\$9.50	\$16.98
March 30, 2019	Class P LP Units ⁽²⁾	86.28	\$9.50	\$819.68
April 5, 2019	Class B LP Units	47,370	\$9.50	\$450,015
April 5, 2019	Class A LP Units	21,711	\$9.50	\$206,254.50
April 5, 2019	Class M LP Units	4,317	\$9.50	\$41,011.50
April 5, 2019	Class P LP Units	61,345	\$9.50	\$582,777.50
April 30, 2019	Class B LP Units	63,160	\$9.50	\$600,020
April 30, 2019	Class P LP Units	36,881	\$9.50	\$350,369.50
April 30, 2019	Class A LP Units	37,179.02	\$9.50	\$353,200.73
April 30, 2019	Class M LP Units	1,686.79	\$9.50	\$16,024.48
April 30, 2019	Class P LP Units	100,557.28	\$9.50	\$955,294.18

Note:

(1) On January 2, 2019, one LP Unit was issued to constitute the Partnership for \$10.00, which LP unit was subsequently redeemed by the Partnership.

(2) Units issued pursuant to the distribution reinvestment plan of the Partnership.

ITEM 5 - SECURITIES OFFERED

The Offered Units are comprised of the following:

- **Series A Units:** This series of units is offered to investors who are not eligible to purchase Series B, Series E or Series F Units.
- **Series B Units:** This series of units is offered to investors who are not eligible to purchase Series E or Series F Units.
- **Series E Units:** This series of units is offered to investors who purchase such units through a dealer sponsored fee-for service or wrap program and who pay an asset-based fee to their dealer.

- **Series F Units:** This series of units is offered to investors who purchase such units through a dealer sponsored fee-for service or wrap program and who pay an asset-based fee to their dealer.

The Fund is offering the Offered Units for issue and sale under the Offering. Investors under the Offering will purchase Trust Units upon the Fund's acceptance of the Investor's Subscription Agreement and related documents and payment of the applicable subscription amounts for Trust Units, as the case may be. See **Item 5.2 - Subscription Procedure**.

Concurrent with or subsequent to this Offering, the Fund and the Partnership may also offer additional securities, which may not have the same terms as the Series A Units, Series B Units, Series E Units and Series F Units. The Fund and the Partnership currently also offer Series I, Series M and Series P units of the Fund and the Partnership. It is expected that certain institutional investors will subscribe for Series I units of the Fund or the Partnership. It is expected that the Manager's management team or their affiliates or associates will subscribe for Series M units of the Fund or the Partnership and certain high net worth individuals and friends and family of the Manager's management team will subscribe for Series P units of the Fund or the Partnership. The terms of the Series M and Series P units of the Fund and the Partnership are the same as the Series F units of the Fund and the Partnership, provided that no management fee is payable by the Partnership on the Series M units of the Fund and the Partnership. The terms of Series I Units, including management fees, is expected to be individually negotiated with the applicable investor.

The Fund or the Partnership may, from time to time, negotiate with additional investors (such as institutional investors) the terms of purchase of a new series of Trust Units or LP Units, as applicable, including the management fee, preferred return and the distributions to the General Partner that will be paid by the Fund or the Partnership in respect of such Investor's Trust Units or LP Units, as applicable.

5.1 Terms of Offered Units

Investments in the Fund are represented by Trust Units. The Fund is permitted to have an unlimited number of series of Trust Units, which may be created and issued by the Trustees in their sole discretion from time to time, having such attributes as determined by the Trustees.

The material terms of the Offered Units are summarized below. Other rights, privileges, restrictions, conditions and characteristics attaching to each Trust Unit are contained in the Declaration of Trust. See also **Item 2.7.1 - Declaration of Trust**.

Prospective Investors are advised that any description of the Offered Units in this Offering Memorandum is a summary only of the material terms of those Offered Units and remains subject to the Declaration of Trust. Prospective Investors are advised to review the Declaration of Trust and the Trust Unit provisions in detail with their own legal, tax and investment advisors.

5.1.1 Distributions

Purchase of Partnership Units

The Fund will use the proceeds of the Offering of Series A Units, Series B Units, Series E Units and Series F Units to purchase, respectively, Series A LP Units, Series B LP Units, Series E LP Units and Series F LP Units of the Partnership.

Partnership Distributions

The Partnership will seek to make distributions to its Limited Partners (including the Fund) on a regular basis, with the amount of any such distributions determined by the General Partner in its sole discretion. Such distributions, if any, will generally be made on a quarterly basis, however, the General Partner reserves the right to make more frequent distributions in its sole discretion. Distributions will be paid to Limited Partners of record as of the distribution date and will be paid on or before the 30th day following the distribution date.

When determining amounts available for distribution, the General Partner will:

- first, ascertain the sum of all cash amounts received by the Partnership since the previous distribution was declared by the Partnership (such aggregate amount being the "**Gross Proceeds**");
- second, subtract from the Gross Proceeds (i) amounts necessary for the payment of all outstanding Common Expenses (including the Acquisition Fee) for which reserves have not previously been made, (ii) amounts reasonably reserved for future Common Expenses, and (iii) amounts

reasonably reserved having regard to current and anticipated commitments of the Partnership (the Gross Proceeds less the aggregate amounts in (i), (ii) and (iii) being the "**Net Proceeds**");

- (c) third, divide the Net Proceeds among the various series of LP Units and the General Partner based on the aggregate Net Capital Contributions made by each such series and the General Partner, respectively to the Partnership, with the Net Proceeds allocated to each series being the "**Series Proceeds**"; and
- (d) fourth, subtract from the Series Proceeds of each series of LP Units (i) amounts necessary for the payment of all outstanding Series Expenses (including the Management Fee) with respect to the applicable series of LP Units for which reserves have not previously been made, and (ii) amounts reasonably reserved for future Series Expenses of the series of LP Units (the Series Proceeds less the aggregate amounts in (i) and (ii) being the "**Net Series Proceeds**").

For greater certainty, amounts paid to Trust Unitholders in connection with redemptions of Trust Units will reduce the aggregate Net Capital Contributions made by the applicable series of Trust Units being redeemed. Once the Net Series Proceeds of a particular series of LP Units has been determined, then the General Partner will, to the extent possible based on the amount of such Net Series Proceeds, pay to the holder of each LP Unit of such series of LP Units an amount equal to the outstanding and accrued Preferred Return with respect to such LP Unit (or, to the extent such Net Series Proceeds are not sufficient to pay the outstanding and accrued Preferred Returns of all LP Units of such series of LP Units, an amount equal to such LP Unit's *pro rata* amount of the Net Series Proceeds based on the outstanding and accrued Preferred Return owed to such LP Unit relative to the aggregate outstanding and accrued Preferred Returns owed to all LP Units of such series) (with the Net Series Proceeds less such aggregate amounts paid with respect to such series of LP Units being the "**Distributable Proceeds**").

The Distributable Proceeds with respect to a particular series of LP Units will then be apportioned equally among the LP Units of such series. Following such apportionment, the Distributable Proceeds, in the sole discretion of the General Partner, will be either (a) reinvested in the Partnership and allocated on the books and records of the Partnership to such series of LP Units (with such amounts being referred to as "**Reinvested Amounts**") or (b) distributed in the following amounts and order of priority:

Series A LP Units

- (a) first, 100% to the holder of the LP Unit until the holder has received aggregate distributions in an amount equal to \$10 with respect to such LP Unit (excluding, for greater certainty, any Preferred Return distributions received by such holder with respect to such LP Unit but including, for greater certainty, any other previous distributions received by the holder with respect to such LP Unit) (the distributions pursuant to this section are referred to as the "**Series A Return of Capital**");
- (b) second, 50% to the General Partner and 50% to the holder of the LP Unit until the General Partner has received aggregate distributions under this paragraph (b) equal to 25% of the total distributions made pursuant to the Preferred Return and this paragraph (b) (for illustrative purposes if \$75 is distributed pursuant to the Preferred Return and \$25 is distributed under this paragraph (b) then the total distribution would be \$100); and
- (c) thereafter, 25% to the General Partner and 75% to the holder of the LP Unit.

Series B LP Units

- (a) first, 100% to the holder of the LP Unit until the holder has received aggregate distributions in an amount equal to \$10 with respect to such LP Unit (excluding, for greater certainty, any Preferred Return distributions received by such holder with respect to such LP Unit but including, for greater certainty, any other previous distributions received by the holder with respect to such LP Unit) (the distributions pursuant to this section are referred to as the "**Series B Return of Capital**");
- (b) second, 50% to the General Partner and 50% to the holder of the LP Unit until the General Partner has received aggregate distributions under this paragraph (b) equal to 25% of the total distributions made pursuant to the Preferred Return and this paragraph (b) (for illustrative purposes if \$75 is distributed pursuant to the Preferred Return and \$25 is distributed under this paragraph (b) then the total distribution would be \$100); and
- (c) thereafter, 25% to the General Partner and 75% to the holder of the LP Unit.

Series E LP Units

- (a) first, 100% to the holder of the LP Unit until the holder has received aggregate distributions in an amount equal to \$10 with respect to such LP Unit (excluding, for greater certainty, any Preferred Return distributions received by such holder with respect to such LP Unit but including, for greater certainty, any other previous distributions received by the holder with respect to such LP Unit) (the distributions pursuant to this section are referred to as the "**Series E Return of Capital**");
- (b) second, 50% to the General Partner and 50% to the holder of the LP Unit until the General Partner has received aggregate distributions under this paragraph (b) equal to 25% of the total distributions made pursuant to the Preferred Return and this paragraph (b) (for illustrative purposes if \$75 is distributed pursuant to the Preferred Return and \$25 is distributed under this paragraph (b) then the total distribution would be \$100); and
- (c) thereafter, 25% to the General Partner and 75% to the holder of the LP Unit.

Series F LP Units

- (a) first, 100% to the holder of the LP Unit until the holder has received aggregate distributions in an amount equal to \$10 with respect to such LP Unit (excluding, for greater certainty, any Preferred Return distributions received by such holder with respect to such LP Unit but including, for greater certainty, any other previous distributions received by the holder with respect to such LP Unit) (the distributions pursuant to this section are referred to as the "**Series F Return of Capital**");
- (b) second, 50% to the General Partner and 50% to the holder of the LP Unit until the General Partner has received aggregate distributions under this paragraph (b) equal to 25% of the total distributions made pursuant to the Preferred Return and this paragraph (b) (for illustrative purposes if \$75 is distributed pursuant to the Preferred Return and \$25 is distributed under this paragraph (b) then the total distribution would be \$100); and
- (c) thereafter, 25% to the General Partner and 75% to the holder of the LP Unit.

Any Net Proceeds allocated to the General Partner as described above shall be distributed to the General Partner.

For greater certainty, no additional LP Units will be issued with respect to any Reinvested Amounts.

Any and all distributions made to the Limited Partners (including, without limitation, upon dissolution or liquidation of the Partnership) shall be in the form of cash.

Fund Distributions

When the Fund receives a distribution from the Partnership with respect to a Corresponding LP Unit then the Fund will promptly declare and pay a distribution to the holder of record of the applicable Trust Unit in an amount equal to the distribution received with respect to the Corresponding LP Unit. Any such distributions will be made to the person who, according to the register, was the holder of record of the applicable Trust Unit on the date the distribution is declared by the Fund.

Notwithstanding the foregoing, the Trustees or the Manager may reduce the amounts distributable to holders of Trust Units which the Trustees or the Manager may reasonably consider to be necessary to provide for:

- (a) the payment of any costs, expenses or liabilities, which have been or may be incurred in the undertaking and activities of the Fund;
- (b) the payment of any income tax liability of the Fund; or
- (c) any allowances for contingencies, working capital, investments or acquisitions, or such reserves as are, in the opinion of the Trustee or the Manager, necessary or desirable;

which reduction shall reduce the distribution first referred to above to each holder of Trust Units on a pro rata basis.

Where the Fund is allocated income from the Partnership that is attributable to a series of Corresponding LP Units but the Fund receives no corresponding distribution from the Partnership then such income of the Fund will be distributed to the applicable series of Trust Units, with each Trust Unit of such series being distributed its proportionate share of such aggregate distribution.

In addition to the foregoing distributions, the Trustees may allocate, declare to be payable and make distributions or advances to Trust Unitholders, from time to time, out of income of the Fund, net realized capital gains, the capital of the Fund or otherwise, in any year, in such amount or amounts, and on such dates as the Trustee may determine. Having regard to the present intention of the Trustees to allocate, distribute and make payable to the Trust Unitholders of all applicable amounts so that the Fund will not have any liability for tax under Part I of the Tax Act in any taxation year, the following amounts, without any further actions on the part of the Trustee, are due and payable to Trust Unitholders of record on the last day of each taxation year of the Fund:

- (a) the amount, if any, of income of the Fund for such taxation year not previously paid or made payable to Trust Unitholders in the taxation year; and
- (b) the amount, if any, of net realized capital gains for such taxation year not previously paid or made payable to Trust Unitholders in such taxation year, except to the extent of net realized capital gains in respect of which the tax payable by the Fund would be refunded as a capital gains refund as defined in the Tax Act for such taxation year.

Each Trust Unitholder's share of any such allocation, distribution or advance pursuant to (a) and (b) above is an amount equal to the proportionate share of such distribution for each Trust Unit multiplied by the number of Trust Units owned of record by each such Trust Unitholder on the last day of the taxation year in the year of such distribution.

When determining the proportionate share of a distribution payable to Trust Unitholders, the Trustees may make any variation or adjustment so as to ensure where possible that Trust Unitholders are treated equitably and fairly taking into account such considerations as the Trustees, in their discretion, acting reasonably and in good faith, deem appropriate in the circumstances and determine to be equitable and fair.

Each Trust Unitholder has the legal right to enforce payment arising as of the applicable record date of any amount payable to such Trust Unitholder as a result of any distribution declared or otherwise payable to, and not yet received by, such Trust Unitholder.

The Fund has adopted the DRIP, which will allow eligible holders of Trust Units to elect to have their distributions reinvested in additional Trust Units of the same series at a purchase price equal to \$9.75 per Trust Unit (or such other price as may be determined by the Manager from time to time). The Manager may, at its discretion, terminate the DRIP. See **Item 2.7.5 - Distribution Reinvestment Plan**.

5.1.2 Distribution Policy of the Fund and the Partnership

The General Partner's objective is to make quarterly cash distributions at a target annual rate of equal to the \$0.50 per LP Unit (though distributions may be lower during the first fiscal year of the Partnership). For greater certainty, to the extent that cash distributions are lower than the Preferred Return (\$0.70 per Offered Unit), the difference between the Preferred Return and actual cash distributions will accrue in respect of such LP Unit. Distributions from the Partnership are not guaranteed.

The Fund intends to distribute amounts received from the Partnership to Trust Unitholders in accordance with the Declaration of Trust. Although it is the Partnership's intention that distributions on the LP Units be primarily paid from cash flow from the Partnership's investments, in certain circumstances, payments and distributions may exceed the cash flow of the Partnership for any particular distribution period (including the period prior to the Partnership investing in any Properties). In such circumstances, distributions to the Fund (and in turn the Trust Unitholders) may consist, directly or indirectly, of the proceeds from the sale of securities by the Fund (including this Offering).

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

It is important for Investors to consider the particular risk factors that may affect the industry in which they are investing, and therefore the stability of the distributions that Trust Unitholders receive. See, for example, **Item 8.4 - Risks Pertaining to the Business**, which also describes the Fund's assessment of those risk factors, as well as the potential consequences to a Trust Unitholder if the events contemplated by a particular risk factor should occur.

5.1.3 Voting Rights

Each Trust Unit confers the right to one vote at any meeting of Trust Unitholders. See **Item 2.7.1 - Declaration of Trust - Meetings and Resolutions of Trust Unitholders**.

5.1.4 Redemption of Trust Units

Redemption rights under the Declaration of Trust are subject to certain restrictions. See **Item 2.7.1 - Declaration of Trust - Redemption of Trust Units**.

On a redemption by a holder of Trust Units, the Redemption Price per Trust Unit shall be equal to the redemption proceeds received by the Fund from the Partnership with respect to the Fund's redemption of the Corresponding LP Unit, which shall be the lesser of: (a) the subscription price of such Trust Unit (up to a maximum of \$10) multiplied by the percentage set out below, minus any amount distributed in respect of such Trust Unit in respect of the Series A Return of Capital, Series B Return of Capital, Series E Return of Capital or Series F Return of Capital of the Corresponding LP Unit, as applicable; and (b) the Market Value of the Corresponding LP Unit of such Trust Unit.

The percentages are as follow s:

Period of time between the issuance date of the LP Unit being redeemed and the date the notice of redemption is provided	Series A	Series B	Series E	Series F
< 1 year	90%	93%	95%	95%
1 year to < 2 years	92%	95%	97%	97%
2 years to < 3 years	94%	97%	99%	99%
3 years to < 4 years	96%	99%	100%	100%
4 years to < 5 years	98%	100%	100%	100%
5 years and greater	100%	100%	100%	100%

Pursuant to the foregoing table, a Trust Unitholder will receive a lower Redemption Price if such Trust Unitholders redeems his or her Offered Units within a certain period of time from the date of investment (depending on the series of Trust Unit held by the Trust Unitholder). This is intended to protect the Fund and existing Trust Unitholders from a reduction in the value of the Fund due to the payment of Selling Commissions and offering costs.

5.1.5 Transfers of Trust Units

Trust Unitholders cannot transfer their Trust Units except in very limited circumstances. **Item 2.7.1 - Declaration of Trust - Transfer of Trust Units, Item 8 - Risk Factors and Item 10 - Resale Restrictions**.

5.1.6 Participation upon Liquidation or Winding Up

In the event of the liquidation, dissolution or winding up of the Fund or other distribution of assets of the Fund among its Trust Unitholders for the purpose of winding up the affairs of the Fund, the holders of Trust Units shall be entitled to participate in the distribution.

Each holder of Series A Units, Series B Units, Series E Units, Series F Units, Series P Units, Series M Units and Series I Units shall be entitled to receive the amount received from the Partnership with respect to the Corresponding LP Unit of such Trust Units in the same manner as a distribution by the Fund after paying, retiring or discharging or making provision for the payment, retirement or discharge of all known liabilities and obligations of the Fund.

5.1.7 Rights of Trust Unitholders

Trust Unitholders are NOT shareholders and do not enjoy all of the protections, rights and remedies generally offered to shareholders of a corporation incorporated under the BCBCA. Although the Declaration of Trust confers upon a Trust Unitholder some of the same protections, rights and remedies as a voting shareholder of a corporation governed by the BCBCA, significant differences do exist.

Trust Unitholders do not have recourse to a dissent right under which shareholders of a BCBCA corporation are entitled to receive the fair value of their shares where certain fundamental changes affecting the corporation are undertaken, such as an amalgamation, a continuance under the laws of another jurisdiction, the sale of all or substantially all of its property, a going private transaction or the addition, change or removal of provisions restricting: (a) the business or businesses that the corporation can carry on, or (b) the issue, transfer or ownership of shares. As an alternative, Trust Unitholders seeking to terminate their investment in the Fund are entitled to redeem their Trust

Units, subject to certain conditions and limitations, as described under **Item 2.7.1 - Declaration of Trust - Redemption of Trust Units**.

Trust Unitholders do not have recourse to the statutory oppression remedy that is available to shareholders of a BCBCA corporation where the corporation undertakes actions that are oppressive or unfairly prejudicial to shareholders. Shareholders of a BCBCA corporation may also apply to a court to order the liquidation and dissolution of the corporation in those circumstances, whereas Trust Unitholders cannot. Shareholders of a BCBCA corporation may also apply to a court for the appointment of an inspector to investigate the manner in which the business of the corporation and its affiliates is being carried on where there is reason to believe that fraudulent, dishonest or oppressive conduct has occurred. The BCBCA also permits shareholders to bring derivative actions in the name of the corporation or defend, in the name and on behalf of the corporation, a proceeding brought against the corporation, in each case with leave of a court. The Declaration of Trust does not include a comparable right of Trust Unitholders to commence or participate in legal proceedings with respect to the Fund.

For further information on terms contained in the Declaration of Trust which affect the rights of Trust Unitholders, see **Item 2.7.1 - Declaration of Trust**.

5.2 Subscription Procedure

The securities being offered pursuant to the Offering are the Offered Units.

The minimum investment in the Fund for Series A Units, Series E Units and Series F Units is \$6,000. The minimum investment in the Fund for Series B Units is \$100,000. These minimum amounts may be waived by the Manager, in its sole discretion. Subject to applicable securities law, there is no maximum number of Offered Units allocated to any Investor, subject to the limits under the Maximum Offering or otherwise pursuant to the Declaration of Trust. The Maximum Offering will be reached upon the Fund realizing proceeds of the Offering of \$30,000,000 through the issue and sale of Offered Units under the Offering. The Manager may, without notice to Investors, increase or decrease the Maximum Offering.

Closings will occur from time to time at the discretion of the Manager. Investors wishing to subscribe for Offered Units are required to enter into a Subscription Agreement with the Fund containing, among other things, representations, warranties, certifications, acknowledgments and covenants by such Investor. The procedure to subscribe for Offered Units is set out in the Subscription Agreement. Investors should read the instructions in the Subscription Agreement closely. A subscription for Offered Units is made upon the acceptance by the Manager of an Investor's fully completed and signed Subscription Agreement, including any related documents required by the Subscription Agreement, together with payment of the applicable subscription price in full by certified cheque, bank draft or such other manner as may be accepted by the Manager, all of which have been delivered to the Manager at the address set out in the Subscription Agreement.

Subject to the rights of rescission described in **Item 11 - Investors' Rights**, a subscription for Offered Units, as evidenced by a fully completed and signed Subscription Agreement delivered to and accepted by the Fund, is irrevocable. No prospective Investor has any right to withdraw his or her subscription for Offered Units unless the Fund terminates the Offering or does not accept the subscription.

Where Offered Units are being subscribed for in reliance on the offering memorandum exemption contained in Section 2.9 of NI 45-106, the Manager will hold the aggregate subscription funds in trust until at least midnight on the second business day after the day on which the corresponding Subscription Agreement was signed, after which time the aggregate subscription funds will be held in trust until the Manager has accepted or rejected such subscription, in whole or in part, in connection with a Closing of the Offering. Holding such aggregate subscription funds in this manner does not constitute acceptance of a subscription for Offered Units. The Manager has the right, in its sole and absolute discretion, to reject any subscription for Offered Units, in whole or in part, for any reason. No interest will be paid to or accrued for the benefit of an Investor on any portion of such Investor's aggregate subscription funds held in trust prior to Closing. Any interest earned on such aggregate subscription funds belongs to the Fund irrespective of whether it ultimately accepts or rejects the subscription for Offered Units. Any monies received with a rejected order will be promptly refunded without any interest.

At any Closing of the Offering, proceeds from subscriptions for Offered Units will be available to the Fund for its use, as described in this Offering Memorandum.

The Fund may suspend or conclude the offering at any time without notice. Any subscription funds for subscriptions that the Fund does not accept will be returned promptly without interest or deduction after the Fund has determined not to accept such subscription.

This Offering Memorandum constitutes an offering of securities only in those jurisdictions and only to those persons to whom they may be lawfully offered for sale. By executing a Subscription Agreement for Offered Units, each

Investor will make the representation that the Investor meets the conditions of the applicable prospectus exemption in purchasing Offered Units pursuant to this Offering and is thus entitled under such prospectus exemption to purchase such securities without the benefit of a prospectus qualified under applicable securities laws. Under no circumstances will the Fund accept a subscription for Offered Units if its distribution cannot be made in reliance on a prospectus exemption. Persons resident in the province of Québec are not permitted to rely on the offering memorandum exemption contained in Section 2.9 of NI 45-106. In the province of Québec, the Offering is being conducted pursuant to the exemptions from the prospectus requirements afforded by Section 2.3 of NI 45-106 and to those persons Offered Units may otherwise be sold in accordance with applicable securities laws. This Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy securities within the United States or by residents of the United States. There shall be no sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

ITEM 6 - INCOME TAX CONSEQUENCES

6.1 General

A prospective Investor should consult their own professional advisers to obtain advice on the tax consequences that apply to such prospective Investor.

The following summary has been prepared by Counsel and describes the principal Canadian federal income tax considerations pursuant to the Tax Act generally applicable to an individual (other than a trust) who acquires Trust Units pursuant to this Offering and who, for purposes of the Tax Act, is resident in Canada, holds the Trust Units as capital property and deals at arm's length, and is not affiliated with, the Fund. Generally, Trust Units will be capital property of a Trust Unitholder provided the Trust Unitholder does not hold the Trust Units in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure in the nature of trade.

Certain persons who might not otherwise be considered to hold their Trust Units as capital property may, in certain circumstances, be entitled to make the irrevocable election permitted by subsection 39(4) of the Tax Act to have their Trust Units and each other "Canadian security" (as defined in the Tax Act) owned by the person in the year in which the election is made and in each subsequent year, treated as capital property.

This summary is not applicable to a person: that has entered or will enter into a derivative forward agreement with respect to the Trust Units, all within the meaning of the Tax Act. Such Trust Unitholders should contact their own tax advisors having regard to their own particular circumstances.

This summary is based upon information set out in this Offering Memorandum, the provisions of the Tax Act in force as of the date hereof, all specific proposals to amend the Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and Counsel's understanding of the current published administrative and assessing policies of the CRA that have been made publicly available as of the date hereof. There can be no assurance that the Proposed Amendments will be enacted in the form proposed, or at all. This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to the Offering and, except for the Proposed Amendments, does not take into account or anticipate any changes in the law, whether by legislative, governmental or judicial action or changes in the administrative policies or assessing practices of the Canada Revenue Agency. This summary does not take into account provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein.

This summary is of a general nature only and is not intended to be relied on as legal or tax advice or representations to any particular Trust Unitholder. Consequently, Trust Unitholders are urged to seek independent tax advice in respect of the consequences to them of an investment in Trust Units having regard to their particular circumstances. You should consult your own professional advisers to obtain advice on the income tax consequences that apply to you.

6.2 Status of the Fund

This summary assumes that the Fund qualifies as a "mutual fund trust" for purposes of the Tax Act at all relevant times.

If the Fund were to not qualify as a mutual fund trust at any particular time, the income tax considerations for the Fund and the Trust Unitholders would be materially different from those contained herein.

This summary assumes that "investments", within the meaning of the Tax Act, in the Fund are not, and will not be, listed or traded on a stock exchange or other public market. If investments in the Fund are listed or traded on a stock exchange or other public market the Fund may be taxable as a "SIFT trust" under the Tax Act and the Canadian federal tax considerations will be materially different from those described herein.

6.3 Taxation of the Fund

The Fund is subject to tax under Part I of the Tax Act on its income for each taxation year, including net realized taxable capital gains, dividends, accrued interest and other income paid or payable to it, less the portion thereof that is paid or payable in the year by the Fund to Trust Unitholders and which is deducted by the Fund in computing its income for purposes of the Tax Act. An amount will be considered to be payable to a Trust Unitholder in a taxation year if it is paid in the year by the Fund or the Trust Unitholder is entitled in that year to enforce payment of the amount. The taxation year of the Fund will end on December 31 of each year.

The Fund generally intends to deduct, in computing its income, the full amount available for deduction in each taxation year to the extent of its taxable income for the year otherwise determined and to make payable to Trust Unitholders an amount equal to its remaining taxable income. Counsel has been advised by the Fund that it is expected that the Fund will not be liable for any material amount of tax under the Tax Act; however, Counsel can provide no assurance in this regard.

Computation of Partnership Income

The Partnership is not itself liable for income tax, however, the income or loss of the Partnership will be computed for each fiscal period as if the Partnership were a separate person resident in Canada. The fiscal period of the Partnership ends on December 31.

The income or loss of the Partnership for each fiscal period will be allocated among those persons who are Limited Partners, including the Fund, at the end of the Partnership's fiscal period, in accordance with the provisions of the Partnership Agreement.

In general, a Limited Partner's share of any income or loss of the Partnership from a particular source will retain its character and any provisions of the Tax Act applicable to that type of income will also apply to each Limited Partner.

6.4 Taxation of Trust Unitholders

Fund Distributions

A Trust Unitholder will generally be required to include in computing their income for a particular taxation year any amount paid or made payable to the Trust Unitholder in that year, whether in cash, additional Trust Units, property of the Fund or otherwise.

Provided that appropriate designations are made by the Fund, the portion of its taxable capital gains and taxable dividends received from taxable Canadian corporations that are paid or made payable to a Trust Unitholder will retain their character as taxable capital gains and taxable dividends to the Trust Unitholder for purposes of the Tax Act. Such dividends, when designated to a Trust Unitholder that is an individual, will be subject to the gross-up and dividend tax credit provisions normally applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit for eligible dividends. Income of the Fund that is designated as taxable dividends from taxable Canadian corporations or as net realized capital gains may affect an individual Trust Unitholder's liability for alternative minimum tax.

The non-taxable portion of net realized capital gains of the Fund that is paid or made payable to a Trust Unitholder in a taxation year will not be included in computing the Trust Unitholder's income for the year and will not reduce the adjusted cost base of the Trust Unitholder's Trust Units. Any other amount in excess of the net income of the Fund that is paid or made payable by the Fund to a Trust Unitholder in a year will generally not be included in the Trust Unitholder's income for the year but will reduce the adjusted cost base of the Trust Units held by such Trust Unitholder. To the extent that the adjusted cost base to a Trust Unitholder of a Trust Unit is less than zero at any time in a taxation year, such negative amount will be deemed to be a capital gain of the Trust Unitholder from the disposition of the Trust Unit in that year. The amount of such capital gain will be added to the adjusted cost base of such Trust Unit.

The adjusted cost base of a Trust Unit to a Trust Unitholder will include all amounts paid or payable by the Trust Unitholder for the Trust Unit, with certain adjustments. Trust Units issued to a Trust Unitholder as a non-cash distribution of income will have a cost amount equal to the amount of such income. A Trust Unitholder will generally be required to average the cost of all newly-acquired Trust Units with the adjusted cost base of Trust Units held by the Trust Unitholder as capital property in order to determine the adjusted cost base of the Trust Unitholder's Trust Units at any particular time.

Disposition of Trust Units

On the disposition or deemed disposition of Trust Units, a Trust Unitholder will generally realize a capital gain (or a capital loss) equal to the amount by which the Trust Unitholder's proceeds of disposition are greater (or less) than the aggregate of the Trust Unitholder's adjusted cost base of the Trust Units and any reasonable costs incurred by the Trust Unitholder in connection with the disposition. The taxation of capital gains or capital losses is described below under "*Capital Gains and Capital Losses*".

Redemption of Trust Units

The redemption of Trust Units in consideration for cash, property of the Fund or Redemption Notes, as the case may be, will be a disposition of such Trust Units for proceeds equal to the amount of such cash or the fair market value of such property of the Fund or Redemption Notes, less any portion thereof that is considered to be a distribution of the income of the Fund. Redeeming Trust Unitholders will consequently realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition (less any portion thereof that is considered a distribution of the Fund's income) is greater (or less) than the Trust Unitholder's aggregate adjusted cost base of the Trust Units so redeemed and any reasonable costs of disposition.

If a Unitholder redeems Trust Units, the Fund may distribute income or capital gains realized by the Fund in the year to the Unitholder as partial payment of the redemption price. Any income or capital gains so distributed must be included in the calculation of the Unitholder's income in the manner described above. Proposed Amendments announced on March 19, 2019, if enacted, would deny the Fund a deduction for (i) the portion of a capital gain of the Fund distributed to a Unitholder on a redemption of Trust Units that is greater than the Unitholder's accrued gain, and (ii) any income distributed to a Unitholder on a redemption of Trust Units, where, in each case, the Unitholder's proceeds of disposition are reduced by the distribution. If enacted as proposed, these Proposed Amendments will be effective for taxation years of the Fund that begin on or after March 19, 2019.

Capital Gains and Capital Losses

Generally, one-half of any capital gain realized or deemed to be realized by a Trust Unitholder in a taxation year will be included in the Trust Unitholder's income for the year as a taxable capital gain. Subject to specific rules in the Tax Act, one-half of any capital loss realized or deemed to be realized by a Trust Unitholder in a taxation year is an allowable capital loss which is deducted from any taxable capital gain realized by the holder in the year of disposition. Allowable capital losses for a taxation year in excess of taxable capital gains for that year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years to the extent and under the circumstances provided for in the Tax Act. Capital gains realized by a Trust Unitholder may affect a Trust Unitholder's liability for alternative minimum tax.

If a Trust Unitholder disposes of Trust Units, and the Trust Unitholder, the Trust Unitholder's spouse or another person affiliated with the Trust Unitholder (including a corporation controlled by the Trust Unitholder) has also acquired Trust Units of any series within 30 days before or after the Trust Unitholder disposes of the Trust Unitholder's Trust Units (such newly acquired Trust Units being considered "substituted property"), the Trust Unitholder's capital loss may be deemed to be a "superficial loss". If so, the Trust Unitholder's loss will be deemed to be nil and the amount of the loss will instead be added to the adjusted cost base of the Trust Units which are "substituted property".

International Information Reporting Requirements

Under the terms of the intergovernmental agreement between Canada and the U.S. (the "**Canada-U.S. IGA**") to provide for the implementation of the Foreign Account Tax Compliance provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010 (or "**FATCA**"), and its implementing provisions under the Tax Act, the Fund will be treated as complying with FATCA and not subject to the 30% withholding tax if the Fund complies with the terms of the Canada-U.S. IGA. Under the terms of the Canada-U.S. IGA, the Fund will be required to identify and report information, including certain financial information, on accounts held by investors that fail to provide information to their financial advisor or dealer related to their citizenship and residency for tax purposes and/or investors that are identified as, or in the case of certain entities as having one or more controlling persons who are U.S. persons owning, directly or indirectly, an interest in the Fund, to the CRA. The CRA will in turn provide such information to the U.S. Internal Revenue Service (the "**IRS**").

The Fund will endeavor to comply with the requirements imposed under the Canada-U.S. IGA and its implementing provision under the Tax Act. However, if the Fund cannot satisfy the applicable requirements under the Canada-U.S. IGA or its implementing provisions under the Tax Act and is unable to comply with the requirements under FATCA, the Fund may be subject to U.S. withholding tax on U.S. and certain non-U.S. source income and gross proceeds.

The Fund may also be subject to the penalty provisions of the Tax Act. Any potential U.S. withholding taxes or penalties associated with such failure to comply would reduce the value of the Fund's assets.

In addition, to meet the objectives of the Organisation for Economic Co-operation and Development Common Reporting Standards (the "CRS"), the Fund is required under the Tax Act to identify to report to the CRA certain information (including residency details and financial information such as account balances) relating to investments held by Trust Unitholders or by the "controlling persons" of certain entities who are resident in a country other than Canada or the United States. The information would then be available for sharing with CRS participating jurisdiction in which the securityholder resides for tax purposes under the provision and safeguards of the Multilateral Administrative Assistance in Tax Matters or the relevant bilateral tax treaty.

6.5 Eligibility for Investment by Exempt Plans

Provided that the Fund is a "mutual fund trust" for purposes of the Tax Act at all relevant times, the Trust Units, when issued, will be a qualified investment under the Tax Act for Exempt Plans.

Notwithstanding the foregoing, an annuitant under a RRSP or RRIF or the holder of a TFSA or RDSP, or subscriber of a RESP, as the case may be, who holds Trust Units will be subject to a penalty tax if the Trust Units are a "prohibited investment" (as defined in the Tax Act) for the RRSP, RRIF, RDSP, RESP or TFSA, as the case may be. The Trust Units will generally not be a prohibited investment for a trust governed by a RRSP, TFSA, RRIF, RESP or RDSP if the annuitant, holder or subscriber of such plan deals at "arm's length" with the Fund for the purposes of the Tax Act and such annuitant, holder or subscriber does not have a "significant interest" (within the meaning of the Tax Act) in the Fund. Trust Unitholders should consult their own tax advisors as to whether the Trust Units will be a prohibited investment in their particular circumstances.

Property of the Fund, LP Units or any other securities received as a result of a distribution or redemption of Trust Units will not be a qualified investment for Exempt Plans, which may result in adverse tax consequences to an Exempt Plan or the annuitant, holder or beneficiary thereof. Trust Unitholders holding Trust Units in an Exempt Plan should consult with their own tax advisors prior to redeeming their Trust Units to determine the tax consequences to them of a redemption satisfied by property of the Fund or Redemption Notes.

ITEM 7 - COMPENSATION PAID TO SELLERS AND FINDERS

The Fund will sell Offered Units under the Offering through agents that are: (a) exempt market dealers registered under applicable securities laws in Canada; or (b) investment dealers that are registered under applicable securities laws in Canada and that are members of the Investment Industry Regulatory Organization of Canada.

The following Selling Commissions will be payable by the Fund in respect of the gross proceeds realized on the Offered Units sold under the Offering. Selling Commissions payable on Offered Units depend, in part, on which option is selected by the Investor pursuant to the DRIP:

Series of Unit	100% DRIP Option	50/50 Cash/DRIP Option	100% Cash Option
Series A Units	Up-front commission of up to 6% (including an administration fee of 1%) Trailing Commission of up to 1.25% per annum	Up-front commission of up to 6% (including an administration fee of 1%) Trailing Commission of up to 1% per annum	Up-front commission of up to 5.5% (including an administration fee of 1%) Trailing Commission of up to 1% per annum
Series B Units	Up-front commission of up to 4% (including an administration fee of 1%) Trailing Commission of up to 0.75% per annum	Up-front commission of up to 4% (including an administration fee of 1%) Trailing Commission of up to 0.75% per annum	Up-front commission of up to 4% (including an administration fee of 1%) Trailing Commission of up to 0.75% per annum
Series E Units	Trailing Commission of up to 1% per annum	Trailing Commission of up to 1% per annum	Trailing Commission of up to 1% per annum
Series F Units	No commission	No commission	No commission

The Trailing Commission set forth above is calculated on the issue price of the applicable Trust Units. The Trailing Commission is calculated at the beginning of each fiscal quarter and payable in respect of Trust Units sold by a selling dealer to a person that remains a holder of such Trust Units at the end of each applicable fiscal quarter.

Selling dealers may elect to receive their Selling Commissions in the form of Trust Units in lieu of cash, in which case such Trust Units issued in connection with Selling Commissions will be issued at a 5% discount to the then issuance price of the Trust Units at the time of payment of Selling Commissions. At any time, in its sole discretion, the Manager may discontinue the issuance of Trust Units in lieu of cash with respect to Selling Commissions or change the issuance price of such Trust Units.

Agents appointed by the Fund to sell Offered Units will also be reimbursed for reasonable expenses incurred in connection with the Offering.

No agent appointed by the Fund to offer Offered Units for sale under the Offering will receive any benefit in connection with the Offering other than its portion of Selling Commissions payable to it as agent for the Offering as described herein, provided that the Manager may pay additional fees to agents that introduce investors to the Fund or the Partnership.

To the extent a selling agent is no longer able to service a client or receive payment for such servicing, the Manager will take on the responsibility of servicing such client in exchange for payment of the applicable Trailing Commission.

ITEM 8 - RISK FACTORS

An investment in the Offered Units is highly speculative and involves a number of risks, including due to the nature of the Fund and the Partnership's business, the risks inherent in the Partnership's investment strategies and the fact that the Fund and the Partnership have limited operating history. The purchase of Offered Units pursuant to the Offering should only be made after consulting with independent and qualified investment, legal and tax advisors. Prospective investors should review the risks associated with the Offered Units and the Fund with such advisors before investing. The subscription price per Offered Unit was determined arbitrarily by the Fund and may be changed in the future.

The risks discussed in this Offering Memorandum can adversely affect the Partnership's and/or the Fund's prospects, results and financial condition. These risks could cause the value of the Offered Units to decline, the Fund to be unable to pay distributions on the Offered Units, and investors to lose part or all of their investment. In addition to the risk factors set out below and elsewhere in this Offering Memorandum, other material risks and uncertainties of which the Fund is not presently aware may also harm the Fund's business and its investments.

Only investors who are willing to rely solely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of the Manager and the General Partner, who do not require immediate liquidity of their investment and who can afford a total loss of their investment should consider the purchase of Trust Units.

In addition to factors set forth elsewhere in this Offering Memorandum, potential investors should carefully consider the following factors, many of which are inherent to the ownership of Offered Units. The following is a summary only of the risk factors involved in an investment in the Offered Units.

8.1 Investment Risk

Risks that are specific to the Offered Units include the following:

Blind Pool Investment

The Offered Units represent a partial "blind pool" investment, meaning that other than the Acquired Properties, the investments to be made by the Partnership indirectly with the proceeds of the Offering have not yet been identified. The Fund expects that the available funds from the Offering will be applied by the Partnership to acquire Properties. While the Fund anticipates that the Partnership will be able to identify and complete the purchase of (or investment in) Properties on an on-going basis that satisfies the Partnership's investment and business objectives, there is no assurance that it will be able to do so. Even if investment and/or acquisition opportunities are identified and the investment or acquisition, as the case may be, is determined to be in the best interest of the Partnership, the Partnership may not be able to finance the investment or acquisition and additional funds may be required to complete the investment or acquisition. If the Partnership is unable to identify and acquire suitable investments or acquisitions, its business, operating results and financial condition could be adversely affected. The Partnership will not have the earnings to support payment of distributions to holders of the LP Units (including the Fund) should its investments or acquisitions not prove to be profitable.

No Guarantee that Investment will be Successful

There is no guarantee that investors will not realize losses from an investment in the Offered Units and there can be no assurance that the Fund's objective of earning a profit on its investment in the Properties, indirectly through the

Partnership, will be achieved. The success of the Fund depends to a certain extent on the efforts and abilities of the management of the General Partner on behalf of the Partnership and on external factors such as, among other things, the real estate market and the general political and economic conditions that may prevail from time to time, which factors are out of the Fund's control. A return on investment for an Investor in Offered Units depends upon the net revenues received by the Partnership from its investment in Properties. As a result, there is no guarantee that the Fund and, correspondingly, the Trust Unitholders will earn a return on their investment.

Cash Distributions are Not Guaranteed

There is no assurance that there will be adequate cash flow of the Fund to meet the anticipated obligations and economic objectives described in this Offering Memorandum. The ability of the Partnership to make distributions to the Fund, and accordingly, the ability of the Fund to make distributions on Trust Units, will be completely dependent upon the Partnership receiving payments from Properties. There can be no assurance that the Fund's income from the distributions on the LP Units held by it will sufficiently fund distributions (if any) to Trust Unitholders.

The return on an investment in the Offered Units is not comparable to the return on an investment in fixed-income securities. Cash distributions to Trust Unitholders are not guaranteed and are not fixed obligations of the Fund. Any receipt of cash distributions by Trust Unitholders is at any time subject to the terms of the Declaration of Trust. Any anticipated return on investment is based upon many performance assumptions. Although the Fund intends to distribute its available cash to Trust Unitholders, cash distributions may be reduced or suspended at any time and from time to time. The ability of the Fund to make cash distributions and the actual amount distributed depends on the receipt of distributions from the Partnership and the performance of the Properties acquired by the Partnership, and will be subject to various factors including those referenced below. The value of the Offered Units may decline if the Fund is unable to meet its cash distribution targets in the future and that decline may be significant.

Distributions May Consist of Proceeds of Offerings

The Partnership may make distributions on the LP Units from cash flow from the Partnership's investments, debt or capital. Although it is the Partnership's intention that distributions on the LP Units be primarily paid from cash flow from the Partnership's investments, in certain circumstances, payments and distributions may exceed the cash flow of the Partnership for any particular distribution period. In such circumstances, distributions to the Fund (and in turn the Trust Unitholders) may consist, directly or indirectly, of the proceeds from the sale of securities by the Fund (including this Offering) and the net asset value of the LP Units indirectly held by the Trust Unitholders will be affected.

Offered Units are Not Liquid

There is currently no market through which the Offered Units may be sold and it is very unlikely that one will develop. The Fund intends to restrict the transfer of Offered Units to prevent the development of a market for the Offered Units. In addition, redemption of Offered Units is limited. None of the Offered Units will be listed or posted for trading on a recognized stock exchange or other trading or quotation system. The Fund has not prepared, filed or delivered to potential Trust Unitholders a prospectus. The Offered Units are subject to a number of restrictions respecting transferability and resale, including a restriction on trading imposed by applicable securities laws. Until the restriction on trading expires, Investors will not be able to trade the Offered Units unless they comply with an exemption from the prospectus under securities legislation.

Unless permitted under securities legislation, no Trust Unitholder can trade Offered Units before the date that is four months and a day after the date the Fund becomes a reporting issuer in any province or territory of Canada. The Fund is not, and currently has no intention of becoming, a reporting issuer in any province or territory of Canada, and therefore, the Offered Units will be subject to an indefinite hold period. The Offered Units may only be transferred under limited exemptions under applicable securities laws. Consequently, Trust Unitholders may not be able to sell the Offered Units readily or at all, and they may not be accepted as collateral for a loan. Trust Unitholders should be prepared to hold the Offered Units indefinitely and cannot expect to be able to liquidate their investment even in the case of an emergency. Under certain conditions, redemptions may not be payable in cash but rather, satisfied through the distribution of Redemption Notes. There will be no market for Redemption Notes and Redemption Notes will not be qualified investments for Exempt Plans. Accordingly, an investment in Offered Units is suitable solely for persons able to make and bear the economic risk of a long-term investment.

Trust Units may only be transferred in accordance with applicable securities laws and the Declaration of Trust. The Declaration of Trust provides that no Trust Units are to be transferred without the written consent of the Manager (which consent may be unreasonably withheld) and otherwise in accordance with the Declaration of Trust.

Redemption Rights

Redemption rights under the Declaration of Trust are subject to certain restrictions. Investors should carefully review **Item 2.7.1 - Declaration of Trust - Redemption of Trust Units**. Once the quarterly cash redemption threshold of

\$50,000 is reached, redeeming Trust Unitholders may receive from the Fund (in lieu of cash), Redemption Notes. Redemption Notes so issued will be unsecured debt securities of the Fund and may be subordinated to other of the Fund's debt obligations. Furthermore, Redemption Notes will not be qualified investments for Exempt Plans which could give rise to adverse consequences to an Exempt Plan or the annuitant under an Exempt Plan, including the redeeming unitholder becoming subject to a penalty tax or having its tax exempt status revoked depending on the circumstances. See **Item 6.5 - Eligibility for Investment by Exempt Plans**.

The Redemption Price payable to Investors redeeming Trust Units may be lower than the price per Trust Unit paid by the Investor for such Trust Unit, as a Trust Unitholder will receive a lower Redemption Price if such Trust Unitholders redeems his or her Offered Units within a certain period of time from the date of investment (depending on the series of Trust Unit held by the Trust Unitholder). This is intended to protect the Fund and existing Trust Unitholders from a reduction in the value of the Fund due to the payment of Selling Commissions and offering costs. There is no assurance that investors will be paid the whole amount of their investment through any exercise of redemption rights.

Subject to the unanimous approval of the Independent Review Committee, the Trustees may also, as an extraordinary measure, from time to time, suspend the redemption of Trust Units or postpone the date of payment of redeemed Trust Units. See **Item 2.7.1 - Declaration of Trust - Redemption of Trust Units** for examples of circumstances in which redemption of Trust Units may be suspended. Accordingly, an investment in Trust Units is only suitable for Investors who are able to make a long-term investment and do not need full liquidity with respect to this investment.

Substantial Redemption of Trust Units

Trust Unitholders have the right to redeem their Offered Units upon the terms outlined in the Declaration of Trust. A redemption of an Offered Unit will lead the Fund to make a demand for redemption of the Corresponding LP Unit. Accordingly, a substantial redemption of Offered Units will lead to the Fund redeeming a substantial amount of Corresponding LP Units, which may adversely affect the available capital required by the Partnership to carry out its investments and acquisitions.

Less than Full Offering

There is no minimum offering size. There can be no assurance that any particular level of subscription by Investors or any level of proceeds under the Offering will be reached. The Fund may issue and sell Offered Units under the Offering from time to time until the Maximum Offering is reached or the Offering is otherwise terminated. However, there can be no assurance that the Maximum Offering will be reached or that the Offering will provide funding that is sufficient to permit the Fund to acquire (indirectly through the Partnership) any interest in any Property or to otherwise advance the business of the Fund and the Partnership, in whole or in part. If less than all of the \$30,000,000 of Trust Units is sold pursuant to the Maximum Offering, then less than the maximum proceeds will be available to the Fund and the Partnership. Consequently, the Fund's business development plans and prospects could be adversely affected, since fewer Properties would be acquired.

In order for the Fund to qualify as a mutual fund trust, and hence be a qualified investment for Exempt Plans, it must have at least 150 Trust Unitholders, each holding at least \$500 worth of Trust Units. Provided the Fund maintains at least 150 Trust Unitholders, each holding at least \$500 worth of Trust Units, the Fund will be eligible to elect under subsection 132(6.1) of the Tax Act to be deemed to be a mutual fund trust from inception.

There can be no assurance that the Fund will maintain at least 150 Trust Unitholders, each holding at least \$500 worth of Trust Units, and qualify as a mutual fund trust.

Trust Unitholders have Limited Voting Rights

Trust Unitholders are NOT shareholders and do not enjoy the rights and privileges offered to shareholders under corporate statutes. The Fund is not generally regulated by established corporate law and Trust Unitholders' rights are governed primarily by the specific provisions of the Declaration of Trust. Subject to the Declaration of Trust, Trust Unitholders have rights to attend and vote at meetings of Trust Unitholders. However, the Fund may, but is not required to, hold annual meetings of Trust Unitholders or any Trust Unitholder meetings on a periodic basis.

The Trust Unitholders have no right to remove the Manager or to terminate the Management Agreement.

Further, unlike a BCBCA corporation, Trust Unitholders do not have the right to appoint the Fund's auditor. Rather, such right is held by the Manager.

See also **Item 5.1.7 - Rights of Trust Unitholders**.

Nature of the Trust Units

The Trust Units do not represent a direct investment in the Partnership or any Property and should not be viewed by Trust Unitholders as a direct interest in the Partnership or any Property. The Trust Units are not debt instruments and there is no principal amount owing to Trust Unitholders under the Trust Units. The Fund is not generally regulated by established corporate law and Trust Unitholders' rights are governed primarily by the specific provisions of the Declaration of Trust. As holders of Trust Units, Trust Unitholders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to seek recourse under the oppression remedy or to bring a derivative action. See **Item 5.1.7 - Rights of Trust Unitholders**. Further, in the event of insolvency or restructuring under the *Bankruptcy and Insolvency Act* (Canada) or the *Companies' Creditors Arrangement Act* (Canada), a Trust Unitholder's position may be quite different than that of a shareholder of a corporation.

Liability of Trust Unitholders

Notwithstanding certain provisions of the Declaration of Trust, there is a risk that a party may seek to assert that Trust Unitholders be held personally liable for the obligations of the Fund or in respect of claims against the Fund. Such risks are expected to be limited since the Fund intends to limit its investments to LP Units of the Partnership and the Fund does not intend to carry on any other business. However, there is no assurance that Trust Unitholders will not be personally liable for the obligations of the Fund.

Pursuant to the Declaration of Trust, if any Trust Unitholder is held personally liable as such to any other person in respect of any debt, liability or obligation incurred by or on behalf of the Fund, or any action taken on behalf of the Fund, such Trust Unitholder is entitled to indemnity and reimbursement out of the Fund assets to the full extent of such liability for all costs of any litigation or other proceedings in which such liability has been determined, including all fees and disbursements of counsel. The rights accruing to a Trust Unitholder do not exclude any other rights to which such Trust Unitholders may be lawfully entitled, nor does anything contained in the Declaration of Trust restrict the right of the Trustee to indemnify or reimburse a Trust Unitholder out of the Fund's assets in any appropriate situation not specially provided herein but, for greater certainty, the Trustees and the Manager have no liability to reimburse a Trust Unitholder for taxes assessed against them by reason of or arising out of his ownership of Trust Units.

Trust Unitholders will not have the benefit of the *Income Trust Liability Act* (British Columbia), as the Fund is not a reporting issuer as defined under the *Securities Act* (British Columbia).

Trust Unitholders could also be required to return distributions previously made by the Fund if it is determined that such distributions were wrongfully made or, in certain other circumstances, under the terms of the Declaration of Trust. Where a Trust Unitholder has received the return of all or part of the amount contributed to the Fund, the Trust Unitholder is nevertheless liable to the Fund or, where the Fund is terminated, to its creditors for any amount not in excess of the amount returned with interest that is necessary to discharge the liabilities of the Fund to all creditors who extended credit or whose claims otherwise arose before the return of the contribution. Additionally, Trust Unitholders may have to return all or a portion of distributions made to them to the extent the Fund has an obligation to withhold any amounts from such distribution for tax purposes.

Inability to Remove or Affect Management of Manager or General Partner

Although the Trust Unitholders and Limited Partners have a right to remove Trustees and the General Partner, respectively, pursuant to the Declaration of Trust and the Partnership Agreement, there is no guarantee that the Trust Unitholders will be able to meet the voting thresholds necessary to do so.

Furthermore, the Trust Unitholders do not have a right to appoint new directors to the General Partner's or the Manager's board of directors, to remove existing directors from the General Partner's or the Manager's board of directors or to prevent a change of control of the General Partner or the Manager. As a result, unlike shareholders of most corporations, Trust Unitholders do not possess a general mechanism to influence the direction of the Fund or the Partnership, including their policies and procedures, or to cause a change in their management, even if they are unsatisfied with the performance of the Fund or the Partnership.

Trust Units are Not Insured

The Trust Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under the provisions of that act or any other legislation or any other insurance company or program.

Declaration of Trust

To the extent such amounts of income of the Fund or net realized capital gains for a particular taxation year are not paid in cash, such amounts shall be paid at the end of the taxation year by the issuance of additional Trust Units at the fair market value of the Trust Unit, as determined in the reasonable discretion of the Trustees or the Manager, computed at the end of such taxation year. Unless the Trustees or the Manager determine otherwise, Trust Units so issued will be automatically consolidated immediately after the issuance such that the Trust Unitholders will hold the same number of Trust Units after the consolidation as they held prior to the distribution of additional Trust Units. No notice to Trust Unitholders shall be required for such consolidation.

Notwithstanding the foregoing, where tax is required to be withheld in respect of a Trust Unitholder's share of the distribution, the Fund shall withhold from the cash portion of such distribution, if any, or the Trust Unitholder shall make a cash payment to the Fund, of an amount equal to the amount of tax required to be remitted to the appropriate taxation authority by the Fund, or, if such withholding cannot be made by the Fund or such payment is not made by the Trust Unitholder, then the Fund shall be entitled to deduct such amount from any subsequent cash distribution from the Fund to such Trust Unitholder.

Income Tax Risks

Canadian federal and provincial tax aspects and local tax aspects should be considered prior to purchasing Offered Units under the Offering. Trust Unitholders are urged to consult their own tax advisors, prior to purchasing Trust Units, with respect to the specific tax consequences to them. No advance income tax ruling has been applied for or received with respect to the income tax consequences described in this Offering Memorandum.

There can be no assurance that Canadian federal income tax laws or the judicial interpretation thereof or the administrative or assessing practices of the CRA respecting the treatment of trusts or limited partnerships will not be changed in a manner that adversely affects Trust Unitholders or fundamentally alters the income tax consequences of investing in, holding or disposing of the Trust Units.

It is possible that tax matters, including the calculation and determination of revenue, expenditures, deductions, credits and other tax attributes, taxable income and taxes payable, may be reviewed and challenged by the tax authorities. If such challenge were to succeed, it could have a material adverse effect on the tax position of the Fund and Trust Unitholders.

It is possible that the Fund could become a "SIFT trust" for the purposes of the Tax Act if the Trust Units become listed for trading or if a public market is created on which the Trust Units are traded. If the Fund became a "SIFT trust" adverse tax consequences could result to the Fund and the Trust Unitholders. There is no intention to list the Trust Units.

The possibility exists that a Trust Unitholder will receive distributions of income without receiving cash distributions from the Fund in the year sufficient to satisfy the Trust Unitholder's tax liability for the year arising on such income.

U.S. Withholding Tax Risk

Generally, FATCA imposes a 30% withholding tax on "withholdable payments" made to an investment entity, unless the investment entity enters into a FATCA agreement with the IRS (or is subject to an intergovernmental agreement as described below) to comply with certain information reporting and other requirements. Compliance with FATCA will in certain cases require an investment entity to obtain certain information from certain investors and (where applicable) their beneficial owners (including information regarding their identity, residency and citizenship) and to disclose such information, including account balances, and documentation to the IRS.

Under the terms of the Canada-U.S. IGA, and its implementing provisions under the Tax Act, the Fund will be treated as complying with FATCA and not subject to the 30% withholding tax if the Fund complies with the terms of the Canada-U.S. IGA. Under the terms of the Canada-U.S. IGA, the Fund will not have to enter into an individual FATCA agreement with the IRS but the Fund will be required to report information, including certain financial information, on accounts held by investors that fail to provide information to their financial advisor or dealer related to their citizenship and residency for tax purposes and/or investors that are identified as, or in the case of certain entities as having one or more controlling persons who are, U.S. persons owning, directly or indirectly, an interest in the Fund to the CRA. The CRA will in turn provide such information to the IRS under the existing provisions of the Canada-U.S. Income Tax Convention. The Canada-U.S. IGA sets out specific accounts that are exempt from being reported, including certain tax deferred plans. By investing in the Fund, the investor is deemed to consent to the Fund disclosing such information to the CRA. If the Fund is unable to comply with any of its obligations under the Canada-U.S. IGA, the imposition of the 30% U.S. withholding tax may affect the value of the Fund's assets and may result in reduced investment returns to Trust Unitholders. It is possible that the administrative costs arising from compliance with

FATCA and/or the Canada-U.S. IGA and future guidance may also cause an increase in the operating expenses of the Fund.

Withholdable payments include (a) certain U.S. source income (such as interest, dividends and other passive income) and (b) gross proceeds from the sale or disposition of property that can produce U.S. source interest or dividends. The withholding tax applies to withholdable payments made on or after July 1, 2014 (or January 1, 2019 in the case of gross proceeds). The 30% withholding tax may also apply to any "foreign passthru payments" paid by an investment entity to certain investors on or after January 1, 2019. The scope of foreign passthru payments will be determined under the U.S. Treasury regulations that have yet to be issued.

The foregoing rules and requirements may be modified by future amendments of the Canada-U.S. IGA, and its implementation provisions under the Tax Act, future U.S. Treasury regulations, and other guidance.

No Review of Offering Memorandum by Regulatory Authorities

Investors will not have the benefit of a review of this Offering Memorandum, the Declaration of Trust, or any other documents in relation to the Offering by any regulatory authorities.

Disclosure of Personal Information

Investors are advised that their names and other specified information, including the number and aggregate value of the Trust Units owned: (a) will be disclosed to the relevant Canadian securities regulatory authorities and may become available to the public in accordance with the requirements of applicable securities and freedom of information laws and the Investor consents to the disclosure of such information; (b) is being collected indirectly by the applicable Canadian securities regulatory authority under the authority granted to it in securities legislation; and (c) is being collected for the purposes of the administration and enforcement of the applicable Canadian securities legislation.

No Independent Counsel for Trust Unitholders

Legal counsel that assisted in preparing the documentation in connection with the Offering, including the Declaration of Trust, acted as legal counsel for the Fund. No independent counsel was retained on behalf of the Trust Unitholders. There has been no review by independent counsel on behalf of the Trust Unitholders of this Offering Memorandum, the Declaration of Trust or any other documentation in relation to the Offering. No due diligence has been conducted on behalf of Trust Unitholders by Counsel.

8.2 Issuer Risk

Risks that are specific to the Fund include the following:

Limited Operational History

The Fund has been recently formed for a limited purpose and will carry on no business other than to:

- distribute Trust Units;
- invest proceeds from the issue and sale of Trust Units in the Partnership and hold LP Units of the Partnership; and
- pay distributions to Trust Unitholders in each distribution period pursuant to the Declaration of Trust.

The Fund's business is subject to all the risks inherent in the establishment of a new business enterprise. There is no certainty that the Fund's business strategy will be successful. The likelihood of success of the Fund must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. If the Fund fails to address any of these risks or difficulties adequately, its business will likely suffer. There is no assurance that the Fund can operate profitably.

The Fund has Limited Assets and Working Capital

The Fund is not expected to have assets other than the LP Units and will undertake no activities, other than as described in this Offering Memorandum (being the Fund's investment in the Partnership through the purchase of LP Units). The Properties will represent the primary assets of the Fund (through the Partnership). The Fund will not carry on an active business and will have limited sources of working capital. There is no assurance that the Fund will have

adequate working capital to meet the anticipated requirements. In addition, there is no assurance that the Fund will have access to additional debt or equity financing when needed or at all, or on acceptable terms.

Financing

The available funds may not be sufficient to accomplish the Fund's and the Partnership's proposed objectives and there is no assurance that alternative financing will be available on acceptable terms or at all. The Fund and the Partnership may depend upon future financing to fund its business objectives. The Fund and the Partnership may, to the extent available on acceptable terms, obtain institutional financing or other arm's length, third party financing to fund, in part, its objectives. No alternate financing has been arranged for the Fund and the Partnership. There is no assurance that alternative financing will be available on acceptable terms or at all. There is no assurance that the Fund or the Partnership will have adequate working capital to meet the anticipated requirements described in this Offering Memorandum.

Operational Dependence

The Fund is a limited purpose investment trust that will entirely depend upon the Partnership since the Fund's primary asset is its interest in the Partnership as a Limited Partner. Distributions, if any, to Trust Unitholders will depend upon numerous factors, including profitability, fluctuations in working capital, sustainability of margins and capital expenditures of the Partnership.

The Properties will represent the primary asset of the Partnership. The Fund's financial performance is directly tied to the performance of the Partnership and consequently, directly tied to the performance of the Properties. Neither the Partnership nor the Fund has any other investments of significance. Therefore, the Fund's success depends solely on the success of the Partnership. The success of the Partnership depends, to a large extent, on the good faith, experience, ability and judgment of the management of the General Partner to make appropriate decisions with respect to the operations of the Partnership. Investors must rely on the good faith, experience, ability and judgment of management of the General Partner and an investment in Trust Units would not be appropriate for those unwilling to do so.

Management's Experience is not Indicative of the Future Results of an Investment in Trust Units

While the officers and directors of the Manager and of the General Partner have experience in the real estate investment and development industries, there is no assurance that any success achieved by those individuals in their prior opportunities will be similarly enjoyed by the Partnership or the Fund.

Reliance on the Manager and the General Partner:

All decisions with respect to the assets and operations of the Fund and the Partnership are expected to be made exclusively by the Manager and the General Partner. The Fund and the Partnership do not have any employees and depend on the management and administration services provided by the Manager pursuant to the Management Agreement. See **Item 2.1.5 - Relationship with the Manager** and **Item 2.7.3 - Management Agreement**.

Personnel and support staff of the Manager that provide services to the Fund and the Partnership are not required to treat their responsibilities to the Fund and the Partnership as their primary responsibilities or to act exclusively for the Fund or the Partnership. Any failure of the Manager to effectively manage the operations of the Fund and the Partnership or to implement their investment strategy could have a material adverse effect on their businesses, financial condition and results of operations.

Trust Unitholders will have no right to make any decisions with respect to the management, disposition or other realization of any investment, or other decisions regarding the Fund's and the Partnership's business and affairs. No prospective Investor should purchase Offered Units unless such prospective Investor is willing to entrust all aspects of the management of the Fund to the Manager and/or the General Partner.

Reliance on Westbow Construction

The success of the Partnership depends, in part, on the involvement of Westbow Construction to, among other things, transfer purpose-built rental Properties to the Partnership and provide renovation services to aging and/or distressed Properties acquired by the Partnership. However, Westbow Construction has no obligation to provide these services to the Partnership. If Westbow Construction does not provide or is otherwise unable to provide such services to the Partnership, the Partnership's ability to achieve its investment objectives may be materially adversely affected.

The Partnership and the Manager do not deal at arm's length with Westbow Construction. As such, there is greater risk that transactions between the Partnership and the Manager, on one hand, and Westbow Construction, on the

other hand, may be perceived as not taking place at fair market value. To address this risk, the unanimous approval of the Independent Review Committee will be required for transactions between the Partnership and/or the Manager and Westbow Construction.

Change of Control of General Partner

The General Partner may transfer its general partnership interest to a third party in a merger or consolidation or in a transfer of all or substantially all of its assets without the consent of the holders of LP Units. Furthermore, at any time, Nick Westeringh and Dick Westeringh, as the sole shareholders of the General Partner, may sell or transfer all or part of their shares in the General Partner without the approval of the holders of LP Units. If a new owner were to acquire ownership of the General Partner and appoint new directors or officers, it would be able to exercise substantial influence over the Partnership's policies and procedures and affect the acquisition opportunities that the Partnership pursues. Such changes could result in the Partnership's capital being used to make acquisitions in which the Manager has no involvement or in making acquisitions that are not aligned with the Partnership's current investment criteria. The Partnership cannot predict with any certainty the effect that any transfer in the ownership of the General Partner would have on the price of the LP Units and Trust Units, the Fund's ability to raise capital or the Partnership's ability to make investments. As a result, the future of the Fund and the Partnership would be uncertain and their business, financial condition and results of operations may be materially affected.

Termination of Management Agreement

The Trust Unitholders and LP Unitholders have no general ability to terminate the Management Agreement. Unless the Trustees or the General Partner is removed and replaced pursuant to the Partnership Agreement, the General Partner, as an affiliate of the Manager, may be unwilling to terminate the Management Agreement, even if a default does occur in the manner described in the Management Agreement. If the Manager's performance does not meet the expectations of Investors, and the General Partner is unable or unwilling to terminate the Management Agreement, the price of the LP Units and the Trust Units could suffer.

Limited Liability of the Manager

Pursuant to the Management Agreement, neither the Manager, nor its directors, officers, employees, professional advisors or agents have assumed any liability for the Fund or the Partnership. In addition, under the Partnership Agreement and the Declaration of Trust, the liability of the General Partner, the Manager and their affiliates are limited to the fullest extent permitted by law to conduct involving fraud, gross negligence or wilful neglect. Furthermore, each of the Partnership and the Fund have agreed to indemnify the Manager, its affiliates and associates and each of their respective partners, officers, trustees, shareholders, agents and employees, on a joint and several basis from and against any claims, demands, losses, causes of action, damages, and liabilities whatsoever, including costs, charges and expenses (including legal fees and disbursement of enforcing the indemnity) arising from the Manager's performance of its obligations under the Management Agreement, except to the extent that such claims are caused by or arise from fraud, wilful misconduct or gross negligence. These protections may result in the Manager tolerating greater risks when making decisions than otherwise would be the case, including when determining whether to use leverage in connection with acquisitions. The indemnification arrangements to which the Manager is a party may also give rise to legal claims for indemnification that are adverse to the Fund, the Partnership and Investors. See **Item 2.7.3 - Management Agreement**.

Sale of Additional Securities

The Fund may issue additional Trust Units (including Offered Units), and the Partnership may issue additional securities (including LP Units), in the future. The authorized number of Trust Units for issuance by the Fund and the authorized number of LP units for issuance by the Partnership is unlimited. Such additional securities may be issued without the approval of Trust Unitholders, and may be issued in such number and for such price as is determined in the sole discretion of the Manager or the General Partner, as applicable. Trust Unitholders have no pre-emptive rights in connection with such additional issuances. It is not possible to predict the effect, if any, that future issuances of securities will have on the fair market value of the Offered Units. With any additional issuance of Trust Units by the Fund or LP Units by the Partnership, Trust Unitholders will experience dilution. Trust Unitholders who invest after a particular Property is acquired will be entitled to receive the same distributions as a Trust Unitholder who invested before such Property was acquired and will therefore be entitled to the equivalent benefits or disadvantages as each other Trust Unitholder.

Status of the Fund

The Fund is not a "mutual fund" or an "investment fund" for securities law purposes. As a result, some of the protections provided under such laws to those that invest in mutual funds or investment funds will not be available to Investors who invest in the Trust Units and certain restrictions imposed on mutual funds and investment funds under Canadian securities laws, including National Instrument 81-102 - *Investment Funds*, will not apply to the Fund.

Mutual Fund Trust Status

The Fund intends to qualify as a mutual fund trust for the purposes of the Tax Act. Should the Fund not qualify, or cease to qualify, as a mutual fund trust, the income tax considerations respecting the Fund would be materially different from those described in the summary under **Item 6 - Income Tax Consequences** and adverse income tax consequences may result, including: (a) the Offered Units would cease to be qualified investments for Exempt Plans with the result that an Exempt Plan may become subject to a penalty tax (or other adverse consequences), the beneficiary of such Exempt Plan may be deemed to have received income therefrom or, in the case of an RESP, the RESP may have its tax exempt status revoked; (b) the Fund will be subject to alternative minimum tax under the Tax Act; (c) the Fund may be required to pay tax under Part XII.2 of the Tax Act; and (d) the Fund will cease to be eligible for the capital gains refund mechanism available to mutual fund trusts. The Fund may take certain measures in the future to the extent the Fund believes them necessary to ensure that it maintains its status as a mutual fund trust. These measures could be adverse to certain Trust Unitholders.

Securities Regulatory Risks

In the ordinary course of business, the Fund may be subject to ongoing reviews by the securities regulators, who have broad powers to pass, interpret, amend and change the interpretation of securities laws from time to time and broad powers to protect the public interest and to impose terms, conditions, restrictions or requirements regarding registration under securities laws. Further, the securities regulators have the authority to retroactively deny the benefit of an exemption from prospectus or registration requirements otherwise provided for in the securities laws where the regulator considers it necessary to do so to protect investors or the public interest.

While the Fund believes that its position regarding compliance with securities laws is appropriate and supportable, it is possible that securities matters may be reviewed and challenged by the securities authorities. If such challenge were to succeed, it could have a material adverse effect on the Fund. There can be no assurance that applicable securities laws or the securities regulators' interpretation thereof or the practices of the securities regulators will not be changed or re-interpreted in a manner that adversely affects the Fund.

Changes in Applicable Law

Legal, tax and regulatory changes may occur that can adversely affect the Fund, the Manager, the Partnership, the General Partner and the Trust Unitholders. There can be no assurance that income tax, securities and other laws will not be changed in a manner which adversely affects the distributions received by the Fund or by the Trust Unitholders. There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the CRA respecting the treatment of mutual fund trusts will not be changed in a manner which adversely affects the Trust Unitholders.

Reliance on Assumptions

The Fund's and the Partnership's investment objectives and strategy have been formulated based on the Manager's analysis and expectations regarding developments in the real estate development and management industries. Such analysis may be incorrect and such expectations may not be realized, in which event the Fund, through the Partnership, may not generate sufficient funds to pay the expected distributions.

Risks Associated with the Level of Foreign Ownership

Currently, one of the conditions for the Fund to qualify as a mutual fund trust is that the Fund cannot reasonably be considered to have been established or maintained primarily for the benefit of Non-Resident persons. The Declaration of Trust contains a limitation on Non-Resident ownership which provides that at no time may Non-Residents of Canada be the beneficial owners of more than 45% of the outstanding Trust Units. The Declaration of Trust provides powers to the Manager to enforce this limitation, including by selling the Trust Units of a Non-Resident Trust Unitholder without their consent or requiring a Non-Resident Trust Unitholder to redeem its Trust Units. The exercise of the Manager powers to enforce such Non-Resident ownership limitation may have an adverse effect on one or more Trust Unitholders.

Additional Tax on Non-Resident Trust Unitholders

Net income of the Fund, other than certain net realized capital gains, distributed to Non-Resident Trust Unitholders will be subject to withholding tax under the Tax Act at a 25% rate, subject to reduction under an applicable income tax treaty. There can be no assurance that Canadian tax laws or international tax treaties will not be changed in a manner which adversely affects the rate of withholding on distributions of the Fund's capital and/or income. If the Fund ceases to qualify as a "mutual fund trust" for purposes of the Tax Act, Non-Resident Trust Unitholders may be subject to Canadian tax (subject to any treaty relief) on gains realized on a disposition of Trust Units if such Trust

Units constitute "taxable Canadian property" as defined in the Tax Act (to the extent they are not otherwise liable for such tax).

Limited Liability

The limited liability of the Fund, as a Limited Partner, may be lost in certain circumstances, including where it takes part in the control or management of the business of the Partnership or through non-compliance with the Partnership Act. In addition, Limited Partners may lose their limited liability to the extent the principles of Canadian law recognizing the limitation of liability of limited partners have not been authoritatively established with respect to limited partnerships formed under the laws of one province but operating, owning property or incurring obligations in another province.

8.3 Acquisition Risk

Risks that are specific to acquisitions and investments by the Fund and the Partnership include the following:

Difficulty in Valuing Properties

Real estate appraisals are estimates of the market value of a Property and caution should be used in evaluating data with respect to appraisals. Appraisals are measures of value based on information gathered in the investigation, appraisal techniques employed, and reasoning (both quantitative and qualitative), leading to an opinion of value. The analysis, options and conditions in an appraisal are typically developed based on, and in conformity with, or interpretation of the guidelines and recommendations set forth in the Canadian Uniform Standards of Appraisal Practice. Appraisals are based on various assumptions of future expectations of property performance and while the appraiser's internal forecasts of net income for the properties appraised are considered to be reasonable at that time, some of the assumptions may not materialize or may differ materially from actual experience in the future.

Competitive Marketplace

The real estate market is highly competitive and fragmented and the Partnership will be competing for Properties with other entities including banks, private equity funds, real estate investment trusts, institutional investors, strategic investors, as well as the public equity markets. Many of the entities with which the Partnership may compete are substantially larger than the Partnership and possess greater financial, technical and marketing resources. Some competitors may have higher risk tolerances, different risk assessments, lower return thresholds, a lower cost of capital, or a lower effective tax rate (or no tax rate at all), all of which could allow them to consider a wider variety of investments and to bid more aggressively on investments than the Partnership. The Partnership may lose investment opportunities in the future if it does not match investment prices, structures and terms offered by competitors, some of whom may have synergistic businesses which allow them to consider bidding a higher price than the Partnership can reasonably offer. As a result of this competition, there can be no assurance that the Partnership will be able to locate suitable Properties, acquire them for an appropriate level of consideration, achieve its targeted rate of return or fully invest its capital contributions. In addition, if the Partnership makes only a limited number of investments, the aggregate returns realized by the Partnership could be adversely affected in a material manner by the unfavourable performance of even one such investment.

Timing for Investment of Available Funds

The time period for the full investment of net proceeds of the Offering is not certain. The timing of such investment will depend, among other things, upon the identification by the Partnership of suitable Properties. There is a risk that the Partnership may not be able to invest in Properties in the intended time frame and therefore, may not be able to generate sufficient funds to pay cash distributions on the LP Units, which will negatively impact the Fund's ability to pay distributions to the Trust Unitholders.

Potential Undisclosed Liabilities Associated with Properties

The Partnership's growth depends in large part on identifying, pursuing and acquiring suitable Properties. The acquisition of or investment in Properties entails risks that investments will fail to perform in accordance with expectations. It is not possible to manage all risks associated with such acquisitions in the terms and conditions contained in commercial agreements pertaining to such acquisitions or investments. The Properties may be subject to unknown, unexpected or undisclosed liabilities that may materially and adversely affect the Partnership's operations and financial condition and results. The representations and warranties, if any, given by arm's length third parties to the Partnership may not adequately protect against these liabilities and any recourse against third parties may be limited by the financial capacity of such third parties. Properties may not achieve anticipated success levels and the estimates relating to the future performance of a Property may prove inaccurate or may not have the intended results.

8.4 Risks Pertaining to the Business

Risks that are specific to the business of the Fund and the Partnership include the following:

Risks of Real Estate Property Ownership

Real estate investments and projects are, generally, subject to numerous risks depending on the nature and location of the property that can affect attractiveness and sale ability of real estate assets to potential purchasers or other investors, or the owner's use of such real estate assets, all of which are beyond the control of the Partnership. Such risks include:

- the highly competitive nature of the real estate industry;
- changes in general economic conditions (such as the availability and cost of the property or widespread fluctuations in adjacent property values);
- changes in general or local conditions (such as the supply of competing real estate assets or the possibility of competitive overbuilding, demand for commercial real estate properties, including low-to-mid density, multi-family residential, office, retail and industrial properties or the inability to obtain full occupancy or other usage of any real estate assets);
- governmental regulation, rules or policies (such as increased taxation on the sale of or profits from real estate property, rent control, environmental legislation or municipal approvals for usage, development or subdivision); and
- changes in costs or operating expenses anticipated for real estate assets.

Each segment in the real estate industry is capital intensive and is typically sensitive to interest rates. Any proceeds generated by the sale of real estate assets depend upon general economic conditions and, accordingly, the ability to repay its financing may be affected by changes in those conditions. The Partnership 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, maintenance costs, property management costs, insurance costs and related charges which must be made regardless of whether or not real estate assets are producing sufficient income to service such expenses. If the Partnership is unable or unwilling to meet the payment obligations on such loans, losses could be sustained as a result of the exercise by the lenders of their rights of foreclosure or sale. As a result, the Partnership's ability to make interest payments or distributions to the Fund could be adversely affected.

In addition, real estate property investments are relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for and the perceived desirability of such investments. This illiquidity will tend to limit the ability of the Partnership to vary its portfolio of Properties promptly in response to changes in economic or investment conditions. If the Partnership is required to quickly liquidate its portfolio of Properties, there is risk that the it would realize sale proceeds of less than the stated value of the Properties of the Partnership.

Regulatory Approvals

Development of particular Properties may require zoning and other approvals from local government agencies. The process of obtaining such approvals may take many months and there can be no assurance that the necessary approvals will be obtained. Holding costs accrue while regulatory approvals are being sought and delays could render the sale and/or development of the properties uneconomic.

Reputational Risk

The growth of the business of the Fund and the Partnership depends on the business relationships of the Manager, the Fund and the Partnership and the Manager's, the Fund's and the Partnership's reputation. Poor performance of any kind of the Fund, the Partnership or the Properties could the Fund's and the Partnership's reputation with potential investors and make it more difficult for the Fund to raise new capital. Reputational damage could arise from allegations of misconduct from private litigants or regulators, whether the allegations are valid or invalid and whether the outcome is favourable or unfavourable. Such allegations may result in negative publicity and press speculation about the Fund and the Partnership, their investment activities or the real estate markets in general, in each case potentially harming the Fund's and the Partnership's business.

Key Personnel

The Fund, the Partnership and the General Partner are highly dependent on Nick Westeringh, Dick Westeringh and Jason Tiessen to implement their respective business plans, including with respect to identifying potential Properties and negotiating the pricing and other terms of the agreements leading to the acquisition of Properties. The ability of the Partnership to successfully implement its investment strategy will depend in large part on the continued employment and involvement of these key executives and the loss of their services may materially adversely affect the business, financial condition and results of operations of the Partnership and consequently the Fund. Neither the Partnership nor the Fund maintains key-person life insurance for any of these named individuals. There can be no assurance that any of the key individuals of the Partnership, the General Partner or the Fund will remain in their current positions.

General Economic Risks

The Fund, the Partnership and the Properties are subject to changes in North American and international economic conditions, including but not limited to, recessionary or inflationary trends, capital market volatility, consumer credit availability, interest rates, consumers' disposable income and spending levels, job security and unemployment, corporate taxation and overall consumer confidence. Recent market events and conditions, including the United Kingdom's referendum and continued discussion to exit the European Union ("**Brexit**"), disruptions in the international credit markets and other financial systems and the American and European sovereign debt level, have resulted in a deterioration of global economic conditions. These conditions caused a decrease in confidence in the broader North American and global credit and financial markets and created a climate of greater volatility, less liquidity, widening of credit spreads, a lack of price transparency, increased credit losses and tighter credit conditions. Notwithstanding various actions by governments, concerns remain about the general condition of the real estate markets, capital markets, financial instruments, banks, investment banks, insurers and other financial institutions. These factors negatively impacted company valuations and impacted the performance of the global economy. A return of any of these negative economic events could have a material adverse effect on the business, financial condition, results of operations and cash flows of Fund, the Partnership and the Properties.

Furthermore, economic conditions in North America and globally may be affected, directly or indirectly, by political events throughout the world that cause disruptions in the financial markets, such as Brexit and the imposition of trade tariffs and other barriers by the United States. In particular, the new United States-Mexico-Canada Agreement and certain other international trade agreements as well as conflicts or, conversely, peaceful developments, arising in the Middle East, the Korean Peninsula, Venezuela or Eastern Europe and other areas of the world that have a significant impact on the price of important commodities can have a significant impact on financial markets and the global economy. Any such negative impacts could have a material adverse effect on the business, financial condition, results of operations and cash flows of the Fund, the Partnership and the Properties.

Market Risks

The economic performance and value of the Fund's indirect investments in real estate assets will be subject to all of the risks associated with investing in real estate, including, but not limited to: (i) changes in the national, regional, state and local economic climates; (ii) local conditions, including an oversupply of properties or a reduction in demand for properties; (iii) the attractiveness of all or parts of real estate assets to renters or purchasers; (iv) competition from other available real estate assets; and (v) changes in laws and governmental regulations, including those governing usage, zoning, the environment and taxes.

The performance of the Partnership will be affected by the supply and demand for property in its geographic area(s) of ownership, which is initially expected to be Western Canada. Key drivers of demand include employment levels, population growth, demographic rents and consumer confidence. The potential for reduced sales revenue exists in the event that demand diminishes or supply becomes overabundant thereby driving down prices for real estate assets.

Vacancy Risk

The Fund will indirectly, through the Partnership, be subject to tenant vacancy risk. The Fund's operating results may be adversely impacted by a decline in revenues if the Partnership is unable to maintain the existing occupancy levels of its Properties, if existing tenants experience financial difficulty and become unable to fulfill their lease commitments, if the Partnership becomes unable to attract new tenants at rental rates similar to those paid by existing tenants, or if existing tenants do not renew at the expiry of the lease term and such space cannot be re-leased.

With respect to residential vacancies, vacancy rates generally increase and rental revenue cash flow generally decrease when in some markets and under certain economic conditions, housing/condominiums are affordable, financing is readily available and interest rates are low, making it easier for renters to become homebuyers.

Residential vacancy rates can also be affected negatively by increased supply of rental units in the Partnership's core markets. Numerous other residential developers and apartment owners compete for potential tenants. In addition, an increase in alternative housing could have a material adverse effect on the Partnership's ability to lease units and in the rents charged and could adversely affect revenues and ability to meet its obligations.

Accordingly, the Fund's performance, indirectly, will always be affected by the supply and demand for rental real estate in Western Canada and potentially in other geographic areas into which the Partnership expands its business. The potential for reduced rental revenue exists in the event that the Partnership is not able to maintain their properties at a high level of occupancy, or in the event of a downturn in the economy, which could result in lower rents or higher vacancy rates.

Risks upon Dispositions of Investments

In connection with the disposition of a Property, the Partnership may be required to make standard representations about the business and financial affairs of such Property. It may also be required to indemnify the purchasers of such Property to the extent that any such representation turns out to be inaccurate. These arrangements may result in contingent liabilities of the Partnership, which might ultimately have to be funded by the Trust Unitholders to the extent that such contingent liabilities exceed the reserves and other assets of the Partnership and such Trust Unitholders have received prior distributions from the Partnership.

Exit Risk

At the appropriate stage of the development of the Partnership's business, the General Partner plans to seek a sale of the Partnership's Properties. However, it is not guaranteed that the Partnership will reach the stage of development where sale of its Properties would be appropriate or that the General Partner will realize such stage has been reached and have the resources to take advantage of it. Furthermore, the General Partner has not yet developed a strategy in connection with such liquidity event and is unable to accurately quantify the time horizon for such an event. There can be no assurance that the General Partner will be able to develop a strategy in connection with a liquidity event or that any such strategy developed by the General Partner will prove to be effective. Whether any particular sale of a Property is successful will depend on a large number of factors including general economic conditions and other factors applicable to the industries in which the Partnership is invested and real estate markets generally, many of which are beyond the Partnership's control or influence.

Substitutions for Residential Rental Units

Demand for residential rental properties is impacted by and inversely related to the relative cost of home ownership. The cost of home ownership depends upon, among other things, interest rates offered by financial institutions on mortgages and similar home financing transactions. With the recent global economic crisis and its impact on the United States and other credit markets, interest rates offered by financial institutions for financing home ownership have been at historically low levels. If the interest rates offered by financial institutions for home ownership financing remain low, demand for rental properties may be adversely affected. A reduction in the demand for rental properties may have a material adverse effect on a Partnership's ability to lease suites and on the rents charged. This, in turn, may have a material adverse effect on the Fund.

Rent Control

The Partnership may be subject to legislation that exists or is enacted in certain jurisdictions which restricts the right of landlords to increase rents charged to tenants. As a result, the inability to adjust rents to address higher operating costs or to improve margins on certain Properties may have an adverse effect on the returns available from such Properties.

Currently, it is expected that the Partnership will operate in Western Canada. Neither Alberta nor Saskatchewan is subject to rent control legislation; however, under Alberta legislation, a landlord is only entitled to increase rents once every twelve months. There is no guarantee that Alberta or Saskatchewan will not pass stricter rent control legislation. Any imposition of rent control has the potential to adversely affect the rental income the Partnership derives from the Properties in such provinces.

Under British Columbia's rent control legislation, a landlord is entitled to increase the rent for existing tenants once every twelve months. Effective January 1, 2019, the maximum rent increase in respect of residential tenancies is 2.5%. When a unit is vacant, however, the landlord is entitled to lease the unit to a new tenant at any rental amount, after which annual increases are limited to the applicable guideline amount. The landlord may also be entitled to a greater increase in rent for a unit under certain circumstances, including, for example, where extra expenses have been incurred as a result of a renovation of that unit. If British Columbia maintains its strict approach to rent control or implements further legislation limiting rent increases, the rental income the Partnership derives from Properties in British Columbia could be adversely affected, which, in turn, could affect the distributions to Trust Unitholders.

To manage this risk, prior to entering a market where rent controls are in place, an extensive amount of time is spent researching the existing rules, and, where possible, the Partnership will ensure it retains individuals who are experienced in working in these controlled environments.

Utilities Risk

The Fund will also, indirectly through the Partnership, be exposed to fluctuating utility and energy costs such as electricity and natural gas (heating) prices. While utility and energy costs have been fairly stable over the last several years, there is potential for significant increases in natural gas heating prices. The Partnership will try to mitigate this risk by acquiring Properties where the tenants are responsible for making utilities payments.

Renovation Risk

The Partnership will be subject to the financial risk of having unoccupied units during extended periods of renovations. During renovations, these Properties will be unavailable for occupancy and will not generate income. Certain significant expenditures, including property taxes, maintenance costs, interest payments, insurance costs and related charges must be made throughout the period of ownership of Properties regardless of whether the Property is producing revenue. Delays in the renovation of a building or individual units as a result of labour shortage and similar risks could delay the renting of such building or units resulting in an increased period of time where the building is not producing revenue or produces less revenue than a fully-tenanted building. Although the Partnership intends to source the majority of its renovation supplies and services from Westbow Construction, the Partnership may source a portion of its renovation supplies directly from domestic or international manufacturers, thus subjecting the Partnership to shipping risks and currency fluctuations, all of which may result in unexpected or higher costs or possible delays.

Financial

The Partnership has the discretion to incur indebtedness to fund investments and obligations. The use of financial leverage adds financial risk to any investment, including but not limited to the following: (a) cash flow may be insufficient to meet required payments of principal and interest; (b) payments of principal and interest on borrowings may leave the Partnership with insufficient cash resources to pay operating expenses and dividends/distributions; (c) if the Partnership is unable to obtain committed debt financing for potential acquisitions or can only obtain debt at an increased interest rate or on unfavourable terms, the Partnership may have difficulty completing acquisitions or may generate profits that are lower than would otherwise be the case; (d) the Partnership may not be able to refinance indebtedness on its assets at maturity due to company and market factors such as the estimated cash flow produced by the Partnership's assets, the value of such assets, liquidity in the debt markets, and/or financial, competitive, business and other factors; and (e) if the Partnership is able to refinance its assets, the terms of a refinancing may not be as favourable as the original terms of the related indebtedness. If the Partnership is unable to refinance indebtedness on acceptable terms, or at all, the Partnership may need to utilize available liquidity, which would reduce its ability to pursue new investment opportunities, or the Partnership may need to dispose of one or more of its assets on disadvantageous terms, or raise funds causing dilution to existing securityholders.

Interest Rate Fluctuations

The Partnership will be, and thus the Fund will indirectly be, exposed to interest rate risk to the extent of any upward revision in prime lending rates. Increases in the interest rate have the potential to adversely affect profitability of Properties. However, the Partnership intends to attempt to mitigate this risk by staggering the maturity dates of its mortgages. The Partnership will attempt to secure mortgages that are insured by CMHC under the National Housing Association mortgage program. This added level of insurance offered to lenders allows the Partnership to receive the best possible financing and interest rates, significantly reducing the possibility of a lender calling a loan prematurely.

In 2013, the Canadian government announced it would be capping the total amount of insurance that CMHC can have in force at \$600 billion. This decision has primarily affected the amount of portfolio or bulk insurance CMHC offers to banks. There is no assurance that the decision to cap the amount of CMHC insurance will not affect mortgages for multi-family residential properties in future periods.

Environmental Matters

The Properties may carry varying degrees of inherent risk or liability related to the environment, health and safety, including the risk of government imposed orders to remedy unsafe conditions and contaminated lands, and potential civil liability. Compliance with environmental, health and safety standards and the requirements set out in any licenses, permits and other approvals may be material to the Properties and, by extension, the Partnership.

The presence of hazardous or toxic substances, or the failure to remove or remediate such substances, if any, or restrictions imposed by environmental laws on the manner in which the Properties may be operated or developed

could adversely affect the Partnership's ability to sell the Properties and pay cash distributions and could potentially also result in claims against the Partnership.

Environmental, health and safety laws and regulations can change rapidly and significantly and the Partnership and the Properties may become subject to more stringent laws and regulations in the future. The occurrence of any adverse environmental event, or any changes, additions to, or more rigorous enforcement of environmental, health and safety standards, licenses, permits or other approvals could have a significant impact on the Partnership's business and operations and/or result in material expenditures.

Environmental, health and safety laws provide for sanctions for non-compliance and may be enforced by governmental agencies or, in certain circumstances, by private parties. Certain environmental health and safety laws and common law principles could be used to impose liability for release of and exposure to hazardous substances into the air. Third parties may seek recovery from real property owners or operators for personal injury or property damage associated with exposure to released hazardous substances. The cost of defending against claims of liability, of complying with environmental regulatory requirements, of remediating any contaminated property, or of paying personal injury claims could be substantial and reduce cash distributions to the Fund.

Under various environmental, health and safety laws, ordinances and regulations, the current or previous owner or operator of properties acquired or refinanced, may be liable for the costs of removal or remediation of hazardous or toxic substances on, under or in such properties. These costs could be substantial. Such environmental, health and safety laws could impose liability whether or not the Partnership knew of, or was responsible for, the presence of such hazardous or toxic substances.

The Partnership 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 perception of relative risk. Such factors may have an adverse impact on the Partnership.

Uninsured Losses

The Partnership will carry comprehensive general liability, fire, flood, extended coverage, rental loss with policy specifications, limits and deductibles customarily carried for similar real estate properties. However, there are certain types of risks, generally of a catastrophic nature, such as wars, terrorist attacks or environmental contamination, which are either uninsurable or not insurable on an economically viable basis. Should an uninsured or underinsured loss occur, the Partnership could lose its investment in, and anticipated profits and cash flows from, one or more of its properties, but would continue to be obligated to repay any recourse mortgage indebtedness on such Properties.

From time to time the Partnership may be subject to law suits as a result of the nature of its business. The Partnership intends to maintain business and property insurance policies in amounts and with such coverage and deductibles as are deemed appropriate, based on the nature and risks of the businesses, historical experience and industry standards. However, there can be no assurance that claims in excess of the insurance coverage or claims not covered by the insurance coverage will not arise or that the liability coverage will continue to be available on acceptable terms. A successful claim against the Partnership that is not covered by, or in excess of, the Partnership's insurance could materially affect the Partnership's operating results and financial condition, which would have an adverse effect on the Fund. Claims against the Partnership, regardless of their merit or eventual outcome, will require the management of the Partnership to devote time to matters unrelated to the operation of the business.

Management of Growth

The Partnership may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Partnership to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Partnership to deal with this growth may have a material adverse effect on the Partnership's business, financial condition, results of operations and prospects.

Credit

Third parties may not fulfil their payment obligations to the Partnership, which could include money, securities or other assets, thereby impacting the Partnership's operations and financial results. Such third parties may include deal and trading counterparties, governmental agencies and financial intermediaries. Third parties may default on their obligations to the Partnership due to bankruptcy, lack of liquidity, operational failure or other reasons.

Information Technology and Cyber-Security

The Partnership's business will depend on information technology systems and other technology, such as telecommunications networks and computer systems used for information storage, processing, administrative and

commercial functions. The Partnership will rely on this technology functioning as intended. There is a risk that information systems and technology may not continue to be able to accommodate the growth of the Partnership, and the cost of maintaining such systems may increase from its predicted levels. A failure to accommodate growth, or an increase in costs related to such information systems, could have a material adverse effect on the Partnership.

The Partnership will rely heavily on financial, accounting, communications and other data processing systems. Its information technology systems may be subject to cyber-terrorism or other compromises and shut-downs, which may result in unauthorized access to its proprietary information, destruction of its data or disability, degradation or sabotage of its systems, including through the introduction of computer viruses, cyber-attacks and other means, and could originate from a wide variety of sources, including internal or unknown third parties. The Partnership will not be able to predict what effects such cyber-attacks or compromises or shut-downs may have on its business, and the consequences could be material. Cyber incidents may remain undetected for an extended period, which could exacerbate these consequences.

If the Partnership's information systems and other technology are compromised, do not operate or are disabled, such could have a material adverse effect on its business prospects, financial condition, results of operations and cash flow.

Fluctuations in Foreign Currency Exchange Rates

Fluctuations in foreign currency exchange rates could adversely affect the Partnership and payments of distributions to Trust Unitholders. Although the Properties are initially expected to be located in Canada and use the functional currency of the Fund, which is the Canadian dollar, future properties may be located in other jurisdictions, including the United States and may pay distributions to the Partnership in United States dollars, which the Partnership or the Fund would have to convert to Canadian dollars prior to making distributions to Trust Unitholders.

Workforce Availability

The Partnership's ability to provide services to its existing tenants will be somewhat dependent on the availability of well-trained employees and contractors (including those of Westbow Construction) to service such tenants and complete required maintenance and capital upgrades on its assets and Properties. The Partnership must also balance requirements to maintain adequate staffing levels with overall costs.

Need for Follow-On Investments

Following an initial investment, the Partnership may decide to provide additional funds to its Properties or may have the opportunity to increase its investment in them. There is no assurance that the Partnership will make follow-on investments or that the Partnership will have sufficient funds to make all or any of such investments. Any decision by the Partnership not to make follow-on investments or its inability to make such investments may have a substantial negative effect on the Property in need of such an investment.

General Litigation Risk

In the normal course of the Partnership's operations, whether directly or indirectly, it may become involved in, named as a part to or the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions relating to personal injuries, property damage, property taxes, land rights, the environment and contract disputes. The outcome with respect to outstanding, pending or future proceedings cannot be predicted with certainty and may be determined in a manner adverse to the Partnership and as a result, could have a material adverse effect of the Partnership's investments, liabilities, business, financial condition and results of operations. Even if the Partnership prevails in any such legal proceedings, the proceedings could be costly and time-consuming and may divert the attention of the General Partner, the Manager and key personnel from the Partnership's business operations, which could have a material adverse effect on the Partnership's business, cash flow, financial condition and results of operations and ability to make distributions to holders of LP Units, including the Fund.

The foregoing risk factors do not purport to be a complete explanation of all risks involved in purchasing the Trust Units. Potential investors should read this entire Offering Memorandum and consult with their legal and other professional advisors before deciding to invest in the Trust Units.

ITEM 9 - REPORTING OBLIGATIONS

The fiscal year end of the Fund and the Partnership is December 31. The Fund will send to Trust Unitholders (or make available if sending is not required by applicable laws) within 120 days after the end of each fiscal year (or within such shorter time as may be required by applicable securities law): (a) the audited annual financial statements of the Fund and the Partnership for such fiscal year, together with comparative audited financial statements for the

preceding fiscal year, if any; and (b) so long as required by applicable securities laws, a notice of the Fund disclosing in reasonable detail the use of the aggregate gross proceeds raised by the Fund under Section 2.9 of NI 45-106.

The Fund shall send to Trust Unitholders (or make available if sending is not required by applicable laws) a notice of specified events under subsection 2.9(17.20) of NI 45-106.

On or before March 31 in each year (or such other date as may be required under applicable law), the Fund will provide to each Trust Unitholder who received distributions from the Fund in the prior calendar year, such information regarding the Fund as is required by law to be submitted to Trust Unitholders for income tax purposes to enable Trust Unitholders to complete their tax returns in respect of the prior calendar year.

On an annual basis, the Independent Review Committee will prepare and make available to Trust Unitholders a report of conflict of interest matters identified in the year preceding the report, including how such conflict of interest matters were addressed and resolved.

Financial or other information relating to the Fund and provided to you in the future may not by itself be sufficient for you to assess the performance of your investment.

The Fund is not a "reporting issuer" or equivalent under the securities legislation of any jurisdiction. Accordingly, other than the disclosure set forth above, the Fund is not subject to the "continuous disclosure" requirements of any securities legislation and there is no requirement that the Fund make ongoing disclosure of its affairs including, without limitation, the disclosure of financial information on a quarterly basis or the disclosure of material changes in the business or affairs of the Fund. The Fund files information with SEDAR only as required pursuant to Section 2.9 of NI 45-106, which information is available electronically from SEDAR (www.sedar.com).

ITEM 10 - RESALE RESTRICTIONS

There is no market for the Offered Units and none is expected to develop and therefore, it may be difficult or impossible for Trust Unitholders to sell the Offered Units.

The Offered Units will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the Offered Units unless you comply with an exemption from the prospectus requirements under securities legislation.

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

For trades in Manitoba, unless permitted under securities legislation, you must not trade the Offered Units without the prior written consent of the regulator in Manitoba unless:

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

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

Since the Fund is not a reporting issuer and has no intention to become a reporting issuer, in any province or territory, the applicable hold period for Investors may never expire, and if no further exemption may be relied upon and if no discretionary order is obtained, this could result in an Investor having to hold the Offered Units acquired under the Offering for an indefinite period of time.

The Manager must approve of any proposed disposition of Trust Units. The Declaration of Trust provides that no transfer or other disposition of Trust Units shall be effective unless the transferor provides the proper documentation described in the Declaration of Trust, reports to the Manager the details of the disposition and all outstanding liabilities of the transferor to the Fund have been paid, or arrangements have been made satisfactory to the Manager for the assumption of such liabilities by the transferee. **See Item 2.7.1 - Declaration of Trust - Transfer of Trust Units.**

The foregoing is a summary only of resale restrictions relevant to an Investor in the securities offered hereunder. It is not intended to be exhaustive. All Investors under this Offering should consult with their legal advisors to determine the applicable restrictions governing resale of the securities purchased hereunder including the extent of the applicable hold period and the possibilities of utilizing any further statutory exemptions or obtaining a discretionary order.

ITEM 11 - INVESTORS' RIGHTS

If you purchase Trust Units you will have certain rights, some of which are described below. These rights may not be available to you if you purchase the Trust Units pursuant to an exemption from the prospectus requirements other than the offering memorandum exemption in Section 2.9 of NI 45-106. Persons resident in the province of Québec are not permitted to rely on the offering memorandum exemption contained in Section 2.9 of NI 45-106, and accordingly, the rights below are not applicable to residents of Québec. For complete information about your rights, you should consult a lawyer.

Two Day Cancellation Right

You can cancel your agreement to purchase Trust Units. To do so, you must send a notice to us by midnight on the second business day after you sign the agreement to buy the Trust Units.

Rights of Action in the Event of a Misrepresentation

Securities legislation in certain of the provinces of Canada and territories provides Investors with a statutory right of action for damages or rescission in cases where an offering memorandum or any amendment thereto contains an untrue statement of a material fact or omits to state a material fact that is required to be stated or is necessary to make any statement contained therein not misleading in light of the circumstances in which it was made (a "**misrepresentation**"). These rights, or notice with respect thereto, must be exercised or delivered, as the case may be, by Investors within the time limits prescribed and are subject to the defenses and limitations contained under applicable securities legislation.

The following summaries are subject to the express provisions of the securities legislation applicable in each of the provinces and territories of Canada and the regulations, rules and policy statements thereunder. Investors should refer to the securities legislation applicable in their province along with the regulations, rules and policy statements thereunder for the complete text of these provisions or should consult with their legal advisor. The contractual and statutory rights of action described in this Offering Memorandum are in addition to and without derogation from any other right or remedy that Investors may have at law.

Rights of Investors in Alberta

If you are a resident of Alberta, and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Fund to cancel your agreement to buy these securities, or
- (b) for damages against the Fund, every person who was a director of the Manager at the date of this Offering Memorandum and every person or company who signed this Offering Memorandum.

If you elect to exercise a right to cancel your agreement to buy these securities against the Fund, you will have no right of action against the persons described in (b) above.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In an action for damages, the amount recoverable shall not exceed the price at which the securities were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three years after the date you purchased the securities.

Rights of Investors in British Columbia

If you are a resident of British Columbia, and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Fund to cancel your agreement to buy these securities, or
- (b) for damages against the Fund, every person who was a director of the Manager at the date of this Offering Memorandum and every person who signed this Offering Memorandum.

If you elect to exercise a right to cancel your agreement to buy these securities against the Fund, you will have no right of action against the Fund.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In an action for damages, the amount recoverable shall not exceed the price at which the securities were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three years after the date you purchased the securities.

Rights of Investors in Saskatchewan

If you are a resident of Saskatchewan and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Fund to cancel your agreement to buy these securities, or
- (b) for damages against the Fund, every promoter of the Fund, every person who was a director of the Manager at the date of this Offering Memorandum, 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, every person who or company that signed this Offering Memorandum and every person who or company that sells securities on behalf of the Fund under this Offering Memorandum.

If you elect to exercise a right to cancel your agreement to buy these securities against the Fund, you will have no right of action against the Fund.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In an action for damages, the amount recoverable shall not exceed the price at which the securities were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of one year after you first had knowledge of the facts giving rise to the cause of action and six years after the date you purchased the securities.

Rights of Investors in Manitoba

If you are a resident of Manitoba, and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Fund to cancel your agreement to buy these securities, or
- (b) for damages against the Fund, every person who was a director of the Manager at the date of this Offering Memorandum and every person or company who signed this Offering Memorandum.

If you elect to exercise a right to cancel your agreement to buy these securities against the Fund, you will have no right of action against the persons described in (b) above.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In an action for damages, the amount recoverable shall not exceed the price at which the securities were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action or two years after the date you purchased the securities.

Rights of Investors in Ontario

If you are a resident of Ontario, and if there is a misrepresentation in this Offering Memorandum, you have a right to sue:

- (a) the Fund to cancel your agreement to buy these securities, or
- (b) for damages against the Fund.

If you elect to exercise a right to cancel your agreement to buy these securities against the Fund, you will have no right of action against the Fund.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In an action for damages, the amount recoverable shall not exceed the price at which the securities were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three years after the date you purchased the securities.

Rights of Investors in Québec

Notwithstanding that the *Securities Act* (Québec) does not provide, or require the Fund to provide, to Investors resident in Québec with any statutory rights of action in circumstances where this Offering Memorandum contains a misrepresentation, the Fund hereby grants to such Investors contractual rights of action that are equivalent to the statutory rights of action set forth above with respect to Investors resident in Ontario.

Rights of Investors in Nova Scotia

If you are a resident of Nova Scotia and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Fund to cancel your agreement to buy these securities, or
- (b) for damages against the Fund, every person who was a director of the Manager at the date of this Offering Memorandum and every person who signed this Offering Memorandum.

If you elect to exercise a right to cancel your agreement to buy these securities against the Fund, you will have no right of action against the persons described in (b) above.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In an action for damages, the amount recoverable shall not exceed the price at which the securities were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to enforce the right of action discussed above not later than 120 days after the date on which payment was made for the securities or after the date on which the initial payment for the securities was made where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment.

Rights of Investors in New Brunswick

If you are a resident of New Brunswick and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Fund to cancel your agreement to buy these securities, or
- (b) for damages against the Fund, every person who was a director of the Manager at the date of this Offering Memorandum and every person who signed this Offering Memorandum.

If you elect to exercise a right to cancel your agreement to buy these securities against the Fund, you will have no right of action against the Fund.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In an action for damages, the amount recoverable shall not exceed the price at which the securities were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of one year after you first had knowledge of the facts giving rise to the cause of action and six years after the date you purchased the securities.

Rights of Investors in Newfoundland and Labrador

If you are a resident of Newfoundland and Labrador and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Fund to cancel your agreement to buy these securities, or
- (b) for damages against the Fund, every person who was a director of the Manager at the date of this Offering Memorandum and every person or company who signed this Offering Memorandum.

If you elect to exercise a right to cancel your agreement to buy these securities against the Fund, you will have no right of action against the persons described in (b) above.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In an action for damages, the amount recoverable shall not exceed the price at which the securities were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three years after the date you purchased the securities.

Rights of Investors in Prince Edward Island, Northwest Territories, Yukon and Nunavut

If you are a resident of Prince Edward Island, Northwest Territories, Yukon or Nunavut and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Fund to cancel your agreement to buy these securities, or
- (b) for damages against the Fund, every person who was a director of the Manager at the date of this Offering Memorandum and every person who signed this Offering Memorandum.

If you elect to exercise a right to cancel your agreement to buy these securities against the Fund, you will have no right of action against the persons described in (b) above.

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

amount recoverable shall not exceed the price at which the securities were offered and the defendant will not be liable for all or any portion of such damages that the defendant proves does not represent the depreciation in value of the securities as a result of the misrepresentation.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three years after the date you purchased the securities.

ITEM 12 - FINANCIAL STATEMENTS

Audited financial statements of the Fund and the Partnership are set out below .

Westbow Capital Income Fund
Financial Statements

**For the period from establishment, January 2, 2019
to April 30, 2019**

Westbow Capital Income Fund

Financial Statements

**For the period from establishment, January 2, 2019
to April 30, 2019**

Contents

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Westbow Capital Income Fund
Statement of Financial Position
(unaudited, prepared by management)

April 30, 2019

Assets

Investment in WB Capital Limited Partnership (Note 3) \$ 2,315,637

Total assets **2,315,637**

Liabilities

Total liabilities (excluding net assets attributable to holders of redeemable units) \$ -

Net assets attributable to holders of redeemable units (Note 5) **\$ 2,315,637**

Net assets attributable to holders of redeemable units per series

Series A 621,008

Series M 57,726

Series P 1,636,903

\$ 2,315,637

On behalf of the Fund by the Manager,
Westbow Asset Management Inc.:

(signed) "Nick Westeringh" Director

(signed) "Dick Westeringh" Director

The accompanying notes are an integral part of these financial statements.

Westbow Capital Income Fund
Statement of Changes in Net Assets Attributable
to Holders of Redeemable Units

(unaudited, prepared by management)

For the period from establishment, January 2, 2019 to April 30, 2019

Net assets attributable to holders of redeemable units, beginning January 3, 2019	\$ -
Comprehensive loss attributable to holders of redeemable units	(132,086)
Redeemable unit transactions	
Proceeds from issuance of redeemable units	2,447,723
Net assets attributable to holders of redeemable units, end of April 30, 2019	\$ 2,315,637

The accompanying notes are an integral part of these financial statements.

Westbow Capital Income Fund
Statement of Comprehensive Loss

(unaudited, prepared by management)

For the period from establishment, January 2, 2019 to April 30, 2019

Revenue	\$ -
Expenses	
Partnership loss	132,086
<hr/>	
Net and comprehensive loss attributable to holders of redeemable units	\$ 132,086
<hr/>	
Decrease in net assets attributable to holders of redeemable units per series	
Series A	\$ 35,423
Series M	3,293
Series P	93,370
<hr/>	
	\$ 132,086
<hr/>	

The accompanying notes are an integral part of these financial statements.

Westbow Capital Income Fund
Statement of Cash Flows

(unaudited, prepared by management)

For the period from establishment, January 2, 2019 to April 30, 2019

Cash was provided by (used for):

Operating activities

Net and comprehensive loss for the period	\$ (132,086)
Change in unrealized depreciation on WB Capital Limited Partnership	132,086
Purchase of WB Capital Limited Partnership units	(2,447,723)
	(2,447,723)

Financing activities

Proceeds from issuance of redeemable units	2,447,723
--	-----------

Increase in cash -

Cash, beginning of period -

Cash, end of period \$ -

The accompanying notes are an integral part of these financial statements.

Westbow Capital Income Fund

Notes to the Financial Statements

(unaudited, prepared by management)

For the period from establishment, January 2, 2019 to April 30, 2019

1. Description of Business

Westbow Capital Income Fund (the "Fund") is an unincorporated trust established by Declaration of Trust dated January 2, 2019. The Fund intends to qualify as a "unit trust" and as a "mutual fund trust" for the purposes of the Income Tax Act (Canada) (the "Tax Act").

The Fund was formed to raise funds pursuant to an offering (Note 5) for the purposes of acquiring units in WB Capital Limited Partnership (the "Partnership"), a British Columbia limited partnership. The Partnership is considered a related party due to common officers and directors of the manager of the Fund, Westbow Asset Management Inc. (the "Manager"). The Partnership intends to acquire primarily residential real estate properties in Western Canada, with a focus on low to medium-density real estate properties.

The address of the Fund is 7350 Barrow Road, Chilliwack, BC, V2R 4J8.

2. Summary of Significant Accounting Policies

Statement of Compliance

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

The financial statement was authorized for issue by the Manager on May 24, 2019

Basis of Measurement

The financial statement has been prepared on an historical cost basis.

Functional and Presentation Currency

The financial statement is presented in Canadian dollars, which is the Fund's functional and presentation currency.

Critical Estimates and Judgements

The preparation of the financial statement 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, liabilities, income and expenses. Actual results may vary from these estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Financial Instruments

Recognition and Classification

Financial assets and financial liabilities are initially measured at fair value and are subsequently accounted for based on their classification as described below. The classification depends on the purpose for which the financial instruments were acquired and their characteristics. Except in very limited circumstances, the classification is not changed subsequent to initial recognition.

Westbow Capital Income Fund Notes to the Financial Statements

(unaudited, prepared by management)

For the period from establishment, January 2, 2019 to April 30, 2019

2. Summary of Significant Accounting Policies (Continued)

Financial Instruments (Continued)

Financial Assets

The Fund classifies its financial assets into one of the following categories depending on the purpose for which the asset was acquired:

- (i) Fair value through profit or loss;
- (ii) Amortized cost; and
- (iii) Fair value through other comprehensive income.

The Fund does not have any financial assets that it classifies as amortized cost or fair value through other comprehensive income.

Financial Assets at Fair Value Through Profit or Loss

The Fund classifies its investment in the Partnership at fair value through profit or loss.

This category has two subcategories: financial assets and liabilities held for trading; and financial assets and liabilities designated at fair value through profit or loss at inception.

1. Financial assets and liabilities held for trading

The fair value of a financial instrument on initial recognition is the transaction price, which is the fair value of the consideration given or received. Subsequent to initial recognition, fair value is determined by management using available market information or other valuation methodologies.

2. Financial assets and liabilities designated at fair value through profit or loss at inception

Financial assets and financial liabilities designated at fair value through profit or loss at inception are financial instruments that are not classified as held for trading but are managed, and their performance is evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund classifies its investment in the Partnership as financial assets designated at fair value through profit or loss at inception.

Financial Liabilities

Financial liabilities are classified into one of two categories:

- (i) Fair value through profit or loss;
- (ii) Other financial liabilities.

The Fund does not have any financial liabilities that it classifies as fair value through profit or loss or other liabilities aside from its obligation for net assets attributable to holders of redeemable units, which is presented at the redemption amount.

Determination of Fair Value

The fair value of a financial instrument on initial recognition is the transaction price, which is the fair value of the consideration given or received. Subsequent to initial recognition, fair value is determined by management using available market information or other valuation methodologies.

Westbow Capital Income Fund Notes to the Financial Statements

(unaudited, prepared by management)

For the period from establishment, January 2, 2019 to April 30, 2019

2. Summary of Significant Accounting Policies (Continued)

Financial Instruments (Continued)

Fair Value Hierarchy

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3).

The three levels of the fair value hierarchy are as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly; and

Level 3: Inputs that are not based on observable market data.

Redeemable Units

The units of the Fund ("Trust units") are redeemable at the option of the holder and, therefore, are considered puttable instruments. Puttable instruments are required to be accounted for as financial liabilities, except where certain conditions are met, in which case, the puttable instrument may be presented as equity. The Trust Units did not meet the conditions for presentation as equity, and have therefore been presented as liabilities at the redemption amount. Costs incurred in connection with the offering of Trust Units are reflected as a reduction of Net Assets Attributable to Holders of Redeemable Units.

Impairment of Non-financial Assets

The carrying amounts of the Fund's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset 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 assessments of the time value of money and the risks specific to the asset. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount.

The Fund has no impairment from non-financial assets.

Westbow Capital Income Fund **Notes to the Financial Statements**

(unaudited, prepared by management)

For the period from establishment, January 2, 2019 to April 30, 2019

2. Summary of Significant Accounting Policies (Continued)

Impairment of Financial Assets

At each reporting date, the Fund assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. A financial asset or a group of financial assets is impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset, and that the loss event has impact on the future cash flows of the asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include significant financial difficulty of the borrower or issuer, default or delinquency by a borrower, restructuring of a loan or receivable by the Fund on terms that the Fund would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group.

The Fund considers evidence of impairment for loans and receivables at both a specific asset and collective level. The Fund has no impairment loss from financial assets.

Income Taxes

The Fund is subject to tax under Part I of the Tax Act on its income for each taxation year, including net realized taxable capital gains, dividends, accrued interest and other income paid or payable to it, less the portion thereof that is paid or payable in the year by the Fund to Trust Unitholders and which is deducted by the Fund in computing its income for purposes of the Tax Act. An amount will be considered to be payable to a Trust Unitholder in a taxation year if it is paid in the year by the Fund or the Trust Unitholder is entitled in that year to enforce payment of the amount. The taxation year of the Fund will end on December 31 of each year.

The Fund generally intends to deduct, in computing its income, the full amount available for deduction in each taxation year to the extent of its taxable income for the year otherwise determined and to make payable to Trust Unitholders an amount equal to its remaining taxable income.

Net Assets Attributable to Holders of Redeemable Units per Unit

The Net Assets Attributable to holders of Redeemable Units per unit is calculated by dividing the Net Assets Attributable to holders of Redeemable Units of a particular class of units by the total number of units of that particular class outstanding at the end of the year.

Related Parties

For the purpose of this financial statement, a party is considered related to the Fund if such a party or the Fund has the ability to, directly or indirectly, control or exercise significant influence over the other entity's financial and operational decisions, or if the Fund and such party are subject to common significant influence. Related parties may be individuals or other entities.

Issuance costs

Issuance costs associated with the offering are recorded as a reduction of Net Assets Attributable to Holders of Redeemable Units during the period in which they were incurred. The amount represents a one-time charge in connection with the offering and is paid out of the gross proceeds of the offering.

Westbow Capital Income Fund

Notes to the Financial Statements

(unaudited, prepared by management)

For the period from establishment, January 2, 2019 to April 30, 2019

2. Summary of Significant Accounting Policies (Continued)

New Standards, Interpretations and Amendments not yet Adopted

A number of new standards, amendments to standards and interpretations have been issued but are not yet effective as at April 30, 2019, and have not been applied in preparing the financial statement. None of these are expected to have an effect on the financial statement of the Fund.

3. Investment in WB Capital Limited Partnership

The Fund has investments in WB Capital Limited Partnership units. As at April 30, 2019, the Fund held 69,146 Series A LP units, 6,425 Series M LP units, and 182,220 Series P LP units.

Reconciliation of Level 3 fair value measurements of financial assets:

Investments, beginning of period	\$ -
Purchase of WB Capital Limited Partnership units	2,447,723
Change in unrealized depreciation on WB Capital Limited Partnership	(132,086)
	<u>\$ 2,315,637</u>

4. Capital Management

The Fund's capital is comprised of redeemable units. The Fund's capital management policy is to acquire, invest in, dispose of and otherwise deal with securities and may include the Fund temporarily holding cash and other short term investments in connection with and for the purposes of the Fund's undertaking, paying administration and trust expenses, paying any amounts required in connection with the redemption of Trust Units and making distributions to Trust Unitholders.

The Fund will use the funds from the offering to purchase securities in the Partnership. The Partnership will, in turn, use the funds available to it from the sale of securities to the Fund, as well as the proceeds from the Partnership Offering to acquire primarily residential real estate properties in Western Canada, with a focus on low to medium-density real estate properties.

The Fund intends to distribute to unitholders when the Fund receives a distribution from the Partnership with respect to a corresponding unit of the Partnership. The Partnership will seek to make distributions on a regular basis, with the amount of any such distributions determined by the General Partner of the Partnership in its sole discretion. Such distributions, if any, will generally be made on a quarterly basis; however, the general partner of the Partnership reserves the right to make more frequent distributions in its sole discretion. Distributions will be paid to limited partners of the Partnership of record as of the distribution date and will be paid on or before the 30th day following the distribution date. The Fund has adopted a distribution reinvestment plan, which will allow eligible unit holders to elect to have their distributions reinvested in additional Trust Units of the same series at a purchase price equal to \$9.75 per unit, or such other price as may be determined by the Manager from time to time.

Westbow Capital Income Fund **Notes to the Financial Statements**

(unaudited, prepared by management)

For the period from establishment, January 2, 2019 to April 30, 2019

5. Redeemable Units

The Fund is authorized to issue an unlimited number of Trust Units of a single class divided into an unlimited number of series, in such number and designation as determined by the Trustees from time to time.

The Fund intends to offer the following units:

Series A Units, Series B Units, Series E Units, Series F Units and Series P Units.

\$9.75 per offered unit until the earlier of September 30, 2019 or gross proceeds of \$16,000,000 are raised under the offering;

thereafter \$10.00 per offered unit until the earlier of December 31, 2019 or gross proceeds of \$24,000,000 are raised under the offering.

Each Trust Unit of a particular series vests indefeasibly in the holder thereof and the interest in the Fund at any time and from time to time of each holder of Trust Units of a particular series is determined by the number of Trust Units of a particular series registered in the name of the holder as is proportionate to the total number of Trust Units of a particular series. No holder of Trust Units of a particular series has any preference, priority or right in any circumstance over any other holder of Trust Units of a particular series (other than arising out of or resulting from the number of Trust Units held by such holder of Trust Units). The issued and outstanding Trust Units of a particular series may be subdivided or consolidated from time to time by the Trustees without the prior approval of, or notice to, any Trust Unitholder.

Trust Units are redeemable at the option of the Trust Unitholder subject to the terms and conditions set out in the Declaration of Trust. Trust Units are considered to be tendered for redemption on the date that the Fund has, to the satisfaction of the Manager, received the redemption notice and further documents or evidence that the Manager may reasonably require with respect to the identity, capacity or authority of the person giving the redemption notice. The aggregate redemption price payable by the Fund in respect of Trust Units tendered for redemption is to be satisfied by way of a cash payment (to be paid by cheque) on the last day of the calendar month following the end of the calendar quarter in which the Trust Units were tendered for redemption, provided that the entitlement of a Trust Unitholder to receive cash upon the redemption of such holder's Trust Units shall be limited in certain circumstances, including where:

- (a) the total amount payable by the Fund in respect of such Trust Units and all other Trust Units validly tendered for redemption in the same calendar quarter exceeds \$50,000 (the "Quarterly Limit"); provided that the Trustees or the Manager may, in its sole discretion, waive or increase such limitation in respect of all Trust Units tendered for redemption in any calendar quarter;
- (b) in the Trustees' or the Manager's opinion (in their sole discretion) the Fund is or, after the redemption, would be unable to pay its liabilities as they become due; or

Westbow Capital Income Fund

Notes to the Financial Statements

(unaudited, prepared by management)

For the period from establishment, January 2, 2019 to April 30, 2019

5. Redeemable Units (Continued)

- (c) in the Trustees' or the Manager's opinion (in their sole discretion), the Fund has insufficient liquid assets to fund such redemptions or that the liquidation of assets at such time would be to the detriment of the remaining Trust Unit holders or the Fund, generally.

If, as a result of any such limitations under the Declaration of Trust, a Trust Unitholder is not entitled to receive cash upon the redemption of some or all of the Trust Units tendered for redemption, then the redemption price per Trust Unit to which the Trust Unitholder would otherwise be entitled, is to be paid and satisfied by the delivery to such holders of Redemption Notes (subject to any applicable regulatory approvals). Redemption Notes so issued will be unsecured debt securities of the Fund and may be subordinated to other of the Fund's debt obligations. Furthermore, Redemption Notes will not be qualified investments for Exempt Plans which could give rise to adverse consequences to an Exempt Plan or the annuitant under an Exempt Plan, including the redeeming unitholder becoming subject to a penalty tax or having its tax exempt status revoked depending on the circumstances.

On a redemption by a holder of Trust Units, the redemption price per Trust Unit shall be equal to the redemption proceeds received by the Fund from the Partnership with respect to the Fund's redemption of the corresponding unit of the Partnership, which shall be the lesser of: (i) the subscription price of such Trust Unit (up to a maximum of \$10) multiplied by the percentage set out below, minus any amount distributed in respect of such Trust Unit in respect of the Series A Return of Capital, Series B Return of Capital, Series E Return of Capital, Series F Return of Capital, Series M Return of Capital, Series P Return of Capital or Series I Return of Capital of the corresponding unit of the Partnership of such Trust Unit, and (ii) the Market Value of the corresponding unit of the Partnership of such Trust Unit.

The percentages are as follows:

Period of time between the issuance date of the Unit being redeemed and the date the notice of redemption is provided	Series A	Series B	Series E	Series F	Series I	Series M	Series P
< 1 year	90%	93%	95%	95%	95%	95%	94%
1 year to < 2 years	92%	95%	97%	97%	97%	97%	96%
2 years to < 3 years	94%	97%	99%	99%	99%	99%	98%
3 years to < 4 years	96%	99%	100%	100%	100%	100%	100%
4 years to < 5 years	98%	100%	100%	100%	100%	100%	100%
5 years and greater	100%	100%	100%	100%	100%	100%	100%

Westbow Capital Income Fund Notes to the Financial Statements

(unaudited, prepared by management)

For the period from establishment, January 2, 2019 to April 30, 2019

5. Redeemable Units (Continued)

Offering

The Fund has prepared an offering memorandum for the offering of Trust Units (the "Offering") with up to an aggregate maximum gross proceeds of \$30,000,000 and no minimum gross proceeds. The price per Trust Unit shall initially be \$9.75 with a subsequent tranche of \$10.00 in the first year of the offering. The minimum investment in the Fund for Series A Units, Series E Units, Series F Units and Series P Units, is \$6,000. The minimum investment in the Fund for Series B Units is \$100,000. These minimum amounts may be waived by the Manager, in its sole discretion.

The net proceeds of the Offering will be used to purchase corresponding units of the Partnership. The Partnership intends to acquire primarily residential real estate properties located in Western Canada, with a focus on low to medium-density real estate properties.

The Offering may be closed in stages until the maximum offering is subscribed for or is otherwise terminated.

The distribution of Trust Units pursuant to the Offering will be subject to payment of selling commissions ("Selling Commissions"). The following Selling Commissions will be payable by the Fund in respect of the gross proceeds realized on the Trust Units sold under the Offering:

Series A Units

- up-front commission of up to 6.00% (including an administration fee of up to 1% and trailing commissions of up to 1.25% per annum)

Series B Units

- up-front commission of up to 4.00% (including an administration fee of 1% and trailing commissions of up to 0.75% per annum)

Series E Units

- trailing commissions of up to 1.00% per annum

Series F Units

- no commission

Series P Units

- up-front commissions of up to 3.00%

Management Fees

For investment management services related to the Fund and the Partnership, there will be a fee payable by the Partnership to the Manager equal to 1/12th of 1.9% of the gross purchase price paid by investors to the Fund and the Partnership for each of the outstanding Series A, Series B, Series E, Series F, and Series P of each of the Fund and the Partnership (excluding for greater certainty, the purchase price of LP Units purchased by the Fund), as at the last date of the preceding month, calculated and payable in advance at the beginning of each month.

Westbow Capital Income Fund Notes to the Financial Statements

(unaudited, prepared by management)

For the period from establishment, January 2, 2019 to April 30, 2019

5. Redeemable Units (Continued)

Other Expenses

The Fund and the Partnership will pay for all ongoing expenses associated with the operation of the Fund and the Partnership, including all general and administrative expenses, marketing and operating expenses, insurance costs, office space and staffing costs, expenses related to the acquisition and disposition of properties, legal, banking, audit and accounting fees, investor reporting costs, printing and mailing costs and costs incurred in connection with any governmental or regulatory filing requirements.

The Manager provides to the Partnership and the Fund, among other services, office space, furniture, day-to-day office supplies and services, and assistance with all continuous disclosure obligations imposed on the Fund and the Partnership by applicable laws (which for greater certainty excludes external legal, accounting and other advisors). The costs of providing such services are reimbursed by the Partnership to the Manager, such reimbursement to be unanimously approved by the independent review committee of the Fund and the Partnership (in addition to the requisite majority of directors of the General Partner or the Trustees, as applicable).

6. Risks Associated with Financial Instruments

The Fund's overall risk management program seeks to maximize the returns derived for the level of risk to which the Fund is exposed and seeks to minimize potential adverse effects on the Fund's financial performance.

Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. As of April 30, 2019, the Fund, by way of its investment in the Partnership, has invested 100% in the residential real estate sector.

Liquidity Risk

Liquidity risk is the risk that the Partnership will encounter difficulty in meeting obligations associated with financial liabilities. The Partnership maintains sufficient cash on hand to fund anticipated redemptions.

WB Capital Limited Partnership
Financial Statements

For the period from establishment, January 3, 2019
to April 30, 2019

WB Capital Limited Partnership

Financial Statements

**For the period from establishment, January 3, 2019
to April 30, 2019**

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WB Capital Limited Partnership Statement of Financial Position

(unaudited, prepared by management)

April 30, 2019

Assets

Current:

Cash	\$ 623,507
Accounts receivable (Note 3, 14)	1,861,013
Prepaid expenses	215,170
	<hr/> 2,699,690

Investment property (Note 4)	26,792,906
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Total assets	\$ 29,492,596
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Liabilities

Current:

Accounts payable and accrued liabilities (Note 5)	\$ 626,843
Security deposits payable	78,993
Due to related party (Note 5)	15,000
Current portion of long-term debt (Note 6)	822,799
Promissory note payable (Note 7, 14)	1,000,000
	<hr/> 2,543,635

Long-term debt (Note 6)	21,300,101
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Total liabilities	\$ 23,843,736
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Partners' equity (Note 8)	5,648,860
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Total liabilities and partners' equity	\$ 29,492,596
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On behalf of the Partnership by the General Partner
WB Capital GP Inc.:

(signed) "Nick Westeringh" Director

(signed) "Dick Westeringh" Director

The accompanying notes are an integral part of these financial statements.

WB Capital Limited Partnership
Statement of Partners' Capital

(unaudited, prepared by management)

For the period from establishment, January 3, 2019 to April 30, 2019

	Number of Units	General Partner	Limited Partners				Total
			Series A	Series B	Series M	Series P	
Balance, beginning of period	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Partners' units issued (Note 8)	638,731	10	666,435	1,050,035	2,061,035	2,280,646	6,058,160
Issuance costs	-	-	(39,787)	(42,233)	-	-	(82,019)
Distributions	-	-	(456)	-	(8,510)	(1,669)	(10,635)
Distributions reinvested	1,030	-	456	-	8,510	820	9,786
Net and comprehensive loss for the period	-	(1)	(35,876)	(56,488)	(111,333)	(122,733)	(326,431)
Balance, end of period	639,761	\$ 9	\$ 590,771	\$ 951,314	\$ 1,949,702	\$ 2,157,064	\$ 5,648,860

The accompanying notes are an integral part of these financial statements.

WB Capital Limited Partnership
Statement of Comprehensive Loss

(unaudited, prepared by management)

For the period from establishment, January 3, 2019 to April 30, 2019

Revenue

Rental income \$ 120,175

Expenses

Property management (Note 10) 96,277

Gross margin 23,898

Other expenses

Capital raising and security filings (Note 11) 126,059

General and administrative (Note 12) 20,958

Management fees (Note 8) 3,362

150,379

Operating loss (126,481)

One-time start-up costs (Note 13) 199,950

**Net and comprehensive loss attributable
to holders of redeemable units**

\$ (326,431)

The accompanying notes are an integral part of these financial statements.

WB Capital Limited Partnership

Statement of Cash Flows

(unaudited, prepared by management)

For the period from establishment, January 3, 2019 to April 30, 2019

Cash was provided by (used for):

Operating activities

Net and comprehensive loss	\$ (326,431)
Items not affecting cash:	
Depreciation of investment property	24,759
Change in non-cash operating working capital	
Accounts receivable	(1,861,013)
Accounts payable and accrued liabilities	626,843
Prepaid expenses	(215,170)
Security deposits payable	78,993
	(1,672,019)

Financing activities

Proceeds from long-term debt	22,122,900
Proceeds from promissory note payable	1,000,000
Advance from related party	15,000
Proceeds from issuance of partnership units	6,058,160
Issuance costs	(82,019)
Distributions	(10,635)
Proceeds from reinvested distributions	9,786
	29,113,192

Investing activities

Purchase of rental property	(26,817,666)
	(26,817,666)

Increase in cash 623,507

Cash, beginning of period -

Cash, end of period \$ 623,507

The accompanying notes are an integral part of these financial statements.

WB Capital Limited Partnership **Notes to the Financial Statements**

(unaudited, prepared by management)

For the period from establishment, January 3, 2019 to April 30, 2019

1. Description of Business

WB Capital Limited Partnership (the "Partnership") is a limited partnership formed on January 3, 2019 under the laws of the Province of British Columbia and is governed by a limited partnership agreement dated January 2, 2019 ("the Partnership Agreement").

The purpose of the Partnership is primarily to seek income and capital appreciation through one or more direct or indirect investments in residential properties in Western Canada with a focus on low to medium-density real estate properties.

WB Capital GP Inc., the general partner of the Partnership (the "General Partner"), was incorporated on January 2, 2019 under the laws of the Province of British Columbia to act as the general partner. The General Partner contributed \$10 to the capital of the Partnership.

The Partnership has its registered office at 7350 Barrow Road, Chilliwack, BC, V2R 4J8.

2. Summary of Significant Accounting Policies

Statement of Compliance

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

The financial statement was authorized for issue by the General Partner on May 24, 2019.

Basis of Measurement

The financial statement has been prepared on an historical cost basis.

Functional and Presentation Currency

The financial statement is presented in Canadian dollars, which is the Partnership's functional and presentation currency.

Critical Estimates and Judgements

The preparation of the financial statement 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, liabilities, income and expenses. Actual results may vary from these estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Financial Instruments

Recognition and Classification

Financial assets and financial liabilities are initially measured at fair value and are subsequently accounted for based on their classification as described below. The classification depends on the purpose for which the financial instruments were acquired and their characteristics. Except in very limited circumstances, the classification is not changed subsequent to initial recognition.

WB Capital Limited Partnership Notes to the Financial Statements

(unaudited, prepared by management)

For the period from establishment, January 3, 2019 to April 30, 2019

2. Summary of Significant Accounting Policies (Continued)

Financial Instruments (Continued)

Financial Assets

The Partnership classifies its financial assets into one of the following categories depending on the purpose for which the asset was acquired:

- (i) Fair value through profit or loss;
- (ii) Amortized cost; and
- (iii) Fair value through other comprehensive income.

The Partnership does not have any financial assets that it classifies as Fair value through profit or loss or Fair value through other comprehensive income.

Amortized Cost

These assets incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortized cost using the effective interest rate method, less provision for impairment.

The Partnership's financial assets measured at amortized cost is comprised of cash.

Financial Liabilities

Financial liabilities are classified into one of two categories:

- (i) Fair value through profit or loss;
- (ii) Other financial liabilities

The Partnership does not have any financial liabilities that it classifies as fair value through profit or loss or other financial liabilities.

Determination of Fair Value

The fair value of a financial instrument on initial recognition is the transaction price, which is the fair value of the consideration given or received. Subsequent to initial recognition, fair value is determined by management using available market information or other valuation methodologies.

Income Taxes

The income (loss) of the Partnership is subject to income taxes at the individual partner's level.

Partners' Equity

Partners' equity represents the value of interests that have been issued. Costs incurred in connection with the offering of units of the Partnership ("LP Units") are reflected as a reduction of Partners' Equity. Distributions payable to Partners are payable when the distributions have been approved by the General Partner prior to the reporting date.

Related Parties

For the purpose of this financial statement, a party is considered related to the Partnership if such a party or the Partnership has the ability to, directly or indirectly, control or exercise significant influence over the other entity's financial and operational decisions, or if the Partnership and such party are subject to common significant influence. Related parties may be individuals or other entities.

WB Capital Limited Partnership **Notes to the Financial Statements**

(unaudited, prepared by management)

For the period from establishment, January 3, 2019 to April 30, 2019

2. Summary of Significant Accounting Policies (Continued)

Impairment of Non-financial Assets

The carrying amounts of the Partnership's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset 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 assessments of the time value of money and the risks specific to the asset. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The Partnership has no impairment loss from non-financial assets.

Impairment of Financial Assets

At each reporting date, the Partnership assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. A financial asset or a group of financial assets is impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset, and that the loss event has impact on the future cash flows of the asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include significant financial difficulty of the borrower or issuer, default or delinquency by a borrower, restructuring of a loan or receivable by the Partnership on terms that the Partnership would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group.

The Partnership considers evidence of impairment for loans and receivables at both a specific asset and collective level. The Partnership has no impairment loss from financial assets.

New Standards, Interpretations and Amendments not yet Adopted

A number of new standards, amendments to standards and interpretations have been issued but are not yet effective as at April 30, 2019, and have not been applied in preparing the financial statement. None of these are expected to have an effect on the financial statement of the Fund.

Revenue recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the partnership and the revenue can be reliably measured.

The partnership has retained substantially all of the risks and benefits of ownership of its investment properties and therefore accounts for leases with its tenants as operating leases. Revenue recognition under a lease commences when the tenant has a right to use the leased asset. Generally, this occurs on the lease inception date or, where the partnership is required to make additions to the property in the form of tenant improvements which enhance the value of the property, upon substantial completion of those improvements. The total amount of contractual rent to be received from operating leases is recognized on a straight-line basis over the term of the lease.

Rental income also includes recoveries of operating expenses, including property and capital taxes. Operating expense recoveries are recognized in the period that recoverable costs are chargeable to tenants.

All other revenues are recorded when amounts are known and collectible.

WB Capital Limited Partnership
Notes to the Financial Statements

(unaudited, prepared by management)

For the period from establishment, January 3, 2019 to April 30, 2019

2. Summary of Significant Accounting Policies (Continued)

Investment properties

Investment properties are comprised of residential properties held to earn rental income or for capital appreciation or both.

Date of recognition

The partnership recognizes investment properties on the date at which they are originated or purchased.

Initial classification of measurement

Investment properties are initially measured at cost, including transaction costs. The cost of commercial properties includes direct purchase costs, realty taxes, land transfer taxes, acquisition fees and legal fees directly attributable to the acquisition.

Depreciation

Depreciation is calculated to write off the cost of investment property less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Land is not depreciated.

The estimated useful lives of investment properties are as follows:

- buildings: 30 years

3. Accounts Receivable

Funds in trust receivable (Note 14)	\$ 1,403,305
Refundable deposits (Note 14)	457,708
	<u>\$ 1,861,013</u>

4. Investment Property

Windsor Apartments, Fort Saskatchewan, Alberta	<u>\$ 26,792,906</u>
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As at April 30, 2019, the Partnership holds 100% ownership of the property. The investment property is pledged as security against the long-term debt.

5. Related Party Transactions and Balances

As at April 30, 2019, \$15,000 was due to Westbow Construction Group Ltd., a related party. The amount is due on demand with no specific terms of repayment.

In accounts payable are the following amounts due to related parties:

Westbow Asset Management Inc.	\$ 266,912
WB Payroll Services	22,242
	<u>\$ 289,154</u>

WB Capital Limited Partnership Notes to the Financial Statements

(unaudited, prepared by management)

For the period from establishment, January 3, 2019 to April 30, 2019

5. Related Party Transactions and Balances (Continued)

During the period the Partnership had the following related party transactions:

Acquisition fee capitalized to cost of investment property	\$ 263,550
Capital raising and securities filing services	99,508
One-time start-up costs	65,605
Reinvested distributions	8,493
Management fees	3,362
Administrative services	6,760
	<hr/>
	\$ 447,278

6. Long-term debt

Long-term debt	\$ 22,122,900
less: current portion	(822,799)
	<hr/>
	\$ 21,300,101

The long-term debt bears interest at 2.65% per annum and is repayable in blended monthly payments of principal and interest of \$74,800 commencing June 1, 2019 for a term of 10 years. The long-term debt is secured by the Windsor Apartments investment property.

Estimated principal repayments are as follows:

2019	\$ 523,599
2020	897,599
2021	897,599
2022	897,599
2023	897,599
Thereafter	18,008,905
	<hr/>
	\$ 22,122,900

7. Promissory Note Payable (Note 14)

The promissory note payable bears interest at 1.2833% per month calculated monthly, not in advance, and is due and payable in full on July 5, 2019.

8. Partners' Equity

The Partnership is authorized to issue an unlimited number of LP Units, divided into one or more classes of LP Units (each a "Class") and each Class shall be divided into one or more series (each a "Series"), each representing a share of the aggregate interests in the assets of the Partnership attributable to that Class or Series. Each Limited Partner shall be entitled to one vote for each LP Unit held by such Limited Partner in respect of all matters to be voted upon by the Limited Partners.

The Partnership offers Series A LP Units, Series B LP Units, Series E LP Units, Series F LP Units, Series I LP Units, Series M LP Units, Series P LP Units and other series of LP units to be determined by the General Partner from time to time.

Net income or loss of the Partnership will be calculated annually as at the end of the fiscal year of the Partnership. Net income or loss of the Partnership for each fiscal year shall be allocated among the Partners by the General Partner in a manner consistent with the distribution provisions of the Partnership Agreement.

WB Capital Limited Partnership Notes to the Financial Statements

(unaudited, prepared by management)

For the period from establishment, January 3, 2019 to April 30, 2019

8. Partners' Equity (Continued)

The Partnership will seek to make distributions on a regular basis, with the amount of any such distributions determined by the General Partner in its sole discretion. Distributions, if any, will generally be made on a quarterly basis, however, the General Partner reserves the right to make more frequent distributions in its sole discretion. Distributions shall be made only to Persons who, according to the record of the Partnership, were the holders of record of interests in the Partnership on the distribution date. Distributions will be paid on or before the 30th day following the distribution date.

When determining amounts available for distribution, the General Partner will:

- (i) first, ascertain the sum of all cash amounts received by the Partnership since the previous distribution was declared by the Partnership (such aggregate amount being the "Gross Proceeds");
- (ii) second, subtract from the Gross Proceeds (A) amounts necessary for the payment of all outstanding common expenses for which reserves have not previously been made, (B) amounts reasonably reserved for future common expenses, and (C) amounts reasonably reserved having regard to current and anticipated commitments of the Partnership (the Gross Proceeds less the aggregate amounts in (A), (B) and (C) being the "Net Proceeds");
- (iii) third, divide the Net Proceeds among the various Series of LP Units and the General Partner based on the aggregate Net Capital Contributions made by each such Series and the General Partner, respectively to the Partnership, with the Net Proceeds allocated to each Series being the "Series Proceeds"; and
- (iv) fourth, subtract from the Series Proceeds of each Series (A) amounts necessary for the payment of all outstanding Series expenses with respect to the applicable Series for which reserves have not previously been made, and (B) amounts reasonably reserved for future Series expenses of the Series (the Series Proceeds less the aggregate amounts in (A) and (B) being the "Net Series Proceeds").

Once the Net Series Proceeds of a particular Series has been determined, then the General Partner will, to the extent possible based on the amount of such Net Series Proceeds, pay to the holder of each LP Unit of such Series an amount equal to the outstanding and accrued Preferred Return (being \$0.70 per annum) with respect to such LP Unit (or, to the extent such Net Series Proceeds are not sufficient to pay the outstanding and accrued Preferred Returns of all Units of such Series, an amount equal to such LP Unit's *pro rata* amount of the Net Series Proceeds based on the outstanding and accrued Preferred Return owed to such Unit relative to the aggregate outstanding and accrued Preferred Returns owed to all Units of such Series), with the Net Series Proceeds less such aggregate amounts paid with respect to such Series being the "Distributable Proceeds".

The Distributable Proceeds with respect to a particular Series will then be apportioned equally among the LP Units of such Series. Following such apportionment, the Distributable Proceeds, in the sole discretion of the General Partner, will be either (i) reinvested in the Partnership and allocated on the books and records of the Partnership to such Series or (ii) distributed in the following amounts and order of priority:

- (i) first, 100% to the holder of the Unit until the holder has received aggregate distributions in an amount equal to \$10.00 with respect to such Unit (excluding, for greater certainty, any Preferred Return distributions received by such holder with respect to such Unit but including, for greater certainty, any other previous distributions received by the holder with respect to such Unit) (the distributions pursuant to this section are referred to as the "Return of Capital");

WB Capital Limited Partnership Notes to the Financial Statements

(unaudited, prepared by management)

For the period from establishment, January 3, 2019 to April 30, 2019

8. Partners' Equity (Continued)

- (ii) second, 50% to the General Partner and 50% to the holder of the LP Unit until the General Partner has received aggregate distributions under this paragraph (ii) equal to the GP Percentage (see table below) of the total distributions made pursuant to the Preferred Return and this paragraph (ii) (for illustrative purposes if \$75 is distributed pursuant to the Preferred Return and \$25 is distributed under this paragraph (ii) then the total distribution would be \$100);
- (iii) and thereafter, the GP Percentage to the General Partner and the LP Percentage (see table below) to the holder of the LP Unit.

The GP and LP percentages are as follows:

Series	GP Percentage	LP Percentage
A	25%	75%
B	25%	75%
E	25%	75%
F	25%	75%
M	25%	75%
I	25%	75%
P	25%	75%

The General Partner, in its capacity as a General Partner of the Partnership, shall hold a general partner interest in the Partnership and shall have the right to receive distributions in respect of that interest only as expressly provided for in the Partnership Agreement.

A Limited Partner may not assign or otherwise transfer its interest in the Partnership in whole or in part to any Person without the prior written consent of the General Partner, which consent the General Partner may unreasonably withhold. In addition, no assignment or transfer of an interest in the partnership shall be made unless:

- (i) such assignment or transfer would not violate applicable law;
- (ii) such assignment or transfer would not cause the Partnership to lose its status as a limited partnership under the Act or for income tax purposes;
- (iii) the assignee or transferee is a resident of Canada (or a Canadian partnership) within the meaning of the Tax Act, except where such requirement is waived in the sole discretion of the General Partner, provided, however, that no waiver shall be given if there are any adverse tax consequences or material costs to the Partnership or any other Limited Partner as a result of such Person becoming a Limited Partner;
- (iv) the assignee or transferee is not a Financial Institution (as defined in the Tax Act) if, following such transfer, the Partnership would be a Financial Institution; and
- (v) the assignee and any beneficial purchaser for which the assignee is acting is not a person or partnership an interest in which would be, and is not acquiring an interest in the Partnership as, a tax shelter investment (as defined in the Tax Act).

WB Capital Limited Partnership Notes to the Financial Statements

(unaudited, prepared by management)

For the period from establishment, January 3, 2019 to April 30, 2019

8. Partners' Equity (Continued)

In connection therewith, the General Partner may require any representations and warranties, documentation or legal opinions, at the expense of the assignor or transferor or the proposed assignee or transferee, that it deems necessary or advisable, acting reasonably, in connection with any assignment or transfer. Each assigning or transferring Limited Partner agrees that it will pay all reasonable expenses, including legal, accounting and valuation fees and expenses, incurred by the Partnership in connection with an assignment or transfer of an Interest by such Limited Partner, except to the extent that the assignee or transferee thereof agrees to bear such expenses.

There is no general right of redemption by a Limited Partner and all redemptions are subject to the approval of the General Partner, in its sole discretion, provided that in the event that a Limited Partner that is a mutual fund trust for the purposes of the Tax Act makes a demand for redemption of any LP Units held by it, then the General Partner shall approve such redemption of LP Units, and shall redeem such Units in accordance with the other provisions set forth in the Limited Partnership Agreement.

To request the redemption of a LP Unit, a Limited Partner must send a duly completed and properly executed notice, in a form approved by the General Partner requesting the General Partner to redeem the LP Unit. Any expense associated with the preparation and delivery of redemption notices is for the account of the Limited Partner requesting the redemption.

If a redemption request is accepted by the General Partner then the redemption price payable by the Partnership in respect of the LP Unit accepted for redemption will be satisfied by way of a cash payment (to be paid by cheque) on the last day of the calendar quarter in which the redemption is accepted, provided that the entitlement of a Limited Partner to receive cash upon the redemption of a LP Unit shall be limited where:

- (i) the total amount payable by the Partnership in respect of such LP Unit and all other LP Units tendered for redemption in the same calendar quarter exceeds \$50,000 (the "Quarterly Limit"); provided that the General Partner may, in its sole discretion, waive such limitation in respect of all Units tendered for redemption in any calendar quarter;
- (ii) in the General Partner's opinion (in its sole discretion), the Partnership is or, after the redemption, would be unable to pay its liabilities as they become due; or
- (iii) in the General Partner's opinion (in its sole discretion), the General Partner has insufficient liquid assets to fund such redemptions or that the liquidation of assets at such time would be to the detriment of the remaining Limited Partners or the Partnership, generally.

LP Units tendered for redemption in any calendar quarter in which the total amount payable by the Partnership exceeds the Quarterly Limit are to be redeemed for a combination of cash and a distribution of Redemption Notes as specified in the paragraph below on a pro rata basis, subject to any applicable regulatory approvals. Redemption Notes so issued will be unsecured debt securities of the Fund and may be subordinated to other of the Fund's debt obligations.

If, as a result of any such limitations listed above in Section (i), (ii), and (iii), a Limited Partner is not entitled to receive cash upon the redemption of some or all of the Limited Partner's LP Units approved for redemption then the redemption price per Unit to which the Limited Partner would otherwise be entitled will be paid and satisfied by the delivery to the Limited Partner of a Redemption Note.

WB Capital Limited Partnership

Notes to the Financial Statements

(unaudited, prepared by management)

For the period from establishment, January 3, 2019 to April 30, 2019

8. Partners' Equity (Continued)

Redemption Price Percentage:

Period of time between the issuance date of the Unit being redeemed and the date the notice of redemption is provided	Series A	Series B	Series E	Series F	Series I	Series M	Series P
< 1 year	90%	93%	95%	95%	95%	95%	94%
1 year to < 2 years	92%	95%	97%	97%	97%	97%	96%
2 years to < 3 years	94%	97%	99%	99%	99%	99%	98%
3 years to < 4 years	96%	99%	100%	100%	100%	100%	100%
4 years to < 5 years	98%	100%	100%	100%	100%	100%	100%
5 years and greater	100%	100%	100%	100%	100%	100%	100%

The General Partner shall dissolve the Partnership and distribute the assets of the Partnership pursuant to the Limited Partnership Agreement to the Limited Partners of the Partnership by the fifth (5th) anniversary of the Final Closing Date (being the earlier to occur of: (i) the date that is 24 months subsequent to the date of the Partnership Agreement; and (ii) the date upon which the Partnership has received gross proceeds of at least \$30,000,000 from the sale of LP Units), which date may be extended, in the sole discretion of the General Partner, for up to two additional 18-month periods.

Westbow Capital Income Fund (the "Fund") has prepared an offering memorandum for the offering of Trust Units (the "Offering") with up to an aggregate maximum gross proceeds of \$30,000,000 and no minimum gross proceeds. The price per Trust Unit shall initially be \$9.75 with a subsequent tranche of \$10.00 in the first year of the offering. The minimum investment in the Fund for Series A Units, Series E, Series F and Series P Units is \$6,000. The minimum investment in the Fund for Series B Units is \$100,000. These minimum amounts may be waived by Westbow Asset Management Inc., (the "Manager"), in its sole discretion.

The net proceeds of the Offering will be used to purchase LP Units. The Partnership intends to acquire primarily residential real estate properties in Western Canada, with a focus on low to medium-density real estate properties. The Offering may be closed in stages until the maximum offering is subscribed for or the Offering is otherwise terminated.

The Partnership is expected to hold and have responsibility for all of the assets of the business. The Partnership may acquire and hold investment properties from time to time, and may issue securities to additional investors. The ability of the Partnership to make distributions to the Fund will be completely dependent upon the Partnership receiving payments from investment properties it holds. If the Partnership does not receive payments from the investment properties, the Partnership will not have sufficient cash flow to make cash distributions to Limited Partners, including the Fund.

For investment management services related to the Fund and the Partnership, there will be a fee payable by the Partnership to the Manager equal to 1/12th of 1.9% of the gross purchase price paid by investors to the Fund and the Partnership for each of the outstanding Series A, Series B, Series E, Series F, and Series P of each of the Fund and the Partnership (excluding for greater certainty, the purchase price of LP Units purchased by the Fund), as at the last date of the preceding month, calculated and payable in advance at the beginning of each month.

For services related to the research, identification, due diligence, financing and acquisition of a property, the Manager will receive a fee upon the acquisition of a property equal to 1% of the total purchase price of such property plus additional capital committed to such property.

WB Capital Limited Partnership

Notes to the Financial Statements

(unaudited, prepared by management)

For the period from establishment, January 3, 2019 to April 30, 2019

9. Capital Management

The Partnership defines its capital as the aggregate of its Partners' Equity, which is mainly comprised of issued LP Units. The Partnership's objective in managing its capital is to use the proceeds from the LP Units to acquire primarily residential real estate properties located in Western Canada, with a focus on low to medium-density real estate properties, to pursue its strategy of growth, and to provide returns to Limited Partners of the Partnership.

The Partnership will manage its capital structure and make changes to it in light of changes to economic conditions and the risk characteristics of the nature of the business. In order to maintain or adjust the capital structure, the Partnership may adjust its capital spending to manage its current and projected capital structure.

The Partnership does not have any specific capital requirements on the subscription and redemption of units, other than certain minimum subscription requirements.

10. Property Management Expenses

Mortgage interest	\$	54,261
Depreciation		24,759
Property tax		10,746
Property manager		3,119
Wages		2,157
Office		1,235
	\$	96,277

11. Capital Raising and Securities Filings

Wages	\$	59,616
Legal and professional fees		22,638
Audit fee		20,000
Travel		17,056
Marketing		4,701
Software		2,048
	\$	126,059

12. General and Administrative Expenses

Legal and professional fees	\$	15,462
Wages		4,639
Software		396
Bank charges		380
Office		80
	\$	20,958

13. One-time start-up costs

Legal and professional fees	\$	106,802
Wages		65,605
Marketing		13,561
Due diligence		9,764
Software		4,114
Office		104
	\$	199,950

WB Capital Limited Partnership Notes to the Financial Statements

(unaudited, prepared by management)

For the period from establishment, January 3, 2019 to April 30, 2019

14. Subsequent Events

Purchase of Investment Property

On May 2, 2019, the Partnership bought 179 Rajput Way in Saskatoon, Saskatchewan, for \$403,000. This resulted in a reduction to refundable deposits receivable of \$403,000.

Promissory Note Payable

On May 17, 2019, the \$1,000,000 promissory note was paid out in full including accrued interest.

Funds in trust receivable

In May 2019, the Partnership collected on \$1,293,000 of funds in trust receivable.

15. Risks Associated with Financial Instruments

The Partnership's overall risk management program seeks to maximize the returns derived for the level of risk to which the Partnership is exposed and seeks to minimize potential adverse effects on the Partnership's financial performance.

Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. As of April 30, 2019, the Partnership has invested 100% in the residential real estate sector.

Interest rate risk

Interest rate risk arises from the possibility that the value of, or cash flows related to, a financial instrument will fluctuate as a result of changes in market interest rates. The partnership is exposed to interest rate from the interest rate differentials between the market rate and the rates used on these financial instruments.

Liquidity Risk

Liquidity risk is the risk that the Partnership will encounter difficulty in meeting obligations associated with financial liabilities. The Partnership maintains sufficient cash on hand to fund anticipated redemptions.

ITEM 13 - CERTIFICATE

Dated: January 8, 2019 as amended on May 24, 2019

This Offering Memorandum does not contain a misrepresentation.

Westbow Capital Income Fund by its Manager, Westbow Asset Management Inc.

(signed) "Nick Westeringh"
Nick Westeringh
Chief Executive Officer

(signed) "Jason Tiessen"
Jason Tiessen
Chief Financial Officer

On behalf of the Manager, Westbow Asset Management Inc.

(signed) "Nick Westeringh"
Nick Westeringh
Chief Executive Officer

(signed) "Jason Tiessen"
Jason Tiessen
Chief Financial Officer

On behalf of the Board of Directors of Westbow Asset Management Inc.

(signed) "Nick Westeringh"
Nick Westeringh
Director

(signed) "Dick Westeringh"
Dick Westeringh
Director