

Offering Memorandum

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. Purchasers should read the entire Offering Memorandum for full details about the Offering. This is a risky investment. See Item 8: Risk Factors.

Date: November 27, 2014
 The Issuer: Arizona 88 Opportunity Fund Ltd. (the “Corporation”)
 Address: 205-930 Harbourside Drive
 North Vancouver, BC V7P 3S7
 Phone #: (604) 980-8407
 Fax #: (604) 648-8615
 Email: steeledave@shaw.ca
 Currently listed or quoted? No. **These securities do not trade on any exchange or market.**
 Reporting Issuer? No.
 SEDAR filer? No.

The Offering

| | |
|----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Securities Offered: | 6% Unsecured Participating Bonds (referred to herein as the “Series A Bonds”) 5% Unsecured Participating Bonds (referred to herein as the “Series B Bonds”) 4% Unsecured Participating Bonds (referred to herein as the “Series C Bonds”) (collectively, the “Bonds”). All Bonds are for a 10 year term and redeemable and retractable under certain conditions. Subscribers may not select which series of Bonds to subscribe for, as the Bonds are being sold in order of series, with Series A being sold first and Series C being sold last. See Item 5.1: Terms of Securities. |
| Price Per Security: | \$100 per Bond |
| Min. offering: | There is no minimum. You may be the only purchaser. |
| Max. offering: | \$12,000,000 (120,000 Bonds). Each Series of Bonds is available up to a maximum of \$4,000,000 or 40,000 Bonds. After the maximum number of Bonds in each Series is subscribed for, no further Bonds will be issued for that particular Series. Funds available may not be sufficient to accomplish our proposed objectives. |
| Min. Subscription: | \$10,000 (100 Bonds) |
| Payment Terms: | Payment in full of the subscription price is to be made by solicitor's trust cheque, RRSP or RRIF Trustee cheque, TFSA Trustee cheque, certified cheque, bank draft, money order or wire transfer payable to the Corporation, with the delivery of a duly executed and completed Subscription Agreement. See Item 5.2: Subscription Procedure. |
| Proposed Closing Date(s): | Closings will take place periodically at the Corporation’s discretion |
| Income Tax Consequences: | There are important tax consequences to these securities. See Item 6: Income Tax Consequences and Deferred Plan Eligibility. |
| Selling Agents: | The Corporation does not intend to pay any commissions to selling agents in connection with the sale of Bonds under this Offering. |
| Resale Restrictions: | You will be restricted from selling your securities for an indefinite period. See Item 10: Resale Restrictions. |
| Purchasers’ Rights: | You have 2 business days to cancel your Subscription 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 Subscription Agreement. See Item 11: Purchasers’ Rights. |

ARIZONA 88 OPPORTUNITY FUND LTD. – Please initial below and submit this page with your subscription agreement

Investors Initials

Offering Memorandum

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INVESTOR COPY – Please retain this complete copy of the Offering Memorandum for your records.

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Note Regarding Forward-Looking Statements

This Offering Memorandum contains forward-looking statements. These statements relate to future events or the Corporation's future performance or the performance of the Partnerships. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "targeting", "intend", "could", "might", "continue", or the negative of these terms or other comparable terminology. These statements are only predictions. In addition, this Offering Memorandum may contain forward-looking statements attributed to third party industry sources. Undue reliance should not be placed on these forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur and may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The forward-looking statements contained in this Offering Memorandum are expressly qualified by this cautionary statement. The Corporation is not under any duty to update any of the forward-looking statements after the date of this Offering Memorandum to conform such statements to actual results or to changes in the Corporation's expectations except as otherwise required by applicable legislation.

Glossary of Terms

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

“Annual Fee” means the annual fee payable, in advance, by the Corporation in cash to Target in an amount equal to: (i) \$2,500; plus (ii) one-half of one percent (being 0.5%) of the total Deferred Plan Capital outstanding at the date of the anniversary of the Target Agreement that is in excess of \$500,000; plus (iii) applicable taxes.

“BCA” means the *Business Corporations Act* (British Columbia).

“Bondholder” means a holder of Bonds.

“Bondholders Agreement” the Bondholders Agreement bearing the formal date of November 27, 2014, between the Corporation and the Subscribers who from time to time subscribe for Bonds and agree to be bound as a “Bondholder” under the Bondholders Agreement by executing a Subscription Agreement. A copy of the Bondholders Agreement is attached hereto as Schedule B.

“Bonds” means collectively the Series A Bonds, Series B Bonds and Series C Bonds.

“CRA” means the Canada Revenue Agency.

“Capital Raising Fee” means the fee payable by the Corporation to Target in cash in an amount equal to one-half of one percent (being 0.5%), plus applicable taxes, of the total Deferred Plan Capital raised by the Corporation in excess of \$500,000.

“Deferred Plan” means any one of or collectively a RRSP, RRIF, RESP and a TFSA.

“Deferred Plan Capital” means capital of any kind raised by the Corporation from a RRSP, RRIF, RESP or TFSA pursuant to this Offering.

“Extraordinary Resolution” means, in respect of a Bondholders Agreement, a resolution passed at a duly convened meeting of the Bondholders under such agreement, at which the holders of at least 50% in principal amount of the Bonds then outstanding thereunder are present in person or by proxy and passed by the favourable votes of the holders of not less than 2/3 of the principal amount of such Bonds, represented at the meeting and voted on a poll upon such resolution. An “Extraordinary Resolution” in respect of a Bondholders Agreement also includes an instrument in writing signed in one or more counterparts by the holders of at least 2/3 of the principal amount of all the Bonds outstanding under that agreement.

“General Partner” means a general partner of a Partnership.

“GFCM” means Ground Floor Capital Management Ltd., a corporation incorporated under the laws of British Columbia.

“Limited Partner” means a limited partner of a Partnership.

“LP Unit” means the interest of a Limited Partner in a Partnership consisting of the rights granted under the Partnership Agreement governing that Partnership.

“Management Fee” means a fee payable by the Corporation to GFCM, or its designate, for management services to be rendered to the Corporation by GFCM as follows (in each case, plus applicable taxes): (i) an initial fee payable on the first closing of the sale of Bonds, in an amount equal to one (1.0%) percent of the cash proceeds received by the Corporation in connection with the closing of the sale of Bonds,

and (ii) thereafter, an annual fee payable on December 31 of each calendar year, in an amount equal to one (1.0%) percent of the cash proceeds received by the Corporation in connection with the sale of Bonds during that calendar year which has just ended.

“Management Services Agreement” means the Management Services Agreement dated as of October 21, 2014 between the Corporation and GFCM.

“Maximum Offering” means the maximum amount to be raised by the Offering, as set out on the cover page hereto.

“Minimum Offering” means the minimum amount to be raised by the Offering, as set out on the cover page hereto.

“NI 45-106” means National Instrument 45-106 “Prospectus and Registration Exemptions” of the Canadian Securities Administrators.

“Offering” means the offering of Bonds pursuant to this Offering Memorandum.

“Offering Memorandum” means this offering memorandum, as amended or supplemented from time to time.

“Participating Interest” means an amount from the net profits of the Corporation that the directors determine will be paid to the Bondholders, at such time and in such amounts as the directors of the Corporation in their absolute discretion see fit. See **Item 5.1: Terms of Securities**.

“Partnership Agreement” means a limited partnership agreement pursuant to which a Partnership is formed.

“Partnership” means a limited partnership formed by the sole officer and director of the Corporation, namely David Steele, in which the Corporation acquires LP Units.

“Properties” means the real estate properties acquired by a Partnership.

“Reference Date” means November 27, 2014.

“RESP” means Registered Education Savings Plan as defined under the Tax Act.

“RRIF” means Registered Retirement Income Fund as defined under the Tax Act.

“RRSP” means Registered Retirement Savings Plan as defined under the Tax Act.

“Regulations” means the Tax Act regulations.

“Series A Bonds” means the 6% unsecured participating bonds of the Corporation having the terms and conditions described in **Item 5.1: Terms of Securities**.

“Series B Bonds” means the 5% unsecured participating bonds of the Corporation having the terms and conditions described in **Item 5.1: Terms of Securities**.

“Series C Bonds” means the 4% unsecured participating bonds of the Corporation having the terms and conditions described in **Item 5.1: Terms of Securities**.

“Short Term Mortgage Lending” has the meaning set out in **Item 2.3 (1): Business of the Corporation**.

“Subscriber” means a person who subscribe for Bonds pursuant to this Offering.

“Subscription Agreement” means the Subscription Agreement entered into between a Subscriber and the Corporation with respect to the purchase of Bonds by a Subscriber under this Offering. The form of Subscription Agreement with respect to this Offering is attached hereto as Schedule A.

“TFSA” means Tax-Free Savings Account as defined under the Tax Act.

“Target” means Target Capital Inc., a publicly traded company listed on the TSX Venture Exchange, trading under the symbol “TCI”. Target presently holds 60% of the issued and outstanding Class A Preferred shares of the Corporation.

“Target Agreement” means Target’s agreement with the Corporation dated October 22, 2014 the terms of which are referred to in **Item 2.2: Target Capital Inc.** and **Item 2.8(2): Agreement with Target Capital Inc.**

“Tax Act” means the *Income Tax Act* (Canada).

“WWC IV LP” means Western Wealth Capital IV Limited Partnership, a limited partnership formed under the laws of British Columbia.

“WWCM” means Western Wealth Capital Management Ltd., a corporation incorporated under the laws of British Columbia.

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

Item 1: USE OF AVAILABLE FUNDS

1.1 Available Funds

The following table discloses the available funds of this Offering:

| | | Assuming Minimum Offering | Assuming Maximum Offering |
|---|-------------------------------------------------------|---------------------------|---------------------------|
| A | Amount to be raised by this Offering | \$0 | \$12,000,000 |
| B | Selling commissions and fees ⁽¹⁾ | \$0 | \$0 |
| C | Estimated Offering costs ⁽²⁾ | \$25,000 | \$25,000 |
| D | Capital Raising Fee ⁽³⁾ | \$0 | \$57,500 |
| E | Available Funds: E = A – (B + C + D) | \$0 | \$11,917,500 |
| F | Additional sources of funding required ⁽⁴⁾ | Nil | Nil |
| G | Working Capital Deficiency | \$0 ⁽⁵⁾ | \$0 ⁽⁵⁾ |
| H | Total: H = (E + F) – G | \$0 | \$11,917,500 |

(1) The Corporation does not intend to pay any commissions to selling agents in connection with the sale of Bonds under this Offering.

(2) Offering costs include legal, accounting, auditing, marketing and due diligence expenses.

(3) Pursuant to the terms of the Target Agreement, the Corporation is obligated to pay Target the Capital Raising Fee. The Corporation is also obligated to pay an Annual Fee. See **Item 2.8(2): Agreement with Target Capital Inc.**

(4) The Corporation does not expect to require additional funds from other sources to advance its business objectives.

(5) The Audited Financial Statements of the Corporation disclosed under **Item 12: Financial Statements**, disclose Accounts Payable and Accrued Liabilities of \$20,100. This figure is covered by the Estimated Offering Costs disclosed under item C of this table.

1.2 Use of Available Funds

The following table provides a detailed breakdown of how the Corporation will use the available funds of this Offering.

| Description of intended use of available funds listed in order of priority | Assuming Minimum Offering | Assuming Maximum Offering |
|-------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
| Purchase of LP Units in the Partnerships or Short Term Mortgage Lending. See Item 2.3: Our Business. | \$0 | \$11,917,500 |
| Total | \$0 | \$11,917,500 |

1.3 Reallocation

The Corporation intends to use the available funds as stated. The Corporation will reallocate the proceeds only for sound business reasons.

Item 2: BUSINESS OF THE CORPORATION

2.1 Structure

The Corporation is a corporation incorporated under the BCA pursuant to a Certificate of Incorporation dated October 21, 2014. The Corporation's head and registered office is located at 205-930 Harbourside Drive, North Vancouver, BC V7P 3S7. The Corporation is controlled by Target. Please see www.sedar.com for further information with respect to Target.

2.2 Target Capital Inc.

(1) Voting Control – Target Capital Inc.

Voting control of the Corporation by Target is to ensure that the Bonds issued pursuant to this Offering are a qualified Deferred Plan investment. **See Item 6: Income Tax Consequences and Deferred Plan Eligibility.**

Target's control and interest in the Corporation is to earn Annual Fees and Capital Raising Fees and not to participate in the profits of the Corporation pursuant to the Target Agreement. **See Item 2.8(2): Agreement with Target Capital Inc.**

Specifically:

- (a) Target's shares in the Corporation are non-participating as they are not entitled to dividends;
- (b) The Target Agreement states that Target cannot acquire any additional shares in the Corporation without the approval of the majority of the minority shareholders of the Corporation;
- (c) Target cannot increase the Annual Fee or the Capital Raising Fee pursuant to the Target Agreement without the approval of the majority of the minority shareholders of the Corporation;
- (d) Target will not sell its shares of the Corporation while the Target Agreement is in force and will, at the termination of the Target Agreement, return all of its shares to the treasury of the Corporation in return for sixty dollars; and
- (e) Target will not benefit from its position as shareholder except as described in the Target Agreement, and should it receive any benefit in addition to the Annual Fee and the Capital Raising Fee, the benefit will be returned to the Corporation for the sum of ten dollars.

An investor in the securities offered under this Offering Memorandum should understand that Target's assets and management are not in any way committed to the activities of the Corporation. Target has not performed any due diligence on the Corporation, its assets or its management and does not encourage or discourage an investment in the Corporation.

The Subscription Agreement to be signed by Subscribers contains a specific acknowledgement by Subscribers acknowledging that Target owes no fiduciary duty of care or any other duty to Subscribers in connection with the Bonds issued under this Offering. Further, in signing the subscription agreement, Subscribers are agreeing therein that Target shall not be liable to Subscribers for any liabilities, losses or damages suffered or incurred by Subscribers in connection with this investment, including any default by the Corporation in the payment of interest and/or repayment of the principal of the Bonds issued pursuant to this Offering.

(2) Release of Target Capital Inc.

As a term of this Offering, Subscribers are required to grant Target a specific release in the form attached as Exhibit 5 to the Subscription Agreement (the "Target Release"). Pursuant to the terms of the Target Release, the Subscriber will acknowledge that:

- (a) Target's assets and management are not in any way committed to the activities of the Corporation other than voting its shares at shareholder meetings of the Corporation. Further, the Subscriber acknowledges that Target has not performed any due diligence on the Corporation, its assets or its management and does not encourage or discourage an investment in the Corporation;
- (b) Target owes no fiduciary duty of care or any other duty to Subscribers in connection with the Bonds issued under this Offering;

- (c) Target shall not be liable to Subscribers for any liabilities, losses or damages suffered or incurred by Subscribers in connection with this investment, including any default by the Corporation in the payment of interest and/or repayment of the principal of the Bonds issued pursuant to this Offering; and
- (d) the Subscriber will release and forever discharge Target, together with its officers, directors, servants, employees, agents and other representatives from any and all actions, causes of action, claims, demands, or other liability of any nature or kind howsoever arising, including, without limitation, any and all claims, past or present, and which may arise in the future, in any way related to the Subscriber's investment in the Bonds of the Corporation or the acquisition of the Bonds from the Corporation.

All Subscribers are encouraged to seek independent legal advice before executing and delivering the Target Release.

2.3 Our Business

(1) Business of the Corporation

Primary Activities

The Corporation shall use available funds received from the Offering for the two primary activities set out below:

1) *Buy-and-Hold Properties*. To invest in Partnerships that shall acquire and hold properties, including but not limited to lots, townhomes, apartments or duplexes in high growth areas in the States of Nevada and Arizona, with a view to sale in the long term, projected to be 5 years or more. At present, the Corporation intends to invest in the Western Wealth Capital IV Limited Partnership, a limited partnership formed under the laws of British Columbia (WWC IV LP). WWC IV LP will buy and hold properties, including property in the States of Nevada and Arizona. WWC IV LP is managed by its general partner, Western Wealth Capital Management Ltd., a corporation incorporated under the laws of British Columbia (WWCM) that is owned by each of David Steele and Janet Lepage as to 50%. David Steele is a Director and Janet LePage is the President and a Director of WWCM. The Corporation may also invest in other Partnerships that are similar to WWC IV LP as regards legal terms and business scope and that are managed by a General Partner that is owned or controlled (directly or indirectly) by David Steele or Janet Lepage. Information regarding the investment guidelines, decision-making process and disposition guidelines that will be followed by the Partnerships is set out below. See **Item 2.8(1): The Partnership Agreements** for further details in regard to the terms and conditions of the agreements which will govern the Partnerships.

2) *Short Term Mortgage Lending*. Subject to the availability of funds and the market conditions in which it operates, the Corporation may also engage in the business of providing short-term, secured mortgages (collectively "**Short Term Mortgage Lending**") with respect to properties owned or to be acquired by third parties related or unrelated to the Corporation. The Corporation may enter into a syndicated mortgage with other persons lending directly on properties, and may enter into co-lending or loan agreements with such other persons, in each case, ensuring compliance with all applicable laws, including those governing mortgage broker registration. The investment guidelines that the Corporation will follow in carrying out Short Term Mortgage Lending are set out below.

Ancillary Activities

The Corporation may also engage in any other business or activity incidental, ancillary or related to the foregoing primary activities.

Purchasing from Related Parties

Further, the Corporation may acquire properties from David Steele or Janet LePage, the officers and directors of the General Partners, or from partnerships or corporations controlled by such persons. In acquiring properties from such related parties, the purchase price of such properties shall be equal to or less than:

- (a) the average of the value established by a certified appraisal obtained from an independent appraiser with respect to the Property in question; and

- (b) a valuation obtained from an independent realtor with respect to the Property or the most recent tax assessment with respect to the Property received from the municipality in which the Property is located.

Investment guidelines:

Partnership Investment Guidelines:

The Partnerships will acquire and hold a Property for as long as the General Partner determines that the relevant market and investment fundamentals allow for appropriate returns to be generated from the Property. By combining a service-oriented focus with acquiring undervalued assets, the Partnerships intend to increase both cash flow and asset values of the Properties, thereby providing an increasing rate of return to their Limited Partners. Toward these ends the Partnerships intend where applicable:

- (a) to improve the overall value of the Partnerships by developing, acquiring and holding revenue producing Properties that add value to the overall portfolio of all Properties held by all Partnerships;
- (b) to operate and maintain the Properties with the intention of creating profitability on a sustainable basis;
- (c) to engage in activities to increase the value and returns of the Properties;
- (d) to reinvest operating profits and the proceeds of any refinancing of the Properties acquired by the Partnerships in the furtherance of the business objectives of the Partnerships;
- (e) to invest in Properties which have the likely probability of long-term capital appreciation;
- (f) to preserve the value of the Properties and the Partnerships;
- (g) to improve the overall value of the Partnerships through the effective management of the Partnerships' business and finances and value-added improvements to the Properties;
- (h) to maintain a private structure that is not subject to the volatility of the public equity and debt markets; and
- (i) to maintain a cost structure aligned with the interests of investors.

Information on the Partnerships that the Corporation invests in will be made available to Subscribers on request. Subscribers may obtain a copy of such information by contacting the Corporation at the address set out on the first page of this Offering Memorandum.

Financing Guidelines:

A Partnership may seek third party financing in respect of a part of the purchase price and the operating cost of its Properties, and may refinance any acquisition financing where more favourable financing becomes available from third party lenders such as banks, trust companies, mortgage syndicates or other providers of mortgage funding. The Corporation expects that a mortgage loan charging a Property will typically not be more than 80% of the appraised value of the Property, although occasionally higher leverage may be obtained from the seller by way of vendor take back financing. Additional funds may be required for the property management reserve account which may be required by the applicable lenders.

Short Term Mortgage Lending Guidelines:

In general, the parameters under which the Corporation will engage in Short Term Mortgage Lending are as follows:

- (a) The Corporation will only loan funds where the Corporation's security is either a first or second mortgage or where the security obtained is similar in nature to a mortgage and registered on the title to the Property to which the loan

relates. For construction mortgages, the Corporation will not finance projects unless these projects have pre-sold 60% of the subdivided lots or strata lots arising from the completion of the construction of the subject project.

- (b) The Corporation currently targets to lend at rates of 6-9% for first mortgages and 12-15% for second mortgages. These rate targets may change depending on fluctuations in the lending market.
- (c) First mortgages will be at an 80% loan to value ratio or less, based on a valuation as determined by the Corporation.
- (d) The Corporation shall not lend in any situation where it reasonably believes the repayment in full of the Short Term Mortgage Lending will not occur within an 18 month period from the date of first advance.
- (e) The Corporation will comply with all laws which govern its lending activities, including but not limited to registering as a mortgage broker if required by applicable legislation.

Decision Making

It is intended that David Steele and Janet Lepage will be responsible for forming the Partnerships and managing the Partnerships through their ownership and control of the General Partners. David Steele is the President and Director of the Corporation and a Director of WWCM and Janet LePage is the President and a Director of WWCM. See **Item 2.3.3 Related Party Matters**.

David Steele, as the sole officer and director of the Corporation will, in his sole discretion, without notice to or approval from any Bondholder of the Corporation, analyze and select the Partnerships in which the Corporation will invest, and loans the Corporation will make. David Steele and Janet LePage, as the principals of the General Partners will, without notice to or approval from any Bondholder of the Corporation, analyze and select the properties in which the Partnerships will invest.

Partnership Decision Making

Each General Partner will identify and evaluate potential acquisitions for its Partnership. When the General Partner decides that an acquisition is worth considering, then a strict due diligence process is followed. The General Partner may obtain independent property, environmental and structural reports even if not required by lenders.

The following are some of the material considerations that the General Partner will examine as part of its due diligence process with respect to a proposed acquisition of a Property:

- (a) Appraisal:
 - (i) What is the Property worth and how was it appraised (Direct comparison, Income or Cost Approach)?
- (b) Zoning:
 - (i) What is the Property being used for today?
 - (ii) Is it the best use?
 - (iii) Are there limitations against future improvements/additions to the Property?
- (c) Financing:
 - (i) How is this Property going to be purchased?
 - (ii) How will lenders view this purchase?
- (d) Environmental Report:
 - (i) Are there any current environmental concerns?
 - (ii) What is the environmental history of the Property?
- (e) Engineering Report:
 - (i) What is the condition of the existing building or buildings located on the Property?

- (ii) What is the condition of the structural integrity of any buildings?
- (f) Site Survey Real Property Report:
 - (i) Are there any registered easements or other documents which affect the use of the Property?
- (g) Macroeconomics:
 - (i) Refer to high level economic fundamentals that speak to the future viability to a neighborhood, city or province. These are broad economic indicators that help the General Partner identify areas of interest based.
- (h) Net Migration:
 - (i) What are the population trends in the area?
 - (ii) Are there more people arriving or departing? The Corporation believes that (i) thriving areas tend to see population increases over the long term, and (ii) an increase is generally a positive indicator for real estate values as more people arrive and the supply of available residential and commercial properties tightens.
- (i) Industry:
 - (i) What are the major industries in the area?
 - (ii) Who are the major employers and how much of the job market do they represent?
 - (iii) What are the future prospects for current major employers?
 - (iv) What other businesses are locating/relocating in the area?
- (j) Transportation:
 - (i) How accessible is the area?
 - (ii) Are there any infrastructure expansion plans pending?
- (k) Government:
 - (i) How accommodating are the local authorities to new businesses being established?
 - (ii) Are there any local regulations, permit or authorization requirements that may constitute an impediment to do business in the area?
 - (iii) How do taxes for businesses compare to other areas?

It is expected that the Properties will be monitored by the General Partner on a continuous basis to gauge the effectiveness of the management process on cash flows and tenant satisfaction. Through analysis of market rental rates, the General Partner will determine where capital expenditures will permit the largest increase in rents and when a Property's rate of return has been maximized. The Partnership may in the discretion of the applicable General Partner decide to sell a particular property and reinvest capital into opportunities that will provide superior returns.

Partnership Disposition Guidelines

The Partnership may sell a Property when its managing General Partner determines that the associated capital can be more efficiently deployed. This is an ongoing monitoring process, where economic, political and demographic trends are taken into account.

The Partnership may also sell its Properties to the officers and directors of its General Partner or to corporations or limited partnerships associated with such persons at a price equal to the average of the value established by a certified appraisal obtained from an independent appraiser with respect to the Property in question and a single market valuation obtained from an independent realtor with respect to the Property.

The General Partner may, at its discretion and without notice to the Limited Partners, reallocate the Partnership's assets to Properties as determined by the General Partner in its discretion, or allocate cash flows from the Partnership's assets to alternative near-cash short-term investment vehicles.

(2) The Partnerships

The Partnerships will be Canadian limited partnerships as set out in **Item 2.3(1): The Partnerships**. The Partnerships may solicit investment from parties wishing to become Limited Partners in addition to the Corporation. As a result, the Corporation may hold less than a majority of the LP Units in a Partnership.

The Limited Partners will all hold the same class of LP Units.

The number of Partnerships in which the Corporation will invest will vary with the amount of money the Corporation raises pursuant to this Offering.

(3) Related Party Matters

David Steele is the sole officer and director of GFCM, a 40% shareholder and manager of the operations of the Corporation. GFCM is entitled to be paid the Management Fee by the Corporation pursuant to the Management Services Agreement.

David Steele may, directly or indirectly own LP Units and, as a result, control the Partnerships, including WWC IV LP.

David Steele, the President and Director of the Corporation, is also a Director and 50% shareholder of WWCM and may also be an officer, director and shareholder of the other General Partners.

A General Partner will be entitled to receive certain fees under the Partnership Agreement, including an acquisition fee, an asset management fee, a disposition fee and a mortgage guarantee fee. These fees are described in more detail under "General Partner Fees" in **Item 2.3(1): The Partnership Agreements**.

(4) Offering Structure

The purpose of this Offering is to allow Subscribers to participate, indirectly through acquiring Bonds in the Corporation, in an investment in LP Units and Short Term Mortgage Lending. See **Item 5.1: Terms of Securities** for information regarding the terms and conditions of the Bonds.

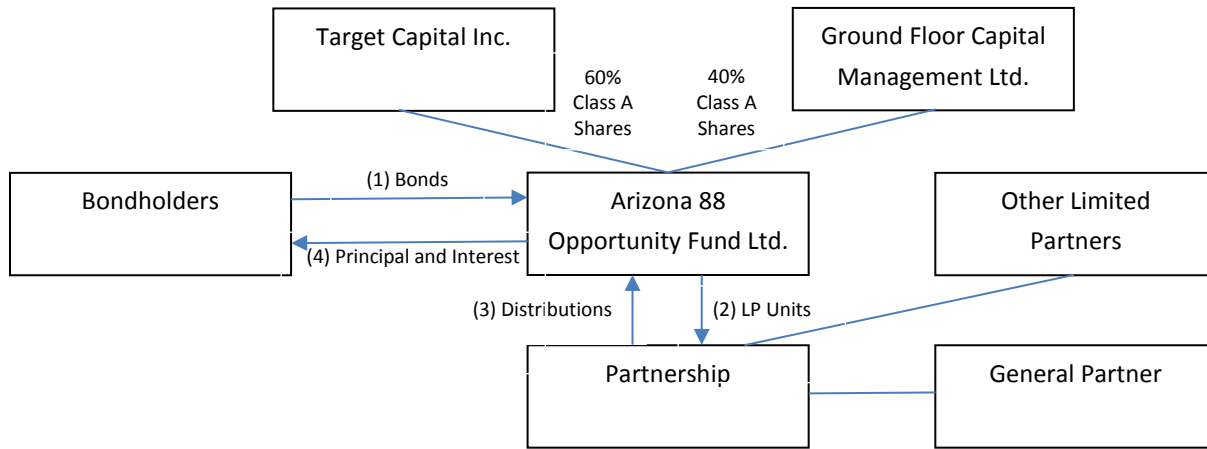
Funds from Deferred Plans may be used to purchase Bonds pursuant to this Offering based on the comments of Grant Thornton LLP. See **Item 6: Income Tax Consequences and Deferred Plan Eligibility**.

No advance income tax ruling has been applied for or received with respect to the income tax consequences described in this Offering Memorandum. See **Item 8: Risk Factors**.

No assurance can be given that changes in the Tax Act or future court decisions or the implementation of new taxes will not adversely affect the Corporation or fundamentally alter the income tax consequences to holders of the Bonds with respect to acquiring, holding or disposing of the Bonds.

Subscribers are strongly encouraged to consult their tax advisors as to the tax consequences of acquiring, holding and disposing of the Bonds.

The following chart sets out the structure of the Offering.



(1) Subscribers purchase Bonds.

(2) The Corporation uses the proceeds of the Bonds to purchase LP Units. The Corporation may also use the proceeds to engage in Short-Term Mortgage Lending. See **Item 2.3(1): Business of the Corporation**.

(3) The Partnerships make distributions of distributable cash to the Corporation as a Limited Partner. See **Item 2.8(1): The Partnership Agreements**.

(4) The Corporation uses the proceeds of the distributions from the Partnerships to pay principal and interest on the Bonds when due. The Corporation may also use other sources of funds (such as funds from Short-Term Mortgage Lending) to pay principal and interest on the Bonds. The Corporation has full discretion as to how it will fund payments of principal and interest on the Bonds.

2.4 Development of Business of the Corporation

The Corporation is a newly incorporated entity, established for the purposes of carrying out the Offering. It does not have any operating history.

WWC IV LP is a newly formed entity established specifically for the purposes of the transactions referred to in this Offering Memorandum and does not have an operating history. The other Partnerships will be established specifically for the purposes of the transactions referred to in this Offering Memorandum and will not have an operating history.

WWCM, the general partner of WWC IV LP, has, since being incorporated on March 24, 2014, acted as the general partner of the following limited partnerships:

- Western Wealth Capital I LP, a limited partnership formed under the laws of British Columbia, in order to invest in real estate properties located in Arizona, US.
- Western Wealth Capital II LP, a limited partnership formed under the laws of British Columbia in order to invest in real estate properties located in Arizona, US.
- Western Wealth Capital III LP, a limited partnership formed under the laws of British Columbia in order to invest in real estate properties located in Arizona, US.

The Corporation does not intend to invest in any of the limited partnerships named in the above list.

2.5 Long Term Objectives of the Corporation

The Corporation's long-term goal is to acquire LP Units and engage in Short Term Mortgage Lending, manage its investments and to provide a return to Bondholders. As the Corporation has yet to identify specific investments (other than WWC IV LP), the costs to

complete its long term objectives are not currently ascertainable. However, as the Corporation is investing in loans or LP Units, it does not expect that the ancillary costs (e.g. legal, accounting or administrative) will be material.

2.6 Short Term Objectives and How the Corporation Intends to Achieve Them

The following table discloses the Corporation’s objectives for the next 12 months and how the Corporation intends to meet those objectives.

| What we must do and how we will do it | Target completion date or, if not known, number of months to complete | Our cost to complete |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Complete the closings of subscriptions of a sufficient number of LP Units to permit the Partnerships to invest as set out in this Offering Memorandum. Additionally, engage in Short-Term Mortgage Lending as and when appropriate investment opportunities advised. | The Corporation intends to invest all funds raised under the Offering in Partnerships or Short-Term Mortgage Lending as promptly as reasonably possible in line with the aforesaid investment objectives. | As the Corporation has yet to identify specific investments (other than WWC IV LP), the costs to complete are not currently ascertainable. However, as the Corporation is investing in loans or LP Units, it does not expect that the ancillary costs (e.g. legal, accounting or administrative) will be material. |

2.7 Insufficient Funds

The funds available as a result of this Offering may not be sufficient to accomplish all of the Corporation’s proposed objectives and there is no assurance that alternative financing will be available.

2.8 Material Agreements

The following are the key terms of all material agreements to which the Corporation is a party. Subscribers may obtain a copy of the agreements described in items (1)—(3), below, by contacting the Corporation at the address set out on the first page of this Offering Memorandum.

(1) The Partnership Agreements

The Corporation will, using the proceeds of the Offering, subscribe for LP Units of WWC IV LP and will become a party to the Limited Partnership Agreement for WWC IV LP, dated as of October 1, 2014, by and among WWCM, as general partner, Janet LePage, as initial limited partner and each party who from time to time is accepted as a limited partner in WWC IV LP (the “**WWC IV LP Agreement**”). In addition, the Corporation will, using the proceeds of the Offering, subscribe for LP Units of other Partnerships and become a part to the limited partnership agreements pursuant to which such Partnerships are formed, which agreements will be on terms and conditions that are substantially similar to the WWC IV LP Agreement, with such non-material variations as may be agreed to by the Corporation in its sole discretion. These variations may include increasing amounts in a manner consistent with increases in the consumer price index and increasing the fees payable under the partnership agreements by up to 10% of the amounts originally set out in WWC IV LP Agreement.

The following are the key terms of the WWC IV LP Agreement.

Title, Date and Parties: Limited Partnership Agreement for WWC IV LP, dated as of October 1, 2014, by and among WWCM, as general partner, Janet LePage, as initial limited partner and each party who from time to time is accepted as a limited partner in WWC IV LP.

In this section, WWC IV LP is referred to as the “Partnership”, WWCM or the general partner from time to time of WWC IV LP is referred to as the “General Partner” and the WWC IV LP Agreement is referred to as the “LP Agreement”.

Object of Agreement: A limited partnership is formed under the name “WESTERN WEALTH CAPITAL IIIIV LIMITED PARTNERSHIP”, under the laws of the Province of British Columbia.

LP Units of the Partnership are to be issued for the purposes of financing the acquisition of real estate assets. The business of the Partnership shall be restricted to acquiring, holding and disposing of real estate assets and conducting other business which is ancillary or incidental thereto, and deriving income therefrom with a view to making a profit.

Management of the Business: Subject to those matters requiring the approval of the Limited Partners under the LP Agreement, the General Partner shall carry on the business of the Partnership with full power and authority to administer, manage, control and operate its business. No Limited Partner shall, as such take part in the control or management of the business of the Partnership.

The General Partner has unlimited liability for the debts, liabilities, losses and obligations of the Partnership. Subject to the provisions of the Partnership Act of British Columbia and any specific assumption of liability, the liability of each Limited Partner for the debts, liabilities, losses and obligations of the Partnership is limited to the amount of the capital contributed or agreed to be contributed to the Partnership by him, her or it in respect of his, her or its LP Unit(s), as the case may be, plus his, her or its share of any undistributed income of the Partnership as hereinafter provided.

General Partner Fees: The General Partner will be entitled to receive the following fees:

- (a) An acquisition fee equal to 1.0% of the total purchase price of a Property, payable to the General Partner upon the completion of the purchase.
- (b) An asset management fee equal to the greater of (a) \$1,500 per month or (b) 3% of all rental and other income from a Property (including interest income earned on any such monies prior to their distribution) but excluding therefrom security deposits and advance rents (unless and until applied), tenant incentive payments or allowances and tenant expense recoveries, such fee to be payable monthly on the last day of each month. The fee is payable until the Property has been sold or otherwise disposed of in full by the Limited Partnership.
- (c) A disposition fee equal to 5% of the difference between the initial purchase price plus all closing costs related to a Property and the gross proceeds received by the Limited Partnership on a sale or other disposition of the Property or a portion thereof (after the deduction of sales commissions, and prior to pro-ratios and other closing costs), which is payable to the General Partner from such proceeds.
- (d) A mortgage guarantee fee, payable in the event that the General Partner, Janet LePage, or any associate or affiliate thereof provides any guarantee for any acquisition loan, financing or refinancing in connection with a Property, equal to 1.0% of the amount so guaranteed, payable to the General Partner upon the completion of the purchase of the Property by the Limited Partnership or completion of such

refinancing.

Reimbursement of Expenses:

The General Partner is entitled to reimbursement by the Partnership for all reasonable third party costs and expenses actually incurred by it on behalf of the Partnership in the ordinary course of business or other incidental costs, provided that the General Partner is not in default of its duties, in connection with such costs and expenses and provided further that any such cost and expense reimbursements in excess of one and a half percent (1.5%) of the aggregate cash proceeds received by the Partnership pursuant to the sale of LP Units to subscribers will be paid directly by the General Partner on the Partnership's behalf and will be deemed to have been advanced to the Partnership as a subscription for LP Units and the General Partner shall be issued such number of LP Units as is equal to such excess divided by US\$1.00 in full satisfaction of such amount.

Capital Raise Fees:

Fees or commissions may be paid by the Partnership for the solicitation or sale of LP Units, by individuals or companies, including parties not at arm's length to the General Partner, who qualify under the relevant securities legislation in an amount equal to up to 5% of the funds raised by such individuals or companies, payable on the applicable date of closing.

Related Party Transactions:

The General Partner may employ or retain an affiliate or associate or related party on behalf of the Partnership to provide goods or services, provided that the cost of such goods or services are reasonable and competitive with the cost of similar goods or services provided by an independent third party. The General Partner will not allow the Partnership to acquire (a) any assets in a transaction pursuant to which the General Partner, Janet LePage or a related party receives an undisclosed fee or "kick-back", or (b) any assets which the General Partner, Janet LePage or a related party has previously acquired on its own account and is selling for a gain, provided that the General Partner, Janet LePage or a related party may receive a reimbursement of actual direct third party costs incurred by it in the acquisition of any asset which it sells to the Partnership and may receive advisory fees and finder's fees, payable in cash or securities, from an entity (or subsidiary of any entity) in which the Partnership may invest. The General Partner will not allow the Partnership to extend loans to a related party.

Removal or Resignation of General Partner:

The Limited Partners of the Partnership may, by special resolution (that is, 75% of the votes cast), remove the General Partner in circumstances where the General Partner has committed an act of gross negligence, wilful misconduct, bad faith or dishonesty or is in material default of its obligations hereunder and such default has not been remedied after reasonable notice from the Limited Partners. In such a case, the Limited Partners shall appoint, concurrently with the removal, a replacement General Partner to assume all of the responsibilities and obligations of the removed General Partner.

The General Partner covenants not to resign or withdraw from WWC IV LP unless its successor has been appointed and has agreed to assume its obligations as General Partner.

If the business of the Partnership is continued after the resignation, deemed resignation, removal or retirement of the General Partner, the Partnership shall purchase from such former General Partner its interest in the Partnership for a price equal to the fair market value of such interest (as determined by an independent appraiser, with certain adjustments for damages caused by the General Partner and other adjustments). The price will be paid by an initial cash payment of an amount equal to ten (10%) percent of such fair market value less damages and by delivery of a promissory note for the balance payable in five equal consecutive annual instalments commencing on the first anniversary of the date of such note (with interest per annum at the commercial prime rate plus two (2%) percent).

LP Units: The Partnership shall consist of an unlimited number of LP Units each having a subscription price of US\$1.00. The holder of each LP Unit shall have the right to exercise one vote for each LP Unit held by the Limited Partner in respect of all matters to be decided by the Limited Partners. Limited Partners will be entitled to receive allocations of income or loss, distributions on wind-up or other dissolution, or any return of capital, pro rata in accordance with their proportionate holdings of LP Units (with some adjustments), as the case may be. Except as otherwise provided in the LP Agreement, no LP Unit shall have any preference or right in any circumstances over any other LP Unit.

Transfer and Withdrawal of Limited Partner: Unless and until the Partnership becomes a “reporting issuer” (as such term is defined in the Securities Act (British Columbia)), LP Units may not be assigned transferred or encumbered without the prior written consent of the General Partner. After the Limited Partnership becomes a “reporting issuer”, an LP Unit may be assigned and transferred by a Limited Partner and no such transfer or assignment shall require any approval or consent from the General Partner or any other Limited Partner. However, the transferor must comply with the applicable securities legislation and comply with certain transfer conditions set out in the LP Agreement. Among others, the transferee may not be a non-resident of Canada within the meaning of the Tax Act.

No Limited Partner may withdraw as a Limited Partner or withdraw any part of its investment in the Partnership without the prior written consent of the General Partner, which consent may be granted or denied in the sole and absolute discretion of the General Partner.

A Limited Partner is only entitled to demand a return of such Limited Partner’s capital contribution upon the dissolution, winding-up or liquidation of the Partnership.

Distributions and Allocations: The General Partner shall, in its discretion, be entitled to retain such reserves as it considers prudent for the Partnership’s business from any distributable cash. Thereafter, after the repayment of all current obligations of the Partnership, including all fees payable to the General Partner under the LP Agreement, net proceeds from any property sale or refinancing will be distributed within 90 days of receipt by the Partnership and distributable cash in respect of any other cash or assets of the Partnership shall be distributed at such time as the General Partner shall determine (but no less frequently than annually), as follows:

- (a) first, to the Limited Partners, pro rata in accordance with their respective holdings of LP Units (allowing for certain adjustments), until each Limited Partner has received a cumulative amount pursuant to this provision equal to the subscription price for its respective LP Units; and
- (b) thereafter, as to the balance, 75% to the Limited Partners holding LP Units, pro rata in accordance with their respective holdings of LP Units (allowing for certain adjustments), and 25% to the General Partner.

Profits and losses of the Partnership will be determined by the General Partner in accordance with Canadian generally accepted accounting principles consistently applied, subject to review by the Partnership’s accountants where a dispute arises and the determination of the accountants with respect to any such dispute shall be binding upon the Limited Partners and the General Partner.

The LP Agreement contains detailed provisions on the allocation of net income and net losses of the Partnership among the Limited Partners and the General Partner, including for tax purposes. In general, income and losses of the Partnership are allocated in the same proportions as distributions are made to the Limited Partners and the General Partner. The General Partner has discretion, acting in good faith, to make

adjustments to the allocation to ensure a fair distribution among Limited Partners.

Accounting and Reporting:

The General Partner will keep books and records reflecting the assets, liabilities, income and expenditures of the Limited Partnership and a register listing all Limited Partners and the LP Units. Such books, records and register will be kept available for inspection by any Limited Partner.

Annual Reports. The General Partner shall be responsible for the preparation of unaudited annual financial statements of the Partnership as at the end of each fiscal year and an income tax return of the Limited Partnership for each calendar year. The General Partner, or its agent in that behalf, shall distribute a copy of such annual financial statements to each Limited Partner within ninety (90) days after the end of each fiscal year, shall file with Canada Revenue Agency in respect of each calendar year the income tax return of the Limited Partnership and will provide each Limited Partner with a copy of such return and annual income tax information for each fiscal year by March 31 of the following year to assist in declaring his, her or its share of the Limited Partnership income. The General Partner is not required to provide interim financial statements or reports regarding the affairs of the Partnership.

Quarterly Status Reports. Within 45 days after the end of each calendar quarter, the General Partner shall prepare and send to each Limited Partner a report on the status of the Partnership and its Properties.

Subscribers should note that, since they are not Limited Partners, they are not entitled to receive any of the aforesaid reports. However, information on the Partnerships that the Corporation invests in will be made available to Subscribers on request. Subscribers may obtain a copy of such information by contacting the Corporation at the address set out on the first page of this Offering Memorandum.

Meetings and Voting:

The General Partner may convene meetings of the Limited Partners at any time and, upon the written request of one or more Limited Partners holding not less than 50% of the number of all issued and outstanding LP Units, will convene a meeting of the Limited Partners. There is no requirement to hold annual general meetings; however, the General Partner may call periodic information meetings from time to time to advise Limited Partners as to the status of the Properties. Every meeting will be held in the City of Vancouver, British Columbia or at such other place in Canada as may be designated by the General Partner.

A quorum at any meeting of Limited Partners will consist of two or more persons present in person who collectively hold or represent by proxy not less than 25% of the outstanding LP who are entitled to vote. Each person present at the meeting will have one vote for each LP Unit of which such person is registered as the holder and one vote for each LP Unit in respect of which such person is the proxyholder.

Any Limited Partner who is a party to a contract or proposed contract or who has a material interest in a contract, proposed contract or transaction which is the subject matter of a resolution, shall not be entitled to any vote on such resolution.

Certain powers in regard to important matters shall only be exercisable by special resolution (that is, 75% of the votes cast) passed by the Limited Partners, including but not limited to amendments to the LP Agreement, waiving a default by the GP or dissolving or terminating the Partnership. Any other matters to be determined by the Limited Partners shall be determined by ordinary resolution (that is, 50% of the votes cast).

Dissolution and

The Limited Partnership shall be dissolved upon the earlier of: (a) the expiration of its term, on December

Termination: 31, 2110, (b) by both the written agreement of the General Partner and the authorization of a dissolution by ordinary resolution; (c) upon the sale or distribution of all of the property held by the Partnership, unless the business of the Partnership is continued by the specific consent of the General Partner and an ordinary resolution of the remaining Limited Partners given within 90 days after such event; or (d) 90 days following the effective date of the resignation or dissolution of the General Partner; provided, that the Partnership shall not be dissolved if the Limited Partners shall elect a new General Partner by ordinary resolution prior to expiration of such 90-day period.

Upon the dissolution of the Partnership, the assets of the Partnership shall be liquidated and all proceeds thereof collected by the General Partner and distributed in accordance with a predetermined order of distribution. In general, after costs and liabilities have been paid, the proceeds are to be distributed (a) to the Limited Partners, pro rata in accordance with their respective holdings of LP Units (allowing for certain adjustments), until each Limited Partner has received a cumulative amount equal to its proportionate share of the net equity of the Partnership; and (b) lastly, the balance 75% to the Limited Partners holding LP Units, pro rata in accordance with their respective holdings of LP Units (allowing for certain adjustments), and 25% to the General Partner.

Default by Limited Partner: Upon any Limited Partner defaulting in such Limited Partner's obligations pursuant to this LP Agreement the General Partner may, at its option and in addition to any other remedies of the General Partner or the Limited Partnership, declare that the Limited Partner's LP Units are forfeited and the General Partner may forthwith, without any notice, without demand for payment, without advertisement, or without any other formality, all of which is hereby waived by each Limited Partner, sell the Units, or any of them, by public or private sale as fully and effectively as if the General Partner was the absolute owner thereof.

(2) Agreement with Target Capital Inc.

For the purposes of this Item, the capitalized terms below shall have the following meanings:

"Material Breach" means one or more of the following events:

- (a) the Corporation failing to pay the Annual Fee, the Capital Raising Fee or any amounts payable under the indemnity set out herein within sixty (60) days of such amounts being owing to Target;
- (b) the Corporation failing to deliver signed copies of the Target Release for each subscriber of the Corporation's securities;
- (c) the Corporation failing to include in this Offering Memorandum or any future Offering Documents disclosure on such terms as required by the Target Agreement (the "Required Disclosure");
- (d) the Corporation failing to deliver a signed copy of the "Consent to Release Information" form as required by the Target Agreement concurrent with the execution and delivery of the Target Agreement (the "Consent to Release Information");
- (e) the Corporation failing to provide Target access to its books and records within thirty (30) days of receiving a written request from Target to review such documentation; and
- (f) the Corporation failing to raise any Deferred Plan Capital within 12 months from the date of the Target Agreement.

"Offering Documents" means any offering memorandum, prospectus or term sheet, and applicable subscription agreement prepared by the Corporation in connection with a distribution of its securities.

"Target Shares" means the 6,000 Class A Preferred Shares of the Corporation held by Target as of the date of this Offering Memorandum.

The Corporation entered into the Target Agreement on October 22, 2014. A summary of some of the material terms of this Agreement are as follows:

Fees. The Corporation shall pay to Target:

- (a) the Annual Fee on the date of the Target Agreement and on each anniversary date of the Target Agreement; plus
- (b) the Capital Raising Fee whenever the Corporation raises Deferred Plan Capital.

Target invoices are issued on a Net 60 basis. Failure to pay within 60 days will result in interest penalties of 2% per month on the outstanding amount and the Corporation being in Material Breach of the Target Agreement. Further, for clarity, the Annual Fee is payable at the beginning of each year in addition to any Capital Raising Fees paid by the Corporation.

Access to Records. If requested, the Corporation shall promptly provide Target with copies of all corporate records (including minute books and financial statements), offering document and securities filings with applicable securities commissions in Canada. The Corporation authorizes Target to request and obtain any information relating to the amount of Deferred Plan Capital raised by the Corporation from Deferred Plans with any trustee as the Corporation may determine. Target may use the Consent to Release Information executed by the Corporation pursuant to the terms of the Target Agreement as required during the term of that Agreement.

Target Release / Required Disclosure. The Corporation shall attach the Target Release to all Offering Documents used by the Corporation in the distribution of its securities and shall include the Required Disclosure in all such Offering Documents. The Corporation shall not sell any of its securities to any party unless such subscriber has executed and delivered an original copy of the Target Release to the Corporation. The Corporation shall promptly provide Target with the original copies of all such signed Target Releases.

Offering Document Review. The Corporation agrees that Target's approval is required prior to the release of any Offering Documents. Target, or any party of their designation, may charge a review fee of \$2,500 for each Offering Document submitted for review subsequent to the original Offering Documents. Offering Documents subject to review include, but are not limited to, updated or revised Offering Memoranda.

Indemnity. The Corporation has agreed to indemnify and save harmless Target and its directors, officers and employees from and against all claims, demands, losses, actions, causes of action, costs, charges, expenses, damages and liabilities whatsoever arising out of or in connection with the Target Agreement or Target's shareholdings in the Corporation, including, without limitation, all legal fees and disbursements on a solicitor and its own client basis and costs and expenses incurred in connection with the enforcement of this indemnity. The indemnity shall survive the expiry or termination of the Target Agreement.

Term. The Target Agreement shall be in effect from the date of that Agreement to the date on which Target ceases to be the majority shareholder of the Corporation (holding more than 50% of the voting shares). Notwithstanding the above, if the Target Agreement shall be terminated prior to the date that is two (2) years from the date of the Target Agreement, the Corporation covenants and agrees to pay Target the Annual Fee and the Capital Raising Fee that would have otherwise been payable had Target remained the majority shareholder of the Corporation for two (2) years.

Termination by the Corporation. Subject to the two year minimum payment obligations set out in sub-paragraph (f) above and the survival of the indemnity set out in sub-paragraph (e) above, the Corporation may terminate the Target Agreement by providing Target with 90 days written notice (or such shorter notice as may be accepted by Target) along with all such legal documentation as may be required to transfer the Target Shares back to the Corporation.

Termination by Target. In the event of a Material Breach of the Target Agreement by the Corporation, Target shall be entitled to immediately terminate the Target Agreement by providing written notice of such termination to the Corporation along with the original certificate for the Target Shares duly endorsed for transfer by Target to the Corporation. Upon termination of the Target Agreement by Target, the Target Shares shall be deemed transferred to the Corporation in exchange for \$1.00 (the receipt of which will also be deemed to have been accepted by Target). Further, in the event of a Material Breach, the Corporation consents to Target returning the Target Shares to the Corporation's treasury (as a gift) and to take all such further actions as may be necessary to cause such Target Shares to be returned to the Corporation.

See **Item 2.2: Target Capital Inc.** for additional terms of the Target Agreement.

The Corporation expects the Target Agreement to continue for the term of the Bonds offered pursuant to this Offering.

(3) The Management Services Agreement

The Corporation and GFCM have entered into the Management Services Agreement. The following are the key terms of this agreement:

Title, Date and Parties: Management Services Agreement dated as of October 21, 2014 between the Corporation and GFCM.

GFCM is a 40% shareholder and manager of the operations of the Corporation. GFCM is wholly-owned and controlled by David Steele. David Steele may, directly or indirectly own LP Units and, as a result, control the Partnerships, including WWC IV LP. David Steele, the President and Director of the Corporation, is also a Director and 50% shareholder of WWC and may also be an officer, director and shareholder of the other General Partners.

Object of Agreement: GFCM will provide management services to the Corporation, which will include arranging for the issuance of the Bonds pursuant to the Offering; managing the raising of funds pursuant to the Offering, including the preparation and implementation of all appropriate documentation and compliance with all regulatory requirements; facilitating the Corporation's dealings with investors; advising the Corporation in respect of its investment of available funds from the Offering, including in identifying and evaluating potential investments for the Corporation in accordance with the Corporation's investment guidelines and conducting appropriate due diligence, where required; and assisting the Corporation in negotiating and completing investments using the available funds from the Offering.

Consideration: The Corporation will pay to GFCM the Management Fee.

GFCM is also entitled to reimbursement of reasonable out-of-pocket expenses.

Term and Termination: The Management Services Agreement is for an indefinite term.

Either party may terminate the Management Services Agreement at any time by giving notice to the other party and the agreement will terminate 30 days after giving such notice.

(4) Bondholders Agreement

The Bonds are issued pursuant to the Bondholders Agreement For a description of the terms of the Bondholders Agreement, see **Item 5.1: Terms of Securities**. A copy of the Bondholders Agreement is attached hereto as Schedule B.

Item 3: DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

3.1 Compensation and Securities Held

The following table provides specified information about each director, officer and promoter of the Corporation and each person who directly or indirectly beneficially owns or controls 10% or more of any class of voting securities of the Corporation (a “Principal Holder”). Where the Principal Holder is not an individual, the following table provides the name of any person that directly or indirectly, beneficially owns or controls more than 50% of the voting rights of the Principal Holder:

| Name and municipality of principal residence | Position held and date of obtaining that position | Compensation paid by the Corporation or related party since inception and the compensation anticipated to be paid in current financial year | Number, type and percentage of securities of the Corporation held after the completion of the Maximum Offering |
|------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| Ground Floor Capital Management Ltd. ⁽¹⁾ North Vancouver, British Columbia | Shareholder since October 21, 2014 | \$120,000 ⁽²⁾ | 4,000 Class A Preferred Shares (40%) 1 Class B Common Share |
| Target Capital Inc. ⁽⁴⁾ Calgary, Alberta | Shareholder since October 22, 2014 | \$62,500 ⁽³⁾ | 6,000 Class A Preferred Shares (60%) |
| David Steele North Vancouver, British Columbia | Officer and Director of the Corporation and Director of WWCM since October 21, 2014 | Nil ⁽⁵⁾ | Nil |
| Janet LePage North Vancouver, British Columbia | Officer and Director of WWCM since March 24, 2014 | Nil ⁽⁵⁾ | Nil |

(1) Mr. Steele is the sole officer, director and shareholder of GFCM.

(2) This figure is the maximum Management Fee that would be payable GFCM assuming completion of the Maximum Offering.

(3) This figure includes a \$5,000 due diligence fee and \$57,500 on account of the maximum Capital Raising Fee payable pursuant to the Target Agreement assuming completion of the Maximum Offering. For subsequent years, Target is entitled to receive the Annual Fee pursuant to the Target Agreement. See **Item 2.8(2): Agreement with Target Capital Inc.**

(4) Target Capital Inc. is a publicly traded company listed on the TSX Venture Exchange trading under the symbol “TCI”.

(5) David Steele is a Director of WWCM and may be an officer and director of the other General Partners. Janet LePage is the President and a Director of WWCM and may be an officer and director of the other General Partners. The General Partners will be entitled to certain fees and distributions pursuant to the terms of the Partnership Agreements. See **Item 2.8(1): The Partnership Agreements**.

3.2 Management Experience

The name and principal occupation of the officer and director of the Corporation and WWCM over the past five years is as follows:

| Name and position | Principal Occupation and Related Experience |
|------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| David Steele, President and Director of the Corporation and Director of WWCM | Mr. Steele has had an extensive entrepreneurial career in Canada and the United States. From 1997 to 2001, he served as Co-Chief Executive Officer of International Properties Group Ltd (“IPG”). IPG was a public real estate company listed on the Toronto Stock Exchange with offices and properties in Canada and the United States. IPG purchased, financed and sold 68 projects offering over 7,500 condominium properties to homeowners and investors. While at IPG, Mr. Steele developed and maintained a unique wealth management division that sold multi-family real estate to investors. Mr. Steele was also actively involved in the growth of Young Entrepreneurs Organization, which today has over 7,500 members worldwide and he was International President in 1993/94. Mr. Steele graduated in 1981 from the University of Calgary with a Bachelor of Commerce Degree with a Major in Finance. For the past three years Mr. Steele has been the principal of Western Canadian Properties Group Ltd. which has developed or redeveloped several multi-unit residential properties. Mr. Steele has also been principal of GFC Capital 2010A Inc. and GFC Investment 2010A Inc., both of which have raised funds to invest in a limited partnership which shall invest in a U.S. acquisition company which will in turn invest in going public companies in China. Mr. Steele has also been principal of Blue Sky 88 Opportunity Fund Ltd., which has raised funds to invest in limited partners that invest in properties located principally in Western Canada. |
| Janet LePage, President and Director of WWCM | Janet LePage is an active real estate investor, with a special focus on in Phoenix, Arizona. Since 2008, she has acquired and divested a significant portfolio of real estate investments in that state. Janet is a founder of Western Wealth Capital LTD (WWC), a company which provides investment properties in high growth markets in Western North America. WWC is the general partner of a number of limited partnerships that own and operate income-producing real estate and are focused on the acquisition, rehabilitation and management of properties. Janet holds a double major in Computer Science and Business with a Project Management Professional designation. Janet has been featured on real estate radio shows such as MoneyTalks Radio. She has also been the front-page feature of the Real Estate Weekly (April 2011), and in the pages of two national real estate magazines -- Canadian Real Estate Wealth (2012) and Western Investor (February 2012, May 2012). |

3.3 Penalties, Sanctions and Bankruptcy

There are no penalties or sanctions that have 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, (i) a director, executive officer or control person of the Corporation or WWCM, or (ii) an issuer of which a person referred to in (i) above was a director, executive officer or control person at the time. There is no declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors or appointment of a receiver, receiver manager or trustee to hold assets, that has been in effect during the last 10 years with regard to any (i) director, executive officer or control person of the Corporation or WWCM, or (ii) issuer of which a person referred to in (i) above was a director, executive officer or control person at that time.

Item 4: CAPITAL STRUCTURE

4.1 Share Capital

| Description of Security | Number authorized to be issued | Price per security | Number outstanding as at Reference Date | Number outstanding assuming completion of Minimum Offering | Number outstanding assuming completion of Maximum Offering |
|--------------------------|--------------------------------|--------------------|-----------------------------------------|------------------------------------------------------------|------------------------------------------------------------|
| Class A Preferred Shares | Unlimited | \$0.01 | 10,000 | 10,000 | 10,000 |
| Class B Common Shares | Unlimited | \$1.00 | 1 | 1 | 1 |

The Class A Preferred Shares are voting, are not entitled to receive dividends and do not share in the residual value of the Corporation on liquidation.

The Class B Common Shares are non-voting, are entitled to receive dividends and are entitled to share in the residual value of the Corporation on liquidation.

4.2 Long Term Debt

As of the Reference Date, the Corporation has no outstanding long term debt.

The following table describes the outstanding long term debt of the Corporation assuming completion of both the Minimum Offering and the Maximum Offering.

| Description of long term debt (including whether secured) | Interest rate | Repayment terms | Amount outstanding at the Reference Date (unless otherwise indicated) | Amount outstanding assuming Minimum Offering | Amount outstanding assuming Maximum Offering |
|-----------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------------------------|-----------------------------------------------------------------------|----------------------------------------------|----------------------------------------------|
| The Bonds (unsecured) | See "Interest" under Item 5.1: Terms of Securities. | See "Term of Bonds and Maturity" under Item 5.1: Terms of Securities. | \$ 0 | \$ 0 | \$ 12,000,000 |

4.3 Prior Sales

The Corporation has not issued any securities within the last 12 months, other than the shares to Target and to GFCM. See **Item 3.1: Compensation and Securities Held.**

Item 5: SECURITIES OFFERED

The securities being offered pursuant to this Offering are unsecured participating Bonds, for a maximum aggregate amount of \$12,000,000. The price of each Bond is \$100. The minimum number of Bonds that may be purchased by a Subscriber is one hundred (100) Bonds for a minimum investment of \$10,000. There is no maximum number of Bonds allocated to any Subscriber. Each Series of Bonds is available up to a maximum of \$4,000,000 or 40,000 Bonds. After the maximum number of Bonds in each Series is subscribed for, no further Bonds will be issued for that particular Series. Subscribers may not select which series of Bonds to subscribe for, as the Bonds are being sold in order of series, with Series A being sold first and Series C being sold last. All series of Bonds rank equally amongst themselves and with the other series and, except as to interest, are subject to the same terms and conditions as set out in the Bondholders Agreement. Purchasers of Series B or Series C Bonds will accordingly receive a lower interest rate than purchasers of Series A Bonds, even though their Bonds will have the same 10 year term and be treated equally in all other respects under the Bondholders Agreement.

5.1 Terms of Securities

The terms of the Bonds are set out in the Bondholders Agreement, pursuant to which the Bonds are being issued. The following are the material terms of the Bondholders Agreement. A copy of the Bondholders Agreement is attached hereto as Schedule B.

Term of Bonds and The Bonds have a term of 10 years, maturing on the tenth anniversary of their issuance date.

Maturity

Interest

The Bonds will bear interest at a fixed, simple rate of:

- 6 % per annum, in the case of the Series A Bonds;
- 5 % per annum, in the case of the Series B Bonds;
- 4 % per annum, in the case of the Series C Bonds;

Interest on each Bond will accrue on an annual basis on the anniversary date of the issue of the Bond but will not be payable until the maturity date of the Bond. Despite the foregoing, the Corporation may, in its discretion, make advance payments of interest on the Bonds prior to the maturity date on a *pro rata* basis among the Bondholders.

Participating Interest The directors of the Corporation may from time to time by resolution determine that the Corporation will make a payment of an amount from the net profits of the Corporation to the Bondholders (Participating Interest), at such time and in such amounts as the directors of the Corporation in their absolute discretion see fit. Each Bondholder of record on the record date set by the directors will be entitled to receive its Proportionate Share of such Participating Interest payment.

For purposes of the Bondholders Agreement, “**Proportionate Share**” means, in respect of a Bondholder at any particular time, a fraction, the numerator of which is the total principal amount of the Bonds held by such Bondholder and the denominator of which is the total principal amount of all Bonds outstanding, in each case, at that particular time.

For the avoidance of doubt, no Bondholder will have any right to any Participating Interest payment and no such payment shall be due or payable by the Corporation, unless and until the directors determine by resolution that the Corporation will make a Participating Interest payment. If and when the directors the directors determine by resolution that the Corporation will make a Participating

Interest payment, a Bondholder's Proportionate Share of such payment is deemed to be interest accrued on such Bondholder's Bonds for purposes of the Bondholders Agreement and for all other purposes.

Redemption by Corporation

The Corporation may, without any fee or penalty, redeem the Bonds either in whole at any time or in part from time to time by paying: (i) the principal amount of the Bonds being repaid or portion thereof, and (ii) all accrued and unpaid interest on such Bonds or portion thereof to the date of payment.

Retraction by Bondholders

A Bondholder may deliver to the Corporation on or before July 1 in each year, commencing July 1, 2015, a notice (a "**Retraction Notice**") setting out the intention of the Bondholder to retract any Bonds, which notice shall specify: (i) the total principal amount of all Bonds held by the Bondholder and their registered number; and (ii) where the Bondholder wishes to retract less than all of its Bonds, the principal amount of the Bonds which it wishes to retract.

On January 15 in each year (the "**Retraction Date**"), commencing January 15, 2016, the Corporation will retract Bonds in accordance with the following terms:

- (a) the obligation of the Corporation to retract Bonds will be subject to the board of directors of the Corporation determining in its sole discretion that sufficient funds are available to the Corporation for the purposes of retraction and that the retraction will not adversely affect the financial position of the Corporation;
- (b) the principal amount of Bonds which will be retracted on any one Retraction Date will not exceed 5% of total principal amount of Bonds outstanding on the Retraction Date, unless the board of directors of the Corporation determines in its sole discretion that the Corporation will retract a great amount of Bonds;
- (c) if the Corporation has received Retraction Notices requiring the Corporation to redeem a principal amount of Bonds in excess of the maximum principal amount set out in paragraph (b), above, or if on a Retraction Date the board of directors of the Corporation determines that sufficient funds are not available to retract the principal amount of Bonds in respect of which a Retraction Notice has been received or that the retraction will adversely affect the financial position of the Corporation, then the retraction of Bonds will be made *pro rata* to the principal amount of Bonds specified on Retraction Notices for retraction;
- (d) on the Retraction Date, the Corporation will pay to each Bondholder who has given a Redemption Notice an amount calculated by the Corporation that is equal to: (i) the sum of (1) the principal amount of the Bonds being retracted or portion thereof, and (2) all accrued and unpaid interest on such Bonds or portion thereof to the December 31 immediately preceding the Retraction Date, less (ii) the Bondholders Proportionate Share of the costs incurred by the Corporation in connection with the retraction (including costs incurred in realizing the Corporation's assets to fund the retraction).

Obligations Unsecured

The Bonds will be unsecured obligations of the Corporation and all Bonds will rank *pari passu* with each other and with all other unsecured obligations of the Corporation. There are no restrictions in the Bondholders Agreement on the ability of the Corporation to incur additional secured or unsecured indebtedness, and there are no limits on overall indebtedness that is effectively senior to the Bonds.

Funding of Redemptions

Management of the Corporation shall have sole discretion in regard to how the Corporation will fund or finance the redemption of the Bonds. Management may decide to use its existing cash on

hand if any, raise additional capital or equity in the Corporation, or borrow money to accomplish the redemption of the Bonds or use a combination of the above methods. There is no assurance that any of the above methods of funding the redemption of the Bonds will be successful or if accomplished will raise enough funds to redeem all of the Bonds. It is possible that the Corporation may not have the financial ability to redeem all or any Bonds upon maturity. In that event, the Bonds will rank *pari passu* amongst themselves and with all other unsecured and unsubordinated obligations of the Corporation except for such preferences as provided for under applicable law.

Events of Default

The occurrence of certain events constitutes an event of default under the Bondholders Agreements. These events of default include:

- (a) if the Corporation fails to pay amounts when due;
- (b) if the Corporation breaches another provision of the Bondholders Agreements and the breach continues unremedied for 30 days (unless extended by Extraordinary Resolution);
- (d) if any representation or warranty made by the Corporation is incorrect or misleading in a material respect; and
- (e) if certain winding-up, liquidation, execution, insolvency, bankruptcy or other similar events occur in respect of the Corporation.

Upon the occurrence of an event of default, subject to certain terms and conditions set out in the Bondholders Agreements, the Bondholders under a Bondholders Agreement may, by Extraordinary Resolution, demand payment of all monies evidenced by the Bonds issued thereunder.

*Bondholders
Agreements*

The interest, rights and obligations of Bondholders will be set out in the Bondholders Agreement.

Meetings

The Corporation may at any time and from time to time, and shall on receipt of a written request signed by the holders of not less than 50% in principal amount of the Bonds then outstanding, convene a meeting of Bondholders. Meetings will be held in North Vancouver, British Columbia, or at such other place as may be determined by the Corporation or the holders of a majority in principal amount of the Bonds then outstanding, as the case may be.

A meeting of the Bondholders has a number of powers exercisable from time to time by Extraordinary Resolution, including the power to agree to certain modifications to the Bondholders Agreement, to waive defaults or to agree to certain compromises or arrangements.

*No Recourse for
Deficiency in Value*

Recourse under the Bonds will be limited to the principal sum of the Bonds and all interest due and owing thereunder. There is no additional recourse by Bondholders for any deficiency in value of the Bonds in the event of non-payment or default by the Corporation under the Bonds.

The foregoing is a summary only of certain of the material provisions of the Bondholders Agreement. For a complete understanding of all of the provisions of the Bondholders Agreement, reference should be made to the instrument itself, a copy of which is available from the Corporation.

A Subscriber of the securities offered under this Offering Memorandum should understand that Target's assets and management are not in any way committed to the activities of the Corporation other than voting its shares at shareholder meetings of the Corporation. Target does not encourage or discourage an investment in the Corporation.

5.2 Subscription Procedure

(1) Subscription Documents

In order to subscribe for the Bonds, Subscribers must complete and sign a Subscription Agreement, together with the appropriate investor qualification form(s) attached as schedules thereto, according to the instructions set out therein. The required form of Subscription Agreement is accompanying this Offering Memorandum.

Payment of the aggregate subscription price for the Bonds subscribed for must accompany the Subscription Agreement and shall be paid by solicitor's trust cheque, RRSP or RRIF Trustee cheque, TFSA Trustee cheque, certified cheque, bank draft, cashier's cheque or wire transfer drawn on a chartered bank made payable in immediately available funds to the Corporation.

Subscribers must return one copy of the completed and signed documents together with the payment of the subscription price to:

ARIZONA 88 OPPORTUNITY FUND LTD.
205-930 Harbourside Drive
North Vancouver, BC V7P 3S7
Attention: David Steele, President

By executing a Subscription Agreement, each Subscriber (a) acknowledges and agrees to the terms of the Subscription Agreement, including Schedule A – Terms and Conditions thereto; and (b) agrees to be bound as a “Bondholder” by the terms of the Bondholders Agreement under which its Bonds are being issued, as from time to time amended and in effect, as if it were an original party thereto.

The Corporation's obligation to sell the Bonds to each Subscriber is subject to, among other things, the conditions that:

- (a) the Subscriber duly completes, executes and returns to the Corporation a Subscription Agreement, together with all documents required by applicable securities legislation for delivery on behalf of the Subscriber, including duly completed and executed certificates or acknowledgements, as the case may be;
- (b) payment has been made by the Subscriber of the subscription price for the Bonds;
- (c) the Corporation has accepted, in whole or in part, the Subscriber's subscription; and
- (d) the sale of the Bonds is exempt from the requirement to file a prospectus or registration statement under any applicable securities legislation.

Except as described below, each subscription is irrevocable and requires acceptance by the Corporation and will not become an agreement between the Subscriber and the Corporation until accepted by the Corporation. The Corporation reserves the right to accept or reject subscriptions in whole or in part at the Corporation's discretion and to close the subscription books at any time without notice.

Given that the Bonds will be offered on a continuous basis, closings of subscriptions will occur from time to time as determined by the Corporation in its discretion. The Corporation will determine when, in its view, a sufficient number of subscriptions has been received to warrant a closing.

Closing of an individual subscription and delivery of the Bonds shall be completed at 11:00 a.m. (Vancouver time) at the Corporation's offices, or at such other time or place, on a day to be determined by the Corporation, which day will be no later than 30 days after the delivery of the Subscription Agreement by the Subscriber. In the event that the closing does not occur for whatever reason 30 days after the delivery of the Subscription Agreement by the Subscriber, the Subscription Agreement and the subscription price shall be returned (without interest) to the Subscriber.

In circumstances where the Subscriber has the right to cancel the Subscription Agreement as described under **Item 11.1: Two Day Cancellation Right**, the Corporation will hold in trust the subscription price until midnight on the 2nd business day after the date on which the Subscriber signs the Subscription Agreement, and (b) if the Subscriber exercises its right to cancel the Subscription Agreement, as so described, the Corporation will promptly return the subscription price to the Subscriber. Except as aforesaid, the subscription price will not be held in trust pending closing and may be used by the Corporation in its sole discretion and, until the Bonds are issued and delivered, will constitute an interest free loan to the Corporation.

(2) Distribution

The Offering is being conducted:

- (a) in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Saskatchewan and Yukon pursuant to the exemption from the prospectus requirement afforded by Section 2.9 of NI 45-106; and
- (b) in the Province of Ontario pursuant to the exemption from the prospectus requirement afforded by Section 2.3 of NI 45-106.

The exemption afforded by Section 2.9 of NI 45-106 is available for distributions to investors in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Saskatchewan and Yukon purchasing as principals, who receive this Offering Memorandum prior to signing the Subscription Agreement and who sign a Risk Acknowledgment in the required form attached to the Subscription Agreement.

In addition, Alberta, Manitoba, Northwest Territories, Nunavut, Prince Edward Island, Saskatchewan and Yukon investors relying on the exemption afforded by Section 2.9 of NI 45-106 must also sign the Certificate of Eligible Investor in the form attached to the Subscription Agreement, if the subscription price payable for their Bonds exceeds \$10,000.

The exemption afforded by Section 2.3 of NI 45-106 is available for distributions to investors in the Province of Ontario purchasing as principal and who are “accredited investors” as defined in NI 45-106 and who sign the Accredited Investor Certificate in the form attached to the Subscription Agreement.

The foregoing exemptions relieve the Corporation from the provisions of the applicable securities laws of each of the Offering Jurisdictions which otherwise would require the Corporation to file and obtain a receipt for a prospectus. Accordingly, prospective investors for Bonds will not receive the benefits associated with a subscription for securities issued pursuant to a filed prospectus, including the review of material by securities regulatory authorities.

Item 6: INCOME TAX CONSEQUENCES AND DEFERRED PLAN ELIGIBILITY

6.1 Deferred Plan Eligibility of the Bonds

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

The Tax Act and the Regulations thereunder provide generally that a bond or similar obligation of a Canadian corporation (as defined in the Tax Act) which is controlled directly or indirectly by one or more corporations whose shares are listed on a prescribed stock exchange in Canada will constitute a “qualified investment” for a Deferred Plan.

The Corporation is a Canadian corporation. As a result, the Bonds will constitute a qualified investment for Deferred Plans provided the shares of Target are listed on a stock exchange designated by the Minister of Finance, which they currently are, and as long as Target controls the Corporation. There is no agreement which restricts the ability of Target to vote its shares of the Corporation or appoint a majority of the Board of Directors of the Corporation. As such, Target should be considered to control the Corporation.

There are additional requirements for a TFSA, RRSP, or RRIF in order for the Bonds not to be a “prohibited investment” which would be subject to a special tax. The Bonds will be a “prohibited investment” if the account holder does not deal at “arm’s length” with the Corporation or the account holder is a “specified shareholder” of the Corporation as defined in the Tax Act, generally a person who has a 10% or greater interest in the Corporation together with non-arm’s length persons. Assuming the account holder meets the above requirements, the Bonds will not be a “prohibited investment”.

There can also be additional special taxes for a TFSA, RRSP or RRIF on certain tax “advantages” that unduly exploit the attributes of a TFSA, RRSP or RRIF, including “advantages” on “prohibited investments” and on “non-qualified investments”. The rules in the Tax Act that constitute an “advantage” are quite broad, therefore, Subscribers should seek independent professional advice as to the applicability of these rules to their particular circumstances.

The income tax information contained in this item 6.1 was provided by Grant Thornton LLP, and it is based on the current provisions of the Income Tax Act, the Regulations thereunder and published administrative practices of the CRA. The comments offered do not address the possibility of any challenge to the structure by the CRA under the specific and/or general anti-avoidance rules.

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

6.2 Income Tax Consequences of the Participating Interest under the Bonds

The Corporation will be entitled to deduct from income a reasonable amount of interest payable in respect of monies borrowed for the purpose of earning income from its business, including the interest rate payable by the Corporation to its Bondholders pursuant to the terms of the Bonds. However, amounts paid by the Corporation pursuant to the Participating Interest with respect to the Bonds are not deductible in computing income of the Corporation for tax purposes.

Item 7: COMPENSATION PAID TO SELLERS AND FINDERS

The Corporation does not intend to pay any commissions to selling agents in connection with the sale of Bonds under this Offering.

Item 8: RISK FACTORS

This is a speculative offering. The purchase of Bonds involves a number of significant risk factors and is suitable only for Subscribers who have no immediate need for liquidity and who could afford a total loss of their investment and is not suitable for investors who may need to redeem the Bonds prior to bond maturity. Prospective Subscribers should consider the following risks in connection with purchasing Bonds in addition to the factors set forth elsewhere in this Offering Memorandum. Risk factors generally fall into three categories: investment risk; issuer risk; and industry risk. If any of the mentioned risks occur, or any others occur, the Corporation's business, operating results and financial condition could be seriously harmed and Subscribers may lose all of their investment. The Corporation advises that prospective Subscribers should consult with their own legal, tax and financial advisors with respect to these matters. Our solicitors and accountants act for the Corporation and do not act for Subscribers in this transaction.

8.1 Investment Risk

- (a) *No Market for Securities* - An investment in the Bonds of the Corporation is an illiquid investment. There is currently no market through which the Bonds of the Corporation may be sold. Retraction rights are limited as set out in **Item 5.1: Terms of Securities**. The price of the Bonds has been arbitrarily determined. The Corporation is not a "reporting issuer" in any jurisdiction, and a prospectus has not qualified the issuance of the securities. Accordingly, Subscribers will be unable to sell the securities of the Corporation, subject to some exceptions. **See Item 10: Resale Restrictions.**
- (b) *No Regulatory Review* - Subscribers under this Offering will not have the benefit of a review of this Offering Memorandum by any regulatory authorities.
- (c) *Interest Payable at Maturity* - The Bonds do not provide for payment of interest to Bondholders other than on the dates set forth in **Item 5.1: Terms of Securities**, except at the discretion of the Corporation. The Bondholder's will not know if the Corporation will be in a position to pay interest or redeem all or any part of the Bonds until the dates referred to in **Item 5.1: Terms of Securities**.
- (d) *No Minimum Offering* - There can be no assurance that this Offering will be completely sold out. If less than the maximum number of Bonds are sold then less than the maximum proceeds will be available to the Partnerships and its business development plans and prospects could be adversely affected.
- (e) *No Trust Indenture* - The Bonds are not being issued pursuant to a trust indenture and the Bondholders will not have the benefit of a trustee to coordinate enforcement and realization in the event of a default in payment under the Bonds by the Corporation.
- (f) *Unsecured Obligations* - The Bonds offered pursuant to this Offering Memorandum are unsecured and are not insured against loss through the Canadian Deposit Insurance Corporation or any other insurance company or program. As unsecured obligations of the Corporation, the Bonds will rank subordinate to secured and other types of debt which may rank in preference at law or otherwise, to the Bonds.
- (g) *Change in Tax Laws* - The tax consequences associated with an investment in the Bonds may be subject to changes in federal and provincial tax laws. There can be no assurance that the tax laws will not be changed in a manner that will fundamentally alter the income tax consequences to Subscribers holding or disposing of the Bonds.
- (h) *Tax Challenges under GAAR* - The structuring of this Offering in general and the ownership of a majority of the Class A Preferred shares of the Corporation by Target in particular, as a means to make the Bonds eligible investments for Deferred Plans, may be challenged by the CRA under the general anti-avoidance rule ("GAAR"). No advance income tax ruling or other comfort has been obtained from any professional firm as to whether or not GAAR would apply in this case. The comments of Grant Thornton LLP referred to under **Item 6: Income Tax Consequences and Deferred Plan Eligibility** do not address GAAR.

- (i) *Target Agreement* - Pursuant to the Target Agreement, Target will be the controlling shareholder of the Corporation until the date Target ceases to be the majority shareholder of the Corporation (holding more than 60% of the voting shares). Should there occur a Material Breach of the Target Agreement, Target, in its sole discretion, may terminate the Target Agreement and transfer all its shares to the Corporation. In the event that Target ceases to control the Corporation or ceases to be listed on a stock exchange designated by the Minister of Finance or is deemed not to control the Corporation for the purposes of the Tax Act, there may be adverse tax consequences to a Subscriber for Bonds. Upon such an event occurring, the Bonds will cease to constitute qualified investments for Deferred Plan purposes unless the Corporation can arrange to contemporaneously transfer the Class A Preferred Shares of the Corporation to another corporation resident in Canada whose shares are listed on a designated Canadian stock exchange, or make other suitable investment arrangements to maintain Deferred Plan eligibility for the Bonds. If the Bonds cease to be eligible Deferred Plan investments, an annuitant under a Deferred Plan which acquires or holds Bonds may be required to include in his or her income the fair market value of the Bonds acquired by the Deferred Plan, may incur penalties, and may have the registration of the Deferred Plan revoked. There is also a risk that CRA may reassess the returns of Subscribers relating to their investment in the Bonds.
- (j) *Control by Target* - The Corporation's Class A Preferred Shares are held by Target and GFCM. Pursuant to the BCA and the constating documents of the Corporation, the holders of the Corporation's Class A Preferred Shares have the exclusive right to elect, change and remove the directors of the Corporation. Target has majority voting control of the Corporation and there is no agreement that restricts Target's ability to vote its Class A Preferred Shares of the Corporation. Consequently, Target can change the directors of the Corporation and David Steele does not have a mechanism to ensure that he will remain the director of the Corporation. Accordingly there is no assurance that the directors of the Corporation will remain the same as disclosed in this Offering Memorandum.
- (k) *No Voting Rights* - Bondholders will have no right to vote on matters relating to the Corporation. Exclusive authority and responsibility for managing the Corporation rests with management of the Corporation and those persons, consultants and advisors retained by management on behalf of the Corporation. Accordingly, Subscribers should appreciate that they will be relying on the good faith, experience, expertise and ability of the directors and officers of the Corporation and other parties for the success of the business of the Corporation.

8.2 Issuer Risk

- (a) *Limited Working Capital* - The Corporation will have a limited amount of working capital, as the proceeds from this Offering will be used to acquire LP Units in the Partnerships.
- (b) *No Assurance of Funding* - There can be no assurance that if additional funding is required by the Corporation to redeem any or all of the Bonds, that such funding will be available on terms satisfactory to the Corporation, or at all. If the Corporation does not have sufficient funds on hand to redeem any or all of the Bonds and cannot secure financing, it will not be able to redeem any or all of the Bonds.
- (c) *No Assurance of Payment* - There can be no assurance that the Corporation will be in a position to meet its obligations in accordance with the terms of the Bonds, as its ability to pay interest and principal thereunder and make any distributions of net profits pursuant to the Participation Interest is wholly dependent on receiving distributions from the Partnerships on the LP Units.
- (d) *Dependence on Key Personnel* - The success of the Corporation is dependent upon, among other things, the services of key personnel. The loss of any of these individuals, for any reason, could have a material adverse effect on the prospects of the Corporation. Failure to retain or to attract additional key employees with necessary skills could have a material adverse impact upon the Corporation's growth and profitability. The Corporation does not maintain key man insurance for any of its directors, officers or employees. The contributions of these individuals to the immediate future operations of the Corporation is likely to be of central importance and the loss of any one of these individuals could have a material adverse effect on the business of the Corporation.
- (e) *Other Activities of Officer* - The director and officer of the Corporation will not be devoting all of his time to the affairs of the Corporation, but will be devoting such time as required to effectively manage the Corporation. The director and officer of

the Corporation is engaged and will continue to be engaged in the search for business prospects on his own behalf and on behalf of others.

- (f) *Conflicts* - The director and officer of the Corporation, David Steele, is also a Director of WWCM and may also be the director and officer of the other General Partners. There will thus be inherent conflicts of interest in that the Corporation will be investing in or lending to Partnerships in which Mr. Steele has an interest. Mr. Steele will control the distribution of funds from the Partnerships to its limited partners, such as the Corporation. The Corporation's ability to repay the principal and interest under the Bonds and make any distributions of net profits pursuant to the Participation Interest will be dependent on the return on its investment in the Partnerships. There are additional potential conflicts of interest to which the director and officer of the Corporation will be subject in connection with the operations of the Corporation. Situations may arise where the directors and officers will be in direct competition with the Corporation. Conflicts, if any, will be subject to the procedures and remedies under the BCA.
- (g) *Limited Operating History* - The Corporation has limited operational history and no history of earnings. Accordingly, there is limited information available to a Subscriber upon which to base an evaluation of the Corporation and its business and prospects. The Corporation is in the early stages of its business and therefore is subject to the risks associated with early stage companies, including start-up losses, uncertainty of revenues, markets and profitability, the need to raise additional funding, the evolving and unpredictable nature of the Corporation's business and the ability to identify, attract and retain qualified personnel. There can be no assurance that the Corporation will be successful in doing what it is required to do to overcome these risks. No assurance can be given that the Corporation's business activities will be successful.
- (h) *No Assurance of Profitability* - The Corporation's short and long term objective is to acquire the LP Units in the Partnerships and engage in Short Term Mortgage Lending. The Corporation will not carry on any other business other than holding the LP Units acquired by the Corporation and engaging in Short Term Mortgage Lending. The Corporation's sole source of revenue is expected to be from distributions made by the Partnerships to their limited partners and interest earned in respect of its lending activities. A return on investment for a Subscriber for Bonds is dependent upon the Partnership's ability to create a return for their LP Unit holders such as the Corporation and the ability of mortgage borrowers to comply with their obligations under their loan agreements. As a result, there is no assurance or guarantee that the Corporation and, correspondingly, Subscribers will earn a return of their investment in the Bonds.
- (i) *Legal Proceedings* - The Corporation and Partnerships may, from time to time, become involved in regulatory or legal proceedings in the course of their business. The costs of compliance or litigation and settlement can be substantial and there is no assurance that such costs will be recovered in whole or at all. The unfavourable resolution of any legal proceedings could have an adverse effect on the Corporation and its financial position and results of operations that could be material.
- (j) *Lack of Diversification* - The Corporation may invest all funds raised under the Offering in a manner that does not diversify the Corporation's risk across multiple Partnerships or mortgage loans. This may affect both rates of return and the overall risk profile of the Corporation's investments. For instance, if all funds were invested in 1st mortgages, the rate of return on the funds raised might be limited to a lower return. If all the funds were invested in one Partnership, and that Partnership went into foreclosure or receivership, then the funds may be completely lost and unrecoverable.
- (k) *Partnership Risks* - As it is anticipated that a significant portion of the assets of the Corporation will be the LP Units it acquires from the Partnerships, the ability of the Corporation to pay interest on, or redeem the Bonds is dependent on the distributions it receives from the Partnerships with respect to LP Units acquired by the Corporation. As such, the risks applicable to the Partnership and the LP Units are also of particular significance to an investment in the Bonds. **The following are some of the risks related to the business of the Partnerships:**
 - (i) *Speculative Investment* - An investment in the LP Units is highly speculative and subject to a high degree of risk. The risks described below are not the only risks involved with an investment in the LP Units. If any of the following risks occur, or if others occur, a Partnership's business, operating results and financial condition could be seriously harmed and Limited Partners in that Partnership, including the Corporation, may lose all of their investment. If this occurs Bondholders will also be adversely affected.

- (ii) *Reliance on General Partner and its Management* - Prospective Subscribers assessing the risks and rewards of this investment should appreciate that they will, in large part, be relying on the good faith and expertise of the General Partners and their principals, David Steele and Janet LePage. The ability of the General Partners to successfully implement the Partnerships' business strategy will depend in large part on the continued employment of David Steele and Janet LePage. Neither the General Partners nor the Partnerships will maintain key person life insurance for David Steele or Janet LePage. If the General Partners loses the services of David Steele or Janet LePage, the business, financial condition and results of operations of the Partnerships may be materially adversely affected.
- (iii) *No Market for LP Units* - There currently is no market whatsoever for the LP Units and it is not expected that there will be any market for the LP Units in the future. Consequently, holders of LP Units, such as the Corporation, may not be able to sell their LP Units readily and LP Units may not be readily accepted as collateral for a loan. Limited Partners should be prepared to hold the LP Units indefinitely and cannot expect to be able to liquidate their investment even in the case of an emergency. Accordingly, an investment in LP Units is suitable solely for persons able to make and bear the economic risk of a long-term investment.
- (iv) *Dilution through Issuance of Additional LP Units by the Partnerships* - Because LP Units will also be offered to investors other than the Corporation, additional investors will become Limited Partners of the Partnerships and all Limited Partners will be allocated a share of the income and loss from and receive distributions from the Partnership in which they hold LP Units. Existing Limited Partners will not be granted a priority right to acquire any additional LP Units issued by a Partnership.
- (v) *Limited Liability* - The limited liability enjoyed by Corporation as a Limited Partner of a Partnership may be lost if the Corporation takes part in the management of the business of a Partnership or through non-compliance with applicable legislation relating the Partnerships in the jurisdiction in which a Partnership is formed.
- (vi) *Net Worth of the General Partners* - The General Partners, each of which will have certain obligations to the Partnership to which they are related and will have unlimited liabilities for the obligations of that Partnership, will have no material net worth.
- (vii) *Partnerships investing in Buy and Hold Properties* - Further risks with respect to real estate that is to be held are significant expenditures, including property taxes, capital repair and replacement costs, maintenance costs, mortgage payments, insurance costs and related charges that must be made throughout the period of ownership of real property regardless of whether the property is producing any income. The Properties often generate income through rental payments made by the tenants. There is no guarantee that the Properties held will be rented out, either due to low demand or competition from other buildings, to the degree needed to generate income or profit for the Partnerships.

8.3 Industry Risk

- (a) *Real Estate* - In general, real estate tends to be illiquid, and subject to general economic conditions and markets. While the Properties will carry either course of construction or comprehensive general liability insurance, there are, however, certain types of risks (generally of a catastrophic nature such as from wars) which are either uninsurable or not insurable on an economically viable basis.
- (b) *Environmental Risks* - Environmental and ecological legislation and policies have become increasingly important, and generally restrictive. Under various laws, a Partnership could become liable for the costs of removal or remediation of certain hazardous or toxic substances released on or in its Properties or disposed of at other locations. The failure to remove or remediate such substances, if any, may adversely affect an owner's ability to sell such real estate or to borrow using such real estate as collateral, and could potentially also result in claims against the Partnerships by private plaintiffs, which could have adverse financial effects on the Partnerships and Corporation.
- (c) *Mortgage Risks* - In connection with its Short Term Mortgage Lending activities, the Corporation is subject to the risk that the principal or accrued interest on a mortgage may not be repaid in a timely manner or at all, which could impact the financial position of the Corporation. Further, in the event that the valuation of the asset has fluctuated substantially due to market conditions, there is a risk that the Corporation may not recover all or substantially all of the principal and interest owed to it in respect of such mortgage. Further, exercising mortgage enforcement remedies is a process that requires a significant amount

of time to complete, which could adversely impact the financial position of the Corporation. In addition, if real property values decline, there is no assurance that Corporation will be able to recover all or substantially all of the outstanding principal and interest owed to it. Legal fees and expenses and other costs incurred by the Corporation in enforcing its rights as mortgagee against a defaulting borrower are usually recoverable from the borrower directly or through the sale of the mortgaged property by power of sale or otherwise, although there is no assurance that they will actually be recovered. In the event that these expenses are not recoverable they will be borne by the Corporation. Furthermore, certain significant expenditures, including property taxes, capital repair and replacement costs, maintenance costs, mortgage payments to prior charge holders, insurance costs and related charges may need to be made through the period of foreclosure regardless of whether mortgage payments are being made to the Corporation.

- (d) *Mortgages Not Guaranteed* - A mortgage borrower's obligations to the Corporation or any other person may not be guaranteed by the Government of Canada, the government of any province or any agency thereof nor may they be insured under the National Housing Act (Canada) or CMHC. In the event that additional security is given by the borrower or a third party or that a private guarantor guarantees the mortgage borrower's obligations, there is no assurance that such additional security or guarantee will be available or sufficient to make the Corporation whole if and when resort is to be had thereto.

Item 9: REPORTING OBLIGATIONS

The Corporation is not a reporting issuer in any jurisdiction. It is therefore not required to disclose material changes which occur in its business and affairs, nor is it required to file with any securities regulatory authorities or provide to Bondholders audited interim financial statements or audited year-end financial statements of the Corporation. **We are not required to send you any documents on an annual or ongoing basis.**

The Corporation is not required under the Bondholders Agreement to prepare or send to the Bondholders any financial statements or provide the Bondholders with any other reports.

Despite the foregoing, if and to the extent that the Corporation is required under applicable law to prepare any financial statements for disclosure in any offering memorandum of the Corporation, the Company agrees to provide a copy of such financing statements to each Bondholder, in the form presented in such offering memorandum, concurrently with or promptly following the first disclosure of such financial statements in such offering document.

Information on the Partnerships that the Corporation invests in will be made available to Subscribers on request. Subscribers may obtain a copy of such information by contacting the Corporation at the address set out on the first page of this Offering Memorandum.

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

Item 10: RESALE RESTRICTIONS

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

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

Manitoba Resale Restrictions

Unless permitted under securities legislation, you must not trade the Bonds without the prior written consent of the regulator in Manitoba unless

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

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

Item 11: PURCHASERS' RIGHTS

If you purchase these securities you will have certain rights, some of which are described below.

You may have other rights in addition to those described below. For information about your rights, you should consult a lawyer.

11.1 Two Day Cancellation Right

If you purchase these securities in reliance on the exemption from the prospectus requirement afforded by Section 2.9 of NI 45-106, you can cancel your agreement to purchase these securities. To do so, you must send a notice to us by midnight on the 2nd business day after you sign the agreement to buy the securities.

11.2 Statutory Rights of Action in the Event of a Misrepresentation

Applicable securities legislation in the Offering Jurisdictions provide Subscribers with statutory rights of action for rescission or damages in the event of a misrepresentation in this Offering Memorandum. The applicable statutory rights are described below. By its execution of the Subscription Agreement, the Corporation will be deemed to have granted these rights to you.

The following is a summary only of the applicable provisions of securities legislation which provide for statutory rights of action in the event of a misrepresentation in the Offering Memorandum and is subject to interpretation. Subscribers should refer to the applicable provisions of securities legislation for the particulars of these rights. In the event of any conflict or inconsistency between this summary and the applicable provisions of securities legislation, the legislative provisions will prevail.

Subscribers should consult their own legal advisers with respect to their rights and the remedies available to them. The rights discussed below are in addition to and without derogation from any other rights or remedies, which Subscribers may have at law.

(1) Description of Statutory Rights of Action

If there is a misrepresentation in this Offering Memorandum, you have a statutory and a contractual right to sue:

- (a) the Corporation to cancel your agreement to buy the Bonds, or
- (b) for damages against the Corporation and certain other persons, as indicated below:

| Jurisdiction | Persons against whom an action for damages may be brought |
|---------------------------|------------------------------------------------------------------|
| New Brunswick and Ontario | The Corporation. |

| | |
|----------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Alberta, British Columbia, Manitoba, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, and Yukon | The Corporation, every director of the Corporation at the date of the offering memorandum and every person who signed the Offering Memorandum. |
| Saskatchewan | (i) The Corporation; (ii) every promoter and director of the Corporation at the time the Offering Memorandum or any amendment to the Offering Memorandum was sent or delivered; (iii) 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; (iv) every person who or company that, in addition to the persons or companies mentioned in clauses (i) to (iii), signed the Offering Memorandum or any amendment to the Offering Memorandum; and (v) every person who or company that sells Bonds on behalf of the Corporation under the Offering Memorandum or amendment to the Offering Memorandum. |

This 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 Bonds. In addition, in an action for damages, the amount you may recover will not exceed the price that you paid for your securities and will not include any part of the damages that the Corporation proves does not represent the depreciation in value of the securities resulting from 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 you signed the agreement to purchase the Bonds. You must commence your action for damages within the time limits indicated below.

| Jurisdiction | Time limits for bringing an action |
|----------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| Alberta, British Columbia, Newfoundland and Labrador, Northwest Territories, Nova Scotia*, Nunavut, Ontario, Prince Edward Island, and Yukon | Within 180 days after learning of the misrepresentation and three years after you signed the agreement to purchase the Bonds. |
| Saskatchewan and New Brunswick | Within one year after learning of the misrepresentation and six years after you signed the agreement to purchase the Bonds. |
| Manitoba | Within 180 days after learning of the misrepresentation and two years after you signed the agreement to purchase the Bonds. |

* Notwithstanding the foregoing, in Nova Scotia, no action shall be commenced to enforce the statutory rights for damages or rescission more than one hundred and twenty days after the date on which payment was made for the Bonds.

In Ontario, the above rights do not apply, however, if you are (a) a Canadian financial institution or a Schedule III bank, (b) the Business Development Bank of Canada incorporated under the Business Development Bank of Canada Act (Canada), or (c) a subsidiary of any person referred to in paragraphs (a) and (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary.

The above-described statutory rights are conferred to Subscribers pursuant to the following provisions of securities legislation:

| | |
|----------------------------|------------------------------------------------------------------------|
| Alberta: | Section 204 of the <i>Securities Act</i> (Alberta) |
| British Columbia: | Section 132.1 of the <i>Securities Act</i> (British Columbia) |
| Manitoba: | Section 141.1 of the <i>Securities Act</i> (Manitoba) |
| New Brunswick: | Section 150 of the <i>Securities Act</i> (New Brunswick) |
| Newfoundland and Labrador: | Section 130.1 of the <i>Securities Act</i> (Newfoundland and Labrador) |
| Northwest Territories: | Section 112 of the <i>Securities Act</i> (Northwest Territories) |
| Nova Scotia: | Section 138 of the <i>Securities Act</i> (Nova Scotia) |
| Nunavut: | Section 112 of the <i>Securities Act</i> (Nunavut) |
| Ontario: | Section 130.1 of the <i>Securities Act</i> (Ontario) |
| Prince Edward Island: | Section 112 of the <i>Securities Act</i> (Prince Edward Island) |
| Saskatchewan: | Section 138 of the <i>Securities Act</i> (Saskatchewan) |
| Yukon: | Section 112 of the <i>Securities Act</i> (Yukon) |

(2) Disclosure required by Section 80.2 of the *Securities Act, 1988* (Saskatchewan)

Like Subscribers in the other Offering Jurisdictions, a Subscriber in Saskatchewan is given certain statutory rights of action in respect of this Offering Memorandum under the *Securities Act* (Saskatchewan). Those rights are:

- (a) Subsections 80.1 (4) of the *Securities Act* (Saskatchewan) - the right to withdraw from an agreement of purchase and sale which has not yet been completed, by delivering a notice to the Corporation or the agent from whom the Bonds are being purchased indicating the Subscriber's intention not to be bound by the purchase agreement, within two business days after receipt of any amendment to this Offering Memorandum that discloses (i) a material change in the affairs of the Corporation, (ii) a change in the terms or conditions of the Offering as described in this Offering Memorandum, or (iii) securities that are to be distributed that are in addition to the Bonds, that occurred or arose before the investor entered into the agreement for the purchase of Bonds;
- (b) Subsection 138(1) of the *Securities Act* (Saskatchewan) - a right of action for rescission or for damages where this Offering Memorandum and any amendment to this Offering Memorandum contains a misrepresentation, which right is more particularly described above;
- (c) Subsection 138.1(3) of the *Securities Act* (Saskatchewan) - a right of action for rescission or for damages where advertising or sales literature used in connection this Offering contains a misrepresentation;
- (d) Subsection 138.2(1) of the *Securities Act* (Saskatchewan) - a right of action for rescission or for damages where a verbal statement made in connection with this Offering contains a misrepresentation;
- (e) Subsection 141(1) of the *Securities Act* (Saskatchewan) - a right to void the purchase agreement and recover the purchase price if the securities are sold in contravention of the Act, the regulations to the Act or a decision of the Saskatchewan Financial Services Commission; and
- (f) Subsection 141(2) of the *Securities Act* (Saskatchewan) - a right of action for rescission or for damages if the offering memorandum is not delivered to the Subscriber before the agreement to purchase, as required by subsection 80.1(1) of the Act.

A Subscriber should refer to the provisions of the *Securities Act* (Saskatchewan) for the particulars of these rights or consult with a lawyer.

These statutory rights given by the *Securities Act* (Saskatchewan) are in addition to and without derogation from any other right or remedy which a Subscriber might have at law.

These rights must be exercised within the periods prescribed in section 147 of the *Securities Act* (Saskatchewan) (see “(1) Description of Statutory Rights of Action”, above).

(3) Disclosure Required by Section 65(3) of the *Securities Act* (Nova Scotia)

Like Subscribers in the other Offering Jurisdictions, a Subscriber in Nova Scotia is given certain statutory rights of action in respect of this Offering Memorandum under the *Securities Act* (Nova Scotia). These rights are described above under “(1) Description of Statutory Rights of Action”. Note that in Nova Scotia, the rights also extend to a misrepresentation contained in advertising or sales literature as defined by subsection (2) of Section 56 of the *Securities Act* (Nova Scotia).

(4) Disclosure Required by Section 2.2 of Local Rule 45-802 Implementing National Instrument 45-106 – Prospectus and Registration Exemptions

Like Subscribers in the other Offering Jurisdictions, a Subscriber in New Brunswick is given certain statutory rights of action in respect of this Offering Memorandum under the *Securities Act* (New Brunswick). These rights are described above under “(1) Description of Statutory Rights of Action”.

(5) Disclosure Required by Section 5.2 of Ontario Securities Commission Rule 45-501 *Ontario Prospectus and Registration Exemptions*

Like Subscribers in the other Offering Jurisdictions, a Subscriber in Ontario is given certain statutory rights of action in respect of this Offering Memorandum under the *Securities Act* (Ontario). These rights are described above under “(1) Description of Statutory Rights of Action”.

Item 12: FINANCIAL STATEMENTS

(Financial statements begin on the following page)

Arizona 88 Opportunity Fund Ltd.
Financial Statements
November 6, 2014



Rice & Company LLP
Suite 1600, 510 5 Street SW
Calgary, AB T2P 3S2
T (403) 457-1100

Independent Auditors' Report

To the Shareholders of Arizona 88 Opportunity Fund Ltd.

We have audited the accompanying financial statements of Arizona 88 Opportunity Fund Ltd., which comprise the statement of financial position as at November 6, 2014, and the statements of comprehensive loss, changes in equity and cash flows for the period from incorporation on October 21, 2014 to November 6, 2014, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Arizona 88 Opportunity Fund Ltd. as at November 6, 2014, and its financial performance, changes in equity and cash flows for the period from incorporation on October 21, 2014 to November 6, 2014 in accordance with International Financial Reporting Standards.

Emphasis of Matter

We draw attention to Note 12 of the financial statements which outlines the offering that Arizona 88 Opportunity Fund Ltd. is undertaking subsequent to period end which, if unsuccessful, could have a material effect on the entity's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Rice & Company L.L.P.

CHARTERED ACCOUNTANTS

Calgary, Canada
November 27, 2014

Arizona 88 Opportunity Fund Ltd.
(Incorporated under the laws of British Columbia)
Statement of Financial Position
November 6, 2014

| Assets | Notes | |
|----------------------------------------------------------------|--------------|-------------------------|
| Current asset | | |
| Cash | | \$ <u>84</u> |
| | | 84 |
| Deferred financing costs | 6 | <u>20,100</u> |
| Total assets | | \$ <u><u>20,184</u></u> |
| Liabilities | | |
| Accounts payable and accrued liabilities | 7 | \$ <u>20,100</u> |
| Current and total liabilities | | <u>20,100</u> |
| Equity | | |
| Share capital | 9 | 101 |
| Deficit | | <u>(17)</u> |
| Total equity attributable to equity holders of the Corporation | | <u>84</u> |
| Total liabilities and equity | | \$ <u><u>20,184</u></u> |

See accompanying notes to the financial statements.

These financial statements were approved by the Director of the Corporation on November 27, 2014.

 (Signed) "Dave Steele" , Director

Arizona 88 Opportunity Fund Ltd.
Statement of Comprehensive Loss
For the Period from Incorporation on October 21, 2014 to November 6, 2014

| | Notes | |
|------------------------------------------------|--------------|-----------------------|
| Expense | | |
| General and administrative | 10 | \$ <u>17</u> |
| Total comprehensive loss for the period | | \$ <u>(17)</u> |

See accompanying notes to the financial statements.

Arizona 88 Opportunity Fund Ltd.
Statement of Changes in Equity
For the Period from Incorporation on October 21, 2014 to November 6, 2014

| | Notes | Number of Shares | Share Capital Stated Value | Deficit | Total Equity |
|---------------------------------------------|--------------|-----------------------------|---------------------------------------|----------------|-------------------------|
| Preferred shares issued on incorporation | 9 | 10,000 | \$ 100 | \$ - | 100 |
| Common shares issued on incorporation | 9 | 1 | 1 | - | 1 |
| Loss for the period | | - | - | (17) | (17) |
| Balance at November 6, 2014 | | 10,001 | \$ 101 | \$ (17) | 84 |

See accompanying notes to the financial statements.

Arizona 88 Opportunity Fund Ltd.
Statement of Cash Flows
For the Period from Incorporation on October 21, 2014 to November 6, 2014

Cash provided by (used in):

| | |
|-----------------------------------------------------------|---------------------|
| Cash flows from operating activities | |
| Net loss | \$ (17) |
| Change in non-cash working capital | <u>20,100</u> |
| Net cash provided by operating activities | <u>20,083</u> |
| Cash flows from financing activities | |
| Proceeds on issuance of share capital | <u>101</u> |
| Net cash provided by financing activities | <u>101</u> |
| Net cash flows from investing activities | |
| Increase in deferred financing costs | <u>(20,100)</u> |
| Net cash used in investing activities | <u>(20,100)</u> |
| Change in cash, beginning cash, end of period cash | \$ <u><u>84</u></u> |

See accompanying notes to the financial statements.

Arizona 88 Opportunity Fund Ltd.
Notes to the Financial Statements
Period from Incorporation on October 21, 2014 to November 6, 2014

1. General business description

Arizona 88 Opportunity Fund Ltd. (the "Corporation") was incorporated pursuant to the Business Corporations Act (British Columbia) on October 21, 2014. The Corporation was formed to raise funds pursuant to an offering (note 12) for the purposes of acquiring units in limited partnerships (the "Partnerships"). The Partnerships intend to acquire and hold properties in Nevada and Arizona, U.S.A. Other than Western Wealth Capital IV Limited Partnership, an entity related to the Corporation by common directors and ownership, the Partnerships have not yet been formed. In addition, the Corporation may provide short term secured mortgages to related or unrelated parties.

The proposed business of the Corporation involves a high degree of risk and there is no assurance that the Corporation will be able to raise the amount of funds to finance its activities as disclosed in note 12.

The address of the Corporation is 205 - 930 Harbourside Drive, North Vancouver, British Columbia, V7P 3S7.

2. Basis of presentation

2.1 Statement of compliance

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

These financial statements were authorized for issue by the director of the Corporation on November 27, 2014.

2.2 Basis of measurement

The financial statements have been prepared on a historical cost basis except for held for trading financial assets which are measured at fair value with changes in fair value recorded to earnings.

The methods used to measure fair values are discussed in note 4.

2.3 Functional and presentation currency

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

Arizona 88 Opportunity Fund Ltd.
Notes to the Financial Statements
Period from Incorporation on October 21, 2014 to November 6, 2014

2.4 Use of estimates and judgments

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

Estimates and judgments 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.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is valuation of financial instruments (note 4).

There were no critical estimates and assumptions in determining the value of assets, liabilities and equity as at November 6, 2014.

3. Significant accounting policies

3.1 Financing costs

Financing costs incurred in the course of obtaining debt financing will be capitalized as financing costs and netted against the corresponding debt obtained. These costs are then amortized over the life of the debt instrument to which they pertain using the effective interest rate method. Any financing costs related to the raising of debt, which is extinguished or for which efforts are subsequently abandoned, are expensed in the period in which the debt is extinguished or efforts for raising of the debt are abandoned.

3.2 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Arizona 88 Opportunity Fund Ltd.
Notes to the Financial Statements
Period from Incorporation on October 21, 2014 to November 6, 2014

3.2.1 *Financial assets*

Financial assets include any outstanding accounts receivable and cash and cash equivalents. Purchases and sale of financial assets are recognized on the settlement date, which is the date in which the asset is delivered to or by the Corporation. Financial assets are derecognized when the rights to receive cash flows have expired or are transferred and the Corporation has transferred substantially all risks and rewards of ownership. Financial assets are classified in the following categories at the time of the initial recognition based on the purpose for which the financial assets were acquired:

Classification

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and its performance is evaluated on a fair value basis, in accordance with the Corporation's documented risk management or investment strategy. The Corporation has designated cash as held for trading.

Recognition and measurement

Financial assets carried at fair value through profit or loss are initially recognized, and subsequently carried, at fair value, with changes recognized in the income statement. Transaction costs are expensed when incurred.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date, which are classified as non-current assets. Assets in this category include accounts receivable which are classified as current assets in the statement of financial position.

The Corporation did not have any accounts receivable at November 6, 2014 and, as a result, has not designated any financial assets as loans and receivables as at November 6, 2014.

Arizona 88 Opportunity Fund Ltd.
Notes to the Financial Statements
Period from Incorporation on October 21, 2014 to November 6, 2014

Recognition and measurement

Loans and receivables are initially recognized at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment losses. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They consist of investments in equity securities and certain other debt securities. They are included in other non-current financial assets unless management intends to dispose of the investments within 12 months of the balance sheet date. Available-for-sale financial assets are recorded in other comprehensive income until realized, at which time they are recorded through profit or loss. The Corporation has not designated any financial assets as available-for-sale.

Reclassification of financial assets

Reclassification is only permitted in rare circumstances and where the asset is no longer held for the purpose of selling in the short term. In all cases, reclassification of financial assets are limited to debt instruments. Reclassifications are accounted for at fair value of the financial asset at the date of reclassification.

3.2.2 *Financial liabilities*

Financial liabilities primarily consist of accounts payable and accrued liabilities. Financial liabilities are initially measured at fair value and subsequently measured at amortized cost for liabilities that are not hedged, and fair value for liabilities that are hedged. Non-performance risk, including the Corporation's own credit risk for financial liabilities, is considered when determining the fair value of financial liabilities.

3.2.3 *Equity instruments*

Common shares are classified as equity. Incremental costs directly attributable to the common shares are recognized as a deduction from equity, net of any tax effects.

Arizona 88 Opportunity Fund Ltd.
Notes to the Financial Statements
Period from Incorporation on October 21, 2014 to November 6, 2014

3.2.4 *Impairment*

The Corporation addresses at each balance sheet date whether there is objective evidence that a financial asset, other than those at fair value through profit and loss, or a group of financial assets, is impaired. When an impairment has occurred, the cumulative loss is recognized in profit or loss.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. Receivables that are assessed not to be impaired are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables may include the Corporation's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 90 days, as well as observable changes in the national or local economic conditions that may default on receivables.

For financial assets carried at amortized cost, the amount of impairment loss recognized is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the financial assets' original effective interest rate.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the period.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of accounts receivable, where the carrying amount is reduced through the use of an allowance account. When an account receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited through the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

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

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3.3 Income taxes

Income tax expense or recovery is comprised of current and deferred tax. Income tax expense or recovery in profit and loss except to the extent that it relates to items recognized in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, plus any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences, including carry forward of non-capital losses, can be utilized.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they are related to income taxes levied by the same taxation authority on the same taxable entity, or on different tax entities, where the intention is to settle current tax liabilities and asset on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is not probable that the related tax benefit will be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future profit will allow the deferred tax asset to be recovered.

3.4 Provisions and contingent liabilities

Provisions and contingent liabilities are recognized when there is a present legal or constructive obligation arising as a result of a past event for which it is probable that an outflow of economic benefits will be required to settle the obligation and where a reliable estimate can be made of the amount of the obligation. Provisions and contingent liabilities are stated at the present value of the expenditure expected to settle the obligation.

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Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

3.5 Related party transactions

All related party transactions must be disclosed in the financial statements which include the amount of the transactions, the amount of outstanding balances, including terms, provisions for doubtful debts related to outstanding balances and the expense recognized during the period in respect of bad or doubtful debts from related parties.

3.6 Property, plant and equipment

Property, plant and equipment will be stated at cost less accumulated depreciation and recognized impairment loss. Amortization will be charged so as to write off the cost of assets, other than land or properties under construction, over the estimated useful lives, using the declining balance method, at rates to be determined.

Assets held under finance leases will be depreciated over the expected lives on the same basis as owned assets or, where shorter, over the term of the relevant lease.

The gain or loss on the disposal or retirement of an asset will be determined as a difference between the sales proceeds and the carrying amount of the asset and is recognized in the income statement.

3.7 Revenue and expense recognition

Revenue and expenses will be recognized in the financial statements on an accrual basis.

3.8 New accounting standards and interpretations

In addition to the foregoing accounting policies outlined, the IASB has issued certain new standards, interpretations and amendments to existing standards which are not effective until accounting periods subsequent to November 6, 2014 and which have not yet been adopted by the Corporation. These include:

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On January 1, 2015, the Corporation will be required to adopt IFRS 9 “Financial Instruments”, which is the result of the first phase of the International Accounting Standards Board (“IASB”) project to replace IAS 39 “Financial Instruments: Recognition and measurement”. The new standard replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories: amortized cost and fair value. Portions of the standard remain in development and the full impact of the standard on the Corporation’s financial statements will not be known until the project is complete.

4. Determination of fair values

Certain of the Corporation’s accounting policies and disclosures require the determination of fair value for financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The fair value of cash and accounts payable and accrued liabilities approximates their carrying values due to the short term to maturity.

The significance of inputs used in making fair value measurements for assets and liabilities measured at fair value are examined and classified according to a fair value hierarchy. Fair values of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include valuations using inputs other than quoted prices for which all significant outputs are observable, either directly or indirectly and are based on valuation models and techniques where the inputs are derived from quoted indices. Level 3 valuations are based on inputs that are unobservable and significant to the overall fair value measurement.

Cash is measured at fair value based on a Level 1 designation.

5. Financial risk management

5.1 Overview

The Corporation’s planned operations will expose it to a variety of financial risks that arise as a result of its operating and financing activities:

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- credit risk;
- liquidity risk; and,
- market risk.

This note presents information about the Corporation's exposure to each of the above risks, the Corporation's objectives, policies and processes for measuring and managing risks, and the Corporation's management of capital.

The Corporation employs risk management strategies and policies to ensure that any exposure to risk is in compliance with the Corporation's business objectives and risk tolerance levels. While the Directors have the overall responsibility for the establishment and oversight of the Corporation's risk management framework, management has the responsibility to administer and monitor these risks.

5.2 Credit Risk

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The maximum exposure to credit risk at November 6, 2014 is as follows:

| | Carrying amount |
|------|-------------------------|
| | November 6, 2014 |
| Cash | \$ 84 |

Cash

Cash consists of cash bank balances. The Corporation manages the credit exposure related to cash by selecting financial institutions with high credit ratings. Given these credit ratings, management does not expect any counterparty to fail to meet its obligations.

5.3 Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they are due. The Corporation's approach to managing liquidity is to ensure it will have sufficient liquidity to meet its liabilities when due. The Corporation's ongoing liquidity will be impacted by various external events and conditions.

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The Corporation had accounts payable and accrued liabilities as financial liabilities at November 6, 2014.

The Corporation expects to repay its financial liabilities in the normal course of operations and to fund future operational and capital requirements through future operational cash flows, as well as future debt securities (note 12).

5.4 Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Corporation's net income or the value of financial instruments. The objective of the Corporation is to manage and mitigate market risk exposures within acceptable limits, while maximizing returns.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. As the Corporation does not currently have any interest bearing debt, the Corporation is not exposed to interest rate risk.

The Corporation had no interest rate swaps or financial contracts in place as at or during the period ended November 6, 2014.

5.5 Capital management

The Corporation's capital management policy is to maintain a strong capital base that optimizes the Corporation's ability to grow, maintain investor and creditor confidence and to provide a platform to create value for its shareholders. The Corporation intends to maintain a flexible capital structure to maximize its ability to pursue additional investment opportunities, which considers the Corporation's early stage of development and the requirement to sustain future development of the business.

The Corporation will manage its capital structure and make changes to it in the light of changes to economic conditions and the risk characteristics of the nature of the business. The Corporation considers its capital structure to include shareholders' equity and working capital. In order to maintain or adjust the capital structure, the Corporation may from time to time issue shares, seek debt financing and adjust its capital spending to manage its current and projected capital structure.

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The Corporation currently has no debt outstanding other than accounts payable and accrued liabilities and it monitors capital based on its current working capital, projected cash flow from operations and anticipated capital expenditures.

The Corporation is not subject to externally imposed capital requirements.

6. Deferred financing costs

The deferred financing costs are professional fees incurred in relation to the offering (note 12).

7. Accounts payable and accrued liabilities

The amounts relate to professional fees payable in relation to the offering (note 12).

8. Income tax expense

The Corporation has \$17 of available estimated non-capital losses which expire in 2034.

9. Share capital

9.1 Authorized

As at November 6, 2014, the Corporation was authorized to issue the following:

Unlimited number of Class A voting preferred shares
(Class A preferred shares)

Unlimited number of Class B non-voting common shares
(Class B common shares)

9.2 Issued and outstanding

| | 2014 | |
|--------------------------|--------|--------|
| | Number | Amount |
| Class A preferred shares | 10,000 | \$ 100 |
| Class B common shares | 1 | \$ 1 |

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9.3 The Corporation was formed on October 21, 2014 and issued 10,000 Class A preferred shares issued at \$0.01 per share and 1 Class B common share issued at \$1 per share.

10. General and administrative

General administrative expenses related to bank charges incurred during the period ended November 6, 2014.

11. Related party transactions

On October 22, 2014, the Corporation signed an agreement with Target Capital Inc. ("Target"), the majority shareholder of the Corporation, whereby the Corporation agrees to pay Target: a capital raise fee equal to \$2,500 plus ½ of 1% of the amount of capital raised from the offering (note 12) in excess of \$500,000; and, an annual fee equal to \$2,500 plus ½ of 1% of the amount of capital raised from the offering (note 12) in excess of \$500,000 through deferred plans (any one of, or collectively, a Registered Retirement Savings Plan, Registered Retirement Income Fund, Registered Education Savings Plan and Tax-Free Savings Account, all as defined under the Income Tax Act). The minimum term of the agreement is two years but is expected to be renewed until the Bonds issued as a result of the offering (note 12) either mature or are redeemed by the Corporation. This transaction is in the normal course of operations and is measured at the exchange amount of consideration established and agreed to by the related parties.

12. Subsequent event

The Corporation has prepared an offering memorandum (the "offering"), for the offer of a series (series A, B and C) of unsecured participating bonds (collectively the "Bonds"), with up to an aggregate maximum of 120,000 Bonds at a price of \$100 per Bond for total gross proceeds of \$12,000,000 with no minimum offering. The Bonds will be issued in series (series A being sold first and series C being sold last) with a maximum of 40,000 Bonds per series, until the maximum number of Bonds per series has been reached. Each Bond pays interest at fixed simple interest rate per annum as follows: series A - 6%, series B - 5%, and series C - 4%. Each Bond's interest rate payments will be made at maturity, subject to early payment at the sole discretion of the Corporation. The Bonds shall mature on the tenth anniversary from their date of issuance, subject to early redemption by the Corporation. The bondholders may request early retraction, as outlined below:

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The bondholder is required to provide advance written notice on or before July 1 in each year, commencing July 1, 2015, to the Corporation, indicating the number of Bonds to be retracted. On January 15 in each year, commencing January 15, 2016, the Corporation will retract Bonds in accordance with the following terms: the directors of the Corporation, in their sole discretion, may decline any or all of the retraction if the directors of the Corporation determine that the retraction would have an adverse effect on the financial position of the Corporation; the Corporation shall not be obligated to retract in excess of 5% of the issued and outstanding Bonds in any calendar year; and, the retraction price shall be equal to the subscription price paid by the retracting bondholder plus any accrued and unpaid interest up to December 31 of the year of redemption, less any costs incurred by the Corporation with respect to the retraction of the Bonds which are to be retracted (including costs incurred in realizing the Corporation's assets to fund the retraction).

The bondholders are entitled to participate, on a pro-rata basis, in the net profits of the Corporation in the form of interest, in addition to the aforementioned fixed interest.

The Corporation does not intend to pay any commissions to selling agents in connection with the sale of Bonds under this offering.

Closing of the offering is set to take place periodically at the Corporation's discretion.

Management fee

The Corporation has entered in a management agreement whereby the Corporation will pay Ground Floor Capital Management Ltd. ("GFCM") the following fees: an initial fee payable on the first closing of the sale of Bonds, an amount equal to 1% of the subscription amount received by the Corporation with respect to the sale of the Bonds; and, an annual fee payable on December 31 of each calendar year an amount equal to 1% of the subscription amount received by the Corporation in connection with the sale of Bonds during that calendar year which has just ended.

Item 13: DATE AND CERTIFICATE

Dated November 27, 2014.

This offering memorandum does not contain a misrepresentation.

Signed

A handwritten signature in black ink, appearing to read "D. Steele", written over a horizontal line.

David Steele, Director and President