

The information contained in this Offering Memorandum is intended only for the persons to whom it is transmitted for the purposes of evaluating the securities offered hereby. Prospective investors should only rely on the information in this Offering Memorandum. No persons are authorized to give any information or make any representations in respect of the Issuers or the securities offered herein and any such information or representation must not be relied upon.

OFFERING MEMORANDUM

No securities regulatory authority 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 10 "Risk Factors".

Date: May 28, 2018

Issuers: WestStone (Innovation) Trust (the "Trust")
WestStone (Innovation) Limited Partnership (the "Partnership")
(each an "Issuer" and collectively the "Issuers")

Head Office: 300 – 10090 152nd Street, Surrey, BC V3R 8X8
Tel: 604-498-1958 Fax: 604-498-1959
Email: info@innovationbyweststone.com

Currently Listed or Quoted: No. These securities do not trade on any exchange or market.

Reporting Issuer: No

SEDAR Filer: No

THE OFFERINGS:

Securities Offered: Units of the Trust ("Trust Units") and Units of the Partnership ("LP Units"), each, a "Unit" and together, the "Units") having the attributes and characteristics as set out in "Item 7 – Description of Units".

Price Per Security: \$1.00 per Unit.

Minimum/Maximum Offering: \$0 (0 Units) / \$10,038,958 (10,038,958 Units). The Issuers have already received aggregate gross proceeds under the Offerings of \$24,961,042, so the Issuers intend to raise total aggregate gross proceeds (including funds raised to date) totalling \$35,000,000. **Accordingly, there is no minimum amount for the current Offering, you could be the only purchaser in the current Offering. – Funds available under this Offering may not be sufficient to accomplish our proposed objectives.**

Minimum Subscription Amount: \$500, unless waived.

Payment Terms: Personal cheque, certified cheque, bank draft, wire transfer or electronic funds transfer. **All dollar amounts in this Offering Memorandum are in Canadian dollars unless otherwise indicated.** See "Item 7—Description of Units - Subscription Procedure".

Closing Date(s): The Offerings shall be completed in multiple tranches and the closings (the "Closings") of such tranches may occur from time to time and at any time on such dates as each of the Trustee and General Partner determines provided that the final Closing will occur no later than March 31, 2019. If certain conditions have not been satisfied or waived on or before the date selected by the Trustee (in respect of Trust Units) and the General Partner (in respect of LP Units), in their respective sole discretion in respect of a Closing, subscriptions and subscription funds will be returned to subscribers without interest or deduction.

Purpose: The Partnership has acquired a 58.70% interest in a 5.1 acre real estate development property located at 9525 King George Boulevard, Surrey, British Columbia described herein as the "Property" and intends to acquire additional such interests (see Item 2 "Material Agreements—Earn-In Agreement"). The activities of the Trust are limited to investing in the Partnership. Investors that desire to invest through an RRSP, RESP, RDSP, RRIF, TFSA or other Deferred Plans will be required to invest in the Trust (which will in turn invest in the Partnership), whereas investors who are Canadian residents that do not need to invest through Deferred Plans may prefer to invest directly into the Partnership. The Trust may accept up to 45% of its investment from "offshore investors" who are non-residents of Canada. See "Item 8 – Canadian Federal Income Tax Consequences and RRSP Eligibility".

Tax Consequences: There are important tax consequences relating to the ownership of these securities. All investors will be responsible for the preparation and filing of their own tax returns in respect of this investment. See "Item 8 – Canadian Federal Income Tax Consequences and RRSP Eligibility".

Selling Agents: Yes. The Issuers intend to retain Selling Agents, including Capital Street Group Investment Services Inc. as the exclusive lead Selling Agent with its designated registered dealers, as the case may be, to sell Trust Units and LP Units. The Issuers may pay Selling Commissions (inclusive of Trailer Fees) in an amount of up to 10% of the Gross Proceeds of the Offerings for Trust Units and LP Units sold by the Selling Agents. The Issuers may also pay up to a further Administration Fee of up to 3% and a Marketing Fee of up to 3%. See "Item 9—Compensation Paid to Sellers and Finders".

Resale Restrictions: **You will be restricted from selling your Trust Units and LP Units for an indefinite period.** There will be no market for the Trust Units or LP Units. See "Item 12—Resale Restrictions".

Purchasers' Rights: **You have two Business Days to cancel your agreement to purchase the Trust Units or the LP Units. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel your agreement.** See "Item 13—Purchasers' Rights".

Capitalized terms used but not otherwise defined above have the meanings ascribed to them under "Glossary of Terms" in this confidential Offering Memorandum. All dollar amounts in this Offering Memorandum are in Canadian dollars unless otherwise indicated.

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FORWARD-LOOKING STATEMENTS

Certain information regarding the Issuers set forth in this Offering Memorandum, including the Issuers' future plans and business, contains forward-looking statements that involve substantial known and unknown risks and uncertainties. The use of any of the words "anticipate", "believe", "continue", "estimate", "expect", "intend", "plan", "potential", "predict", "project", "seek" or other similar words, or statements that certain events or conditions "may", "might", "could", "should" or "will" occur are intended to identify forward looking statements. Such statements represent the Issuers' internal projections, estimates or beliefs concerning, among other things, future growth, results of operations, business opportunities, future expenditures, plans for and results of business prospects and opportunities. These statements are only predictions and actual events or results may differ materially. Although that the expectations reflected in the forward-looking statements are reasonable, future results, levels of activity, performance or achievement cannot be guaranteed since such expectations are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Issuers' actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Issuers.

Forward-looking statements included in this Offering Memorandum include, but are not limited to, statements with respect to: use of proceeds of the Offering; the business to be conducted by the Issuers; the ability to make and the timing and payment of distributions; payment of fees; the Issuers' business objectives; treatment under governmental regulatory regimes and tax laws; financial and business prospects and financial outlook; and timing of dissolution of the Issuers; possibility of extension of the dissolution date of the Issuers; results of operations, the timing thereof and the methods of funding.

These forward-looking statements are subject to numerous risks and uncertainties, including but not limited to the risks discussed under "**Item 10 - Risk Factors**" and other factors, many of which are beyond the control of the Issuers. Readers are cautioned that the foregoing list of factors is not exhaustive.

The forward-looking statements contained in this Offering Memorandum are based on a number of assumptions, including those relating to: the Issuers' business strategy and operations; the ability of the Issuers to achieve or continue to achieve their business objectives; the Issuers' expected financial performance, condition and ability to generate distributions; the Partnership, including its business strategy, operations, financial performance, condition and ability to generate distributions; factors and outcomes associated with the real estate sector in Surrey, British Columbia, including competition and competitive conditions; concentration in a single industry (being real estate development of the Project in Surrey, British Columbia); possibility of substantial redemptions of securities; taxation of the Issuers; the impact on the Issuers of future changes in applicable legislation; application of legislation and regulations applicable to the Issuers; and availability of and dependence upon certain key employees of the General Partner.

Although the forward-looking statements contained in this Offering Memorandum are based upon assumptions believed to be reasonable, the Issuers cannot assure investors that actual results will be consistent with these forward-looking statements.

The Issuers have included the above summary of risks related to forward-looking information provided in this Offering Memorandum in order to provide investors with a more complete perspective on the Issuers' current and future operations and such information may not be appropriate for other purposes. The Issuers' actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits the Issuers will derive therefrom. These forward-looking statements are made as of the date of this Offering Memorandum and the Issuers disclaim any intent or obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable laws.

DOCUMENTS INCORPORATED BY REFERENCE

Any documents of the type referred to in National Instrument 45-106 – *Prospectus Exemptions* to be incorporated by reference in an Offering Memorandum, including any marketing materials that are effective after the date of this Offering Memorandum and before the termination of the Offerings, are deemed to be incorporated by reference in this Offering Memorandum. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Issuers at their registered office at Suite 700 - 595 Burrard Street, Vancouver, British Columbia, V7X 1S8.

Any statement contained in this Offering Memorandum or in a document incorporated or deemed to be incorporated by reference herein is deemed to be modified or superseded for the purposes of this Offering Memorandum to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement is not deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded is not deemed, except as so modified or superseded, to constitute a part of this Offering Memorandum.

Information contained or otherwise accessed through the Issuers' website or any website does not form part of this Offering Memorandum or the Offerings.

GLOSSARY OF TERMS

The following terms have the following meaning throughout this Offering Memorandum:

"1027110" means 1027110 B.C. Ltd., a British Columbia corporation, affiliated with the WestStone Group, that holds the beneficial ownership of the Innovation Property, subject to the rights of the Fund to purchase up to a 100% beneficial interest in the Innovation Property pursuant to the Earn-in Agreement;

"Administration Fee" means the fee of up to 3% of the Gross Proceeds raised in the Offerings payable by the Trust and the Partnership for administrative services in respect of the Offerings provided by arm's length third parties as may be engaged by the General Partner;

"Affiliate" has the meaning ascribed to it in Section 1 of the *Business Corporations Act* (British Columbia);

"Aggregate Contributed Capital" means, with respect to the Partnership, the sum of the Capital Contributions of all of the Limited Partners, and with respect to the Trust the sum of the Capital Contributions of all of holders of Trust Units;

"Applicable Laws" means all applicable provisions of law, domestic or foreign, including the Securities Act;

"Approvals" means any directive, order, consent, exemption, waiver, consent order or decree of or from, or notice to, action by or filing with, any Governmental Authority;

"associate" has the meaning ascribed thereto in the Securities Act;

"Auditors" means Smythe LLP, or such other firm of chartered professional accountants as may be appointed as auditor or auditors of the Issuers from time to time;

"Available Funds" means, at any time, such amounts as indicated in row D of the table under **"Item 1.1 - Use of Available Funds"**;

"Bare Trust Agreement" means the Amended and Restated Declaration of Bare Trust Agreement dated January 30, 2017 among 1027110, the Partnership and the Registered Owners wherein the Registered Owners agree to hold the Property beneficially in trust for 1027110 and the Partnership in accordance with their respective percentage beneficial ownership interests in the Property;

"**BCA**" means the *Business Corporations Act* (British Columbia), as amended from time to time;

"**BKR**" means BKR Construction Ltd., a private company existing under the laws of British Columbia which is part of the WestStone Group and is responsible for the services provided under the Pre-Development Agreement to undertake the design and development of the Innovation Project;

"**Business Day**" means any day other than a Saturday, Sunday or statutory holiday in the Province of British Columbia;

"**Cash Flow of the Trust**" means the cash flow of the Trust calculated in accordance with the Declaration of Trust and means the amount so calculated;

"**Closing**" means a closing of the Offering;

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

"**Capital Contributions**" means, with respect to each Limited Partner (including the Initial Limited Partner), the aggregate Subscription Price in respect of all of the Units held by such Limited Partner, and with respect to each holder of Trust Units, the aggregate Subscription Price in respect of all of the Trust Units held by such holder;

"**Capital Street**" means Capital Street Group Investment Services Inc., a registered exempt market dealer and a Selling Agent for this Offering;

"**Carried Interest**" means the incentive remuneration paid (or to be paid) to the General Partner pursuant to the Partnership Agreement. See Item 5 "*Securities Offered – Terms of Securities*";

"**Co-Investment Option**" means the option of the General Partner to subscribe for an amount of Units equal to up to 10% of the outstanding Units of the Partnership each closing in addition to the initial purchase of LP Units by the General Partner;

"**Co-Owners**" has the meaning given to that term under "*Item 4 Material Agreements – Co-Ownership Agreement*";

"**Co-Ownership Agreement**" means the agreement dated January 29, 2016 between the General Partner, for and on behalf of the Partnership, and the other Co-Owners, governing the relationship of the parties as it relates to holding the Property and the development, sale and leasing of the Property, substantially as described in "*Item 4 Material Agreements – Co-Ownership Agreement*";

"**Declaration of Trust**" means the Declaration of Trust dated as of January 31, 2016 between the Trustee and 1027110 as the initial Trust Unit holder, and all persons who thereafter become holders of Trust Units, governing the business and affairs of the Trust, and as may be amended, supplemented or restated from time to time, a copy of which is available for examination at the registered office of the Issuers at Suite 700 – 595 Burrard Street, Vancouver, British Columbia, V7X 1S8;

"**Deferred Plan**" means a trust governed by a registered retirement savings plan, registered retirement income fund, registered education savings plan, registered disabilities savings plan, or tax-free savings account;

"**discretion**" means sole, absolute, and unfettered discretion;

"**Distributable Cash**" means, with respect to a particular period, the amount by which the Partnership's cash on hand or to be received in respect of that period (excluding any proceeds from any Financing) exceeds;

- (a) unpaid administrative expenses of the Partnership, including any unpaid amounts with respect to the Management Fee;
- (b) amounts required for the business and operations of the Partnership, including operating expenses and capital expenses;
- (c) amounts required in order to meet all debts, liabilities and obligations in respect of any Financing, including any reserves to ensure compliance with agreements or obligations of the Partnership; and

- (d) any amounts by which the General Partner, in its discretion, determines is necessary to satisfy the Partnership's current and anticipated requirements of the Partnership and its commitments and anticipated commitments, debts, liabilities and obligations, and to comply with applicable laws;

"Distribution Payment Date" means, in respect of a Distribution Period, on the tenth business day immediately following the end of the Distribution Period or such other date determined from time to time by the Trustee, in the case of the Trust, or the General Partner, in the case of the Partnership;

"Distribution Period" means each semi-annual period ending on June 30 and December 31, or such other periods as may be determined from time to time by the Trustee, in the case of the Trust, or the General Partner, in the case of the Partnership, from and including the first day thereof and to and including the last day thereof;

"Distribution Record Date" means the last Business Day of each Distribution Period, or such other date determined from time to time by the Trustee, in the case of the Trust, or the General Partner, in the case of the Partnership;

"Earn-in Agreement" means the option to purchase and earn-in agreement dated January 29, 2016 and amended January 3, 2017 as among the General Partner, in its capacity as general partner of the Partnership, the Registered Owners, and 1027110, pursuant to which the Partnership has the option to acquire up to a 100% beneficial interest in the Property;

"EMD" means a person or company registered as an exempt market dealer pursuant to NI 31-103;

"Final Closing date" means the earlier of March 31, 2019 and the date on which the Partnership acquires 100% beneficial ownership of the Property;

"Financing" means any credit facility granted or extended to or for the benefit of, or investment by way of debt in, the Partnership, whereby or pursuant to which money, credit or other financial accommodation has been or may be provided, made available or extended to the Partnership by way of borrowed money, the purchase of debt instruments or securities, bankers acceptances, letters of credit, overdraft or other forms of credit and financial accommodation, and includes any and all trust deeds, indentures, mortgages, bonds, or debentures (whether issued and delivered as security or sold to a purchaser), security agreements and other deeds, instruments or documents in respect thereof;

"First Mortgage" means the first mortgage on title of the Property registered by the lender, West Lakeside Capital Co., Limited and registered under charge number CA6309075 in favour of West Lakeside Capital Co., Limited, which secures the principal amount of up to \$17,000,000, of which \$13,631,832 (US\$10,620,000) principal amount is currently outstanding;

"Fiscal Period" means:

- (a) in the case of the first "Fiscal Period", the period commencing on the date of formation of an Issuer and ending on January 31, 2016; and
- (b) thereafter, each Fiscal Period shall commence on January 1 and end on December 31 of each calendar year or such other date as determined, with respect to the Partnership by the General Partner, and with respect to the Trust by the Trustee;

"Funding Agreement" means the agreement entered into between the Trust and the Partnership dated January 31, 2016, which provides that the Partnership will pay all costs, fees, Selling Commissions and expenses incurred by the Trust in connection with the Trust Offering;

"General Partner" means WestStone (Innovation) GP Ltd., a British Columbia corporation, in its capacity as and for so long as it remains general partner of the Fund, and any successor or permitted assignee thereof. See **"Item 4 Material Agreements – Partnership Agreement"**;

"General Partner Fees" means the Management Fee and the Carried Interest remuneration of the General Partner;

"Governmental Authority" means (i) any nation, province, territory, state, county, city or other jurisdiction; (ii) any federal, provincial, territorial, state, local, municipal, foreign or other government; (iii) any governmental or quasi-governmental authority of any nature (including any agency, branch, department, board, commission, court, tribunal, or other entity exercising governmental or quasi-governmental power); (iv) anybody exercising, or entitled or purporting to exercise, any administrative, executive, judicial, legislative, regulatory or taxing authority or power; or (v) any official of the foregoing;

"Gross Proceeds" means, at any time, the aggregate gross proceeds of the Trust Offering or the Partnership Offering, as applicable;

"GST" means any applicable Canadian federal or provincial goods and services tax or harmonized sales tax;

"include", "including" and "includes" means "include, without limitation", "including, without limitation", and "includes, without limitation", respectively;

"Income of the Trust" for any taxation year of the Trust, means the net income for the year determined pursuant to the provisions of the Tax Act (other than subsection 104(6) and paragraph 82(1)(b)) having regard to the provisions thereof, which relate to the calculation of the income of a trust, and taking into account such adjustments thereto as are determined by the Trustee in respect of dividends received from taxable Canadian corporations, amounts paid or payable by the Trust to Trust Unit holders and such other amounts as may be determined in the discretion of the Trustee; provided, however, that capital gains and capital losses shall be excluded from the computation of net income;

"Initial Trust Unit" means the one Trust Unit issued to 1027110 upon settlement of the Trust;

"Insider of the Trust" means a person who would be an "insider of the Trust" as defined in Regulation 4803(1) of the Tax Act if the references to "corporation" were read as references to the Trust;

"Issuers" means, collectively, the Trust and the Partnership;

"Limited Partner" means any person who is admitted to the Partnership as a limited partner for so long as they are a registered holder of at least one LP Unit;

"LP Unit" means a limited partnership unit representing a beneficial interest in the Partnership issued from time to time in accordance with the Partnership Agreement and having the rights, privileges, restrictions and conditions as set out in the Partnership Agreement;

"LP Unit Redemption Price" has the meaning ascribed thereto under *"Item 4.2—Partnership Agreement"*;

"Management Fee" means the fee payable to the General partner each month, equal to one-twelfth (1/12) of one and eight-tenths (1.8%) percent of the Aggregate Contributed Capital (see *"Item 4.2—Partnership Agreement"*);

"Marketing Fee" means the fee, up to a maximum of 3% of the Gross Proceeds raised in the Offerings payable by the Trust and the Partnership for marketing services in respect of the Offerings to marketing agents;

"Maximum Offering" means the maximum current offering of Trust Units and LP Units for total aggregate Gross Proceeds (other than as payable from the Trust to the Partnership for the Partnership's purchase of LP Units) of up to \$10,038,958 that is in addition to prior offerings totalling \$24,961,042, which together totals an aggregate in the amount of \$35,000,000;

"Net Capital Contribution" means the net proceeds raised by the Trust or Partnership under the respective Trust Offering or Partnership Offering in respect of a Unit being redeemed by a Trust Unitholder or Limited partner, as the case may be, being the Gross Proceeds from the issuance of such Unit less the Selling Commissions and Offering Costs paid on or attributable to such Unit;

"Net Operating Income" means the Partnership's operating income, for the preceding Fiscal Year, after credit losses and operating expenses (including management, legal, accounting, insurance, repairs, maintenance, supplies, utilities, and property taxes) are deducted, but before amortization of any loan payment, income taxes, capital expenditures, principal and interest, or depreciation are deducted;

"Net Realized Capital Gains" of the Trust for any taxation year of the Trust shall be determined as the amount, if any, by which the aggregate of the capital gains of the Trust for the year exceeds:

- (a) the aggregate of the capital losses of the Trust for the year;
- (b) any capital gains which are realized by the Trust as a result of a redemption of Trust Units; and
- (c) the amount determined by the Trustee in respect of any net capital losses for prior taxation years which the Trust is permitted by the Tax Act to deduct in computing the taxable income of the Trust for the year;

"NI 31-103" means National Instrument 31-104 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations*;

"NI 45-106" means National Instrument 45-106 – *Prospectus and Registration Exemptions*;

"Non-Registered Unitholder" means beneficial holders of Trust Units or LP Units who hold such Units through an intermediary, such as a financial institution, broker, or nominee;

"Non-Resident" means a Person who is not a resident of Canada and a partnership that is not a Canadian partnership for the purposes of the Tax Act;

"Offerings" means, collectively, the Trust Offering and the Partnership Offering;

"Offering Costs" means and fees, costs and expenses incurred by or on behalf of the Trust or the Partnership, as the case may be, in connection with the Offerings and sale of Units from time to time, including legal, accounting, audit, printing, filing, Transfer Agent and other costs and fees associated with the Offerings, including the preparation of an offering memorandum;

"Offering Memorandum" means this offering memorandum of the Issuers as the same may be amended, supplemented or replaced from time to time;

"Partners" means the General Partner and all Limited Partners, and **"Partner"** means any one of the Partners;

"Partnership" means the WestStone (Innovation) Limited Partnership, a limited partnership established under the laws of the Province of British Columbia, or any successor or permitted assignee thereof;

"Partnership Act" means the *Partnership Act* (British Columbia), as amended and in force from time to time;

"Partnership Agreement" means the limited partnership agreement dated January 29, 2016, respecting the Partnership, between the General Partner, 1027110 as the initial Limited Partner, and any Person who subsequently becomes a Limited Partner pursuant to the terms thereof, as may be amended, supplemented or restated from time to time, a copy of which is available at the registered offices of the Issuers at Suite 700 – 595 Burrard Street, Vancouver, British Columbia, V7X 1S8;

"Partnership Offering" means the private placement of LP Units by the Partnership under this Offering Memorandum;

"Permitted Investments" means all property, assets and rights which may be held from time to time by a "mutual fund trust" under the provisions of subsection 132(6) of the Tax Act, including without limitation:

- (a) the initial contribution made to the Trust by the initial Trust Unitholder;
- (b) all funds realized from the sale of Trust Units;
- (c) securities in the capital of the corporations and interests in limited partnerships or trusts, including without limitation, the Partnership;
- (d) debt or debt instruments issued by any issuer;
- (e) rights in and to any real property, provided that it is capital property;
- (f) any proceeds of disposition of any of the foregoing property; and
- (g) all income, interest, profit, gains and accretions and additional rights arising from or accruing to such foregoing property or such proceeds of disposition;

"Person" means any individual, company, corporation, limited partnership, general partnership, firm, joint venture, syndicate, trust, joint stock company, limited liability company, association, bank, pension fund, business trust, or other organization, whether or not a legal entity, and any governmental agency or political subdivision thereof or any other form of entity or organization;

"Pre-Development Agreement" means an agreement signed between BKR and the Registered Owners and 1027110 where BKR is providing all of the development and consulting services for the Innovation Project in exchange for a fee;

"Preferred Return" means, in respect of a Unit, a return equal to 9% per annum, non-compounded, on the Capital Contribution of a Limited Partner from the date of contribution (see *"Item 7 – Description of Units"*);

"Principals" means the principals of the General Partner being Brian Regehr, David Siebenga and Robert Dominick, or their replacements from time to time and **"Principal"** means any one of them;

"Promoters" means 1008184 BC Ltd., the Trustee of the Trust, and the General Partner and 1027110, being the entities that took the initiative in founding and organizing the Partnership;

"Property" means:

- (a) the approximately 5.1 acre real estate development lands situated at 9525 King George Boulevard, Surrey, British Columbia, and currently legally described as:

Parcel identifier: 011-069-236

Parcel "F" (Reference Plan 15821), Lot 2 Except: Part on Highway Statutory Right of Way Plan 62493; Section 32, Township 2, New Westminster District Plan 4312,

as such lands and premises may be subdivided, consolidated, or stratified from time to time, together with all buildings, fixtures and improvements thereon, and all rights and benefits appurtenant thereto; and

- (b) any lands or interest therein acquired from time to time by the Partnership in connection with the development of the Property;

"Proportionate Interest" of any amount at any time, means a fraction equal to the number of LP Units of which a Limited Partner is the registered holder at that time, divided by the total number of issued and outstanding LP Units at that time;

"Proposed Amendments" means all specific proposals to amend the Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof;

"pro rata share" of any particular amount in respect of a Trust Unitholder at any time shall be the product obtained by multiplying the number of Trust Units that are outstanding and owned by that Trust Unitholder at such time by the amount obtained when the particular amount is divided by the total number of all Trust Units that are issued and outstanding at that time;

"Qualified Person" means a person in respect of whom, if such person were to become a Limited Partner, the representations of such person contained in the Partnership Agreement would be true;

"Redemption Date" means the last Business day of any calendar quarter end upon which a Unit is redeemable;

"Redemption Notes" means the promissory notes issued by an Issuer to Trust Unitholders or Limited Partners as payment for the Redemption Price for the Trust Units or LP Units in the circumstances where Trust Units or LP Units are not redeemed for cash; and such Redemption Notes shall be subject to the following terms and conditions:

- (a) unsecured and bearing interest from and including the issue date of each such note at a market rate determined at the time of issuance by the Trustee or General partners, as the case may be, based on the advice of an independent financial advisor, and payable annually in arrears;
- (b) subordinated and postponed to all senior indebtedness and which may be subject to specific subordination and postponement agreements to be entered into by the Issuer pursuant to the note indenture with holders of senior indebtedness;

- (c) ranking pari passu with all unsecured indebtedness of the Issuer;
- (d) subject to earlier prepayment, being due and payable on or prior to four years after January 31, 2016; and
- (e) subject to such other standard terms and conditions as would be included in a note indenture for promissory notes of this kind, as may be approved by the Trustee or General Partner, as applicable.

"Redemption Price" means the amount payable pursuant to a redemption of Unit(s) by an Issuer to a holder of Unit(s) equal to the lesser of:

- (a) 95% of the Net Capital Contribution of such Unit(s), until December 31 of the year in which the Final Closing takes place;
- (b) 97.5% of the Net Capital Contribution of such Unit(s), until December 31 in the year following the year in which the Final Closing takes place; and
- (c) 100% thereafter,

less a redemption fee of \$200;

"Regehr Parties" means the General partner, any Affiliates and subcontractors of the General partner, BKR, 1027110, and any directors, officers, employees and individual shareholders of the foregoing, and **"Regehr Party"** means any one of them;

"Registered Owners" means collectively, WKGD One, WKGD Two and WKGD Three, who together are registered to title as the legal owners of the Property;

"Second Mortgage" means the second mortgage registered on title of the Property under charge number CA308566 registered in the name of 1027110 beneficially for certain of its creditors, which secures the principal amount of up to \$8,500,000, of which approximately \$7,619,130 is owing, and all of which is the sole liability and responsibility of 1027110;

"Securities Act" means the Securities Act (British Columbia), as amended from time to time, together with all regulations, rules, policy statements, rulings, notices, orders or other instruments promulgated thereunder;

"Selling Agent" means any person, entity or firm retained by any of the Issuers to promote the sale of Units by way of private placement or otherwise;

"Selling Commissions" means the commissions of up to 10% (inclusive of the Trailer Fees) of the Gross Proceeds from the sale of the Trust Units or LP Units pursuant to the Offerings payable to the parties who sell the Trust Units and/or LP Units (as applicable), and who are entitled to receive such commissions under applicable securities laws (see *"Item 9 – Compensation Paid to Sellers and Finders"*);

"Special Resolution" means:

(a) in respect of the Trust:

- (i) a resolution passed by the affirmative votes of such number of the Trust Unitholders entitled to vote on the resolution, attending in person or by proxy, holding in the aggregate not less than 66-2/3% of the Trust Units of such Trust Unitholders, at a duly convened meeting of the Trust Unitholders or any adjournment thereof; or
- (ii) a written resolution signed in one or more counterparts by Trust Unitholders (or their lawful attorney) holding, in the aggregate, not less than 66-2/3% of the Trust Units then outstanding, notice of which has been given to all Trust Unitholders;

(b) in respect of the Partnership:

- (i) a resolution passed by the affirmative votes of such number of the Partners entitled to vote on the resolution, attending in person or by proxy, holding in the aggregate not less than 75% of the Units of such Partners, at a duly convened meeting of the Partners or any adjournment thereof; or
- (ii) a written resolution signed in one or more counterparts by Partners (or their lawful attorney) holding, in the aggregate, not less than 75% of the Units then outstanding, notice of which has been given to all Partners;

"Subscription Agreement" means a subscription agreement to be executed and delivered by each investor providing for the purchase by such investor of Trust Units or LP Units (as elected by the investor), in the form attached hereto as Schedule "A";

"Subscription Price" means the amount of \$1.00 per Unit to be contributed to the capital of the Trust or the Partnership, as the case may be, as consideration for the issuance of that Unit;

"subsidiary" has the meaning ascribed thereto in the Securities Act;

"Tax Act" means the Income Tax Act (Canada) and the regulations made thereunder, as amended from time to time;

"Trailer Fee" means a fee (included in the 10% Selling Commissions) realized on the sale of Trust Units or LP Units by the EMD, dealer or dealing representative for Trust Units or LP Units outstanding after the second year of such Unit holder's subscription payable by the Trust or the Partnership (as applicable) to such dealer;

"Transfer Agent" means such Person(s) as may from time to time be appointed by the Trust to act as registrar and transfer agent of the Trust Units and by the Partnership to act as registrar and transfer agent of the LP Units, together with any sub-transfer agent duly appointed by the Transfer Agent, who is currently Boughton Law Corporation, a law firm located at Suite 700 – 595 Burrard Street, Vancouver, British Columbia, V7X 1S8;

"Trust" means the WestStone (Innovation) Trust, a trust constituted by the Declaration of Trust, as the same may be amended, supplemented or restated from time to time;

"Trust Offering" means the private placement of Trust Units by the Trust under this Offering Memorandum;

"Trust Property", at any time, shall mean the Permitted Investments that are at such time held by the Trustee for the benefit of the Trust Unitholders and for the purposes of the Trust under the Declaration of Trust;

"Trust Unit" means a Class "A" unit of the Trust, which represents an interest in the Trust, as provided for in the Declaration of Trust, and has the rights, privileges, restrictions and conditions set forth in the Declaration of Trust, and shall not include fractional Trust Units (see *"Item 7 – Description of Units"*);

"Trust Unitholders" means, at any time, the Persons who are holders of record at that time of one or more Trust Units, as shown on the registers of such holders maintained by the Transfer Agent on behalf of the Trust;

"Trust Unit Redemption Price" has the meaning ascribed thereto under *"Item 4.1—Declaration of Trust"*;

"Trustee" means the trustee of the Trust at that time, so long as such Person remains as trustee, which is currently 1008184 B.C. Ltd.;

"Unanimous Resolution" means:

(a) in respect of the Trust:

- (i) a resolution passed by the affirmative votes of such number of the Trust Unitholders entitled to vote on the resolution, attending in person or by proxy, holding in the aggregate not less than 100% of the Trust Units of such Trust Unitholders, at a duly convened meeting of the Trust Unitholders or any adjournment thereof; or
- (ii) a written resolution signed in one or more counterparts by Trust Unitholders (or their lawful attorney) holding, in the aggregate, not less than 100% of the Trust Units then outstanding, notice of which has been given to all Trust Unitholders;

(b) in respect of the Partnership:

- (i) a resolution passed by the affirmative votes of such number of the Partners entitled to vote on the resolution, attending in person or by proxy, holding in the aggregate not less than 100% of the Units of such Partners, at a duly convened meeting of the Partners or any adjournment thereof; or
- (ii) a written resolution signed in one or more counterparts by Partners (or their lawful attorney) holding, in the aggregate, not less than 75% of the Units then outstanding, notice of which has been given to all Partners;

"Unit" means a Trust Unit or a LP Unit, and "Units" means Trust Units and/or LP Units;

"Unit Certificate" means a certificate evidencing one or more Trust Units or LP Units (as applicable), issued and certified in accordance with the provisions of the Declaration of Trust or the Partnership Agreement, as applicable;

"WestStone Group" means the WestStone Group of companies, which includes, among other entities, for purposes of this Offering Memorandum, the General Partner, BKR, 1027110 and the Registered Owners entities, as more particularly described under "*Item 2 Business of the Fund – Structure*";

"WKGD One" means WestStone One King George Developments Ltd.;

"WKGD Two" means WestStone Two King George Developments Ltd.;

"WKGD Three" means WestStone Three King George Developments Ltd.; and

"\$" means Canadian dollars.

ITEM 1: USE OF AVAILABLE FUNDS

1.1 Funds

	Assuming Maximum Offering
A. Amount to be Raised by the Offerings ⁽¹⁾	\$10,038,958
B. Selling Commissions and Fees ⁽²⁾	\$1,606,233
C. Estimated Offering Costs ⁽³⁾	\$85,000
D. Available Funds (D = A – (B + C))	\$8,247,725
E. Additional sources of funding required ⁽⁴⁾	\$2,600,000
F. Working capital deficiency (surplus) ⁽⁵⁾	(\$4,396,484)
G. Total: G = (D+E) – F	\$15,344,208

- (1) As of April 30, 2018, the Issuers have raised aggregate gross proceeds of \$24,961,042 under prior offerings of Units by the Issuers. So, assuming the Issuers complete the \$10,038,958 Maximum Offering, the Issuers will have raised total aggregate gross proceeds of \$35,000,000.
- (2) The Units will be offered for sale by Capital Street and such other registered dealers as may be appointed from time to time, which agents for the Issuers will be paid the Selling Commissions. The maximum commission payable to such agents will be an up to 10% Selling Commission of the Gross Proceeds of the Units sold by such agents (which includes the Trailer Fees), up to 3% Marketing Fee and up to 3% Administrative Fee. See “*Item 9 - Compensation paid to Sellers and Finders*”.
- (3) All expenses, fees and Selling Commissions related to the Offering will be borne by the Partnership pursuant to the terms of the Funding Agreement. The estimated costs of the Offerings disclosed above are the aggregate of the costs estimated to be associated with the Trust Offering and the Partnership Offering.
- (4) Professionals and consultants have been engaged for development of the Property with the WestStone Group (see “*Item 2.2 - Our Business*”). The Partnership may require additional Financing to participate in the development of the Property (see “*Item 2.6 - Insufficient Funds*”) and the amount of additional funding required will depend on numerous factors and future conditions including the Gross Proceeds raised by the Offerings. As this is an ongoing development of the Property, the development manager (BKR) will propose the needs to secure additional financing from independent sources of which an additional \$2,600,000 is part thereof, which will be borrowed from arm's length commercial lenders on terms similar to the First Mortgage for use together with other available funds as set forth in Item 1.2, below.
- (5) As of April 30, 2018, the Trust and the Partnership had a working capital deficiency of \$3,605,401, which includes the Partnership's 58.7% share of the First Mortgage totalling \$8,162,941 including principal and interest as at April 30, 2018. This mortgage liability amount was included in the working capital calculation because it is due July 1, 2018, but the Co-Owners are currently in the process of refinancing on comparable terms and the Issuers are confident that the First Mortgage will be refinanced on similarly commercially reasonable terms prior to the First Mortgage's due date (or any extension thereof) for a new principal amount of up to \$20 million subject to such other refinancing or additional amount as may be necessary for the financial viability of the development project. Accordingly, once the mortgage liabilities are excluded from the current portion of the working capital then there is a working capital surplus of \$4,396,484. The working capital was calculated as the current assets less current liabilities. The current assets were determined as at April 30, 2018 as the \$20 cash, \$129,123 cash in trust (from Unit holder's subscriptions prior to January 1, 2018), \$117,876 accounts receivable, and \$2,514,355 due from a related party (1027110) plus the \$1,808,859 net proceeds realized by the sale of 2,153,403 Units from January 1, 2018 to February 7, 2018 (there have been no issuances since then). The sale of 2,153,403 Units resulted in gross proceeds of \$2,153,403 less \$344,544 in commissions, fees and expenses for net proceeds of \$1,808,859. The current liabilities excluded amounts due to related parties as at April 30, 2018 comprised of \$356,073 due to the General Partner for its Management Fees and \$1,612,758 due to BKR for its Property development expenses plus \$50,000 per month developer's fees under the Pre-Development Agreement, which amounts were excluded as both the General Partner and BKR have agreed to the subordination to other creditors and the Limited Partners and to the postponement of payment until after the earlier of the sale or refinance of the Property; wherein the amount due to BKR pursuant to the Pre-Construction Agreement in connection with its expenses for the development of the Property and its monthly developer's fees shall be paid together with Management Fees due to the General Partner upon completion of a refinancing of the Property.

1.2 Use of Available Funds

The Trust will use the Gross Proceeds from the sale of Trust Units to purchase LP Units of the Partnership. The Partnership will pay the costs and fees of the Offerings set out in “*Item 1.1 – Available Funds*” above for both the Trust and the Partnership.

The Partnership will use the Available Funds as follows:

Description of intended use of available funds listed in order of priority	Assuming Maximum Offering
Acquisition of beneficial interest in the Property ⁽¹⁾	\$9,500,000
Remaining development costs to obtain a development permit and register the subdivision ⁽²⁾	\$1,472,355
Relocate stream and provide site servicing ⁽²⁾	\$883,000
Management fees to the General Partner ⁽³⁾	\$367,500
Developer's fees & expenses payable under Pre-Development Agreement ⁽⁴⁾	\$1,962,758
Reserve for distribution of preferred annual return on Contributed Capital to Unit holders ⁽⁵⁾	\$924,513
Working capital ⁽⁶⁾	\$234,082
Total	\$15,344,208

- (1) Pursuant to the Earn-In Agreement, the Partnership acquired the option to acquire up to 100% beneficial ownership of the Property for an aggregate total purchase price of \$23,000,000, in one or more acquisitions in increments of \$100,000 for every 1/230th (0.434%) of the Property from 1027110, which is a related party to the Issuers beneficially owned or controlled 80% by Brian Reghr, 10% by David Siebenga and 10% by Robert Dominick. As of May 28, 2018, the Partnership has already acquired 58.70% beneficial ownership in the Property for an aggregate purchase price of \$13,500,000 under the Earn-In Agreement. Accordingly, the Partnership may acquire remaining ownership of the Property up to 100% beneficial ownership of the Property for the remaining \$9,500,000 purchase price. The Partnership intends to use the net proceeds from the Offering to acquire up to 100% beneficial ownership of the Property in one or more acquisitions in increments of \$100,000 for every 1/230th (0.434%) of the Property.
- (2) These development costs are payable under the Co-Ownership Agreement, pro-rata by the co-owners of the Property in proportion to their respective percentage of beneficial ownership of the Property. The Partnership currently only owns 58.70% of the Property, but this amount assumes that the Partnership immediately completes the maximum Offering and acquires the remaining beneficial interest in the Property and is then responsible for 100% of the development costs for the Property, of which an estimated \$1,472,355 remains.
- (3) The General Partner is entitled to a 1.8% annual management fee (calculated on the total aggregate amount of cumulative capital contributions) plus the carried interest, and reimbursement for its expenses under the Partnership Agreement. During the year ended December 31, 2017 and the period from January 1, to April 30, 2018, the Partnership incurred \$367,500 in management fees, which have been subordinated and postponed, which includes the \$50,000 paid to a company controlled by Mr. Dominick in respect of his consulting services as described in note #6 below. Assuming that the Maximum Offering was completed immediately as of the date of this Offering Memorandum and that the General Partner continued to manage the Partnership through until the end of the 2018 fiscal year, then the management fees would be as much as \$367,500, although this has also been subordinated and postponed as described in note 4, below. The General Partner is a related party to the Issuers and is beneficially owned or controlled 80% by Brian Reghr, 10% by David Siebenga and 10% by Robert Dominick.
- (4) As the Partnership has acquired an aggregate 58.70% beneficial ownership interest in the Property, it is responsible for its corresponding share of the \$50,000 per month developer's fees payable to BKR under the Pre-Development Agreement and BKR is a related party as it is owned or controlled by Brian Reghr. BKR is affiliated with all of the entities of the WestStone Group that are involved in the Offerings and is responsible for administration and development of the Innovation Development under the Pre-Development Agreement. This \$1,962,758 includes the amount currently due to BKR for its past expenses incurred from third parties on behalf of the development and for its \$50,000 monthly developer's fee as well as a projected \$350,000 amount assuming that the Partnership immediately completes the maximum Offering and acquires the remaining beneficial interest in the Property and is then responsible for 100% of this developer's fee for the remaining 7 months of 2018, although this has also been subordinated and postponed as described in note 5 of Item 1.1, above. Both the General Partner and BKR have agreed to the subordination to other creditors and the Limited Partners and to the postponement of payment until after the earlier of the sale or refinance of the Property; wherein the amount due to BKR pursuant to the Pre-Construction Agreement in connection with its expenses for the development of the Property and its monthly developer's fees shall be paid together with Management Fees due to the General Partner upon completion of a refinancing of the Property.
- (5) The Issuers intend to distribute one-third of the 9% cumulative annual Preferred Return to the Unitholders each calendar year.
- (6) Assuming completion of the maximum Offering, the Partnership will have additional working capital as stated herein. Consulting fees of \$120,000 were paid to a company owned by the General Partner's Chief Financial Officer, Robert Dominick during the year ended December 31, 2016 which were not originally anticipated because of additional unanticipated controller and administrative services provided by Mr. Dominick. An additional \$50,000 of consulting fees were similarly paid to a company controlled by Mr. Dominick during the year ended December 31, 2017, and the General Partner has agreed to pay (out of its management fees received from the Partnership) to Mr. Dominick for any such services on or after January 1, 2017. The Partnership believes it will have sufficient funds to carry out its stated business objectives, but in the unanticipated event that the Partnership does not have sufficient funds for its share of the developer's fee and development expenses, 1027110 will finance the Partnership's share at an interest rate of 5% per annum due upon sale or refinancing of the Property.

1.3 Reallocation

The Issuers intends to spend the Available Funds as stated. The Issuers will reallocate funds only for sound business reasons.

1.4 Working Capital Deficiency

As of April 30, 2018, the Issuers have a working capital deficiency of \$3,605,401 including \$8,162,941 owing under the First Mortgage which is due July 1, 2018. The Issuers are making arrangements for, and expect that the First Mortgage will be refinanced on similarly commercially reasonable terms prior to the First Mortgage's due date (or any extension thereof) for a new principal amount of up to \$20 million subject to such other refinancing or additional amount as may be necessary for the financial viability of the development project. Consequently, the Issuers have a working capital surplus of effectively \$4,396,484 upon excluding the amount of the First Mortgage from the current liabilities.

1.5 Reconciliation of Prior and Current Use of Proceeds

The following table sets out a comparison and reconciliation of the previous use of proceeds as compared to the actual and current proposed used of proceeds.

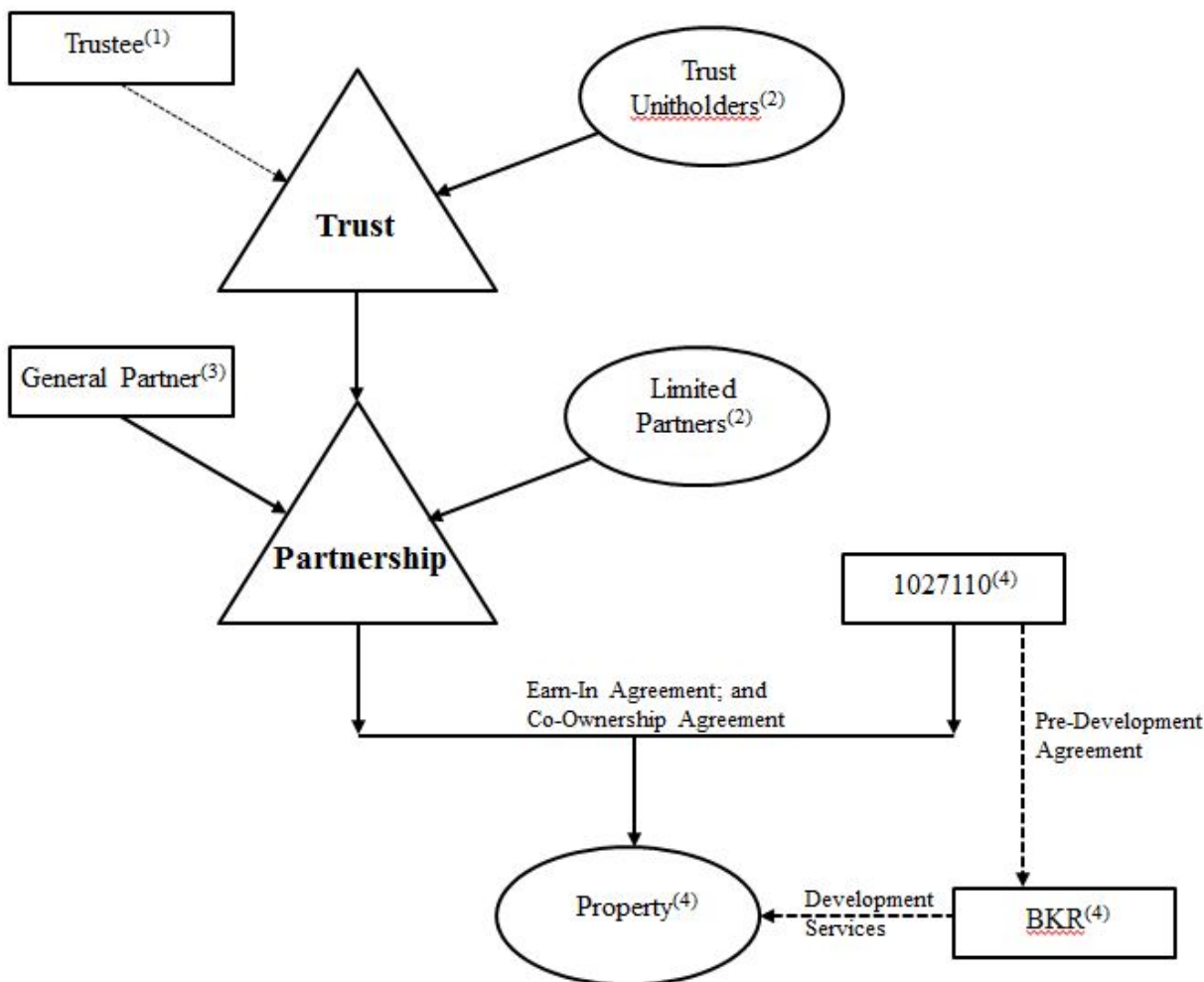
	Previous Original [1]	Actual to Date [2]	Current/ Proposed [3]	Combined Actual and Proposed	Difference b/w Original and Combined Actual
Gross proceeds from Maximum Offerings	\$35,000,000	\$24,961,042	\$10,038,958	\$35,000,000	Nil
Selling Commissions and Fees	\$5,600,000	\$3,993,767	\$1,606,233	\$5,600,000	Nil
Offering Costs [4]	\$185,000	\$165,179	\$85,000	\$250,179	\$65,179
Net Proceeds [4]	\$29,215,000	\$20,802,096	\$8,347,725	\$29,149,821	(\$65,179)
Additional Debt Financing [5]	\$0	\$0	\$2,600,000	\$2,600,000	\$2,600,000
Working Capital Deficiency (Surplus) [6]	\$0	(\$4,396,484)	(\$4,396,484)	(\$4,396,484)	(\$4,396,484)
Total Available Funds	\$29,215,000	\$20,802,096	\$15,344,209	\$36,146,305	\$6,931,305
Property Acquisition	\$23,000,000	\$13,500,000	\$9,500,000	\$23,000,000	Nil
Creek relocation [7]	\$900,000	\$0	\$883,000	\$883,000	(\$17,000)
Development costs for permit and subdivision [8]	\$2,550,000	\$1,077,645	\$1,472,355	\$2,550,000	Nil
Management Fees [8]	\$544,236	\$500,229	\$367,500	\$867,729	\$323,493
Developer's fees [8]	\$500,000	\$270,450	\$350,000	\$620,450	\$120,450
Reserve for distribution to Unitholders of annual Preferred Return [9]	\$907,000	\$459,195	\$924,513	\$1,383,708	\$476,708
Working Capital [10]	\$813,764	\$598,093	\$234,082	\$234,082	(\$579,682)

Notes:

- These original estimated amounts were first disclosed in the Issuers' offering memorandum dated March 4, 2016 and updated in its subsequent offering memorandum dated February 28, 2017.
- The "Actual to Date" are the amounts actually spent or accrued as recorded in the Issuers' most recent audited financial statements for the year ended December 31, 2017 as updated for the additional subsequent period from January 1 to April 30, 2018. Accordingly, this is current to April 30, 2018.
- The "Current/Proposed" amounts are those amounts as estimated or proposed in this offering memorandum, as set forth in Items 1.1 and 1.2 above.
- The anticipated Offering Costs and consequently, the Net Proceeds, increased slightly by \$65,179 due to delays with the development permit associated with delays to the creek relocation.
- The Issuers determined that they will intend to obtain approximately an additional \$1,000,000 debt financing for the Property development, which they expect to obtain under terms similar to the First Mortgage.
- The Issuers have incurred a working capital surplus resulting from changes in their percentage beneficial ownership of the Property and sharing of expenses under the Co-Ownership Agreement. See Item 1.4—Working Capital Deficiency, above.
- The estimated costs for relocation of the creek has reduced slightly, by \$17,000.
- Estimated Management Fees and Developer's fees amounts have increased slightly due to the longer than expected Property development timing. The current liabilities excluded amounts due to related parties as at April 30, 2018 comprised of \$356,073 due to the General Partner for its Management Fees and \$1,612,758 due to BKR for its Property development expenses plus \$50,000 per month developer's fees under the Pre-Development Agreement, which amounts were excluded as both the General Partner and BKR have agreed to the subordination to other creditors and the Limited Partners and to the postponement of payment until after the earlier of the sale or refinance of the Property; wherein the amount due to BKR pursuant to the Pre-Construction Agreement in connection with its expenses for the development of the Property and its monthly developer's fees shall be paid together with Management Fees due to the General Partner upon completion of a refinancing of the Property.
- The reserves for distribution to Unitholders of the annual Preferred Return have also similarly increased slightly because the longer than expected Property development timing.
- Due to increases in other areas due to the longer than expected Property development timing, the unallocated portions of the working capital have been reduced and reallocated to other areas that required additional funds.

ITEM 2: STRUCTURE OF THE ISSUERS

2.1 Structure of the Issuers



Notes:

1. 1008184 B.C. Ltd. is the Trustee of the Trust.
2. Investors under the Trust Offering will be Trust Unitholders and investors under the Partnership Offering will be Limited Partners. All of the Gross Proceeds of the Trust Offering will be used to acquire LP Units from the Partnership, and the net proceeds described as the Available Funds above (see ***“Item 1 – Use of Available Funds”***) will be used to acquire the Property. Under the Funding Agreement, the Partnership has agreed to pay all expenses of the Trust in consideration for the Trust investing all of its gross proceeds into the Partnership.
3. WestStone (Innovation) GP Ltd. is the General Partner of the Partnership.
4. The Partnership has acquired from 1027110, a 58.70% beneficial ownership interest in the 5.1 acre real estate development Property located at 9525 King George Boulevard, Surrey, British Columbia, pursuant to the Earn-In Agreement, and intends to acquire the remaining beneficial ownership interests in the Property pursuant to the Earn-In Agreement; and under the earn-In Agreement, all ownership and development of the Property is governed by the Co-Ownership Agreement while the Partnership owns less than 100% beneficial interest in the Property. Under the Co-Ownership Agreement, 1027110 is responsible for the management and development of the Property with development services provided through BKR under the Pre-Development Agreement.

2.2 The Trust and Trustee

The Trust is an unincorporated, open-ended, limited purpose trust formed under the laws of the Province of British Columbia, formed as of January 31, 2016 pursuant to the Declaration of Trust, made between 1008184 BC Ltd. (the “**Trustee**”), as trustee, and 1027110 BC Ltd. as the initial Trust Unitholder, and governed by the laws of the Province of British Columbia and the federal laws of Canada applicable therein. The principal place of business of the Trust is Surrey, British Columbia, Canada and the registered office of the Trust is located at Suite 700 – 595 Burrard Street, Vancouver, British Columbia, V7X 1S8. A copy of the Declaration of Trust is available upon request at the registered offices of the Issuers.

The beneficial interests of the Trust are divided into four classes of units, as Class “A”, Class “B”, Class “C”, and Class “D” units, which are entitled to the rights and subject to the limitations, restrictions and conditions set out in the Declaration of Trust, including the right to vote and to participate pro rata in any distributions from the Trust. Each class of units has identical rights, restrictions and conditions. Each such unit of the Trust is without nominal or par value, entitles the holder thereof to one vote at all meetings of Trust Unitholders, entitles the holder thereof to the pro rata right to receive distribution and participate pro rata upon dissolution or liquidation, and entitles the holder to the right of redemption under the terms and conditions set forth in the Declaration of Trust.

The Trust is authorized to issue an unlimited number of any class of units. In order to establish the Trust, one Class “A” unit (the “**Initial Trust Unit**”) was issued for cash of \$1.00 on January 31, 2016. Under the Trust Offering, the Trust is offering for sale a maximum of up to 10,038,958 Class “A” units (the “**Trust Units**”) at a price of \$1.00 per Trust Unit for Gross Proceeds of \$10,038,958.

The Trust has only issued Class “A” units of the Trust and does not anticipate issuing any other class of units, and if it were to issue any such other class of units, those units would have no different rights and restrictions than any other class, other than additional potential contractual restrictions in favour of the Trust.

The Trustee, 1008184 BC Ltd., is a corporation existing pursuant to the laws of British Columbia owned directly or indirectly by the Principals, with Mr. Kendall Friesen as the sole director and officer, having its registered office located at Suite 700 – 595 Burrard Street, Vancouver, British Columbia, V7X 1S8. In particular, the Trustee is owned 80% by the Regehr Family (2014) Trust (controlled by Brian Regehr), 10% by Robert Dominick Consulting Inc. (owned or controlled by Robert Dominick), and 10% by Strategic Gateways Corporation (owned or controlled by David Siebenga). See “**Item 5 – Directors, Management, Promoters and Principal Holders**”.

As trustee of the Trust, the Trustee has the full authority and responsibility to manage the business and affairs of the Trust. Upon each Closing under the Trust Offering (which does not include the Initial Trust Unit), the Trust will use the entire Gross Proceeds raised from the issuance of Trust Units to acquire LP Units of the Partnership. All expenses of the Trust Offering and the Partnership Offering will be borne by the Partnership pursuant to the Funding Agreement. Likewise, all distributions received by the Trust from the Partnership shall, in turn, be forthwith distributed pro rata to the Trust Unitholders.

As trustee of the Trust, responsible for management of the Trust, the Trustee may delegate certain of these duties from time to time.

2.3 Partnership

The Partnership is a limited partnership established under the laws of the Province of British Columbia on January 29, 2016. It was registered under the Partnership Act on January 29, 2016 in British Columbia upon filing of the Certificate of Limited Partnership. The Partnership is governed by the Partnership Agreement and is subject to the provisions of the Partnership Act. The Partnership was established to acquire up to a 100% interest in the real estate Property pursuant to the Earn-in Agreement and participate in the real estate development of the Property in collaboration with 1027110, a member of the WestStone Group, and any other Co-Owners, as described in more detail under “**Item 3.2 – Business of the Partnership**” and “**Item 4 – Material Agreements**”.

The limited partners of the Partnership are the Trust and other Limited partners that acquire LP Units under the Partnership Offering or otherwise from time to time.

The Partnership’s head office is located at Suite 700, 595 Burrard Street, Vancouver, British Columbia, V7X 1S8.

2.4 Management of the Partnership – General Partner

The General Partner was incorporated on April 2, 2015 under the British Columbia *Business Corporations Act*. The General Partner is owned and controlled by the Principals, 80% by the Regehr Family (2014) Trust (controlled by Brian Regehr), 10% by Robert Dominick Consulting Inc. (owned or controlled by Robert Dominick), and 10% by Strategic Gateways Corporation (owned or controlled by David Siebenga). See ***“Item 5 – Directors, Management, Promoters and Principal Holders”***. The General Partner’s sole business is to manage the business of the Partnership. The General Partner will not engage in any business other than acting as General Partner of the Partnership. The General Partner is entitled to a Management Fee under the Partnership Agreement, but has agreed to the subordination to other creditors and the Limited Partners and to the postponement of payment until after the earlier of the sale or refinance of the Property.

The General Partner has, to the exclusion of the Limited Partners, the sole power and exclusive authority to manage the business and affairs of the Partnership, to make all decisions regarding the business of the Partnership and to bind the Partnership. The General Partner is to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Limited Partners and the Partnership and the General Partner shall, in discharging its duties, exercise the degree of care, the diligence and the skill that a reasonably prudent manager of a partnership would exercise in similar circumstances. The General Partner will oversee, administer and manage the Partnership and its investment in the Property and the development of the Property; however, pursuant to the terms of the Partnership Agreement, the General Partner may delegate its duties in this regard, including to Affiliates of the General Partner, without the approval of the Limited Partners.

Certain restrictions are imposed on the General Partner and certain actions may not be taken by it without approval of the Limited Partners by Special Resolution. The General Partner cannot dissolve the Partnership or wind-up its affairs except in accordance with the provisions of the Partnership Agreement. See ***“Item 4 – Material Agreements”***.

Pursuant to the General Partner’s constituting documents, articles and the BCA, any resolution of the directors of the General partner must be passed: (i) at a meeting of the directors of the General partner, by a majority of the directors entitled to vote on that resolution at such meeting; (ii) in writing by all the directors entitled to vote on that resolution at a meeting. Currently, the board of directors is comprised of Brian Regehr, David Siebenga, and Robert Dominick. See ***“Item 5 – Directors, Promoters and Principal Holders”***.

2.5 Selling Agents

The General Partner will pay Selling Commissions to the Selling Agents of up to 10% (inclusive of Trailer Fees). See ***“Item 9 - Compensation paid to Sellers and Finders”***. A further Marketing Fee of up to 3% of the Gross Proceeds may be payable in respect of the Offerings to parties providing marketing services on behalf of the Issuers in respect of the Offerings, as well as an Administrative Fee of up to 3% of the Gross Proceeds to arm’s length third parties of the Issuers for administrative services in respect of the Offerings.

Certain principals of the Selling Agent(s) may be the same as the General Partner. See ***“Item 10 Risk Factors – Conflicts of Interest; Relationship Between the Fund, the General Partner and Potential Conflicts of Interest”***. In the event that a Selling Agent directly or indirectly introduces a party who thereafter invests in an Issuer, that Selling Agent or its principal will be entitled to a Selling Commissions of up to 10%, as noted above.

2.6 Auditors

Smythe LLP are the independent auditors of the Issuers. As Auditors, Smythe LLP provides assurance that the Issuers’ annual financial statements present fairly, in all material respects, its financial position, financial performance and its cash flows in accordance with International Financial Reporting Standards. Smythe LLP is independent of the Issuers, in accordance with the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

ITEM 3: BUSINESS OF THE ISSUERS

3.1 Business of the Trust

The Trust's primary purpose and sole business is to acquire LP Units in the Partnership, with the objective of generating returns to Trust Unitholders. Upon each Closing under the Trust Offering, the Trust will use the entire Gross Proceeds raised from the issuance of Trust Units to acquire LP Units of the Partnership. All expenses of the Trust Offering and the Partnership Offering will be borne by the Partnership pursuant to the Funding Agreement.

In effect, the Trust allows investors to invest through Deferred Plans indirectly into the Partnership (see "*Item 8.2—Eligibility for Investment in Trust Units by Deferred Plans*"). Consequently, investors that purchase Trust Units should also review this Offering Memorandum with respect to the Partnership.

3.2 Business of the Partnership

Summary

The Partnership was formed to generate returns for its Partners by acquiring the Property and participating in the real estate development, leasing and sales of the Property. The General Partner believes that the Property is strategically located and that the Partnership will benefit from the proposed pre-development and development activities for the Property.

Currently the Property is legally owned by WKGD One, WKGD Two, and WKGD Three to facilitate a 3 lot subdivision further described below. All of WKGD One, WKGD Two, and WKGD Three have pledged all of the beneficial ownership in the Property to 1027110 (41.30%) and the Partnership (58.70%) pursuant to a Declaration of Bare Trust Agreement. Currently, title to the Property is subject to two mortgages registered against it: (i) the First Mortgage registered in the name of West Lakeside Capital Co., Limited ("**West Lakeside**") in the principal amount of up to CAD\$17,000,000 of which a principal amount balance of US\$10,620,000 (approximately CAD\$13,567,050) is currently outstanding; and (ii) the Second Mortgage in the principal amount of CAD\$8,500,000 is registered in the name of 1027110 of which CAD\$7,619,130 is currently outstanding. Each of the Partnership and 1027110 are liable and responsible for the First Mortgage in proportion to their respective beneficial ownership amounts, but the Second Mortgage is the sole liability and responsibility of 1027110 and shall be removed from title of the Property in connection with the Partnership's acquisition of the remaining ownership interests in the Property. Prior written consent of the First Mortgage holder, West Lakeside, is required for any payment under the Second Mortgage to be made prior to repayment of the First Mortgage. The current First Mortgage is due July 1, 2018, but the Co-Owners are currently in the process of refinancing on comparable terms and the Issuers are confident that the First Mortgage will be refinanced on similarly commercially reasonable terms prior to the First Mortgage's due date (or any extension thereof) for a new principal amount of up to \$20 million subject to such other refinancing or additional amount as may be necessary for the financial viability of the development project.

Up to the date of this Offering Memorandum, the WestStone Group has undertaken the development of the Property, funding it with its own and other resources which are secured by way of the Second Mortgage. The Second Mortgage provides that 1027110 may assign part of the Second Mortgage and terms and conditions it sees fit.

Under the Earn-In Agreement, the Partnership obtained the option at any time until March 31, 2019 to acquire, in one or more acquisitions, from 1027110 up to a 100% beneficial interest in the Property (the "**Acquired Interest**") for a total aggregate purchase price of \$23,000,000, which may be acquired in one or more closings in increments of \$100,000 or 1/230th (0.434%) beneficial interest in the Property (the "**Acquired Property**") for every \$100,000 of purchase price paid.

On January 30, 2017, the Partnership acquired a 21.74% beneficial ownership interest as its first beneficial ownership interest in the Property from 1027110 under the Earn-In Agreement by payment of a \$5 million purchase price (\$5 million divided by \$23 million = 21.74%), and in so doing the Partnership and 1027110 became co-owners of the Property, and their respective rights and obligations of such co-ownership and development of the Property are now governed pursuant to the terms of a co-ownership agreement between 1027110 and the Partnership dated January 29, 2016 (the "**Co-Ownership Agreement**"). Subsequently, the Partnership increased its beneficial ownership interest in the Property to 58.70% through additional acquisitions of 33.48% on October 31, 2017 and 3.49% on December 31, 2017 with payments of \$7,700,000 and \$800,000, respectively, to 1027110 under the Earn-

In Agreement. Under the Co-Ownership Agreement, each of 1027110 and the Partnership are responsible for their respective pro rata share of expenses and are entitled to their respective pro rata share of income less the expenses for the ownership and development of the Property.

In particular, the development of the Property under the Co-Ownership Agreement is further governed by a pre-development agreement between 1027110 and BKR Construction Ltd. ("**BKR**") dated January 29, 2016 (the "**Pre-Development Agreement**"). Under the Pre-Development Agreement, BKR is entitled to be reimbursed for its development expenses as well as a developer's fee of \$50,000 per month plus applicable goods and services taxes. Once the Partnership acquires 100% beneficial ownership of the Property, the Partnership will become a party to and will assume all rights and obligations of 1027110 under the Pre-Development Agreement, although 1027110 will also remain liable for any obligations that have accrued to it under the agreement. As on January 30, 2017, the Partnership has become responsible for its 58.70% share of the \$50,000 per month development fee and other development expenses under the Co-Ownership Agreement and Pre-Development Agreement. In the event that the Partnership does not have sufficient funds for its share of the developer's fee and development expenses, 1027110 will finance the Partnership's share at an interest rate of 5% per annum due upon sale or refinancing of the Property. BKR has also agreed to the subordination to other creditors and the Limited Partners and to the postponement of payment until after the earlier of the sale or refinance of the Property.

WestStone and BKR have been pursuing development of the Property such that it can legally be subdivided into up to 3 commercial building lots. At the time of subdivision, presuming it results into 3 commercial lots further outlined below as Innovation I, Innovation II and Innovation III. WKGD One, will become the registered owner of one lot, WKGD Two, will become the registered owner of a second lot and WKGD Three will become the registered owner of a third lot. If less than 3 lots are created, then WKGD One and WKGD Two will own one lot and WKGD Three will own the other lot. In December 2016, the City of Surrey passed its third reading approval of re-zoning development of the Property to re-zone into the three commercial lots as contemplated above. The developer, the Weststone Group, is moving forward with its application process with the City of Surrey for the final fourth reading to formally obtain the final development permit for the Property at which time the building permit drawings will be used for development and construction.

During summer 2017, the developer experienced a delay in obtaining fourth reading due to changes in the approach taken by the Canada Department of Fisheries and Oceans (the "**DFO**") to the relocation of a stream through the Property called Quibble Creek. Due to the 1.2 million hectares of forest fires throughout the Province in British Columbia and the declared state of emergency, final approval of the creek relocation drawings was delayed by DFO. Subsequently, the bylaw requirements for slope and setbacks were modified. Accordingly, the developer has revised the relocation of the watercourse along the northern perimeter of the Property which maximizes the benefit for fish habitat for the Quibble Creek. The Issuers anticipate relocation of the creek to be completed by approximately the end of October, 2018. In addition, the developer also intends to explore the opportunity to take advantage of positive feedback from the City of Surrey for higher density construction and increased building height prior to fourth reading.

In early 2017, the Surrey City Council approved an updated City Center Plan and noted therein that for the area around the Surrey Memorial Hospital, it is emerging as the "Medical District," which will be mainly made up of medical and related technology office uses that support the hospital and accordingly the City would consider permitted a Mixed Use Medium Density (3.5 FAR) with Medium scale mixed-use density in this area. As the current project profile was so far approved on a 2.5 FAR density, the developer also intends to explore the opportunity to take advantage of this and positive feedback from the City of Surrey for higher density construction and increased building height prior to fourth reading. Consequently, a text amendment or other to the third reading to address the proposed development modifications is being pursued with the City of Surrey which, once finalized, will allow the developer to proceed towards fourth reading for the subdivision and issuance of the development permit to begin construction for possible density increase thereby improving the profitability of the site. Based on current timelines, it is anticipated that a formal approval therefor and the appropriate subdivision plan will occur by the end of 2018.

At the time of subdivision, the Partnership will then in conjunction with 1027110 and BKR, under the Co-Ownership Agreement and Pre-Development Agreement, determine the best approach for moving the Property development to completion. The decisions of the Partnership will be determined by the General Partner acting in the best interests of the Partnership and may include construction of one or all buildings in series or together, or the disposition of one or more lots thereby creating profit, reducing risk and absorption to the Project or by joint venturing one or more lots with other parties. The anticipated timelines to construction the six storey buildings is

approximately 22 months each and the larger 12 storey building is anticipated to take approximately 30 months to construct which timeline includes the finalization of the building permits, offsite construction, tendering and completion of the buildings on each of the lots thereafter.

Should the Partnership, together with its Co-Owner (if applicable), determine that it is in its best interest to dispose of one of the lots, then it is anticipated that the profits therefrom would be distributed back to the respective investors in the LP Units and Trust Units.

The Property

In 2014, WestStone KGD acquired the Property located at 9525 King George Boulevard in Surrey, British Columbia, a parcel of developable land adjacent to Surrey Memorial Hospital (“SMH”). The Property is within the newly dedicated “Hospital Zone” and, in the opinion of the General Partner, offers some exceptional investment potential. **The Property was originally acquired by 1027110 (a related party to the Issuers) on February 27, 2015 from an arm’s length third party at a price of \$13,500,000 through the three Registered Owners who hold registered title to the Property as bare trustees, which enables each Registered Owner to individually hold title to one lot once the Property is subdivided into three lots.** The Property was appraised (the “2015 Appraisal”) on January 9, 2015 by certified Appraisal Institute of Canada land appraisers, Parkes & Company Ltd. of 1443 – 595 Burrard Street, Vancouver, British Columbia, V7X 1C4, as having a development permitted market value of \$22,840,000. The 2015 Appraisal is based on the premise that a development permit has been granted effective as of the date of the appraisal on January 9, 2015, assuming permitted development of buildings comprising a gross building area of 555,390 square feet. This 2015 Appraisal formed the basis for the \$23 million option price under the Earn-In Agreement, which that granted the Partnership the option (not the obligation) to acquire up to 100% of the Property for \$23 million at any time until March 31, 2019.

At the time of the original purchase of the Property by 1027110, the Property’s existing use was that of an older trailer park with aging infrastructure. Constructed approximately 40 years ago, the creek located on the Property was placed into culverts allowing various trailers to be located throughout the Property. Now some 40 years later, certain portions of those culverts are in various stages of collapse as are the utilities located on the Property.

In acquiring the Property, the 1027110 undertook a review and commenced discussions with various regulatory authorities having jurisdiction over the Property to deal with the following:

- The status of the creek. Due to the aging infrastructure, the WestStone Group previously applied for and received tentative approval to have the creek “re-diverted” by removing and readjusting the creek flow so as to enhance the ability of the creek to bear or enhance its salmon bearing capacity. The City of Surrey together with the Provincial British Columbia Government and DFO are supportive of plans to re-divert the creek because man-made obstructions (culverts from 1964) were causing the flooding and re-diverting will alleviate this issue. However, the DFO changed their approach for the relocation of the creek during the summer of 2017 which has delayed the approval. Nevertheless, to address DFO’s new approach the Weststone Group has revised and finalized relocation of the watercourse along the northern perimeter of the Property to maximize the benefit of the creek for fish habitat. Accordingly, the Issuers anticipate relocation of the creek to be completed by approximately the end of October, 2018.
- Trees on the Property. A tree survey was undertaken to review the state of the trees on the Property and to propose a development that would be in accordance with the environmental requirements imposed by those regulatory authorities. The WestStone Group has received tentative approval based on its submissions regarding the trees on the Property.
- Trailer park occupants. 1027110 acquired all 47 residential mobile home trailers on the Property for an aggregate amount of approximately \$1.8 million, which is inclusive of statutory payments in lieu of notice. As of the date of this offering memorandum, all mobile homes have been vacated and removed from the site.

The Property totals 5.1 acres (222,316 square feet) which allows for a 2.5 floor space ratio (555,790 square feet buildable). The Property’s immediate neighbour is SMH, which has recently undergone a \$512-million expansion, is an affiliated University of British Columbia (UBC) teaching hospital, and acts as the hub for the 40-acre *Surrey Health Campus*, home to over 6,000 medical professionals and hundreds of medical and nursing students.

The Property is also located in an area designated as “Innovation Boulevard” which is anchored by SMH, UBC and Simon Fraser University (SFU). *Innovation Boulevard* is dedicated to healthcare technology and patient solutions. It is understood that a light rail transit station (LRT) will also be located immediately adjacent to the Property.

The Partnership, together with the WestStone Group, intends to sub-divide the Property into four lots, consisting of one land creek lot, which will be controlled and transferred to appropriate regulatory authorities, and three distinct developable parcels (Innovation I, II and III) that will comprise the development of the Property (the “**Innovation Development**”). The development parcels on the west side of the Property (Innovation II and III) are expected to accommodate two 6-storey wood frame buildings totalling approximately 133,410 square feet. The General Partner anticipates that these buildings will be used for senior’s independent living or one or both could be rental buildings. Given the location, on the doorstep of *Surrey Health Campus*, the General Partner expects that demand will be high.

Architectural Rendering of the Innovation Development [May 1, 2015]:



The development parcel on the east side of the Property (Innovation I) will feature a 12-storey mid-rise, totalling approximately 421,467 square feet, with mixed medical use being considered as the most favourable option. Uses of Innovation I are expected to range from complex care and assisted living for seniors to medical office, commercial and ground floor retail. A pressing need exists for complex care with specific dedicated medical use in fields such as spinal injuries, neurological and dialysis care.

The Issuers have projected a total constructed development value for the Property at approximately \$263,902,000 with estimated development costs of \$182,153,000 and other estimated costs totalling \$31,822,000, that would result in an estimated profit for the entire development of the Property of \$49,927,000. Assuming total invested capital of \$35,000,000 and the 9% preferred return over 4 years of \$12,600,000, there would be a profit share to investors of \$12,363,000 for a total return to investors of \$24,963,000, which would amount to an approximate estimated 17.83% annual return on investment for a 4 year investment. These are forward-looking financial projections based on the estimates and assumptions of management of the Issuers, included but not limited to:

2 x Independent Living 6-Storey Low Rise Buildings	Assisted Living, Complex Care & Office 12-Storey High Rise
\$200 construction cost per square foot	\$260 construction cost per square foot
4% cap rate projection for rental income	\$588 Sale Price Per sq.ft.
212 Units; Operating costs of \$4,000 per year per Unit	140 assisted living suites; 318,131 sq.ft. mixed use (net of suites)
133,410 sq.ft. of buildable area	421,467 sq.ft. of buildable area

The foregoing estimates and forward looking financial projections are based on the Issuers' management's best analysis, which although they believe to be fair and reasonable, they can provide no assurance that these estimates and projections will be realized in whole or in part, or at all. Accordingly, the reader is cautioned that there is no guarantee that any of these estimate and projections may be achieved and the reader is directed to the further more detailed cautionary note on forward-looking statements on page 1 of this Offering Memorandum.

Site Plan of the Innovation Development [May 1, 2015]:



The entire Innovation Development will be located in an urban forest setting, with the fourth lot being a stream running around its northern perimeter capable of carrying active salmon. The WestStone Group has had initial consultations with accredited companies in the care management fields have indicated that the Innovation Development would provide an excellent location for such a community of care.

Images of Trees and Creek on the Property [May 1, 2015]:



On June 15, 2015, the City of Surrey passed the proposed development plan for the Property by way of first and second reading, which has permitted the rezoning of the Property for the uses necessary under the Innovation Development. On December 19, 2016, the City of Surrey passed its third reading approval of re-zoning development of the Property to re-zone into the three commercial lots as contemplated above. The developer, the Weststone Group, is moving forward with its application process with the City of Surrey for the final fourth reading to formally obtain the final development permit for the Property at which time the building permit drawings will be used for development and construction. Formal subdivision into the three lots occurs at fourth reading, which requires more detailing of the building exteriors as well as the legal agreements and statutory rights of way and transfer of land dedicated for the Creek, as contemplated in the third reading which has already provided substantive approval in principle. Due to delays associated with the relocation of Quibble Creek, a text amendment to the third reading to address the proposed development modifications is being pursued with the City of Surrey which, once finalized, will allow the developer to proceed towards fourth reading for the subdivision and issuance of the development permit to begin construction. Based on current timelines as noted further above, it is anticipated that this formal 3 lot subdivision will occur by the end of 2018.

The Partnership has no plans to operate a seniors living facility itself at the Property once built. The Partnership expects that the Property will be sold at either the subdivision stage to developer/operators or, if built, to operators. The Most likely investment exit strategy for the Partnership would be the sale of the entire subdivided or built Property to a REIT or end user operator of assisted living or commercial premises.

Current or Prospective Real Estate Property Competitors

Although no other properties share the unique location and character for development as the Property, an analogous nearby property development is being developed by the Lark Group which is referred to as “City Center 2”. Lark’s development consists of three phases. Phase I was completed in early 2014, comprised of approximately 180,000 square feet with 11 storeys of office space and a ground floor of retail space. It is a mixed use facility with 600 parking stalls in a multi-floor parkade and can accommodate teaching space, retail space, and medical and other professional offices. It is located on a portion of 9664 – 137 Street and a portion of 9661 and 9639 – 137A Street, Surrey, B.C. Phase I was completely pre-sold prior to completion and so does not represent competing real estate inventory for sale.

Phase II of Lark Group’s development is expected to be completed in late 2017 and will also consist of approximately 180,000 square feet with 11 storeys of office space and a ground floor of retail space. It will also be a mixed use facility with 375 parking stalls in a multi-floor parkade. It uses will include teaching space, retail space and medical and other professional offices and will be located adjacent to Phase I just on its north side. Phase III of Lark Group’s development has no specified construction start date and is subject to development approval. It consists of approximately 116,000 square feet across 137A Street east from Phase I. Although there is currently no additional information for this contemplated Phase II, it is assumed it will be intended to be a similar mixed use facility.

Phase I was constructed with a floor area ratio (FAR) of 3.6 and the proposed density for Phase II will be a FAR of 5.0. This compares with a FAR of 6.2 for Weststone’s proposed 12 story building (Innovation I) and a FAR of 2.5 for each of the other two proposed Weststone buildings (Innovation II and III). The developments are compared as follows:

	Innovation I	Innovation II & III	Lark Phase I	Lark Phase II
Building Type:	12-storey mid-rise	6-storey wood frame	12-storey mid rise	12-storey mid rise
Square Feet:	421,467 sq. ft.	133,410 sq. ft.	186,302 sq. ft.	180,000 sq. ft.
Uses:	Multiple unit residential; care facilities; office uses; retail stores; eating establishments; and professional services	Multiple unit residential; care facilities	Retail stores; professional services; eating establishments; neighbourhood pub; liquor store; office uses; university and colleges; community services; child care	Possible office/retail
FAR (max.):	6.2	2.5	3.6	5.0

There is currently no occupancy rate data available for the only currently completed development (Lark Phase I). However, it is noted that Lark's Phase I was 100% pre-sold prior to completion.

Payments by the Partnership used for Development of the Property

Effective January 29, 2016, 1027110 entered into the Pre-Development Agreement with BKR Construction Ltd. pursuant to which BKR will provide all of the development management and coordination of the consultants to create the Innovation Development, including the right in the future to coordinate the building permit and, at its option the right to construct the buildings on the Property. BKR's mandate is to organize the Property to create up to 554,877 square feet of buildings for the Innovation Development. BKR is being paid a \$50,000 monthly fee for the providing of these services by the WestStone Group and upon acquisition of 100% of the Property under the Earn-In Agreement, the Partnership will acquire the rights and the responsibilities contained within the Pre-Development Agreement. Nonetheless, BKR has agreed to the subordination to other creditors and the Limited Partners and to the postponement of payment until after the earlier of the sale or refinance of the Property.

As the Partnership acquired its initial 58.70% beneficial ownership interest in the Property on January 30, 2017, it is responsible for its share of the \$50,000 per month developer's fees payable to BKR under the Pre-Development Agreement. BKR is a related party as it is owned or controlled by Brian Reghr. So, BKR is affiliated with all of the entities of the WestStone Group that are involved in the Offerings and is responsible for administration and development of the Innovation Development under the Pre-Development Agreement. In the event that the Partnership does not have sufficient funds for its share of the developer's fee and development expenses, 1027110 will finance the Partnership's share at an interest rate of 5% per annum due upon sale or refinancing of the Property.

It is contemplated that to continue advancing the development of the Property that the First Mortgage will be refinanced with new construction financing and the Second Mortgage will be subordinated to the refinanced first mortgaged, and the Second Mortgage will be paid out by 1027110 using proceeds of the acquisition of the Property by the Partnership. The new construction mortgage may exceed the principal amount of the First Mortgage to provide such amount of capital as is commercially reasonably necessary to continue with the development of the Property expected to not to exceed \$20 million.

Acquisition of an Interest in the Property by the Fund

Effective January 29, 2016, the General Partner, on behalf of the Partnership, entered into the Earn-In Agreement with 1027110, pursuant to which 1027110 granted the Partnership the option to acquire up to 100% beneficial ownership in the Property, as described above. On January 30, 2017, the Partnership acquired its first 21.74% beneficial ownership interest in the Property from 1027110 under the Earn-In Agreement for a purchase price of \$5 million (\$5 million divided by \$23 million = 21.74%). On October 31, 2017, the Partnership acquired an additional 33.48% beneficial interest in the Property for a purchase price of \$7,700,000. Effective December 31, 2017, the Partnership acquired a further 3.48% beneficial interest in the Property for a purchase price of \$800,000.

As of December 31, 2017, the Trust and Partnership have raised aggregate gross proceeds of \$22,807,639 under the prior private placement offerings and the Partnership has used \$13,500,000 of the net proceeds of those offerings to acquire a total aggregate of 58.70% beneficial ownership interest in the Property. As the Issuers complete additional amounts of the Offering, the Partnership will use the net proceeds from those tranches of the Offering to acquire successive amounts of the Property at a price of 1/230th (0.434%) per \$100,000 under the Earn-In Agreement. If the Maximum Offering is completed, the Partnership will acquire a 100% beneficial undivided interest in the Property for \$23,000,000.

See ***"Item 10 – Risk Factors – Neither the General Partner nor the Partnership will take registered title to the Property"***.

3.3 Development of the Business

Neither the Trust, the Partnership nor the General Partner has engaged in active real estate investment and development to date other than the acquisition of the Partnership's 58.70% beneficial ownership interest in the Property.

The following are the major events that have occurred with respect to the business of the Issuers to the date of this Offering Memorandum:

- (a) the General Partner has been established;
- (b) the Partnership has been formed pursuant to the Partnership Agreement and Certificate of Limited Partnership;
- (c) the General Partner, in its capacity as general partner of the Partnership, has entered into the Earn-in Agreement;
- (d) the General Partner, in its capacity as general partner of the Fund, has entered into or assumed the payments of a Pre-Development Management Agreement with BKR Construction Management Ltd. to conduct all matters to do with the development of the Innovation Property and, contains the right of BKR to obtain the right to become the General Contractor for any building constructed on the Innovation Property;
- (e) The Trust was established pursuant to the Declaration of Trust;
- (f) The Partnership entered into the Funding Agreement with the Trust;
- (g) 1027110 obtained third reading approval from the City of Surrey for the three lot subdivision rezoning development of the Property;
- (h) The Partnership, 1027110 and the Registered Ownership amended the Earn-In Agreement to clarify that the Partnership may acquire ownership interests in the Property at incremental acquisitions of \$100,000 for every 1/230th (0.434%) of the Property, exclusive of interests in the Second Mortgage and to extend the deadline to March 31, 2019 for completing the acquisitions under the Earn-In Agreement; and
- (i) As of December 31, 2017, the Trust and Partnership raised gross proceeds of \$22,807,639 under the prior private placement offerings and the Partnership used \$13,500,000 of the net proceeds of those offerings to acquire a total aggregate of 58.70% beneficial ownership interest in the Property. The Issuers have raised additional gross proceeds of \$2,153,403 during the period from January 1 to February 7, 2018.

As described in the audited financial statements of the Partnership, deferred costs of \$6,194,729 were incurred during the fiscal year ended December 31, 2017 as advances to or on behalf of the developer, 1027110, in connection with the acquisition and co-ownership of the Property under the Earn-In Agreement and Co-Ownership Agreement, respectively. These deferred costs consists of the following:

Deferred Cost Item	Amount (\$)
Deferred development costs:	
Mortgage assumed	\$4,619,755
Development permit, fees and general site development expenses	\$61,459
Engineering and geotechnical	<u>\$53,090</u>
	\$4,734,304
Other deferred costs:	
Costs for acquisition and removal of on-site mobile homes	\$630,345.66
Development financing interest costs on the First Mortgage	\$154,687.50
Costs for acquisition and removal of on-site mobile homes	\$36,072.74
Property acquisition costs	<u>\$607,445.00</u>
	\$821,105.90
General and administrative expenses (accounting and legal expenses):	\$31,874.13
Total:	\$5,587,284

During the fiscal year ended December 31, 2017, the Issuers distributed \$423,655 to its Unit holders in respect of one-third of the 9% annual Preferred Return (i.e., being 3% per year on the Aggregate Contributed Capital, which is included as reserves for the Partnership). Under the Partnership Agreement, the Partnership is required to maintain a reserve for anticipated expenses and other reasonably foreseeable obligations and the Issuers intend to continue to provide in their reserves for the 3% annual preferential return. Accordingly, subject to unforeseen circumstances, prospective purchasers of Units may reasonably expect a similar distribution representing the 3% annual preferential return in 2018. Of course, if the Partnership experiences a greater liquidation event for its Property, Unit holders may then receive distributions amounting to the full 9% Preferred Return together with additional distributions as contemplated under the Partnership Agreement and the Declaration of Trust.

The Issuers expect that they will enter into a number of distribution agreements with Selling Agents to affect the distribution of Units under the Offerings.

There have been no unfavourable developments affecting the Issuers' business since their inception.

3.4 Long Term Objectives

The Issuers' purpose and business, and thus their long term objectives, is to generate returns for the Limited Partners, the Trust Unitholders, and the General Partner by raising additional gross proceeds of up to \$10,038,958 for an aggregate total of up to \$35,000,000 under the Offerings and acquiring up to 100% beneficial ownership of the Property. Following the acquisition of the Partnership's beneficial interest in the Property, the Partnership, as a Co-Owner or 100% owner (as applicable), intends to develop the Property in collaboration with the WestStone Group. The Issuers will achieve these long-term objectives as set out below:

Date	Target
May 2018 to November 2020	Construction and/or disposition of one or more of the three lots
May 2018 to December 2020	Distributions to the Limited Partners and Trust Unitholders of the proceeds of the sale of one or more of the three lots of the Innovation Development resulting from the development of the Property

3.5 Short Term Objectives and How We Intend to Achieve Them

The Issuers' objectives for the next 12 months are to complete the maximum Offering of 10,038,958 Units and to purchase additional beneficial ownership interests in the Property so as to acquire up to 100% beneficial ownership of the Property.

What we must do and how we must do it	Target completion date or if not known, number of months to complete	Our cost to complete
Finalizing of the development permit for the Property and registration of the subdivision plan recognizing an up to 3 lot commercial subdivision of the Property; and evaluation of construction sequence priorities for Innovation I, II and III and/or the disposition of any one of the 3 lots	Ongoing from now December 31, 2018	\$1,472,355 ⁽²⁾
Begin construction of the first building or buildings on the Property (relocation of stream and provide site servicing)	Ongoing from now to October 31, 2018	\$883,000 ⁽²⁾
Purchase additional beneficial ownership of the Property up to a 100% beneficial ownership of the Property ⁽¹⁾	Ongoing throughout the next 6 months	Up to \$9,500,000 assuming a net aggregate amount of \$9,500,000 from aggregate gross proceeds of \$10,038,958 under the maximum Offering ⁽³⁾⁽⁴⁾

Notes:

- (1) Under the Earn-In Agreement, the Partnership may acquire up to 100% beneficial ownership of the Property from 1027110 for \$23,000,000. The Partnership has already acquired 58.70% beneficial ownership of the Property for \$13,500,000 and may acquire up to the remaining ownership interest for \$9,500,000.
- (2) Our share of these costs is currently only 58.70%, but as we increase our percentage ownership so does our share of the cost. The stated amount assumes the Partnership has 100% beneficial ownership in the Property and therefore is responsible for 100% of this cost.
- (3) Pursuant to the Earn-in Agreement, the Partnership has the right to acquire 100% beneficial ownership in the Property for \$23,000,000 with the balance of the Available Funds used for development, property improvements, and as additional working capital of the Partnership. The Partnership has already acquired a 58.70% beneficial interest in the Property for \$13,500,000 million from \$24,961,042 gross proceeds of prior private placement offerings net of the commissions, fees and transaction costs. In the event that the Issuers are able to raise the maximum amount under the Offerings, the Issuers will have available funds of \$9,500,000, and the Partnership will fund acquisition of the remaining beneficial ownership of the Property for a purchase price of \$9,500,000 under the earn-In Agreement. The remaining funds will be used as working capital of the Partnership, for development costs and expenses of the Property, and as liquid reserves for distributions required under the Partnership Agreement and Declaration of Trust.
- (4) All expenses, fees and Selling Commissions related to the Trust Offering will be borne by the Partnership rather than the Trust pursuant to the Funding Agreement. Includes the legal, audit, and administrative costs and disbursements of the Offerings, as well as the Selling Commissions (including Trailer Fees, if applicable), Marketing Fees and Administrative Fees. Selling Commissions and, if applicable, Marketing Fees and Administrative Fees, will be paid directly from the Gross Proceeds of the Offerings. See ***"Item 9 Compensation Paid to Sellers and Finders"***.

3.6 Insufficient Funds

The proceeds of the Offerings may not be sufficient to accomplish all of the Partnership's proposed objectives and there is no assurance that alternative financing to pay for such objectives will be available. The Partnership will acquire up to a 100% beneficial interest in the Property using proceeds from the sale of Units under the Offerings. In order to develop the Property, the Partnership, the WestStone Group and Co-Owners, as applicable, will need to raise more funds and intends to do so through debt financing, including Financing as described below.

In addition to the funding raised under this Offerings, the Partnership will have the right to incur or assume, without further Limited Partner approval, indebtedness from any person for any purpose, including without limitation: (i) Financing related to the Innovation Development of the Property; (ii) for the purpose of accelerating distributions to

Limited Partners (and, by extension, to Trust Unitholders), if determined reasonable and appropriate to do so by the General Partner; and (iii) allowing the Partnership to commence the Innovation Development of the Property prior to obtaining Financing. It is anticipated that such Financing will be secured by, among other things, a fixed and specific demand collateral land mortgage over the Property and a security interest in all present and after acquired personal property of the Partnership.

It is anticipated that Financing for the Project will be obtained by the Partnership and any other Co-owners, as applicable, from one or more parties to fund the costs of the Innovation Development. It is anticipated that any such Financing for the Innovation Development will consist of demand loans to pay for onsite and offsite construction costs, soft costs and certain other costs, and, potentially, demand letter of credit facilities for the purposes of issuing performance letters of credit. As one of the short terms objectives will be the creation of an up to 3 lots commercial subdivision of the Property, 1027110 and the Partnership retain the discretion to separately sell, joint venture, or finance any one or all three lots to proceed with the Innovation Development of the Property. It is anticipated that any such Financing will be secured by, among other things, a fixed and specific demand collateral land mortgage over the Property or any one or more lots thereof and a security interest in all present and after acquired personal property of the Partnership.

It is anticipated that the amounts outstanding under any of the indebtedness referred to above will be paid down with the cash flow from the leasing or sale of the Innovation Development of the Property or any building, strata lot or air space parcel contained therein. It is expected that the lenders of any of the financing referred to above and any other credit facilities, loans or borrowings entered into by the Partnership will, unless such lenders determine otherwise in their sole discretion, place restrictions on the Partnership's ability to make distributions on the LP Units until such financing and/or such other credit facilities, loans and borrowing have been paid in full.

The lenders under any Financing referred to above may be parties that are non-arm's length to the Partnership, the General Partner, any member of the WestStone Group or other Limited Partners. Any such Financing provided by Affiliates of the General Partner or the WestStone Group or Limited Partners or Trust Unitholders will be on terms that are commercially reasonable and generally consistent with the terms of Financing from arm's length lenders for projects of this type. In particular, if the Issuers fail to raise sufficient proceeds under the Offerings to meet the Partnership's obligations under the Co-Ownership Agreement and Pre-Development Agreement, then 1027110 may finance such obligations to proceed with development of the Property and charge the Partnership interest at a rate of 5% per annum with such principal amount of financing and interest payable upon the sale or refinance of the Property.

Such Financing will otherwise be on such terms and conditions as are agreed to with the other parties thereto and that the General Partner on behalf of the Partnership determined to be appropriate at that time.

Any borrowings by the Partnership may be evidenced by promissory notes or other evidences of indebtedness. Such borrowings may include securities offerings by the Partnership of indebtedness, such as notes or debentures, which may or may not be secured by the assets of the Partnership, including the Property. Any further borrowings by the Partnership will likely take priority over distributions on the LP Units.

There can be no guarantee that (i) any Financing will eventually be obtained from a lender or that a lender will not materially alter the terms of any Financing, (ii) any renewal of Financing, if required, will occur on similar terms thereof or at all, or (iii) the lender under any Financing will not demand repayment of the amounts owing thereunder at a time when the Partnership does not have the funds to repay this loan. This will require alternate Financing which may be considerably more expensive or may not be available at all.

There can be no assurances that the Partnership will be able to obtain Financing for its purposes when required or, if it can obtain such Financing, that such Financing will be on terms that are reasonable or acceptable to the General Partner. The failure or inability of the Partnership to obtain such Financing will have a material negative effect on the ability of the Partnership to complete the Innovation Development of the Property on a timely basis, or at all, which could have a material negative effect on the value of the LP Units (and consequently on the Trust Units) and any return thereon.

Charges, costs and fees associated with providing security and documenting the relationship of the Partnership with lenders under any Financing and any other credit facilities, loans or borrowings entered into by the Partnership which charges, costs and fees may be material and will have to be paid by the Partnership.

ITEM 4: MATERIAL AGREEMENTS

The following is a list of agreements which are material to this Offering and to the Fund, all of which are in effect:

- (a) the **Declaration of Trust**, as described below and as described further in Item 5.1 “*Terms of Securities*”;
- (b) the **Partnership Agreement** as described below and as described further in Item 5.1 “*Terms of Securities*”;
- (c) the **Earn-in Agreement**, as described below;
- (d) the **Co-Ownership Agreement**, described below;
- (e) the **Pre-Development Agreement** between 1027110 and BKR Construction Ltd., which was entered into pursuant to the Co-Ownership Agreement, described below; and
- (f) the **Funding Agreement**, described below.

Copies of these agreements may be inspected during normal business hours at the registered office of the Issuers, Suite 700, 595 Burrard Street, Vancouver, British Columbia.

4.1 Declaration of Trust

General

The Trust is an unincorporated open-ended, limited purpose, commercial trust governed by the laws of the Province of British Columbia and created by the Declaration of Trust. Following completion of the requirements under the Tax Act, it is intended that at all times the Trust qualify as a “mutual fund trust”. See “*Item 8.1 – Income Tax Consequences Relating to the Trust*”.

The Declaration of Trust, which is dated as of January 31, 2016, as may be amended, contains the terms and conditions governing the relationship between the Trustee, as trustee, and the Trust Unitholders, as beneficiaries of the Trust Property.

The following is a summary of certain provisions of the Declaration of Trust. The summary does not purport to be complete and is subject to the more detailed provisions of the Declaration of Trust. Prospective subscribers should review the complete text of the Declaration of Trust, a copy of which is available from the Issuers.

Purpose and Nature of the Trust

The Trust was created primarily for the purpose of investing its funds in LP Units and Permitted Investments, provided, however, that the Trust will not undertake any activity, or acquire or retain or hold any investment, that would result in the Trust not being considered a “mutual fund trust” for the purposes of the Tax Act or that would result in the Trust being a “SIFT trust” for the purposes of the Tax Act.

Trust Units

The beneficial interests of the Trust are divided into four classes of units, as Class “A”, Class “B”, Class “C”, and Class “D” units, which are issuable in series and entitled to the rights and subject to the limitations, restrictions and conditions set out in the Declaration of Trust, including the right to vote and to participate pro rata in any distributions from the Trust. Each class of units has identical rights, restrictions and conditions. Each such unit of the Trust is without nominal or par value, entitles the holder thereof to one vote at all meetings of Trust Unitholders, entitles the holder thereof to the pro rata right to receive distribution and participate pro rata upon dissolution or liquidation, and entitles the holder to the right of redemption under the terms and conditions set forth in the Declaration of Trust.

The Trust is authorized to issue an unlimited number of any class of units. In order to establish the Trust, one Class “A” unit (the “**Initial Trust Unit**”) was issued for cash of \$1.00 on January 31, 2016. The Trust is now offering by way of a private placement Class “A” units of the Trust (the “**Trust Units**”) pursuant to the Trust Offering. At any time following the issuance of one or more additional Trust Units, the Trust may redeem the Initial Trust Unit for a purchase price of \$1.00 and, upon the completion of such purchase and sale, the Initial Trust Unit shall be cancelled and shall no longer be outstanding. Each holder of a Trust Unit shall be entitled to the rights and be subject to the

limitations, restrictions and conditions pertaining to the Trust Units as set out in the Declaration of Trust and the interest of each Unitholder shall be determined by the number of Trust Units registered in the name of such holder.

Each Trust Unit outstanding from time to time represents an equal undivided beneficial interest in the net asset of the Trust and each Unitholder shall be entitled to a Proportionate Share of (i) all distributions respecting the Trust Units, when and as declared, and (ii) the proceeds of liquidation of the Trust Property, after satisfaction of all liabilities of the Trust.

All Trust Units will rank among themselves equally and ratably without discrimination, preference or priority. Each Trust Unit entitles the holder to one vote at all meetings of Unitholders and for written resolutions of Unitholders if any. Except as set out in the Declaration of Trust, the Trust Units have no conversion, retraction or redemption or pre-emptive rights.

Trust Unit Distributions

The Trustee, may on or before each Distribution Record Date, declare payable to the holders of Trust Units on such Distribution Record Date all or any part of the Cash Flow of the Trust for the Distribution Period which includes such Distribution Record Date.

The Trustee intends to allocate, distribute and make payable to Trust Unitholders all of the Income of the Trust, Net Realized Capital Gains and any other applicable amounts so that the Trust will not have any liability for tax under Part I of the Tax Act in any taxation year and such amounts will be due and payable to Unitholders of record immediately before the end of December 31 in each year, in accordance with the Declaration of Trust. In particular, the Trustee intends to pay, within ten Business days after each Distribution Period ending June 30 and December 31, a distribution of one-third of the annual 9% Preferred Return (i.e., being a return equal to 3% per year on the Trust Unitholders' respective Aggregate Contributed Capital).

If the Trustee determines that the Trust does not have sufficient cash to make the full amount of the distribution which has been declared, the Trustee has the option to pay equivalent distributions in the form of the pro rata share issuance of additional Trust Units.

The Trustee may deduct or withhold from distributions payable to any Trust Unitholder all amounts required under the Tax Act or other applicable laws, which amounts shall be withheld from such distributions whether those distributions are in the form of cash, additional Trust Units, or otherwise.

Trust Unit Certificates

Unit Certificates will be issued to Trust Unitholders and a register of Trust Unitholders will be kept at the head office of the Trust or the Transfer Agent, setting out the particulars of the Unit Certificates. Only Trust Unitholders with recorded Unit Certificates on the register are entitled to receive distributions or exercise rights of a Trust Unitholder.

Redemptions of Trust Units

Trust Units are redeemable by the Trust Unitholder by delivering to the Trust, or its Transfer Agent, a duly completed and properly executed notice requiring the Trust to redeem Trust Units, in a form approved by the Trustee, together with written instructions as to the number of Trust Units to be redeemed and the Unit Certificate(s) representing the Trust Units to be redeemed. Trust Units are redeemable on the last Business Day of any calendar quarter end (the "**Redemption Date**") and the Trust shall pay the Redemption Price within 60 days after the Redemption Date. The notice, Unit Certificate(s) and all other supporting documentation or evidence must be received by the Trust, or its Transfer Agent, to the satisfaction of the Trustee, not less than 30 days prior to the applicable Redemption Date. On receipt of a notice to redeem Trust Units, the Trust Unitholder will no longer have any rights with respect to the Trust Units other than to receive any distribution accrued prior to receipt of the notice and the redemption amount.

Within 60 days of the Redemption Date, the Trust Unitholder of the Trust Units tendered for redemption shall be entitled to receive a redemption price (the "**Redemption Price**") equal to the lesser of:

- (a) 95% of the Net Capital Contribution of such Trust Units, until December 31 of the year in which the Final Closing takes place;

- (b) 97.5% of the Net Capital Contribution of such Trust Units, until December 31 in the year following the year in which the Final Closing takes place; and
- (c) 100% thereafter,
less a redemption fee of \$200.

The Redemption Price may be paid by the Trust in cash or, at the election of the Trustee, by distributing or issuing any combination of cash and/or Redemption Notes having an aggregate fair market value equal to the aggregate Redemption Price, as applicable for the Trust Units tendered for redemption.

The Redemption Notes are subject to the following terms and conditions:

- (a) unsecured and bearing interest from and including the issue date of each such note at a market rate determined at the time of issuance by the Trustee or General partners, as the case may be, based on the advice of an independent financial advisor, and payable annually in arrears;
- (b) subordinated and postponed to all senior indebtedness and which may be subject to specific subordination and postponement agreements to be entered into by the Issuer pursuant to the note indenture with holders of senior indebtedness;
- (c) ranking pari passu with all unsecured indebtedness of the Issuer;
- (d) subject to earlier prepayment, being due and payable on or prior to four years after January 31, 2016; and
- (e) subject to such other standard terms and conditions as would be included in a note indenture for promissory notes of this kind, as may be approved by the Trustee or General Partner, as applicable.

Except as determined by the Trustee, the maximum aggregate number of Trust Units that may be redeemed by the Trust shall not exceed 10% of the total number of Trust Units issued and outstanding at the beginning of a fiscal quarter. The Trustee shall exercise such limitation and any cutbacks on a proportionate basis with respect to the aggregate number of Trust Units represented by redemption notices. The Trust may suspend the redemption of Trust Units or postpone the date of payment of Redeemed Trust Units in such circumstances as the Trustee may reasonably determine. Such circumstances may include: (i) the assets of the Trust are invested in such a manner so as to not reasonably permit immediate liquidation of such assets; or (ii) there exists a state of affairs that constitutes circumstances under which liquidation by the Trust of part or all its investments is not reasonable or practicable, or would be prejudicial to the Trust or the Trust Unitholders, generally; or (iii) not suspending redemptions would have an adverse effect on the continuing Trust Unitholders. The Trust may also suspend the redemption of Trust Units upon an announcement by the Trustee that the Trust will be terminated and dissolved.

At the Trustee's discretion, the Trust may, at any time, cause any Trust Unitholder to redeem all or part of its Trust Units at the applicable Redemption Price by providing notice to such Trust Unitholder, if such Trust Unitholder is a Non-Resident or that the continued undiminished membership of the Trust Unitholder in the Trust would (i) constitute or give rise to a violation of applicable law, or (ii) otherwise subject the Trust or the Trustee to material onerous legal, tax, or other regulatory requirements that cannot be reasonably avoided.

The Trust may, at any time, purchase for cancellation some or all of the Trust Units by private agreement or pursuant to tenders received by the Trust upon request for tenders addressed to all Trust Unitholders, provided that the Trustee determines such purchases are in the best interests of the trust. All Trust Units so purchased and redeemed shall no longer be outstanding.

Other than as provided above, there are no conversion, retraction, redemption or pre-emptive rights attaching to the Trust Units.

Transfer of Trust Units

Trust Units may only be transferred with the prior written consent of the Trustee, who shall have the sole discretion with respect to such transfer, or in connection with bankruptcy, death or mental incompetence, and then only to legal representatives of the Trust Unitholder. Further, the transfer of Trust Units will not be permitted if, as a result of the transfer, the Trust would cease to qualify as a "mutual fund trust" or a "unit trust" as defined in the Tax Act. No transfer of Trust Units is effective against the Trustee or the trust until the transfer is recorded in the register of Trust Unitholders.

As the Trust is not currently a reporting issuer in any jurisdiction, nor does it intend to become one, the Trust Units are subject to resale restrictions pursuant to applicable securities laws. See “*Item 12 – Resale Restrictions*”.

Restriction on Non-Resident Ownership

In order for the Trust to maintain its status as a “mutual fund trust” under the Tax Act, the Trust must not be established or maintained primarily for the benefit of Non-Residents. Accordingly, at no time may Non-Residents be the beneficial owners of more than 45% of all outstanding Trust Units on both a non-diluted basis and fully-diluted basis. The Declaration of Trust provides that the Trustee shall use commercially reasonable efforts to monitor the beneficial ownership of the Trust Units. The Trustee will require declarations in the Subscription Agreement as to the jurisdictions in which the beneficial owners of Trust Units are resident. If the Trustee becomes aware that the beneficial owners of 45% of the Trust Units then outstanding are, or may be, Non-Residents or that such a situation is imminent, the Trustee may notify Trust Unitholders thereof and shall not accept a subscription for Trust Units from, or issue or register a transfer of Trust Units to, a Person unless the Person provides a declaration that the Person is not a Non-Resident and does not hold the Trust Units for the benefit of Non-Residents.

If, notwithstanding the foregoing, if the Trustee determines that 45% or more of all Trust Units (including any class of trust units) are held by Non-Residents, the Trustee may send a notice to such Non-Resident holders of Trust Units, chosen in inverse order to the order of acquisition or registration or in such manner as the trustee may consider equitable and practicable, requiring them to sell or tender their Trust Units (or a portion thereof) for redemption within a required period of not less than 30 days, and if the Trust Unitholders receiving such notice have not, within the required period, sold or tendered their Trust Units to the Trust, or otherwise provided satisfactory evidence that the beneficial owners of such Trust Units are not Non-Residents, the Trustee may, as agent and attorney acting on behalf of such Trust Unitholders and/or such beneficial owners, sell or redeem the Trust Units at the Redemption Price, as contemplated in the Declaration of Trust.

Until sale or redemption, the Trustee shall suspend the voting and distribution rights attached to or associated with such Trust Units held by Non-Residents, and upon the sale or redemption of such Trust Units, the affected Trust Unitholders shall cease to be holders of the Trust Units in question and their rights shall be limited to receiving the net proceeds of such sale or redemption upon surrender of the Unit Certificates representing such Trust Units.

Trustee

Subject to any restrictions set out in the Declaration of Trust, the Trustee has, without further or other action or consent, and free from any power or control on the part of the Trust Unitholders, full, absolute and exclusive power, control and authority over the Trust Property and over the affairs of the Trust to the same extent as if the Trustee was the sole and absolute beneficial owner of the Trust Property in its own right, to do all acts and things as in its sole discretion are necessary or incidental to, or desirable for, carrying out the purposes of the Trust created under the Declaration of Trust. Subject to limitations, the Trustee may delegate any of those duties of the Trustee granted or reserved to it under the Declaration of Trust that it deems appropriate.

The Trustee has and may from time to time exercise the power and authority to, among other things:

- (a) the Trustee may exercise from time to time in respect of the Trust Property and the investments and affairs of the Trust any and all rights, powers and privileges that could be exercised by a legal and beneficial owner thereof;
- (b) the Trustee has, without further or other action or consent, and free from any power of control on the part of the Trust Unitholders, full, absolute and exclusive power, control and authority over the Trust Property and over, and management of, the affairs of the Trust to the same extent as if the Trustee were the sole and absolute beneficial owner of the Trust Property in its own right, to do all such acts and things as in its sole judgment and discretion are necessary or incidental to, or desirable for, carrying out the trust created under the Declaration of Trust. In construing the provisions of the Declaration of Trust, presumption shall be in favour of the granted powers and authority to the Trustee. The enumeration of any specific power or authority in the Declaration of Trust shall not be construed as limiting the general powers or authority or any other specified power or authority conferred herein on the Trustee. To the maximum extent permitted by law the Trustee shall, in carrying out investment activities, not be in any way restricted by the provisions of the laws of any jurisdiction limiting or purporting to limit investments which may be made by trustees;

- (c) to take any action it considers necessary to ensure that the Trust retains its status as a “mutual fund Trust” under the Tax Act and to not qualify as a “SIFT trust” as defined in the Tax Act;
- (d) except as expressly prohibited by law, the Trustee may grant or delegate to any person the authority and the powers of the Trustee under the Declaration of Trust as the Trustee may in its discretion deem appropriate, necessary or desirable to carry out and effect the actual management and administration of the duties of the Trustee under the Declaration of Trust, without regard to whether the authority is normally granted or delegated by trustees; and
- (e) the Trustee is authorized to delegate its authority and to appoint a delegate (the “**Delegate**”) to act for and on behalf of the Trust in accordance with those powers and authorities granted to the Delegate under the terms of such agreement, and the Trustee may delegate to such person all of those duties of the Trustee under the Declaration of Trust that the Trustee deem appropriate. The Trustee may grant broad discretion to the Delegate to administer and manage the day-to-day operations of the Trust, to act as agent for the Trust, to execute documents on behalf of the Trust, and to make decisions on behalf of the Trust. The Delegate may be given, without limitation, the power to further delegate management and administration of the Trust, as well as the power to retain and instruct such appropriate experts or advisors to perform those duties and obligations which it is not best suited to perform.

Notwithstanding the foregoing, the Trustee shall not have the power, under any circumstances whatsoever, to effect, authorize or vote securities held by the Trust to authorize:

- (a) any amalgamation, arrangement or other merger of any subsidiary of the Trust with any other Person, except with one or more direct or indirect wholly-owned subsidiaries or affiliates of the Trust or in conjunction with an internal reorganization with an affiliate or subsidiary of the Trust;
- (b) the winding-up or dissolution of the Partnership prior to the end of the term of such entity, except in conjunction with an internal reorganization with an affiliate or subsidiary of the Trust or the Partnership;
- (c) any sale, lease or exchange of all or substantially all of the Trust Property, other than pursuant to any security granted by the Trust or pursuant to any internal reorganization of the direct or indirect assets of the Trust as a result of which the Trust has the same interest, whether direct or indirect, in the assets as the interest, whether direct or indirect, that it had prior to the reorganization, and other than any such sale, lease or exchange effected between or among the Trust and any one or more of:
 - (i) any corporation, partnership, firm or other form of legal entity or organization that is, directly or indirectly, wholly-owned by the Trust;
 - (ii) any trust or trusts, the sole beneficiaries of which are the Trust and/or any of the Persons referred to above;
 - (iii) any partnership, the only partners of which are Persons referred to in (i) and (ii) above; or
- (d) any sale, lease or exchange of all or substantially all of the assets of a subsidiary of the Trust except pursuant to any security granted by the subsidiary of the Trust or pursuant to any internal reorganization with an affiliate or subsidiary of the Trust and other than any such sale, lease or exchange effected between or among any one or more of:
 - (i) the Trust;
 - (ii) any corporation, partnership, firm or other form of legal entity or organization that is, directly or indirectly, wholly-owned by the Trust;
 - (iii) any trust or trusts, the sole beneficiaries of which are the Trust and/or any of the Persons referred to in (i) and (ii) above; and
 - (iv) any partnership, the only partners of which are Persons referred to in (i), (ii) and (iii) above,in each case, without the approval of the Trust Unitholders by Special Resolution at a meeting of Trust Unitholders called for that purpose or adopted in writing.

Power of Attorney

The Declaration of Trust includes an irrevocable power of attorney authorizing the Trustee, on behalf of the Trust Unitholders, to execute, under seal or otherwise, swear to, acknowledge, deliver, make or file or record, as and where required: (i) the Declaration of Trust, any amendment or supplement to this Declaration of Trust, and any

other instrument required or desirable to qualify, continue and keep in good standing, the Trust as a “mutual fund trust”; (ii) any instrument, deed, agreement, or document in connection with carrying on the activities and affairs of the Trust as authorized in the Declaration of Trust, including all conveyances, transfers and other documents required to facilitate any authorized transfer, sale or disposition of Trust Units required therein; (iii) all conveyances and other documents required in connection with the dissolution or liquidation of the trust in accordance with the terms of the Declaration of Trust; (iv) any and all elections, determinations or designations, whether jointly with third parties or otherwise, under the tax Act, or any other taxation or other legislation or similar laws of Canada or of any jurisdiction in respect of the affairs of the trust or of a Trust Unitholder’s interest in the Trust; (v) any instrument, certificate and other documents necessary or appropriate to reflect and give effect to any amendment to the Declaration of Trust, which is authorized from time to time as contemplated in the Declaration of Trust; and (vi) all transfers, conveyances and other documents required to facilitate the acquisition of Trust Units pursuant to the Declaration of Trust.

Trust Expenses and Trust Fees

The Trustee is entitled to reimbursement from the Trust of any of its expenses incurred in acting as Trustee. The Trustee on behalf of the Trust may pay or cause to be paid reasonable expenses incurred in connection with the administration and management of the Trust, including without limitation fees and expenses of auditors, lawyers, appraisers and other agents, consultants and professional advisers employed by or on behalf of the Trust and the cost of reporting or giving notices to Trust Unitholders. All costs, charges and expenses properly incurred by the Trustee on behalf of the Trust shall be payable out of the Trust Property. The Trustee on behalf of the Trust may pay or cause to be paid brokerage commissions at prevailing rates in receipt of the acquisition and disposition of any securities acquired or disposed of by the Trust to brokers.

Limitations on Liabilities of Trustee and Trust Officers

The Trustee and the officers of the Trust shall not be liable to any Trust Unitholder for any action taken or not taken in good faith in reliance on any documents that are, prima facie, properly executed; any depreciation of, or loss to, the Trust incurred by reason of the sale of any asset; the loss or disposition of monies or securities; or any other action or failure to act including, without limitation, the failure to compel in any way any former Trustee to redress any breach of trust or any failure by any Person to perform the duties delegated to it under this Declaration of Trust, except for actions constituting gross negligence, fraud or wilful misconduct.

The Trustee, officers of the Trust and any agent thereof, shall not be liable whatsoever, in tort, contract or otherwise, in connection with the Trust Property or the affairs of the Trust, including in respect of any loss or diminution in value of any Trust Property, to the Trust or to the Trust Unitholders or to any other Person for anything done or permitted to be done by the Trustee. The Trustee shall not be subject to any liability for any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Trust arising out of anything done or permitted or omitted to be done in respect of the execution of the duties of the office of Trustee for or in respect to the affairs of the Trust. No property or assets of the Trustee, owned in its own capacity or otherwise, will be subject to any levy, execution or other enforcement procedure with regard to any obligations under the Declaration of Trust or under any other related agreements. No recourse may be had or taken, directly or indirectly, against the Trustee in its own capacity or any successor of the Trustee. The Trust shall be solely liable therefor and resort shall be had solely to the Trust Property for payment or performance thereof.

Meetings of Trust Unitholders

The Trust shall not be required to hold regular annual meetings of the Trust Unitholders. Meetings of the Trust Unitholders may be called at any time by the Trustee and shall be called by the Trustee upon a written request of Trust Unitholders holding in the aggregate not less than fifty (50%) percent of all votes entitled to be voted at any meetings of the Trust Unitholders, such request to be sent to the Trustee at the head office of the Trust specifying in reasonable detail the purpose or purposes for which such meeting is to be called. The chairman of any meeting shall be the chairman of the Trustee or any other Person specified by the Trustee or, in the absence of any Trustee, any Person appointed as chairman of the meeting by a majority of the Trust Unitholders present at the meeting. Upon receiving the requisition described above, the Trustee will call a meeting of the Trust Unitholders to transact the business referred to in the requisition, in accordance with the Declaration of Trust.

At any meeting of Trust Unitholders, a quorum consists of two or more Persons present in person either holding personally or representing as proxies in aggregate not less than 10% of the outstanding Trust Units. Only Trust

Unitholders of record shall be entitled to vote and each Trust Unit shall entitle the holder or holders of that Trust Unit on a poll vote at any meeting of Trust Unitholders to the voting rights set out in the Declaration of Trust.

The Declaration of Trust provides that Trust Unitholders shall be entitled to pass resolutions that will bind the trustee only with respect to the following matters:

- (a) the election or removal of a Trustee;
- (b) amendments of the Declaration of Trust;
- (c) termination of the trust;
- (d) authorizing: (A) any amalgamation, arrangement or other merger of any subsidiary of the Trust with any other Person, except with one or more direct or indirect wholly-owned subsidiaries or affiliates of the Trust or in conjunction with an internal reorganization with an affiliate or subsidiary of the Trust; (B) the winding-up or dissolution of the Partnership prior to the end of the term of the Partnership, except in conjunction with an internal reorganization with an affiliate or subsidiary of the Trust or the partnership; (C) any sale, lease or exchange of all or substantially all of the Trust Property, other than pursuant to any security granted by the Trust or pursuant to an internal reorganization of the direct or indirect assets of the Trust, as a result of which the Trust has the same interest, whether direct or indirect, in the assets that it had prior to the reorganization; and (D) any sale, lease or exchange of all or substantially all of the assets of a subsidiary of the Trust, except pursuant to any security granted by the Trust or pursuant to an internal reorganization with an affiliate or subsidiary of the Trust;
- (e) the appointment or removal of the Auditors; and
- (f) other matters as may be required by applicable laws to be submitted to Trust Unitholders for approval.

Any action taken or resolution passed in respect of any matter at a meeting of Trust Unitholders shall be by Special Resolution, unless the contrary is otherwise expressly provided under any specific provision of this Declaration of Trust and except for the matters set out in subsections (e) and (f) above, which matters may be dealt with by a resolution passed by a majority of the votes cast by Trust Unitholders represented at the meeting.

Indemnification of Trustee and Trust Officers

The Trustee and the officers of the Trust shall be entitled to be and shall be indemnified and reimbursed out of the Trust Property in respect of any and all taxes (other than taxes on compensation), penalties or interest in respect of unpaid taxes or other governmental charges imposed upon the Trustee, former Trustee, officer or former officer in consequence of his or her performance of his or her duties.

Conflicts of Interest

Pursuant to the Declaration of Trust, the Trust Unitholders acknowledge that the Trustee, the Partnership, the General Partner, 1027110, their respective Affiliates and subcontractors, and any directors, officers, employees and shareholders of any of them (collectively, the “**Interested Parties**”) may be and are permitted to be engaged in and intend to continue to operate other businesses which the Trust of the Partnership will not have an interest and which may be competitive with the activities of the Trust or Partnership and, without limitation, the Interested Parties, may be and are permitted to act as a partner, shareholder, director, officer, employee, consultant, joint venture, advisor or in any other capacity or role whatsoever of, with, or to, other entities, which may be engaged in all or some of the aspects of the business of the Trust of the Partnership and may be in competition with the Trust or the Partnership. Any such Interested Parties may enter into material contracts and material transactions with the Trust and the Trust’s affiliates and associates, as well as any other Interested Parties. Similarly, the Trust may enter into material contracts and material transactions with an Interested Party. As a result of the foregoing, a possibility exists for the Interested Parties to be in a conflict of interest as it relates to the Trust.

Pursuant to the Declaration of Trust, the Trust Unitholders agree that the activities and facts as set forth in the previous paragraph shall not constitute a conflict of interest or a breach of fiduciary duty to the Trust or the Trust Unitholders, and, pursuant to the Declaration of Trust, the Trust Unitholders consent to such activities, and waive,

relinquish and renounce any rights to participate in any claim whatsoever with respect to any such activities, and the Trust Unitholders agree that none of the Interested Parties will be required to account to the Trust or any Trust Unitholder for any benefit or profit derived from such activities or from any similar or competing activity or any transaction relating thereto by reason of any conflict of interest or any fiduciary relationship that may be created by virtue of a position of an Interested Party with respect to the Trust.

Amendments to the Declaration of Trust

The Declaration of Trust may be amended or altered from time to time by the Trustee. The Trustee may amend certain provisions of the Declaration of Trust at any time without the consent, approval or ratification of the Trust Unitholders or any other Person in certain circumstances. The amendments will only be made if it is determined by the Trustee, in its sole discretion and acting reasonably, that a particular amendment is required for the overall benefit of the Trust and not making the change would be a greater detriment to the Trust Unitholders than making the amendment. All other amendments may be made by Special Resolution. For instance, the Trustee may amend the Declaration of Trust if the amendments are necessary in order for the Trust to continue to qualify as a “mutual fund trust” under the Tax Act or to not qualify as a “SIFT trust” under the Tax Act. Reference should be made to the Declaration of Trust for specific authorizations or limitations that apply to such amendments to the Declaration of Trust.

Term of the Trust

Subject to the other provisions of this Declaration of Trust, the Trust shall continue for a term ending January 1, 2041 provided the Trustee may, in its sole discretion, extend the term of the Trust for two additional one year periods. For the purpose of terminating the Trust by such date, the Trustee shall commence winding- up the affairs of the Trust on such date as may be determined by the Trustee, being not more than two years prior to the end of the term of the Trust.

The Trustee, may at any time terminate and dissolve the Trust by delivering to each Trust Unitholder written notice of its intention to terminate at least ninety (90) days before the date on which the Trust is to be Terminated. Additionally, the Trust Unitholders may vote by Special Resolution to terminate the Trust at any meeting of Trust Unitholders duly called by the Trustee for the purpose of considering termination of the Trust.

Financial Year End

Following its first fiscal year, the Trust shall use the 31st day of December in each year as its fiscal year end and the first fiscal year of the Trust shall end on December 31, 2016.

Auditors of the Trust

The Auditors of the Trust shall be an independent firm of chartered professional accountants which has an office in Canada, and shall initially be Smythe LLP. The Auditors will receive such remuneration as may be approved by the Trustee. The Auditor shall audit the accounts of the trust at least once each year and a report of the Auditor with respect to annual financial statements of the trust shall be provided to each Unitholder. The Auditors may, at any time, be removed by the Trustee with the approval of a majority of the votes cast by Trust Unitholders at a meeting of Trust Unitholders.

Financial Disclosure

The Trust will sent to Trust Unitholders within 120 days after the end of each fiscal year (or such shorter time as may be required by applicable securities law), the audited financial statements of the Trust for that fiscal year, together with the comparative audited financial statements for the preceding fiscal year, if any, and the report of the Auditor thereon, all prepared in accordance with International Financial Reporting Standards.

4.2 Partnership Agreement

General

The Partnership Agreement, which is dated as of January 26, 2016, as may be amended, contains the terms and conditions governing the relationship between the General Partner and the Limited Partners of the Partnership (including the Trust, as a Limited Partner). For additional information, see ***“Item 2.3 – Partnership”***.

The Partnership was formed for the purposes of (i) undertaking the Partnership Offering; (ii) using the net proceeds of the Partnership Offering to purchase interests in the Property; (iii) potentially constructing and developing the Property, either alone or with the other Co-Owners or through the entering into or use of contractual arrangements such as joint ventures or other agreements and/or entities such as corporations or limited partnerships (a ***“Venture”***) with one or more third parties, in each case who may be Related Parties of the General Partner; (iv) managing, or utilizing a third party (who may be a Related Party of the General Partner) to manage, the development of the Property referred to in (iii) above, including without limitation, the rental or lease of such properties and/or structures, (v) eventually selling or otherwise disposing of its interests in the Property (which may be sold from time to time as a whole or in parts, including as lots) as entitled or partially entitled land or as fully or partially developed land; (vi) distributing the net sale proceeds to the Limited Partners; and (vii) performing such other activities as may be necessary, incidental, ancillary or convenient to or arising from the foregoing purposes as may be reasonably determined by the General Partner (collectively, the ***“Partnership Business”***).

The General Partner is owned and controlled by the Principals, 80% by the Regehr Family (2014) Trust (controlled by Brian Regehr), 10% by Robert Dominick Consulting Inc. (owned or controlled by Robert Dominick), and 10% by Strategic Gateways Corporation (owned or controlled by David Siebenga). For more information with respect to the management of the General Partner, see ***“Item 2.4 – Management of the Partnership – The General Partner”*** and ***“Item 5 – Directors, Management, Promoters and Principal Holders”***.

The following is a summary of certain provisions of the Partnership Agreement of the Partnership. The summary does not purport to be complete and is subject to the more detailed provisions of the partnership Agreement. Prospective subscribers should review the complete text of the Partnership Agreement, a copy of which is available from the Issuers.

LP Units

The Partnership’s authorized capital consists of an unlimited number of partnership units. During the period ended January 31, 2016, the Partnership issued 10 LP Units to the General Partner for cash consideration of \$10.00, and 10 LP Units to 1027110 as the initial Limited Partner for cash consideration of \$10.

Each of the LP Units has identical rights and restrictions. Each LP Unit entitles the holder thereof to one vote at all meetings of Limited Partners, entitles the holder thereof to the pro rata right to be paid a share of the profits or allocated a portion of the loss of the Partnership or receive compensation by income or otherwise in respect of their respective capital contributions, and entitles the holder to receive their pro rate share of the distributions under the Partnership Agreement, and entitles the holder to the right of redemption under the terms set forth in the Partnership Agreement.

The General Partner will issue certificates to evidence the LP Units held by the Limited Partners within a reasonable period of time after the acceptance by the General Partner of the applicable subscription for such LP Units and receipt of payment by the General Partner of the capital contribution for such LP Units. Each Unit Certificate will be in such form as is from time to time approved by the General Partner and will be signed by the General Partner. Each and every Limited Partner will be entitled to receive a Unit Certificate to evidence the LP Units held by such Limited Partner.

Limited Partners

Each Subscriber whose subscription is accepted by the General Partner will become a Limited Partner effective upon the performance of certain formalities by the General Partner. Subsequent purchasers of LP Units will become Limited Partners upon compliance with the conditions of transfer set out in the Partnership Agreement, upon the General Partner entering the prescribed information on the records of the Partnership and performance of certain formalities by the General Partner.

The ownership of all property of the Partnership of every description and the rights to conduct the affairs of the Partnership are vested exclusively in the General Partner and the Limited Partners have no interest other than their beneficial interest in the Partnership.

Subject to the Partnership Act and any specific assumption of liability by a Limited Partner, the liability of each Limited Partner for the debts, liabilities and obligations of the Partnership is limited to the amount of its capital contribution and the Limited Partners pro rata share of undistributed income from the Partnership and the Limited Partner will have no further personal liability for such debts, liabilities or obligations and after making payment of the full amount of his capital contribution to the Partnership.

Under the Partnership Agreement, each Limited partner represents and warrants and covenants to each other Limited Partner and to the General partner that such Limited partner, among other things: (i) it is not a Non-Resident; (ii) if an individual, the Limited Partner is of the age of majority; and (iii) it has the requisite power and capacity to enter into and be bound by the Partnership Agreement and its execution and delivery of the Partnership Agreement has been duly authorized.

If at any time a Limited Partner is or becomes a Non-Resident, the General Partner may require that Limited partner to transfer its LP Units to a resident or residents of Canada. If a Non-Resident Limited partner fails to transfer its LP Units to a resident of Canada who qualifies to hold LP Units under the terms of the Partnership Agreement within 30 days of the giving of notice to such Non-Resident Limited partner to so transfer its LP Units, the General partner shall be entitled to sell such LP units on behalf of such Non-Resident Limited partner on such terms and conditions as the General partner considers reasonable.

Capital Accounts.

A capital account shall be established for each Partner, with respect to the LP Units, on the books of the Partnership (each a “**Capital Account**”) and such account shall be adjusted as provided for in the partnership Agreement. A Partner’s Capital Account shall be credited with such Partner’s Partnership capital contributions and any net profits allocated to such partner pursuant to the Partnership Agreement and shall be debited with any net losses allocated to such partner, the amount of any capital withdrawals, and the amount of any distributions, all pursuant to the Partnership Agreement. A partner will not be entitled to receive repayment from its Capital Account or to receive any distribution except as provided in the Partnership Agreement.

Meetings of Limited Partners.

Meetings of the Limited Partners may be called at any time by the General partner and may be called upon written request of Limited Partners holding in the aggregate, not less than 50% of the outstanding LP Units. Quorum at any meeting of Limited Partners consists of the Limited partners present, in person or represented by proxy, who collectively hold or represent by proxy the following percentages of issued and outstanding LP Units: (i) if called by Limited Partners, quorum shall be 50%; and (ii) if called by the General partner, quorum shall be 20%.

Powers and Duties of the General Partner.

The General Partner has exclusive authority to manage, administer and operate the business and affairs of the Partnership and to bind the Partnership. The General Partner is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Partnership and the Limited Partners and to exercise the care, diligence and skill that a reasonably prudent manager of a business similar to that of the Partnership would exercise in comparable circumstances. Certain restrictions are imposed on the General Partner, including that it may not dissolve the Partnership or wind-up the Partnership affairs except in accordance with the provisions of the Partnership Agreement.

Without limiting the generality of the foregoing, the General Partner has full power and authority for and on behalf of and in the name of the *Partnership*:

- invest in, acquire and hold property, both real and personal, whether by freehold, leasehold or otherwise, and to enter into or renew any lease of any such property, including the Property;
- enter into one or more Ventures or other forms of co-ownership in respect of any property, asset or undertaking of the Partnership, including the Property and, if the General Partner determines appropriate, to transfer or contribute portions of any property, asset or undertaking of the Partnership, including the Property, to such Ventures to be held by such Ventures for the purposes thereof;

- develop, construct, improve, expand, tear down and re-build or alter any property or any improvement on any property, including the Property;
- pay the Partnership's share of all real estate taxes or special assessments imposed on the Property or with respect to the Partnership's Interest therein;
- operate and manage the Property and provide over-all management and financial and business planning for and on behalf of the Partnership, and to determine the investment policies, practices and objectives applicable to the Partnership including any restrictions on investments which the General Partner deems advisable, to implement such policies, practices and objectives and to purchase or otherwise acquire any property, assets and undertakings in accordance with such policies, practices and objectives;
- enter into, perform or assume the obligations under any agreements for (or delegate, if the General Partner so chooses in its sole discretion) the management and operation of the business of the Partnership and the assets or undertakings of the Partnership, including the Property or its interest therein, and for the provision of all necessary services for and on behalf of the Partnership and to enter into the Co-Ownership Agreement or a similar agreement with any other person;
- sell, convey, transfer, exchange and otherwise dispose of all or any portion of the properties, assets, undertakings and investments of the Partnership, including the Property or its interest therein, at any time and from time to time;
- in the event that it is determined that the Partnership will participate in the development or redevelopment of all or any portion of the Property or its interest therein, reinvest all or any part of the income or assets of the Partnership received from the Property or its interest therein or any Venture or its interest therein or from the sale of portions thereof or its interest therein (and that would have otherwise been available for distribution to the Limited Partners hereunder) in such development or redevelopment;
- lend money, whether secured or unsecured, on such terms and conditions as the General Partner deems reasonable;
- exercise personally or by general or limited power of attorney all voting rights (if any) and all other rights attaching to or appurtenant to any property, assets, undertakings or investments of the Partnership;
- borrow money in such manner and amounts, and from such sources and on such terms and conditions as the General Partner deems appropriate including, without limiting the generality of the foregoing, for the purpose of paying Partnership expenses and the Management Fees and financing the purchase and development of the Property, other capital expenditures and generally the business, operations and undertakings of the Partnership;
- in connection with any borrowing referred to herein, execute without limit as to amount, draw, make, issue and deliver negotiable and non-negotiable instruments in evidence of indebtedness and secure the payment of money so borrowed including, without limit, pledging, or assigning in trust, any of the property, assets or undertaking of the Partnership and grant mortgages, liens, charges, encumbrances and other security interests on any property, assets or undertaking of the Partnership;
- renew or extend or participate in the renewal or extension of any mortgage or other security interest upon such terms as the General Partner may deem advisable;
- place registered title to any property or assets of the Partnership in the name of the General Partner or any other nominee or trustee or bare trustee, for the purpose of financing or other convenience for the benefit of the Partnership;

- enter into any license or sub-license agreement with any other Person to obtain rights to technology, intellectual property or otherwise, in such manner and on such terms as the General Partner considers appropriate;
- incur all reasonable expenses relating to the development, construction and operation of the business, property, assets and undertakings of the Partnership, including the Project Lands or which the General Partner deems are necessary or incidental to or desirable for carrying out the purposes of the Partnership or conducting the Partnership Business;
- employ, retain or dismiss from employment all necessary personnel, agents, representatives or professionals with the powers and duties, upon the terms, at the places and for the compensation as in the discretion of the General Partner may be necessary or advisable in the carrying on of the business, operations and undertakings of the Partnership;
- retain, dismiss and change legal counsel, accountants, auditors, experts, advisors, agents or consultants as the General Partner will consider appropriate and to rely upon the advice of such persons;
- open accounts for the Partnership in the name of the General Partner or the Partnership, to designate, and from time to time to change, the signatories to the accounts, to execute loan and credit agreements on behalf of the Partnership, and to make deposits to any such account for and on behalf of the Partnership;
- invest and hold funds not immediately required for the operation of the Partnership in a prudent manner;
- decide in its sole and entire discretion the time when property or assets of the Partnership shall be distributed to the Partners and the amount of any such distribution;
- where the General Partner determines that it is not appropriate or advisable for the assets of the Partnership to be held or registered in the name of the Partnership, to hold the assets of the Partnership in the name of the General Partner or an Affiliate of the General Partner or any other party that the General Partner determines appropriate for the sole benefit of the Partnership, or in the name of any other Person or entity as may be required by law for the sole benefit of the Partnership;
- submit the Partnership to binding arbitration with respect to the matters pertaining to the assets and undertakings of the Partnership;
- commence, defend and settle any action or proceeding in connection with the Partnership;
- file all returns and provide all other information required by any governmental or like authority;
- enter into and perform all contracts, covenants and obligations of or relating to the Partnership;
- obtain and account for all revenue of the Partnership;
- disburse monies to the Partners in accordance with the Partnership Agreement;
- obtain and maintain such insurance coverage as may be determined necessary by the General Partner;
- attend to all matters relating to the sale, distribution and issuing of LP Units and to acquire any outstanding LP Unit on terms and conditions acceptable to the General Partner acting in its sole discretion or as otherwise authorized under the terms of the Partnership Agreement;
- effect a subdivision of the outstanding number of LP Units into a greater number of LP Units or a consolidation of the outstanding number of LP Units into a lesser number of LP Units;

- attend to all matters and execute all documents relating to the subscription, distribution, sale or transfer of LP Units pursuant to the Partnership Agreement, and to approve or reject any such subscription, distribution, sale or transfer;
- make, execute, acknowledge and deliver, under seal or otherwise, any instrument, deed, agreement, contract, lease, mortgage, conveyance, guarantee, indemnity, covenant, waiver and other document and take any other steps as are necessary or desirable to effect the power and authority of the General Partner provided herein for and on behalf of and in the name of the Partnership;
- enter into and perform any agreement to do any of the foregoing; and
- generally to do all acts and things and to take all steps and proceedings and exercise all rights and privileges in connection with the property, assets and the undertakings of the Partnership which would customarily be carried out by a reasonable and prudent owner and operator in Canada having a like business.

General Partner May Acquire LP Units

The General Partner and/or its Related Parties may, at the initial Closing and any subsequent Closing, in conjunction with such Closing subscribe for LP Units representing in aggregate 10% or more of the total LP Units issued at such Closing. With respect to the LP Units so purchased, the General Partner and its Related Parties will have the same rights as any Limited Partner, including the right to receive allocations of income and losses and to receive distributions with respect to the LP Units held in the name of the General Partner or any of its Related Parties in accordance with the allocation and distribution provisions of the Partnership Agreement.

Other Activities of General Partner

The General Partner will not be required to devote its efforts exclusively to or for the benefit of the Partnership. The General Partner and its related parties will have the right to engage in, and to organize and operate other partnerships and to engage in other business ventures of any kind, including the operation and ownership of other partnerships or businesses engaged in a business similar to, or competitive with, that of the Partnership. In the absence of bad faith on the part of the General Partner or its related parties, any resolution of or course of action relating to any conflict of interest by the General Partner will be deemed fair and reasonable and will not constitute a breach of the Partnership Agreement or a duty owed by the General Partner to the Partnership. Engaging in any such activity by the General Partner will not be considered a breach of any duty that the General Partner and its related parties may have to the Partnership or to the Limited Partners, and the Partnership will have no interest in any profits that may be realized with respect to any such activity.

Conflicts of Interest

Under the terms of the Partnership Agreement, the Limited Partners acknowledge that the General Partner's associates, Affiliates and their respective directors and officers (including the directors and officers of the General Partner) may and are permitted to be engaged in and continue in other businesses in which the Fund will not have an interest and which may be competitive with the activities of the Partnership and, without limitation, the General Partner's associates, Affiliates, and their respective directors and officers (including the directors and officers of the General Partner) may and are permitted to act in any capacity or role whatsoever of, with or to other entities, including limited partnerships, which may be engaged in all or some of the aspects of the affairs of the Partnership and may be in competition with the Partnership. See ***"Item 10 Risk Factors – Conflicts of Interest"***.

Under the terms of the Partnership Agreement, the Limited Partners consent to such activities and the Limited Partners waive, relinquish and renounce any right to participate in, and any other claim whatsoever with respect to, any such activities. See ***"Item 10 Risk Factors – Conflicts of Interest"***.

General Partner Fees

The Partnership will pay to the General Partner a management fee (the “**Management Fee**”) each month during the Term of the Partnership equal to one-twelfth (1/12) of one and eight-tenths of one percent (1.8%) of Aggregate Contributed Capital as at the relevant payment date. The General Partner has agreed to the subordination to other creditors and the Limited Partners and to the postponement of payment until after the earlier of the sale or refinance of the Property.

The General Partner is also entitled to the Carried Interest. See “*Item 7.2 Securities Offered – Terms of LP Units*”.

The General Partner will generally be reimbursed for all reasonable costs and expenses incurred by the General Partner on behalf of the Partnership in respect of the Offerings and in the ordinary course of business, and other costs and expenses incidental to acting as General Partner.

The Partnership Agreement provides that the Partnership will indemnify the General Partner against all expenses, including legal fees, judgments and amounts paid in settlement, actually and reasonably incurred by the General Partner in connection with the Partnership provided such expenses were not the result of gross negligence or wilful misconduct on the part of the General Partner.

Removal of General Partner

The Limited Partners may, by Special Resolution (excluding any LP Units held by the General Partner and its Principals and Affiliates), and only with cause, remove the General Partner and appoint a new Person to be the General Partner, and cause shall be limited to the occurrence of any of the following events:

- (a) the General Partner has wilfully breached a material obligation or a fiduciary duty it has under the Partnership Agreement, which breach is conclusively determined by a final and non-appealable judgement of a court of competent jurisdiction, and such breach is not remedied within sixty (60) days (or in the process of being cured within sixty (60) days and is cured within one hundred twenty (120) days) after such conclusive determination;
- (b) gross negligence, fraud or willful misconduct on the part of the General Partner, which gross negligence, fraud or willful misconduct is conclusively determined by a final and non-appealable judgement of a court of competent jurisdiction; or
- (c) the General Partner files a voluntary petition in bankruptcy, is involuntarily dissolved or commences its winding up, consents or acquiesces to the appointment of a trustee, receiver or liquidator of the General Partner, or has entered against it an order for relief in a federal bankruptcy proceeding which order is not stayed, vacated or dismissed within ninety (90) days;

and, in all cases, only if the Limited Partners appoint by Special Resolution (excluding any LP Units held by the General Partner and its Principals and Affiliates), concurrently with such removal, a Person to act as General Partner who, from the date of such removal, assumes all of the responsibilities and obligations of the removed General Partner, including without limitation, liabilities with regard to financing provided to the Partnership.

Resignation of General Partner.

The General Partner may at any time resign as the General Partner with the consent of the Limited Partners by Special Resolution (excluding any Units held by the General Partner and its Principals and Affiliates), provided, however, such resignation will only be effective upon the admission and appointment of another Person, appointed by Special Resolution, to act as the General Partner. Further, a resigning General Partner will be entitled to be paid the balance in its capital account as of the date of resignation, such payment to be made on the effective date of resignation.

Distributions of the Partnership.

The General Partner of the Partnership is responsible for calculating and determining the Partnership’s distributable cash at least annually within 120 days of each fiscal year end and at such other times as it may determine in its discretion.

Pursuant to the Partnership Agreement, the Partnership will distribute its distributable cash in the following order of priority:

- (a) first, to repay any loans to the Partnership made by the General Partner or any Limited Partners;
- (b) second, to distribute to the Limited Partners pro rata according to their respective capital contributions until the amount so distributed equals each respective Limited Partner's aggregate capital contribution;
- (c) third, to distribute to the Limited Partners pro rata according to their respective unpaid 9% cumulative annual preferred return until such amount of preferred return has been paid, wherein one-third of the annual return will be payable every six months on June 30 and Dec 31 each year and two-thirds shall be payable annually as determined by the General Partner;
- (d) fourth, the amount equal to the distributions in (iii) above shall be paid as incentive remuneration to the General Partner;
- (e) fifth, thereafter 50% as a distribution to the Limited Partners pro rata according to their respective capital contributions, and 50% as an additional paid as incentive remuneration to the General Partner; and
- (f) sixth, the balance thereafter will be allocated: 50% thereof as a distribution to the Limited Partners pro rata according to their respective capital contributions; and 50% thereof as a further incentive remuneration to the General Partner,

(the distributions to the General Partner pursuant to (d), (e) and (f) above, together with all amounts paid to the General Partner on liquidation of the Partnership in accordance with the Partnership Agreement, are collectively the **"Carried Interest"**).

Allocation of Net Profits and Net Losses.

Subject to the adjustment of allocations as provided in the Partnership Agreement, for each fiscal year, net profits or net losses (and investment gains, investment losses, net operating profits or net operating losses included therein) for both accounting and for tax purposes, shall be allocated among the Limited Partners and General Partner in a manner consistent with the distributions set forth in the Partnership Agreement, and for accounting purposes, shall be allocated for each fiscal year, and for income purposes, shall be allocated as at the end of the fiscal year, the net profits or net losses, as applicable, for tax purposes shall be allocated among Limited partners in accordance with their *pro rata* share.

Non-Transferability, Right of First Refusal, and Mandatory Sale..

Except as provided in the Partnership Agreement or as may be consented to in writing by the General partner in its sole discretion, a Partner will not transfer, assign, pledge, encumber or dispose of its LP Units. No Partner may sell, transfer or dispose of less than all of its LP Units or less than 100% of its legal or beneficial interest in and to the Partnership, including its Capital Account, right to receive income or the return of capital, or any other right or interest whatsoever at any time.

Under the Partnership Agreement, a Limited Partner may, upon receipt of a bona fide third party offer the acquire all but not less than all of its LP Units, offer all of its LP Units to all other Limited Partners under the same terms as the third party offer, and then to the General Partner if not accepted by any of the other Limited Partners. If neither the other Limited Partners nor the General Partner accept the offer within the time periods in the Partnership Agreement, then the selling Limited partner may sell to the third party within the time periods in the Partnership Agreement, provided that the third party qualifies as a Limited Partner under the partnership Agreement.

If the General Partner receives a bona fide offer from a Person dealing at arm's length with the Partnership, to purchase all or substantially all of the LP Units owned by all of the Partners and which offer is accepted by the General Partner and authorized by Special Resolution (excluding any LP Units held by the General Partner and its related parties), all Limited Partners will be bound to sell all of their LP Units to the General Partner at the price per LP Unit and on the payment terms set forth in the offer received by the General Partner, conditional upon, and to be completed at the time of completion of, the sale of the LP Units to the purchaser.

Notwithstanding the foregoing, a Limited Partner may sell or transfer its LP Units to an Affiliate, provided that such Affiliate has qualified to be a Limited Partner under the Partnership Agreement.

Redemption.

LP Units are redeemable by the Limited Partners by delivering to the Partnership, or the General partner on behalf of the Partnership, a duly completed and properly executed notice requiring the Partnership to redeem LP Units, in a form approved by the General partner, together with written instructions as to the number of LP Units to be redeemed and the Unit Certificate(s) representing the LP Units to be redeemed. LP Units are redeemable on the last Business Day of any calendar quarter end (the “**Redemption Date**”) and the Partnership shall pay the Redemption Price within 60 days after the Redemption Date. The notice, Unit Certificate(s) and all other supporting documentation or evidence must be received by the Partnership, or the General partner on behalf of the Partnership, to the satisfaction of the General Partner, not less than 30 days prior to the applicable Redemption Date. On receipt of a notice to redeem LP Units, the Limited Partner will no longer have any rights with respect to the LP Units other than to receive any distribution accrued prior to receipt of the notice and the redemption amount.

Within 60 days of the Redemption Date, the Limited Partner holding the LP Units tendered for redemption shall be entitled to receive a redemption price (the “**Redemption Price**”) equal to the lesser of:

- (a) 95% of the Net Capital Contribution of such LP Units, until December 31 of the year in which the Final Closing takes place;
 - (b) 97.5% of the Net Capital Contribution of such LP Units, until December 31 in the year following the year in which the Final Closing takes place; and
 - (c) 100% thereafter,
- less a redemption fee of \$200.

The Redemption Price may be paid by the Partnership in cash or, at the election of the General Partner, by distributing or issuing any combination of cash and/or Redemption Notes (see ***Glossary of Terms—“Redemption Notes”*** on page 7 for a description of terms and conditions for the Redemption Notes) having an aggregate fair market value equal to the aggregate Redemption Price, as applicable for the LP Units tendered for redemption.

Except as determined by the General Partner, the maximum aggregate number of LP Units that may be redeemed by the Partnership shall not exceed 10% of the total number of LP Units issued and outstanding at the beginning of a fiscal quarter. The General Partner shall exercise such limitation and any cutbacks on a proportionate basis with respect to the aggregate number of LP Units represented by redemption notices. The Partnership may suspend the redemption of LP Units or postpone the date of payment of redeemed LP Units in such circumstances as the General Partner may reasonably determine. Such circumstances may include: (i) the assets of the Partnership are invested in such a manner so as to not reasonably permit immediate liquidation of such assets; or (ii) there exists a state of affairs that constitutes circumstances under which liquidation by the Partnership of part or all its investments is not reasonable or practicable, or would be prejudicial to the Partnership or the Limited partners, generally; or (iii) not suspending redemptions would have an adverse effect on the continuing Limited Partners. The Partnership may also suspend the redemption of LP Units upon an announcement by the General Partner that the Partnership will be terminated and dissolved.

At the General Partner’s discretion, the Partnership may, at any time, cause any Limited Partner to redeem all or part of its LP Units at the applicable Redemption Price by providing notice to such Limited Partner, if such Limited Partner is a Non-Resident or that the continued undiminished membership of the Limited Partner in the Partnership would (i) constitute or give rise to a violation of applicable law, or (ii) otherwise subject the Partnership or the General Partner to material onerous legal, tax, or other regulatory requirements that cannot be reasonably avoided.

The Partnership may, at any time, purchase for cancellation some or all of the LP Units by private agreement or pursuant to tenders received by the Partnership upon request for tenders addressed to all Limited Partners, provided that the General Partner determines such purchases are in the best interests of the Partnership. All LP Units so purchased and redeemed shall no longer be outstanding.

Term and Termination of Partnership.

The Partnership will continue until terminated in accordance with the terms of the Partnership Agreement. Upon the dissolution of the Partnership, the General Partner will, after payment or provision for the payment of the debts and liabilities, including contingent liabilities, of the Partnership and liquidation expenses, distribute the remaining assets of the Partnership pursuant to the Partnership Agreement.

Power of Attorney.

The Partnership Agreement includes an irrevocable power of attorney authorizing the General Partner on behalf of the Limited Partners to, among other things, execute the Partnership Agreement, any amendments to the Partnership Agreement and all instruments necessary to continue or keep in good standing the Fund as well as any elections, or declarations under the Tax Act or taxation legislation of any province.

Amendments.

The Partnership Agreement may be amended by the General Partner, without prior notice to or consent of any Limited Partner, in order to reflect the admission, resignation, withdrawal or other change of any Partner or the transfer or assignment of a LP Unit under or pursuant to the provisions of the Partnership Agreement. The Partnership Agreement may otherwise be amended by the General Partner with the authorization and consent of the Partners given by Special Resolution. In addition, the General Partner may, without prior notice to or consent from any Limited Partners, amend any provisions of the partnership Agreement from time to time:

- (i) for the purpose of adding to the Partnership Agreement any further covenants, restrictions, deletions or provisions which, in the written opinion of counsel to the General Partner, are for the protection of the Limited Partners as a group; or
- (ii) to cure any ambiguity or to correct or to supplement any provision or typographical error contained herein which, in the written opinion of counsel to the General Partner, may be defective or inconsistent with any other provision contained herein, provided, in the written opinion of such counsel, the cure, correction or supplemental provision does not in a material way adversely affect the rights of the Limited Partners as a group; or
- (iii) to make such other provisions in regards to matters or questions arising under the Partnership Agreement which in the written opinion of counsel to the General Partner, do not in a material way adversely affect the rights of the Limited Partners as a group,

provided that all Limited Partners are notified of full details of any amendments to the Partnership Agreement within thirty (30) days of the effective date of the amendment.

Accounting and Reporting.

Not later than One Hundred and Twenty (120) days after the end of each fiscal year of the Partnership, the General Partner will furnish to each Limited Partner an annual report of the business and operations of the Partnership during such year and such report will constitute the accounting of the General Partner for such year. Such report will contain a copy of the annual financial statements of the Partnership showing the Partnership's gross receipts and expenses and the Partnership's profits or loss for the year and the allocation allowed to each LP Unit, and will otherwise be in such form and have such content as the General Partner deems proper. The statement will also contain a complete statement of amounts paid during the year by the Partnership to the General Partner, its Affiliates and subcontractors and all necessary tax information. The Partnership will use December 31 in each year, or such other date as the General Partner determines, as its fiscal year end. See ***"Item 11 Reporting Obligations"***.

4.3 Earn-In Agreement

The Earn-In Agreement is an agreement among the Partnership, 1027110 and the Registered Owners dated January 29, 2016 as amended on January 3, 2017 and March 31, 2018, granting the Partnership the option to invest in the 5.1 acre real estate development property (the **"Property"**) located at 9525 King George Boulevard, Surrey, B.C., legally described as PID No. 011-069-236, Parcel "F" (Reference Plan 15821), Lot 2 Except part on Highway

Statutory Right of Way Plan 62493, Section 32, Township 2, New Westminster District Plan 4312. The Property is encumbered by the following financial charges:

- (i) a first mortgage registered under charge number CA259156 in favour of Computershare Trust Company of Canada, which secures the principal amount of \$7,500,000 (the “**First Mortgage**”); and
- (ii) a second mortgage registered under charge number CA308566 in favour of 1027110, which secures the principal amount of \$8,500,000 (the “**Second Mortgage**”), and

the terms and conditions of the First Mortgage and the Second Mortgage are described below.

Under the Earn-In Agreement, the Partnership obtained the option at any time until March 31, 2019 to acquire from 1027110 up to a 100% beneficial interest in the Property (the “**Acquired Interest**”) for a total aggregate purchase price of \$23,000,000, which may be acquired in one or more closings in increments of \$100,000 for every 1/230th of the Property.

First Mortgage

Principal amount: \$13,631,832 (\$10,620,000 USD) currently outstanding, which liability is shared between the Co-Owners proportionally in proportion to their respective percentage beneficial ownership interests in the Property.

Interest: 7.0% per annum, compounded semi-annually, not in advance.

Due date: July 1, 2018; and the Issuers expect to refinance before the due date (or any extension thereof) on similar terms as the existing First Mortgage.

Prepayment: The principal and interest may be prepaid at any time provided, however, that the interest for the remaining portion of the term shall be paid as well.

Second Mortgage

Principal amount: \$7,619,130 currently outstanding, which is the sole liability of 1027110.

Interest: not more than 4% per annum, compounded semi-annually, not in advance.

Due date: The earlier of April 1, 2019 or the due date of the First Mortgage (or refinanced First Mortgage, as the case may be).

Prepayment: The principal and interest may be prepaid at any time provided, however, that prior written consent of the First Mortgage lender is necessary before any prepayment prior to the First Mortgage.

4.4 Co-Ownership Agreement

Effective January 29, 2016, the Partnership entered into the Co-Ownership Agreement with 1027110. Upon acquiring an interest in the Property from 1027110 under the Earn-In Agreement, the Partnership and 1027110 will become co-owners of the Property, and their respective rights and obligations of such co-ownership and development of the Property will be governed pursuant to the terms of the Co-Ownership Agreement. Under the Co-Ownership Agreement, each of 1027110 and the Partnership are responsible for their respective pro rata share of expenses and are entitled to their respective pro rata share of income less the expenses for the ownership and development of the Property.

Reporting

1027110 shall prepare: (i) monthly management financial statements, within 10 days of each calendar month end, reflecting a sufficient level of detail as to the revenue and expenses of the management, development and co-ownership of the Property; (ii) within 60 days of the end of the calendar quarter, quarterly financial statements

prepared by the auditor on a review engagement basis; and (iii) within 90 days of the calendar year end, audited annual financial statements.

Major Decisions

Each of 1027110 and the Partnership shall have a veto on all “major decisions” as to the co-ownership, management and development of the Property, which require unanimous decisions, as follows:

- (a) any material change to the Property development plans and specifications;
- (b) increase or decrease of the number of floors of the Property development;
- (c) the selection and/or replacement of the project manager, the construction manager and the marketing team for the Property development and the terms and conditions of their respective contracts, unless already retained as at the date hereof;
- (d) the selection and approval of all other consultants, professional advisors and major subcontractors, as well as the terms and conditions of employment, unless already retained as at the date hereof;
- (e) if applicable, the terms and conditions upon which the condominium units are to be offered for sale to prospective purchasers, including the pricing of the condominium units, and any proposed sale not substantially meeting the criteria previously approved;
- (f) the terms and conditions of any construction or other financing for the Property development including the choice of construction lenders;
- (g) the terms and conditions of any development, financial or other similar agreements to be entered into with governmental authorities relating to the Property development;
- (h) the sale of the Property development, in whole or in part, other than as a sale of strata units in the ordinary course of business and subject to a minimum sale price agreed by both parties;
- (i) any non-arm's length contracts;
- (j) the timing or phasing of the Property development, if any, both from a marketing and a construction commencement perspective;
- (k) any guarantees to be provided;
- (l) the establishment or approval of, and any material amendment or deviation from the budget (the “**Budget**”) for the Property development; and
- (m) any change to the business plan, Budget and Property development cash flow forecast previously approved by the parties.

Expenses

In addition to unanimously decided matters outlined above, the following expenses in relation to the Property shall be borne by the Co-Owners in proportion to their then applicable respective ownership interest in the Property:

- (a) rates and assessments payable to any applicable Governmental Authority;
- (b) property management fees pursuant to the Pre-Development Agreement (see below);
- (c) property taxes;
- (d) insurance premiums;

- (e) expenses associated with the maintenance of or repairs to the Property, subject to the limitations in the Co-Ownership Agreement (i.e., as to matters to be decided unanimously);
- (f) utilities;
- (g) development costs and expenses, as approved in the Budget (which must be unanimously approved); and
- (h) all other costs payable in respect of the property which is the responsibility of the owner of the Property.

Term

The term of the Co-Ownership Agreement shall continue from January 29, 2016 until: (a) the sale of the Property by the Co-Owners; (b) termination of the agreement by mutual agreement of the Co-owners; or (c) the Partnership acquires 100% beneficial interest in the Property pursuant to the earn-In Agreement.

4.5 Pre-Development Agreement

Effective January 29, 2016, 1027110 entered into the Pre-Development Agreement with BKR, pursuant to the Co-Ownership Agreement wherein BKR agrees to provide development services for the development of the Property for 1027110. Under the Pre-Development Agreement, BKR is entitled to be reimbursed for its development expenses as well as a developer's fee of \$50,000 per month plus applicable goods and services taxes. Under the Co-Ownership Agreement, the Partnership is responsible for its proportionate share of development expenses including the expenses incurred under the Pre-Development Agreement. Upon acquisition by the Partnership of 100% of the Property under the Earn-In Agreement, the Partnership will acquire the rights and the responsibilities contained within the Pre-Development Agreement but 1027110 will remain liable for obligations that it had accrued under the Pre-Development Agreement. BKR has agreed to the subordination to other creditors and the Limited Partners and to the postponement of payment until after the earlier of the sale or refinance of the Property.

4.6 Funding Agreement

Effective January 31, 2016, the Trust and the Partnership entered into the Funding Agreement, which provides that the Partnership will pay all costs, fees, Selling Commissions and expenses incurred by the Trust in connection with the Trust Offering in consideration for the Trust using all of its Gross Proceeds from the Trust Offering to acquire LP Units under the Partnership Offering.

ITEM 5 - INTERESTS OF DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

5.1 Compensation and Securities Held

The following table sets out information about each director and officer of the Trustee, the General Partner, each promoter of the Trust and the Partnership and each person who directly or indirectly beneficially owns or controls 10% or more of the Units of the Trust and the Partnership.

Name and municipality of principal residence	Positions held and the date of obtaining that position	Compensation paid by the Issuers during the fiscal year ended December 31, 2017 and compensation anticipated to be paid for the current fiscal year ended December 31, 2018	Number and percentage of Units held after completion of min. Offerings	Number and percentage of Units held after completion of max. Offerings
FOR THE TRUST:				
1008184 B.C. LTD. ⁽¹⁾ SURREY, BC	Trustee of the Trust	2017 – Nil 2018 – Nil	Nil	Nil

Name and municipality of principal residence	Positions held and the date of obtaining that position	Compensation paid by the Issuers during the fiscal year ended December 31, 2017 <u>and</u> compensation anticipated to be paid for the current fiscal year ended December 31, 2018	Number and percentage of Units held after completion of min. Offerings	Number and percentage of Units held after completion of max. Offerings
KENDALL BOYD FRIESEN ⁽²⁾ SURREY, BC	President and Director of the Trustee	2017 – Nil 2018 – Nil	Nil	Nil
1027110 B.C. LTD. ⁽³⁾ SURREY, BC	Promoter of the Trust	2017 – Nil 2018 – Nil	Nil	Nil
BRIAN KEITH REGEHR ⁽⁴⁾ SURREY, BC	Director, President and Chief Executive Officer of 1027110	2017 – Nil 2018 – Nil	Nil	Nil
ROBERT CHARLES DOMINICK ⁽⁴⁾⁽⁵⁾ SURREY, BC	Director and Chief Financial Officer of 1027110	2017 – Nil 2018 – Nil	Nil	Nil
DAVID JACOB SIEBENGA ⁽⁴⁾ SURREY, BC	Director and Corporate Secretary 1027110	2017 – Nil 2018 – Nil	Nil	Nil
FOR THE PARTNERSHIP:				
WESTSTONE (INNOVATION) GP LTD. ⁽⁶⁾ SURREY, BC	General Partner of the Partnership	2017 – \$206,307 2018 – \$517,266	10 LP Units ⁽⁷⁾	10 LP Units ⁽⁷⁾
1027110 B.C. LTD. ⁽⁸⁾ SURREY, BC	Promoter of the Partnership	2017 – Nil 2018 – Nil	Nil	Nil
BRIAN KEITH REGEHR ⁽⁹⁾⁽¹⁰⁾ SURREY, BC	Director, President and Chief Executive Officer of each of the General Partner and 1027110	2017 – Nil 2018 – Nil	Nil	Nil
ROBERT CHARLES DOMINICK ⁽⁵⁾⁽⁹⁾⁽¹⁰⁾ SURREY, BC	Director and Chief Financial Officer of each of the General Partner and 1027110	2017 – \$50,000 2018 – Nil	Nil	Nil
DAVID JACOB SIEBENGA ⁽⁹⁾⁽¹⁰⁾ SURREY, BC	Director and Corporate Secretary of each of the General Partner and 1027110	2017 – Nil 2018 – Nil	Nil	Nil

Notes:

- (1) 1008184 BC Ltd. is the trustee of the Trust and received no compensation during the fiscal year ended December 31, 2017, and is not expected to receive any compensation during 2018, but the Partnership will pay for the expenses of the trustee on behalf of the Trust pursuant to the Funding Agreement.
- (2) Kendall Friesen is the sole director and officer of 1008184 BC Ltd. and has received no compensation during the fiscal year ended December 31, 2017, and is not expected to receive any compensation during 2018.

- (3) 1027110 BC Ltd. is the initial Trust Unit holder of the Trust acquiring one Trust Unit for \$1.00, and is therefore a promoter of the Trust. Upon the initial closing of the Trust Offering, the Trust repurchased the initial Trust Unit issued to 1027110 BC Ltd. for \$1.00 and that Trust Unit was cancelled.
- (4) Brian Regehr beneficially owns or controls 80% of the voting rights of the Trustee as well as 80% of the voting rights of 1027110 BC Ltd.. Each of Robert Dominick and David Siebenga beneficially owns or controls 10% of the voting rights of the Trustee and 1027110 BC Ltd. and is a director and officer of 1027110 BC Ltd.
- (5) Consulting fees of \$50,000 were paid to a company controlled by Mr. Dominick during the fiscal year ended December 31, 2017, but no such additional compensation is expected to be paid to Mr. Dominick or his company from the Issuers during 2018.
- (6) The General Partner, Weststone (Innovation) GP Ltd., is entitled to a 1.8% annual management fee (calculated on the total aggregate amount of cumulative capital contributions) plus the carried interest, and reimbursement for its expenses under the Partnership Agreement. During the period ended December 31, 2017, the Partnership incurred \$206,307 in management fees. Assuming that the Maximum Offering was completed immediately as of the date of this Offering Memorandum and that the General Partner continued to manage the Partnership through until the end of the 2018 fiscal year, then the management fees would be as much as \$517,266. However, the General Partner has agreed to the subordination to other creditors and the Limited Partners and to the postponement of payment until after the earlier of the sale or refinance of the Property. The General Partner is a related party to the Issuers and is beneficially owned or controlled 80% by Brian Regehr, 10% by David Siebenga and 10% by Robert Dominick. See *“Item 4.2 Material Agreements – Partnership Agreement”*.
- (7) Pursuant to the Partnership Agreement, the General Partner may purchase up to 10% of the Units issued under the Offerings, in addition to the 10 LP Units acquired by the General partner at \$1.00 per LP Unit upon establishing the Partnership. The General Partner does not intend to purchase any additional Units. See *“Item 4.2 Material Agreements – Partnership Agreement”*.
- (8) 1027110 B.C. Ltd. was the initial Limited Partner of the Partnership and is accordingly a promoter of the Partnership. Upon first closing of the Partnership Offering, the initial 10 LP Units that were issued to 1027110 BC Ltd. for \$1.00 per LP Unit were repurchased by the Partnership at \$1.00 per LP Unit and were cancelled. See *“Item 4.2 Material Agreements – Partnership Agreement”*.
- (9) This individual is a director and/or officer and/or shareholder of the General Partner. Although he does not receive compensation from the Fund, the General Partner does receive a Management Fee for its services. See *“Item 4.2 Material Agreements – Partnership Agreement”*.
- (10) As a shareholder of the General Partner, this individual will have an indirect interest in the Units held by the General Partner.

5.2 Management Experience

The senior management of the Trustee and the General Partner have a broad background of real estate investment, finance and development experience which will be brought to bear on the activities undertaken by the Trustee on behalf of the Trust as well as the General Partner on behalf of the Partnership. The following table discloses the principal occupations of the directors and senior officers of the Trustee and the General Partner over the past five years.

Name	Principal occupations and related experience
KENDALL BOYD FRIESEN President and Director of the Trustee	<p>Kendall Friesen has over 20 years' experience in the real estate construction and development industry beginning with hands on construction experience and into management. Mr. Friesen was responsible for project and personnel management for one of a large concrete construction companies in British Columbia, and was director of operations for a privately owned utility maintenance and repair company. In the course of this work, he worked directly in coordination and communication with municipality leaders, mayors, and council members.</p> <p>In 2006, Mr. Friesen founded a small family business with his brother, before joining the WestStone Group to participate real estate development activities in Arizona. During that time, Mr. Friesen was directly involved on behalf of the WestStone Group with the acquisition, development and sale of a number of communities in the Phoenix market. Since then, Mr. Friesen's involvement with the WestStone Group has been wide ranging with involvement in construction, design and project development. Mr. Friesen's experience has cultivated leadership and experience in team environments, both in collaborative boardroom settings and in niche entrepreneurial environments. Mr. Friesen is currently the Chief Operating Officer for the WestStone Group in Phoenix, USA.</p>
BRIAN KEITH REGEHR Director, President and Chief Executive Officer of the General Partner	<p>Brian Regehr, Founder, President and CEO of the WestStone Group, started real estate development during the early 90's in British Columbia's scenic Okanagan region. His first venture was a two-phase development of 80 multi-family homes, and by the late 90's he had successfully completed some 500 homes in the Okanagan.</p> <p>During 1998 Brian participated in development projects in Calgary. In 1999 Brian completed the 203-unit River Grande Estates, an inner-city condominium project.</p> <p>During 2001, Brian opened a division of the WestStone Group in Phoenix, Arizona. With its head office in Scottsdale, the WestStone Group has since successfully completed over 1,000 multi-family homes in the Phoenix metropolitan area.</p> <p>In parallel with its expansion into the US marketplace, WestStone also commenced</p>

Name	Principal occupations and related experience
	<p>developments in the Lower Mainland area of British Columbia. Initially building single-family homes in the Fraser Valley, WestStone moved forward to complete many award winning multi-family and town home developments.</p> <p>In 2006 Brian, completed acquisition of a large land parcel assembly in Surrey, British Columbia in a coveted location adjacent to Surrey's new City Hall, Civic Plaza, Library and future Performing Arts Centre, the SkyTrain rapid transit system and both Simon Fraser and Kwantlen Polytechnic Universities. This new emerging City Centre is designated as British Columbia's next great Metro Centre.</p> <p>The WestStone Group is currently very involved in the build-out of the Metro Centre land assembly with its \$1-billion, 2,500-unit West Village, a master-planned community comprising of several high-rise towers, low-rise multi-family buildings, town homes and commercial/retail units.</p> <p>Brian was also a founder and co-owner of Eagle West Cranes, the largest crane company in British Columbia, with an annual turnover of more than \$100-million and Rite-Way Fencing, one of Canada's largest fencing companies, with annual revenues of over \$30-million. Rite-way has eight branches spread across Western Canada and the Prairie Provinces and was selected to provide fencing for the 2010 Vancouver Olympic Games.</p>
<p>DAVID JACOB SIEBENGA, Director and Secretary of the General Partner</p>	<p>David Siebenga has been legal counsel for the WestStone Group since 2013. At this time David is also the director an officer of a series of other companies including being a Director for Aartha America Consulting Ltd. and an international director for AAGUSA Inc., a consulting organization involved with international finance and trade between the United States, Canada, India and China. Mr. Siebenga has previously held the position of legal compliance and technology officer for a medical company as well as director and CEO of Sea2Sky Corporation, an OTCBB public corporation targeting renewable technologies and assignments between Europe, North America and Asia. Since 2004, David has been Senior Counsel and Partner with Siebenga King, a law firm which operates four offices throughout the lower mainland of British Columbia. David holds a Bachelor of Commerce degree from the University of Calgary and a Bachelor of Laws from the University of British Columbia. Mr. Siebenga was admitted to the Law Society of British Columbia in 1987.</p>
<p>ROBERT CHARLES DOMINICK Director and Chief Financial Officer of the General Partner</p>	<p>During the 1980's, after relocating from the UK, Robert (Bob) Dominick studied various applied real estate and urban land subjects at Niagara College and McMaster University in Ontario. He became professionally qualified as a real estate broker, a mortgage broker, a property manager and an appraiser licensed by the Canadian Real Estate Association and practiced in the Niagara Region of Ontario for Re/Max. In 1990 – 1992 he managed a Re/Max office of 70 Realtors.</p> <p>In 1992, Robert relocated to Vancouver where he had been selected to become the Project Director of a multi-family development group for Re/Max. Robert was responsible for the project feasibility studies, land acquisition, sales and marketing. During the period 1992 – 1998 he was accountable for closing over 3,000 strata lots.</p> <p>In 1998, Robert was selected by a US digital cinema corporation, Lightyear Digital Theatre, to become its Chief Operating Officer. He was responsible for overseeing comprehensive feasibility studies and estimating for site acquisition and development of motion picture studios and state-of-the-art digital cinemas throughout North America. He expanded Lightyear to encompass digital exhibition and distribution which included the acquisition of a legendary showcase theatre on Rodeo Drive in Beverly Hills. In 2001, Robert acquired a majority shareholding of Lightyear and became its President and CEO and in 2010 Lightyear donated a 200-seat digital, high-definition and 3-D theatre to Simon Fraser University's Surrey Campus and the School of Interactive Arts and Technology.</p> <p>In 2003, Robert's passion for the real estate industry led him to become a Sales Manager for</p>

Name	Principal occupations and related experience
	<p>Park Lane Homes. He successfully sold and closed many of Park Lane's new multi-family developments in the Port Moody, Heritage Mountain and South Surrey areas.</p> <p>In 2005, Robert Dominick joined WestStone Properties as General Manager of Sales and Acquisitions, responsible for all sales initiatives and land acquisitions. In 2006 Robert took on the role of acquiring 29 single-family homes in North Surrey that would become one of Weststone's most important land assemblies. Once the assembly was complete the development of what is now known as West Village, a master-planned community of some 2,500 homes was commenced. In 2007, Robert was appointed Vice President Sales & Acquisitions. During the period 2006 – 2012 he was responsible for the successful sales and marketing of over 750 condominiums in the city centre, including successfully closing over 200 strata lots during the recession in 2009.</p> <p>As Vice President of the WestStone Group, Robert applies his decades of real estate experience to acquisition of development sites and managing them through the various stages of development approvals.</p> <p>Robert gives back to Surrey City Centre by donating his time in several directions. He serves as a Director and is a Past-President of the Downtown Surrey Business Improvement Association. He was appointed Chairman of the Surrey City Centre Economic Development and Culture Committee in 2008 and has been re-elected by his peers for five consecutive terms to continue in that role.</p>

Historical Performance of the WestStone Group

The WestStone Group has been building quality family sub-division homes, custom signature homes, town homes and multi-family low-rise and high-rise developments for well over two decades. With a significant track record of projects, the WestStone Group is proud of its responsible and perceptive approach towards building.

The WestStone Group active in the Lower Mainland region of British Columbia, particularly south of the Fraser River and as well has a presence in the greater metropolitan area of Phoenix, Arizona. The company has also successfully built developments in Alberta and in British Colombia's Okanagan region.

Brian Regehr is the driving force behind the WestStone Group and provides the overall vision and direction for the WestStone Group. Brian is a life-long entrepreneur with a successful track record in a variety of industries spanning both Canada and the United States.

The WestStone Group has a strong track record of innovation and successful business operations. The company operates in a variety of markets and applies time tested management methodologies to each of its operations. Key areas of focus are:

- Recruiting, retaining and developing the best people in the industry.
- Stressing local accountability in each of its operations.
- Constant monitoring and reporting of performance.
- Using extensive research and utilization of expert industry consultants to fully understand each operational market place.
- Focusing on providing the best quality solutions for customers.
- Providing investors with high-return and unique developments
- Delivering 'best-in class' customer satisfaction.
- Earning the trust and support of employees, suppliers, investors and customers by operating with high ethical standards and integrity.

After studying housing market dynamics, demographics and population trends, including macro-economic factors, the WestStone Group entered the residential development market in the Lower Mainland of British Columbia in 1991. Development programs took place in the Okanagan region of British Columbia and in the Fraser Valley and Lower Mainland areas of British Columbia.

During the mid-90's, noticing some early signs of economic decline in British Columbia, the WestStone Group turned its attention to Alberta, specifically focusing on the high-growth Calgary market. Applying the same research

disciplines and acquiring the services of local real estate experts and planners, the WestStone Group leveraged its experience in British Columbia and created a large comprehensive residential development program in Calgary with its River Grande Estates development in Calgary.

The WestStone Group continued to look for additional development opportunities and began studying markets in the United States, eventually focusing on the Phoenix, Arizona metropolitan area. The WestStone Group identified this as an excellent development location because of its growing population and emerging cultural diversity. Phoenix is currently the fifth largest city in the United States.

The WestStone Group focused on creating innovative home solutions that fulfilled the needs of a variety of lifestyles for urban professionals of diverse backgrounds. Following intensive analysis, including soliciting input from the leading residential experts in the area, the WestStone Group finalized the concept for another major residential development program and has now successfully completed over 1,000 multi-family homes in the Phoenix area.

Brian Regehr's forward approach and insight into multiple market segments has made it possible for the WestStone Group to remain in the Arizona real estate market despite the economic downturn of recent years. Brian is optimistic about the Arizona recovery and continues to acquire and expand in the Phoenix Metropolitan area. As a testament to his tenacity the "*Phoenix Business Journal*" cited the WestStone Group as one of the few remaining local homebuilders still in operation.

In tandem with its expansion into the USA, the WestStone Group re-entered into a structured development program within British Columbia and WestStone Group has become one of the largest developers operating south of the Fraser River. Today, the WestStone Group has several thousand multi-family homes in various stages of development and the company has become an acknowledged household name.

The WestStone Group's mission is to continue with expansion and remain consistent with its effort to provide building quality, innovation and appealing multi-family homes.

5.3 Penalties, Sanctions and Bankruptcy

Other than as disclosed below regarding Mr. David Siebenga, there are no penalties, sanctions, declarations of bankruptcy, voluntary assignments in bankruptcy, proposals under any bankruptcy or insolvency legislation or proceedings, arrangements or compromises with creditors, appointments of a receiver, receiver manager or trustee to hold assets, that have been in effect during the last ten years against or in connection with any of the directors, senior officers or control persons of the Trust, the Trustee, the Partnership or the General Partner or any issuer of which any director, senior officer or control person of the Trust, the Trustee, the Partnership or the General Partner was a director, senior officer or control person.

Pursuant to a decision issued on September 30, 2015 by the Law Society of British Columbia, David Siebenga was found that his conduct as a lawyer in two related litigation matters constituted an abuse of process and amounted to professional misconduct. Siebenga acted for a client in two court actions: the first was a debt action in which Siebenga filed affidavits attesting that his client had no legal or beneficial interest in a piece of property; in the second action, Siebenga filed an amended notice of civil claim asserting that his client had an equitable interest in the same piece of property. The filing of the claim was found to be an abuse of process, and in filing such claim, Siebenga was in breach of his duty to the court. The client may have had views of his entitlement to the property, but those were views that were not capable of being legitimately asserted in a notice of claim. Siebenga ought not to have taken his client's instructions to commence the action. He was therefore disciplined by the Law Society of BC with a 30-day suspension from practising law in BC and ordered to pay costs in the matter of \$6,172.50. (See https://www.lawsociety.bc.ca/apps/hearing_decisions/viewreport.cfm?hearing_id=844&t=Siebenga-Decision-on-Facts,-Determination-and-Disciplinary-Action.)

5.4 Loans

There are no loans due to or from the directors, management, promoters and principal holders of the Trustee or General Partner in respect of the Issuers.

ITEM 6 - CAPITAL STRUCTURE

6.1 Capital of the Issuers

Description of security	Number authorized to be issued	Price per security	Number outstanding as at April 30, 2018	Number outstanding after Maximum Offerings
Trust Units ⁽¹⁾	Unlimited	\$1.00	11,790,523	21,829,481 ⁽²⁾
LP Units ⁽³⁾	Unlimited	\$1.00	24,961,042	35,000,000

(1) The attributes and characteristics of the Trust Units is set forth under the heading “*Item 7.1 Securities Offered - Terms of Trust Units*”.

(2) Assuming that the all of the remaining Maximum Offering was completed by way of issuance of Trust Units.

(3) The attributes and characteristics of the LP Units is set forth under the heading “*Item 7.2 Securities Offered - Terms of LP Units*”.

6.2 Long Term Debt Securities

The Issuers currently have no outstanding long term debt other than the Partnership's share of the First Mortgage, which amounts to \$8,001,885 in principal and \$161,056 in interest currently outstanding as at April 30, 2018. However, see Item 2 “*Business of the Fund – Insufficient Funds*” for information on the potential for the Issuers to borrow long term debt in the future.

6.3 Prior Sales

In connection with the establishment of the Trust, 1027110 BC Ltd. contributed \$1.00 in return for 1 Trust Unit and the initial Trust Unitholder pursuant to the Declaration of Trust. Upon the initial closing of the Trust Offering, the Trust repurchased the initial Trust Unit from 1027110 BC Ltd. and 1027110 BC Ltd. ceased to be a Trust Unitholder. See “*Item 4.1 – Declaration of Trust*”. The only security issued by the Trust has been Trust Units, and the following table lists all of the Trust Units issued by the Trust within the last 12 months:

Date of Issuance	Type of Security Issued	Number of Securities Issued	Price Per Security	Total Funds Received
May 5, 2017	Trust Units	47,050	\$1.00	\$47,050
May 12, 2017	Trust Units	649,514	\$1.00	\$649,514
June 2, 2017	Trust Units	443,197	\$1.00	\$443,197
June 23, 2017	Trust Units	376,594	\$1.00	\$376,594
July 11, 2017	Trust Units	331,557	\$1.00	\$331,557
July 21, 2017	Trust Units	353,979	\$1.00	\$353,979
August 11, 2017	Trust Units	495,096	\$1.00	\$495,096
August 30, 2017	Trust Units	182,825	\$1.00	\$182,825
September 12, 2017	Trust Units	236,514	\$1.00	\$236,514
September 19, 2017	Trust Units	156,423	\$1.00	\$156,423
September 26, 2017	Trust Units	487,508	\$1.00	\$487,508
October 4, 2017	Trust Units	266,269	\$1.00	\$266,269

Date of Issuance	Type of Security Issued	Number of Securities Issued	Price Per Security	Total Funds Received
October 30, 2017	Trust Units	600,075	\$1.00	\$600,075
November 23, 2017	Trust Units	661,789	\$1.00	\$661,789
December 14, 2017	Trust Units	268,728	\$1.00	\$268,728
January 8, 2018	Trust Units	383,161	\$1.00	\$383,161
January 30, 2018	Trust Units	255,742	\$1.00	\$255,742
February 7, 2018	Trust Units	278,500	\$1.00	\$278,500
Totals:		6,474,521		\$6,474,521.00

In connection with the formation of the Partnership (i) the Initial Limited Partner contributed \$10.00 to the Partnership as the initial capital contribution in return for 10 LP Units, and (ii) the General Partner contributed \$10.00 to the capital of the Partnership in return for 10 LP Units. Upon the Initial Closing and the Subscriber(s) becoming Limited Partners, the Partnership paid \$10.00 to the Initial Limited Partner as a return of capital whereupon the Initial Limited Partner ceased to be a Limited Partner. See *“Item 4.2 – Partnership Agreement”*. The only security issued by the Partnership has been LP Units, and the following table lists all of the LP Units issued by the Partnership within the last 12 months:

Date of Issuance	Type of Security Issued	Number of Securities Issued	Price Per Security	Total Funds Received
May 5, 2017	LP Units	582,050	\$1.00	\$582,050
May 12, 2017	LP Units	1,151,514	\$1.00	\$1,151,514
June 2, 2017	LP Units	443,197	\$1.00	\$443,197
June 23, 2017	LP Units	666,594	\$1.00	\$666,594
July 11, 2017	LP Units	331,557	\$1.00	\$331,557
July 21, 2017	LP Units	415,979	\$1.00	\$415,979
August 11, 2017	LP Units	525,096	\$1.00	\$525,096
August 18, 2017	LP Units	240,000	\$1.00	\$240,000
August 30, 2017	LP Units	340,325	\$1.00	\$340,325
September 5, 2017	LP Units	2,000,000	\$1.00	\$2,000,000
September 12, 2017	LP Units	516,014	\$1.00	\$516,014
September 19, 2017	LP Units	531,423	\$1.00	\$531,423
September 26, 2017	LP Units	487,508	\$1.00	\$487,508
October 4, 2017	LP Units	441,269	\$1.00	\$441,269

Date of Issuance	Type of Security Issued	Number of Securities Issued	Price Per Security	Total Funds Received
October 30, 2017	LP Units	1,222,075	\$1.00	\$1,222,075
November 23, 2017	LP Units	787,289	\$1.00	\$787,289
December 14, 2017	LP Units	558,728	\$1.00	\$558,728
January 8, 2018	LP Units	501,161	\$1.00	\$501,161
January 30, 2018	LP Units	963,742	\$1.00	\$963,742
February 7, 2018	LP Units	688,500	\$1.00	\$688,500
Totals		13,394,021		\$13,394,021.00

ITEM 7 - SECURITIES OFFERED

We are offering for sale a maximum of 10,038,958 Units (the Units are comprised of Trust Units and LP Units). The holder of any Trust Unit will be Trust Unitholder in accordance with the Declaration of Trust and the holder of any LP Unit will be a Limited Partner in accordance with the partnership Agreement. By subscribing for Units, you are agreeing to be bound by the Declaration of Trust (with respect to Trust Units) or the Partnership Agreement (with respect to LP Units).

You are advised to obtain independent legal advice regarding the terms and conditions of the Partnership Agreement prior to subscribing for any Units.

7.1 Terms of Trust Units

The information in this Item 7.1 reflects the terms of the Declaration of Trust. Reference should be made to the entirety of the Declaration of Trust, a copy of which is available upon request from the Issuers.

General

The securities being offered pursuant to the Trust Offering are Trust Units. The beneficial interests of the Trust are divided into four classes of units, as Class “A”, Class “B”, Class “C”, and Class “D” units, which are issuable in series and entitled to the rights and subject to the limitations, restrictions and conditions set out in the Declaration of Trust, including the right to vote and to participate pro rata in any distributions from the Trust. Each class of units has identical rights, restrictions and conditions. Each such unit of the Trust is without nominal or par value, entitles the holder thereof to one vote at all meetings of Trust Unitholders, entitles the holder thereof to the pro rata right to receive distribution and participate pro rata upon dissolution or liquidation, and entitles the holder to the right of redemption under the terms and conditions set forth in the Declaration of Trust.

The Trust is authorized to issue an unlimited number of any class of units. In order to establish the Trust, one Class “A” unit (the “**Initial Trust Unit**”) was issued for cash of \$1.00 on January 31, 2016. The Trust is now offering by way of a private placement Class “A” units of the Trust (the “**Trust Units**”) pursuant to the Trust Offering. At any time following the issuance of one or more additional Trust Units, the Trust may redeem the Initial Trust Unit for a purchase price of \$1.00 and, upon the completion of such purchase and sale, the Initial Trust Unit shall be cancelled and shall no longer be outstanding. Each holder of a Trust Unit shall be entitled to the rights and be subject to the limitations, restrictions and conditions pertaining to the Trust Units as set out in the Declaration of Trust and the interest of each Unitholder shall be determined by the number of Trust Units registered in the name of such holder.

Each Trust Unit outstanding from time to time represents an equal undivided beneficial interest in the net asset of the Trust and each Unitholder shall be entitled to a Proportionate Share of (i) all distributions respecting the Trust Units, when and as declared, and (ii) the proceeds of liquidation of the Trust Property, after satisfaction of all liabilities of the Trust.

All Trust Units will rank among themselves equally and rateably without discrimination, preference or priority. Each Trust Unit entitles the holder to one vote at all meetings of Unitholders and for written resolutions of Unitholders if any. Except as set out in the Declaration of Trust, the Trust Units have no conversion, retraction or redemption or pre-emptive rights.

Certificates

Unit Certificates will be issued to Trust Unitholders and a register of Trust Unitholders will be kept at the head office of the Trust or the Transfer Agent, setting out the particulars of the Unit Certificates. Only Trust Unitholders with recorded Unit Certificates on the register are entitled to receive distributions or exercise rights of a Trust Unitholder.

Capital Contribution

In connection with the subscription for Trust Units under the Trust Offering, each subscriber will contribute to the capital of the Trust at the purchase price of \$1.00 per Trust Unit for each Trust Unit subscribed for. No Trust Unitholder will be required to make any contribution to the capital of the Trust in excess of that amount. On the date of formation of the Trust, 1027110 contributed, as the initial Trust Unitholder, \$1.00 to the capital of the Trust in return for acquiring 1 Trust Unit.

Distributions & Preferred Return

The Trustee, may on or before each Distribution Record Date, declare payable to the holders of Trust Units on such Distribution Record Date all or any part of the Cash Flow of the Trust for the Distribution Period which includes such Distribution Record Date.

The Trustee intends to allocate, distribute and make payable to Trust Unitholders all of the Income of the Trust, Net Realized Capital Gains and any other applicable amounts so that the Trust will not have any liability for tax under Part I of the Tax Act in any taxation year and such amounts will be due and payable to Unitholders of record immediately before the end of December 31 in each year, in accordance with the Declaration of Trust. In particular, the Trustee intends to pay, within ten Business days after each Distribution Period ending June 30 and December 31, a distribution of one-third of the annual 9% Preferred Return (i.e., being a return equal to 3% per year on the Trust Unitholders' respective Aggregate Contributed Capital).

If the Trustee determines that the Trust does not have sufficient cash to make the full amount of the distribution which has been declared, the Trustee has the option to pay equivalent distributions in the form of the pro rata share issuance of additional Trust Units.

The Trustee may deduct or withhold from distributions payable to any Trust Unitholder all amounts required under the Tax Act or other applicable laws, which amounts shall be withheld from such distributions whether those distributions are in the form of cash, additional Trust Units, or otherwise.

Transfer of Trust Units

Trust Units may only be transferred with the prior written consent of the Trustee, who shall have the sole discretion with respect to such transfer, or in connection with bankruptcy, death or mental incompetence, and then only to legal representatives of the Trust Unitholder. Further, the transfer of Trust Units will not be permitted if, as a result of the transfer, the Trust would cease to qualify as a "mutual fund trust" or a "unit trust" as defined in the Tax Act. No transfer of Trust Units is effective against the Trustee or the trust until the transfer is recorded in the register of Trust Unitholders.

As the Trust is not currently a reporting issuer in any jurisdiction, nor does it intend to become one, the Trust Units are subject to resale restrictions pursuant to applicable securities laws. See ***"Item 12 – Resale Restrictions"***.

Restriction on Non-Resident Ownership

In order for the Trust to maintain its status as a "mutual fund trust" under the Tax Act, the Trust must not be established or maintained primarily for the benefit of Non-Residents. Accordingly, at no time may Non-Residents be the beneficial owners of more than 45% of all outstanding Trust Units on both a non-diluted basis and fully-diluted basis. The Declaration of Trust provides that the Trustee shall use commercially reasonable efforts to monitor the beneficial ownership of the Trust Units. The Trustee will require declarations in the Subscription Agreement as to the jurisdictions in which the beneficial owners of Trust Units are resident. If the Trustee becomes aware that the beneficial owners of 45% of the Trust Units then outstanding are, or may be, Non-Residents or that such a situation is imminent, the Trustee may notify Trust Unitholders thereof and shall not accept a subscription for Trust Units from, or issue or register a transfer of Trust Units to, a Person unless the Person provides a declaration that the Person is not a Non-Resident and does not hold the Trust Units for the benefit of Non-Residents.

If, notwithstanding the foregoing, if the Trustee determines that 45% or more of all Trust Units (including any class of trust units) are held by Non-Residents, the Trustee may send a notice to such Non-Resident holders of Trust Units, chosen in inverse order to the order of acquisition or registration or in such manner as the trustee may consider equitable and practicable, requiring them to sell or tender their Trust Units (or a portion thereof) for

redemption within a required period of not less than 30 days, and if the Trust Unitholders receiving such notice have not, within the required period, sold or tendered their Trust Units to the Trust, or otherwise provided satisfactory evidence that the beneficial owners of such Trust Units are not Non-Residents, the Trustee may, as agent and attorney acting on behalf of such Trust Unitholders and/or such beneficial owners, sell or redeem the Trust Units at the Redemption Price, as contemplated in the Declaration of Trust.

Until sale or redemption, the Trustee shall suspend the voting and distribution rights attached to or associated with such Trust Units held by Non-Residents, and upon the sale or redemption of such Trust Units, the affected Trust Unitholders shall cease to be holders of the Trust Units in question and their rights shall be limited to receiving the net proceeds of such sale or redemption upon surrender of the Unit Certificates representing such Trust Units.

Redemption of Trust Units

The Declaration of Trust contemplates a redemption of Trust Units in the following manner. The Redemption Price for Trust Units shall be paid no later than thirty (30) days following the last day of the calendar month in which the Trust Units were surrendered for redemption. Notwithstanding the foregoing, the Trust may suspend the redemption of Trust Units or postpone the date of redeemed Trust Units in such circumstances as the Trustee may reasonably determine. The Trustee may, in its discretion, charge any redeeming Trust Unitholder a redemption fee of \$200 in connection with the redemption of such Trust Units, and such fee shall reduce the amount of the redemption price payable.

The Redemption Price may be paid by the Trust in cash or, at the election of the Trustee, by distributing or issuing any combination of cash and/or Redemption Notes payable by the Trust, having an aggregate fair market value equal to the Redemption Price.

Terms of the Redemption Notes shall be determined in accordance with the Declaration of trust. **There is no guarantee of repayment of Redemption Notes. See "Item 10 - Risk Factors". Redemption Notes will not qualify as a "qualified investment" for Deferred Plans. See "Item 8 - Income Tax Consequences" and "Item 10 - Risk Factors".**

The redemption price per Trust Unit ("**Redemption Price**") shall be equal to:

- (a) if the Redemption Date is prior to January 1, 2018, ninety-five (95%) percent of the subscription price less commissions paid in respect of the Unit redeemed;
- (b) if the Redemption Date is on or after January 1, 2018 but prior to January 1, 2019, ninety-seven and one-half (97.5%) percent of the subscription price less commissions paid in respect of the Unit redeemed; and
- (c) if the Redemption Date is on or after January 1, 2019, one hundred (100%) percent of the subscription price less commissions paid in respect of the Unit redeemed, and

any such redemption may be subject to a redemption fee of \$200, which would be deducted from the Redemption Price.

See "*Item 4.1 – Declaration of Trust*" and "*Item 8 - Risk Factors*".

Voting at Meetings of Trust Unitholders

No annual meetings of the Trust Unitholders are proposed to be held. However, the Declaration of Trust provides for the ability to convene meetings of Trust Unitholders by the Trustee at any time and upon the written request of one or more Trust Unitholders holding not less than 50% of the number of all issued and outstanding Trust Units. Certain actions of the Trustee and/or the Trust require the approval of the Trust Unitholders which may be obtained at a meeting of the Trust Unitholders or by way of a resolution in writing of the Trust Unitholders. Except as otherwise specified in the Declaration of Trust, on any question submitted at a meeting of Trust Unitholders or by way of a resolution in writing, each Trust Unitholders shall be entitled to one vote per Trust Unit held. Any resolution of Trust Unitholders passed in accordance with the Declaration of Trust will be binding on all Trust Unitholders whether or not such Trust Unitholders was present or represented by proxy at the meeting at which such

resolution was passed and whether or not such Trust Unitholders voted against such resolutions. See **“Item 4.1 – Declaration of Trust”**.

Other

For further information on terms contained in the Declaration of Trust which affect the rights of Trust Unitholders see **“Item 4.1 Declaration of Trust”** or refer directly to the Declaration of Trust, a copy of which may be obtained from the Issuers.

7.2 Terms of LP Units

The information in this Item 7.2 reflects the terms of the Partnership Agreement. Reference should be made to the entirety of the Partnership Agreement, a copy of which is available upon request from the Issuers.

General

The securities being offered pursuant to the Partnership Offering are LP Units. The Partnership is authorized to issue an unlimited number of a single class of LP Units. Each LP Unit has attached thereto the same rights and obligations as, and ranks equally with, each other LP Unit with respect to distributions, allocations and voting. Each LP Unit entitles the Limited Partner holding such LP Unit to (subject to the terms of the Partnership Agreement):

- (a) one vote in respect of such LP Unit;
- (b) be paid a share of the profits or allocated a portion of the loss of the Partnership, or to receive compensation by way of income or otherwise in respect of their capital contributions;
- (c) redeem such LP Unit, pursuant to the Redemption Right, as set out in the Partnership Agreement;
- (d) to receive the Preferred Return in accordance with the Partnership Agreement; and
- (e) to receive a return of their Capital Contribution.

Certificates

The General Partner will issue certificates to evidence the LP Units held by a Limited Partner within a reasonable period of time after the acceptance by the General Partner of the applicable subscription for such LP Units and receipt of payment by the General Partner of the Capital Contribution for such LP Units.

Capital Contribution

In connection with the subscription for LP Units under the Partnership Offering, each Limited Partner will contribute to the capital of the Partnership at the \$1.00 purchase price per LP Unit for each LP Unit subscribed for. No Limited Partner will be required to make any contribution to the capital of the Partnership in excess of that amount. On the date of formation of the Partnership, the General Partner contributed \$10.00 to the capital of the Partnership and the Initial Limited Partner also contributed \$10.00 to the capital of the Partnership.

Preferred Return

A Limited Partner shall be entitled to receive a 9% per annum, non-compounded, return on the Capital Contribution of such Limited Partner from the date of contribution (the **“Preferred Return”**). The Preferred Return will be paid in accordance with the distribution procedures in Partnership Agreement, summarized below in **“Allocations and Distributions”**.

Distributions

Distributions from the Partnership may be made at any time as determined by the General Partner. Net income for each fiscal year of the Partnership will be distributed in accordance with the following order of priority and, in all cases, without duplication:

- (a) first, to repay any loans to the Partnership made by the General Partner or any Limited Partners;
- (b) second, to distribute to the Limited Partners pro rata according to their respective capital contributions until the amount so distributed equals each respective Limited Partner's aggregate capital contribution;
- (c) third, to distribute to the Limited Partners pro rata according to their respective unpaid 9% cumulative annual preferred return until such amount of preferred return has been paid, wherein one-third of the annual return (i.e., a 3% cumulative annual preferred return) will be payable every six months on June 30 and Dec 31 each year and two-thirds (i.e., a 6% cumulative annual preferred return) shall be payable annually as determined by the General Partner;
- (d) fourth, the amount equal to the distributions in (iii) above shall be paid as incentive remuneration to the General Partner;
- (e) fifth, thereafter 50% as a distribution to the Limited Partners pro rata according to their respective capital contributions, and 50% as an additional paid as incentive remuneration to the General Partner; and
- (f) sixth, the balance thereafter will be allocated: 50% thereof as a distribution to the Limited Partners pro rata according to their respective capital contributions; and 50% thereof as a further incentive remuneration to the General Partner,

(the distributions to the General Partner pursuant to (d), (e) and (f) above, together with all amounts paid to the General Partner on liquidation of the Fund in accordance with the Partnership Agreement, are collectively the "**Carried Interest**").

For certainty, where Limited Partners' Capital Contributions are fully returned, the *pro rata* distribution of Net Income amongst Limited Partners shall be made based on the number of LP Units held instead of Capital Contributions.

The Partnership may set off any of its obligations to make distributions to any of the Limited Partners against any liabilities or obligations of such Limited Partner to the Partnership.

Non-Transferability and Right of First Refusal.

Except as provided in the Partnership Agreement or as may be consented to in writing by the General partner in its sole discretion, a Partner will not transfer, assign, pledge, encumber or dispose of its LP Units. No Partner may sell, transfer or dispose of less than all of its LP Units or less than 100% of its legal or beneficial interest in and to the Partnership, including its Capital Account, right to receive income or the return of capital, or any other right or interest whatsoever at any time.

Under the Partnership Agreement, a Limited Partner may, upon receipt of a bona fide third party offer the acquire all but not less than all of its LP Units, offer all of its LP Units to all other Limited Partners under the same terms as the third party offer, and then to the General Partner if not accepted by any of the other Limited Partners. If neither the other Limited Partners nor the General Partner accept the offer within the time periods in the Partnership Agreement, then the selling Limited partner may sell to the third party within the time periods in the Partnership Agreement, provided that the third party qualifies as a Limited Partner under the partnership Agreement.

Notwithstanding the foregoing, a Limited Partner may sell or transfer its LP Units to an Affiliate, provided that such Affiliate has qualified to be a Limited Partner under the Partnership Agreement.

Mandatory Sale of Units

If the General Partner receives a bona fide offer from a Person dealing at arm's length with the Partnership, to purchase all or substantially all of the LP Units owned by all of the Partners and which offer is accepted by the General Partner and authorized by Special Resolution (excluding any LP Units held by the General Partner and its related parties), all Limited Partners will be bound to sell all of their LP Units to the General Partner at the price per LP Unit and on the payment terms set forth in the offer received by the General Partner, conditional upon, and to be completed at the time of completion of, the sale of the LP Units to the purchaser.

Redemption of Units

The General Partner and the Partnership Agreement contemplate a redemption of LP Units in the following manner. The Redemption Price for LP Units shall be paid no later than thirty (30) days following the last day of the calendar month in which the LP Units were surrendered for redemption. Notwithstanding the foregoing, the Partnership may suspend the redemption of LP Units or postpone the date of redeemed LP Units in such circumstances as the General Partner may reasonably determine. The General Partner may, in its discretion, charge any redeeming Limited Partner a redemption fee of \$200 in connection with the redemption of such LP Units, and such fee shall reduce the amount of the redemption price payable.

The Redemption Price may be paid by the Partnership in cash or, at the election of the General Partner, by distributing or issuing any combination of cash and/or Redemption Notes payable by the Partnership, having an aggregate fair market value equal to Redemption Price of the LP Units tendered for redemption.

Terms of the Redemption Notes shall be determined by the General Partner pursuant to the Partnership Agreement. **There is no guarantee of repayment of Redemption Notes. See "Item 8 - Risk Factors". Redemption Notes will not qualify as a "qualified investment" for Deferred Plans. See "Item 8 - Income Tax Consequences" and "Item 10 - Risk Factors".**

The redemption price per LP Unit ("**Redemption Price**") shall be equal to:

- (a) if the Redemption Date is prior to January 1, 2018, ninety-five (95%) percent of the subscription price less commissions paid in respect of the LP Unit redeemed;
- (b) if the Redemption Date is on or after January 1, 2018 but prior to January 1, 2019, ninety-seven and one-half (97.5%) percent of the subscription price less commissions paid in respect of the LP Unit redeemed; and
- (c) if the Redemption Date is on or after January 1, 2019, one hundred (100%) percent of the subscription price less commissions paid in respect of the LP Unit redeemed, and

any such redemption may be subject to a redemption fee of \$200, which would be deducted from the Redemption Price.

See "**Item 8 - Risk Factors**".

Voting at Meetings of Limited Partners

No annual meetings of the Limited Partners are proposed to be held. However, the Partnership Agreement provides for the ability to convene meetings of Limited Partners by the General Partner 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. Certain actions of the General Partner and/or the Partnership require the approval of the Limited Partners which may be obtained at a meeting of the Limited Partners or by way of a resolution in writing of the Limited Partners. Except as otherwise specified in the Partnership Agreement, on any question submitted at a meeting of Limited Partners or by way of a resolution in writing, each Limited Partner shall be entitled to one vote per LP Unit held. Any resolution of Limited Partners passed in accordance with the Partnership Agreement will be binding on all Limited Partners whether or not such Limited Partner was present or represented by proxy at the meeting at which such resolution was passed and whether or not such Limited Partner voted against such resolutions. See "**Item 4.2 – Partnership Agreement**".

Liability and Limitation on Authority of Limited Partners

Under the terms of the Partnership Agreement, the Limited Partners agree that they will comply with the provisions of all applicable legislation, including the Partnership Act, in force or in effect from time to time and will not take any action which will jeopardize or eliminate the status of the Partnership as a limited partnership. Upon dissolution of the Partnership, the Limited Partners may receive undivided interests in the Partnership assets and will thereafter no longer have limited liability with respect to the ownership of such assets. See ***“Item 4.2 – Partnership Agreement”***.

Other

For further information on terms contained in the Partnership Agreement which affect the rights of Limited Partners see ***“Item 4.2 – Partnership Agreement”*** or refer directly to the Partnership Agreement, a copy of which may be obtained upon request from the Issuers.

7.3 Subscription Procedure

Subscriptions for Trust Units or LP Units may be placed by investors through registered dealers in the Offering jurisdictions, as may be required or permitted by applicable securities laws. Prospective investors who wish to subscribe for Trust Units or LP Units must complete, execute and deliver the Subscription Agreement which accompanies this Offering Memorandum, including all applicable exhibits and/or schedules thereto to the Issuers or an agent and tender the purchase price in a manner acceptable to the Issuers..

Subscriptions are expected to be processed on the first business day of each month and on such other days as the Issuers may permit (each, a “Subscription Date”). A fully completed Subscription Agreement and subscription proceeds must be received by the Issuers no later than 4:00 p.m. (Vancouver time) at least two business days prior to the relevant Subscription Date in order for the subscription to be accepted as at that date; otherwise, the subscription will be processed at the next Subscription Date.

The Unit price for the Offerings is \$1.00 per Trust Unit and \$1.00 per LP Unit.

If the investor delivers all or part of the aggregate subscription price to the Issuers, or to the Issuers’ legal counsel, Boughton Law Corporation, before Closing, such monies will be for all purposes a loan to the Issuers by the investor, which loan will not bear interest and may be released by Boughton Law Corporation immediately to the Issuers prior to Closing, and at the Closing, upon delivery of the Unit Certificate(s) evidencing the investor's Units, the loan will be repaid in full.

All subscriptions for Trust Units or LP Units are subject to acceptance or rejection by the Issuers and the right is reserved to reject any subscription. All subscriptions for Trust Units or LP Units are to be forwarded by dealers, without charge, the same day that they are received, to the Issuers. The decision to accept or reject a subscription for Trust Units or LP Units will be made promptly. In the event that a subscription for Trust Units or LP Units is rejected, all money received with the subscription will be returned immediately to the subscriber without interest or deduction.

An investor will become a Trust Unitholder or a Limited partner (as applicable) following the acceptance of a Subscription Agreement by the Issuers and the issuance of Trust Units or LP Units (as applicable) to such investor. If a subscription is withdrawn or is not accepted by the Issuers, all documents will be returned to the investor within 30 days following such withdrawal or rejection without interest or deduction.

Neither the Issuers, the Trustee, the General partner nor any Regehr Party or affiliate or associate of the foregoing is responsible for, and undertakes no obligation to, determine the general investment needs and objectives of a potential investor and the suitability of the Trust Units or LP Units having regard to any such investment needs and the objectives of the potential investor. In addition, Boughton Law Corporation is legal counsel only for the Issuers, the Trustee and the General Partner, and is not legal counsel for a prospective investor in respect of the Offerings.

ITEM 8 – INCOME TAX CONSEQUENCES AND RRSP ELIGIBILITY

8.1 Income Tax Consequences Relating to the Trust

You should consult your own professional advisers to obtain advice on the income tax consequences that apply to you. All Investors will be responsible for the preparation and filing of their own tax returns in respect of this investment.

In the opinion of the Trustee upon consultation from legal counsel, the following summary, as of the date of this Offering Memorandum, describes the principal Canadian federal income tax considerations generally applicable under the Tax Act to a person who acquires Trust Units pursuant to this Offering Memorandum and who, for purposes of the Tax Act, is resident in Canada (or if the person is a partnership, is a “Canadian partnership” for purposes of the Tax Act), deals at arm’s length and is not affiliated with the Trust or the Trustee and holds the Trust Units as capital property (all for purposes of the Tax Act). Generally, Trust Units will be considered to be capital property to a Trust Unitholder provided that the Trust Unitholder does not hold the Trust Units in the course of carrying on a business and has not acquired them in one or more transactions considered to be an adventure in the nature of trade. Certain Trust Unitholders who might not otherwise be considered to hold their Trust Units as capital property may, in certain circumstances, be entitled to have them treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. This summary is not applicable to a Trust Unitholder (i) that is a “financial institution” (as defined in the Tax Act for purposes of the mark-to-market rules), (ii) that is a “specified financial institution” (as defined in the Tax Act), (iii) an interest in which is a “tax shelter investment” (as defined in the Tax Act) or (iv) to whom the functional currency reporting rules in section 261 of the Tax Act apply. In addition, this summary does not address the deductibility of interest by a Trust Unitholder who has borrowed money to acquire Trust Units.

This summary is based upon the facts set out in this Offering Memorandum, the provisions of the Tax Act in force as of the date of hereof, all specific proposals to amend the Tax Act that have been publicly announced prior to the date hereof by the Minister of Finance (Canada) (“**Tax Proposals**”) and the Trust’s understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (“**CRA**”) publicly available prior to the date of this Offering Memorandum. This summary is not exhaustive of all possible Canadian federal income tax considerations, and does not take into account or anticipate any changes in the law, other than the Tax Proposals, whether by legislative, governmental or judicial action, nor does it take into account provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein.

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

As noted, this summary does not address any Canadian federal income tax considerations applicable to non-residents of Canada, and non-residents should consult their own tax advisors regarding the tax consequences of acquiring and holding Trust Units. All payments to non-residents of Canada of distributions on the Trust Units will be net of any applicable withholding taxes.

Status of the Trust – Mutual Fund Trust

This summary is based on the assumption that the Trust will qualify as a “unit trust” and a “mutual fund trust”, as these terms are defined in the Tax Act, from the beginning of its first taxation year and will thereafter continuously qualify as a unit trust and a mutual fund trust at all relevant times. The qualification of the Trust as a mutual fund trust from the beginning of its first taxation year requires that the Trust elect to be deemed to be a “mutual fund trust” from the date it is established and that certain factual conditions generally be met throughout its existence. The Trust has advised that it intends to make such an election and that the ongoing requirements will be satisfied so that the Trust will so qualify. If the Trust were not to qualify as a mutual fund trust, the income tax considerations described herein would, in some respects, be materially different.

In order for the Trust to qualify as a mutual fund trust, it must satisfy various requirements, including a requirement that the Trust must not have been established or maintained primarily for the benefit of non-residents of Canada. If at any time this requirement is not satisfied, the Tax Act does not currently provide any means of rectifying a loss of

mutual fund trust status. As such if, at any time, the Trust loses its mutual fund trust status as a result of the application of this provision in the Tax Act, the Trust would permanently cease to be a mutual fund trust.

One of the requirements for the Trust to qualify as a mutual fund trust is that it will have at least 150 separate holders of Trust Units, each holding no less than one block of units (meaning 100 Trust Units if the Fair Market Value of one Trust Unit is less than \$25), with an aggregate value of at least \$500 worth of Trust Units. The Trust may hold Closings of the Trust Offering prior to this requirement being met and there is no guarantee that this requirement will be met. See ***“Item 10 - Risk Factors”***.

This summary also assumes that the Trust will at no time be a “SIFT trust” as defined in the Tax Act. If the Trust is a SIFT trust, then there may be adverse tax consequences. One of the conditions for a trust to be a SIFT trust is that investments in the trust must be listed or traded on a stock exchange or other public market, which includes a trading system or other organized facility on which securities that are qualified for public distribution are listed or traded, but does not include a facility that is operated solely to carry out the issuance of a security or its redemption, acquisition or cancellation by the issuer. The Trust intends that the Trust Units will not be listed or traded on a stock exchange or other public market. Based on this and assuming the Trust Units will not otherwise be listed or traded on such a system or facility, the Trust should not be a SIFT trust.

Taxation of the Trust

The Tax Act requires that the Trust compute its income or loss for a taxation year as though it were an individual resident in Canada. The taxation year of the Trust is the calendar year. In each taxation year, the Trust will be subject to tax under Part I of the Tax Act on its taxable income for the year, including income allocated to it by the Partnership and net realized taxable capital gains less the portion thereof that it deducts in respect of the amounts paid or payable in the year to Trust Unitholders and is otherwise deductible under the Tax Act. An amount will not be considered to be payable to a Trust Unitholder in a taxation year unless the Trust Unitholder is entitled in that year to enforce payment of the amount.

In computing its income for purposes of the Tax Act, the Trust may deduct reasonable administrative costs, interest and other expenses incurred by it for the purpose of earning income.

Each year, the Trust intends to make sufficient distributions of its net income for tax purposes and net realized taxable capital gains so that the Trust will generally not be liable in that year for income tax under Part I of the Tax Act other than such tax on net realized capital gains that will be recoverable by the Trust in respect of such year by reason of the capital gains refund mechanism. Losses incurred by the Trust cannot be allocated to Trust Unitholders but may be deducted by the Trust subject to and in accordance with the Tax Act.

In general, if, at any time, the Trust does not qualify as a mutual fund trust and one or more Trust Unitholders are not resident in Canada, the Trust may be required to pay a tax under Part XII.2 of the Tax Act if it allocates certain types of income (including income from real or immovable properties in Canada, other than Canadian resource properties) to a Trust Unitholder.

Taxation of the Partnership

The Partnership is not itself liable for income tax, however, it is required to compute its income or loss for each of its fiscal periods as if it were a separate person resident in Canada. The fiscal period of the Partnership ends on December 31 of each year.

In computing its income or loss the Partnership will be entitled to deduct expenses incurred by it in the fiscal period in which they are incurred to the extent such expenses are reasonable in amount and their deduction is permitted by the Tax Act. In some cases, outlays and expenses may have to be capitalized and added to the cost amount of its property.

Taxation of Trust Unitholders

Distributions

A Trust Unitholder will generally be required to include in income for a particular taxation year the portion of the net income of the Trust for a taxation year, including the taxable portion of net realized capital gains, that is paid or

payable to the Trust Unitholder in the particular taxation year, whether that amount is received in cash, additional Trust Units, promissory notes, *in specie* distributions or otherwise. Income of a Trust Unitholder from the Trust Units will generally be considered to be income from property. Any loss of the Trust for purposes of the Tax Act cannot be allocated to, or treated as a loss of, a Trust Unitholder. Provided that appropriate designations are made by the Trust, such portion of (i) the net realized taxable capital gains of the Trust, and (ii) taxable dividends received or deemed to be received by the Trust on shares of taxable Canadian corporations, as is paid or becomes payable to a Trust Unitholder will effectively retain their character and will be treated as such in the hands of the Trust Unitholder for purposes of the Tax Act. Such dividends will be subject, *inter alia*, to the gross-up and dividend tax credit provisions in respect of individuals, the refundable tax under Part IV of the Tax Act applicable to “private corporations” and “subject corporations” (as defined under the Tax Act), and the deduction in computing taxable income in respect of dividends received by taxable Canadian corporations. An additional 10 $\frac{2}{3}$ % tax will be payable by a Trust Unitholder that is a “Canadian-controlled private corporation” (as defined in the Tax Act) in certain circumstances.

The non-taxable portion of any net realized capital gains of the Trust that is paid or payable to a Trust Unitholder in a taxation year will not be included in computing the Trust Unitholder’s income for the year. Any other amount in excess of the net income of the Trust that is paid or payable to a Trust Unitholder in that year will not generally be included in the Trust Unitholder’s income for the year. However, where such an amount is paid or payable to a Trust Unitholder (other than as proceeds in respect of the redemption of Trust Units), the Trust Unitholder will be required to reduce the adjusted cost base of the Trust Units by that amount, except to the extent that the amount represents the Trust Unitholder’s share of the non-taxable portion of the net realized capital gains of the Trust for the year, the taxable portion of which was designated by the Trust in respect of the Trust Unitholder. To the extent that the adjusted cost base of a Trust Unit would otherwise be a negative amount, the negative amount will be deemed to be a capital gain and the adjusted cost base of the Trust Unit to the Trust Unitholder will then be nil.

Trust Units issued to a Trust Unitholder as a non-cash distribution of income will have a cost amount equal to the amount of such income and will be averaged with the adjusted cost base of all other Trust Units held by the Trust Unitholder at that time as capital property in order to determine the adjusted cost base of each Trust Unit.

Disposition of Trust Units

On the disposition or deemed disposition of a Trust Unit, whether on a redemption or otherwise, the Trust Unitholder who holds the Trust Units as capital property will realize a capital gain (or a capital loss) equal to the amount by which the Trust Unitholder’s proceeds of disposition exceed (or are less than) the aggregate of the adjusted cost base of the Trust Unit and any reasonable costs of disposition. Proceeds of disposition generally do not include an amount payable by the Trust that is otherwise required to be included in the Trust Unitholder’s income, including any capital gain realized by the Trust in connection with a redemption which has been designated by the Trust as having been paid to the redeeming Trust Unitholder.

The adjusted cost base of a Trust Unit to a Trust Unitholder will include all amounts paid or payable by the Trust Unitholder for the Trust Unit, with certain adjustments. The cost to a Trust Unitholder of additional Trust Units received in lieu of a cash distribution of income will be the amount of income distributed by the issue of those Trust Units. For the purpose of determining the adjusted cost base to a Trust Unitholder of Trust Units, when a Trust Unit is acquired, the cost of the newly-acquired Trust Unit will be averaged with the adjusted cost base of all of the Trust Units owned by Trust Unitholder as capital property immediately before that acquisition. A consolidation of Trust Units following a distribution paid in the form of additional Trust Units will not be regarded as a disposition of Trust Units.

The redemption of Trust Units in consideration for cash or promissory notes, whether issued by the Trust, or the Partnership, as the case may be, will be a disposition of such Trust Units for proceeds of disposition equal to the amount of such cash or the Fair Market Value of such notes. In addition to such proceeds of disposition, a Trust Unitholder may also receive a distribution out of the income of the Trust. Where Trust Units are redeemed and the redemption price is paid by the delivery of Trust Property to the redeeming Trust Unitholder, the proceeds of disposition to the Trust Unitholder of the Trust Units will be equal to the Fair Market Value of the Trust Property so distributed. Where any income or capital gain realized by the Trust in connection with the distribution of Trust Property on the redemption of Trust Units has been designated by the Trust to a redeeming Trust Unitholder, the Trust Unitholder will be required to include in income the income or taxable portion of the capital gain so designated.

The receipt of Trust Property in substitution for Trust Units may result in a change in the income tax characterization of distributions. Holders of promissory notes received on a redemption of Trust Units generally will be required to include in income interest that is received or receivable on such promissory notes. The cost to a Trust Unitholder of any Trust Property distributed to a Trust Unitholder by the Trust will be deemed to be equal to the Fair Market Value of such property at the time of distribution less, in certain circumstances, any interest which has accrued on notes distributed by the Trust. Trust Unitholders should consult with their own tax advisors as to the consequences of receiving Trust Property on a redemption.

Trust Unitholders are advised to consult their own tax advisors prior to exercising their redemption rights.

Capital Gains and Capital Losses

One-half of any capital gain (a “**taxable capital gain**”) realized by a Trust Unitholder on a disposition or deemed disposition of Trust Units and the amount of any net taxable capital gains designated by the Trust in respect of a Trust Unitholder will be included in the Trust Unitholder’s income as a taxable capital gain. One-half of any capital loss realized by a Trust Unitholder on a disposition or deemed disposition of Trust Units may generally be deducted only from taxable capital gains of the Trust Unitholder in accordance with the provisions of the Tax Act. A Trust Unitholder that is a “Canadian-controlled private corporation” (as defined in the Tax Act) may be liable to pay a refundable tax of 10% on certain investment income, including taxable capital gains.

Alternative Minimum Tax

In general terms, net income of the Trust paid or payable to a Trust Unitholder who is an individual that is designated as net taxable capital gains or eligible dividends and capital gains realized on the disposition of Trust Units may increase the Trust Unitholder’s liability for alternative minimum tax.

8.2 Eligibility for Investment in Trust Units by Deferred Plans

Provided the Trust qualifies as a mutual fund trust within the meaning of the Tax Act, the Trust Units, when issued, will each be a qualified investment under the Tax Act for Deferred Plans. If that is the case, Deferred Plans will generally be exempt from tax in respect of any distributions paid or payable on Trust Units or gains realized upon a disposition or deemed disposition of Trust Units.

Generally, if the Trust does not qualify or ceases to qualify as a mutual fund trust at any time, the Trust Units will not be, or will cease to be, qualified investments for Deferred Plans at that time. One of the requirements for the Trust to qualify as a mutual fund trust is that it will have at least 150 separate holders of Trust Units, each holding no less than one block of Trust Units as defined in the Tax Act. The Trust may hold Closings of the Trust Offering prior to this requirement being met and there is no guarantee that this requirement will be met. Promissory notes and Trust Property received as a result of redemptions of Trust Units may not be qualified investments for Deferred Plans. Where a Deferred Plan acquires a promissory note or a Trust Property that is not a qualified investment, or acquires or holds a Trust Unit that is not, or that ceases to be, a qualified investment, adverse tax consequences may arise to the Deferred Plan and the annuitant under the Deferred Plan. Accordingly, Deferred Plans that propose to invest in Trust Units should consult their own tax advisors before deciding to purchase Trust Units and again before deciding to exercise their redemption rights attached to such Trust Units.

If at any time the Trust Units are a prohibited investment for a Deferred Plan, the annuitant may be subject to adverse tax consequences. Generally, Trust Units should not be a prohibited investment under the Tax Act for an Deferred Plan provided that the annuitant deals (i) at “arm’s length” with the Trust, and (ii) does not have a “significant interest” in the Trust. Generally, an annuitant will not have a significant interest in the Trust or any corporation, partnership or trust that does not deal at arm’s length with the Trust, provided the annuitant, or the annuitant together with persons and partnerships with whom the annuitant does not deal at arm’s length, does not own (nor is deemed to own pursuant to the Tax Act), directly or indirectly, 10% or more of the issued Trust Units or of the shares of or interests in any corporation, partnership or trust that does not deal at arm’s length with the Trust (all for purposes of the Tax Act).

8.3 Income Tax Consequences Relating to the Partnership

You should consult your own professional advisers to obtain advice on the income tax consequences that apply to you. All Investors will be responsible for the preparation and filing of their own tax returns in respect of this investment.

In the opinion of the General Partner upon consultation from legal counsel, the following summary, as of the date of this Offering Memorandum, describes the principal Canadian federal income tax considerations of acquiring, holding and disposing of LP Units generally applicable to an investor (who acquires LP Units under this Offering Memorandum) who is an individual, other than a trust, and who, for the purposes of the Tax Act is, or is deemed to be, a resident of Canada, deals at arm's length with the Partnership and is not affiliated with the Partnership, holds the LP Units as capital property and has not made a foreign currency reporting election under the Tax Act. Generally, LP Units will be considered to be capital property to an investor provided the investor does not hold the LP Units in the course of carrying on a business and has not acquired the LP Units in one or more transactions considered to be an adventure in the nature of trade.

This summary assumes that at all material times no interest in any investor will be a "tax shelter investment" as defined in the Tax Act, that LP Units will not be acquired with financing for which recourse is, or is deemed to be, limited for purposes of the Tax Act and that no more than 50% of the LP Units will be held by "financial institutions" as defined in the Tax Act. Financing is deemed to be limited recourse for purposes of the Tax Act unless: (i) *bona fide* arrangements were made in writing at the time the financing was obtained providing for repayment within a reasonable period, not exceeding 10 years; (ii) interest is payable at least annually at a rate that is not less than the rate prescribed under the Tax Act; and (iii) interest is paid no later than 60 days after the end of each taxation year. If an interest in an investor becomes a tax shelter investment, an investor finances an acquisition of LP Units with limited recourse financing or if more than 50% of the LP Units are held by "financial institutions" there may be adverse tax consequences to the Partnership and its members.

This summary assumes that at all material times the Partnership will not be a "SIFT partnership" as defined in the Tax Act. If investments in the Partnership are listed or traded on a stock exchange or other public market then the Partnership, if it holds one or more non-portfolio properties, which generally does not include real property situated outside of Canada, may be a SIFT partnership and the Canadian federal income tax considerations described below will be materially different. This summary also assumes that the LP Units will not be listed or traded on a stock exchange or other public market for the purposes of the Tax Act.

This summary is based upon the facts set out in this Offering Memorandum, the provisions of the Tax Act in force as of the date hereof, all specific proposals to amend the Tax Act that have been publicly announced prior to the date hereof by the Minister of Finance (Canada) (the "**Tax Proposals**") and the Partnership's understanding of the current administrative policies and assessing practices of the Canada Revenue Agency publicly available prior to the date hereof. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Tax Proposals, does not take into account or anticipate any changes in the law, whether by legislative, governmental or judicial action, nor does it take into account provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein.

This summary is of a general nature only and is not intended to be legal or tax advice to any particular purchaser of LP Units. Consequently, prospective purchasers should seek independent professional advice regarding the income tax consequences of investing in the LP Units, having regard to their own particular circumstances.

References to "income" or "loss" in this summary mean income or loss as determined for purposes of the Tax Act.

Computation of Income

The Partnership is not itself generally liable for income tax. However, the Partnership must compute its income or loss for each fiscal period as though it was a separate person resident in Canada and file an annual information return. The fiscal period of the Partnership ends on December 31 each year. Subject to the comments below, each Limited Partner will be required to include (or be entitled to deduct) in computing his income (or loss), his share of the income (or loss) of the Partnership allocated to him pursuant to the Partnership Agreement for the fiscal period of the Partnership ending in the Limited Partner's taxation year, regardless of whether any cash or other assets have been distributed to him.

The income of the Partnership as determined for purposes of the Tax Act may differ from its income as determined for accounting purposes and may not be matched by cash distributions. In computing the income or loss of the Partnership for purposes of the Tax Act, deductions may be claimed in respect of reasonable administrative costs, interest and other expenses incurred by the Partnership for the purposes of earning income, subject to the relevant provisions of the Tax Act.

Losses allocated by the Partnership to a Limited Partner are deductible only to the extent the Limited Partner has an “at-risk amount” (within the meaning of the Tax Act) in respect of the Limited Partner’s interest in the Partnership. Losses from the Partnership that are not deductible by a Limited Partner because they exceed the Limited Partner’s at-risk amount at the particular time generally may be carried forward indefinitely and may be deducted against income only to the extent the Limited Partner has an at risk amount in a subsequent year. In general, a Limited Partner’s at-risk amount will be the adjusted cost base of his LP Units at the relevant time (plus, where that time is the end of the Partnership’s fiscal period, income allocated to the Limited Partner for that fiscal period), less any amounts owing by the Limited Partner (or by a person or partnership that does not deal at arm’s length with the Limited Partner) to the Partnership (or to a person or partnership that does not deal at arm’s length with the Partnership) and less any amount or benefit provided to the Limited Partner (or to a person or partnership that does not deal at arm’s length with the Limited Partner) for the purpose of protecting the Limited Partner against any loss the Limited Partner may sustain as a consequence of being a member of the Partnership or holding or disposing of an LP Unit.

Subject to the comments above, a Limited Partner may apply his share of non-capital losses allocated to him by the Partnership to reduce net income for the relevant taxation year and, to the extent such non-capital losses exceed net income for the year, they may generally be applied in the three previous taxation years or the 20 subsequent taxation years.

Disposition of LP Units

A disposition or deemed disposition by an investor of his LP Units should generally result in a capital gain (or capital loss) to the investor to the extent the proceeds of disposition of such LP Units, net of reasonable disposition costs, exceed (or are exceeded by) the adjusted cost base of the LP Units. In general, the adjusted cost base of a Limited Partner’s LP Units at a particular time will be equal to the subscription price of the LP Units, plus income of the Partnership that has been allocated to the Limited Partner for completed fiscal periods, minus losses of the Partnership allocated to the Limited Partner for completed fiscal periods and minus distributions received by the Limited Partner from the Partnership. Where a Limited Partner disposes of all of its LP Units in a fiscal period of the Partnership, any income or loss allocated to the Limited Partner for such fiscal period will be taken into account in determining the adjusted cost base of the Limited Partner’s LP Units. Losses which are not deductible because a Limited Partner does not have a sufficient at-risk amount will not reduce the adjusted cost base of LP Units.

If a Limited Partner disposes of LP Units and a person who is exempt from tax under the Tax Act, or who is a nonresident of Canada for purposes of the Tax Act, directly or indirectly through a partnership or a trust of which a tax exempt person or non-resident is a member or a beneficiary, as the case may be, acquires the LP Units as part of a transaction or event, or series of transactions or events, then the gain may be taxed as ordinary income of the Limited Partner.

If, at the end of any fiscal period of the Partnership, the deductions in computing the adjusted cost base of a Limited Partner’s LP Units exceed the subscription price and additions in computing such adjusted cost base, such negative amount will be deemed to be a capital gain of the Limited Partner from a disposition of the LP Units and the adjusted cost base of the Limited Partner’s LP Units will be nil at the beginning of the next fiscal period of the Partnership.

Capital Gains and Losses

One-half of the capital gain realized by a holder from a disposition or deemed disposition of LP Units must be included in computing the holder’s income as a taxable capital gain. One-half of a capital loss realized in a taxation year from a disposition or deemed disposition of LP Units will be deductible as an allowable capital loss against taxable capital gains realized in that year, and to the extent such allowable capital losses exceed taxable capital gains in the year, may be applied in the three previous taxation years or any subsequent taxation year, subject to certain restrictions contained in the Tax Act.

A holder may be liable to pay alternative minimum tax as a result of realizing a capital gain.

8.4 LP Units are Not Eligible for Deferred Plans

The LP Units will not constitute a qualified investment for the purposes of the Tax Act for Deferred Plans such as a trust governed by a registered retirement savings plan (including a locked-in retirement account or a locked-in retirement savings plan), a registered retirement income fund (including a life income fund or a locked-in retirement income fund), a registered education savings plan, a deferred profit sharing plan, a registered disability savings plan and a tax-free savings account and, in order to avoid adverse tax consequences, should not be acquired by such plans.

ITEM 9 - COMPENSATION PAID TO SELLERS AND FINDERS

The Units will be offered for sale by Capital Street as exclusive lead Selling Agent, together with its designated registered dealers, as the case may be, to sell Units in compliance with all applicable securities laws, as agents for the Issuers (see *“Item 1 - Use of Available Funds”*). Any referral sources used by the agents in connection with the sale of Units to Subscribers, if any (which referral sources may include, but are not limited to, firms and representatives of such firms who are registered in certain of the Canadian provinces or territories as insurance brokers, real estate brokers and or mortgage brokers), will be compensated by the payment of referral fees in an amount to be determined between the applicable agents and the referral sources, which amounts will be paid out of the commissions, marketing fees and administrative fees payable to the agents under the Offerings and will not exceed the commissions, marketing fees and administrative fees payable to such agents. The maximum amount of the Selling Commissions payable under the Maximum Offering will be \$1,003,896 in addition to \$301,169 Marketing Fees and \$301,169 Administrative Fees, being the Selling Commission of up to 10% of the Gross Proceeds, the Marketing Fees of up to 3% of the Gross Proceeds, and the Administrative Fees of up to 3% of the Gross Proceeds of the Maximum Offering, respectively.

The Selling Commissions, Marketing Fees and Administrative Fees payable under the Offerings from the sale of the Units will be paid by the Partnership.

Capital Street is registered as an EMD in certain jurisdictions of Canada. The dealing representatives of Capital Street are (subject to obtaining and necessary relief and compliance with certain provincial securities laws) permitted to sell Units in accordance with the terms of their respective registrations and pursuant to available exemptions from the registration requirements of applicable securities laws in jurisdictions where it can lawfully operate.

The Issuers may enter into additional agreements with Selling Agents from time to time during these Offerings.

The EMDs and dealers appointed by the Issuers to sell Trust Units and LP Units may be reimbursed for reasonable expenses incurred in connection with the Offerings.

All expenses of the Offerings, including the Selling Commissions and Marketing Fees and the Administrative Fee, will be borne by the Partnership pursuant to the Funding Agreement. See *“Item 4.3 – Funding Agreement”*.

ITEM 10 - RISK FACTORS

An investment in the Trust is speculative and contains certain risks. Prospective investors should carefully consider, among other factors, the matters described below, each of which could have an adverse effect on the value of the Trust Units. As a result of these factors, as well as other risks inherent in any investment, there can be no assurance that the Issuers will meet their business objectives. The Issuers’ returns may be unpredictable and, accordingly, the Trust Units and LP Units are not suitable as the sole investment vehicle for an investor or for an investor that is looking for a predictable source of cash flow. An investor should only invest in the Issuers as part of an overall investment strategy. Based on, among others, the factors described below, the possibility of partial or total loss of capital will exist and investors should not subscribe unless they can readily bear the consequences of such loss.

Investment Risks

No Assurance of Investment Returns

An investment in the Trust and Partnership requires a long-term commitment, with no certainty of return. Investments made by the Trust and the Partnership, may not generate current income. The success of the Trust, accordingly, a return on investment for a purchaser of Trust Units or LP Units, is entirely dependent upon the success of the Partnership's real estate investment strategy. There is no assurance or guarantee that the Trust and, correspondingly, the Trust Unitholders and Limited Partners will earn a return on their investment. Trust Unitholders and Limited Partners could lose the entire amount of their investment.

Single type of asset

The Issuers were formed solely for the purposes of the acquisition of an interest in the Property and the subsequent Innovation Development of the Property. The Property and the Innovation Development will represent the only significant assets of the Issuers and therefore the Issuers' financial performance will be directly tied to the performance of the Property and the Innovation Development.

Highly speculative

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

Restrictions on Redemption and Transfer; Illiquidity of Trust Units

It is intended that the Trust will continue for an indefinite term. As a result, a Trust Unitholder will have limited sources of liquidity for its Trust Units. Trust Unitholders should be aware that redemption rights in their favour are subject to significant limitations and restrictions. There will be no public market for the Trust Units and an application for listing of the Trust Units on a stock exchange will not be made. Trust Units are highly illiquid investments and should only be acquired by investors able to bear the economic risk of an investment in the Trust Units for an indefinite period of time. The Trust Units are being sold on a "private placement" basis in reliance upon exemptions from prospectus requirements of applicable securities laws and therefore are subject to significant statutory restrictions on transfer or sale. The Trust Units will be subject to "hold periods" under applicable securities legislation and, as the Trust is currently not a "reporting issuer" in any province or territory in Canada, the "hold periods" may never expire. Additionally, Trust Unitholders will not be permitted to transfer or sell their Trust Units without the consent of the Trustee, which may be withheld in the Trustee's sole discretion, and may be subject to the satisfaction of certain other conditions, including the provision of an opinion of counsel that such a transfer would not subject the Trust or the Trust Unitholders to any regulatory or tax burdens or result in violation of any applicable law or governmental regulation. Investments in the Trust should be considered long-term in nature.

Restrictions on redemption and transfer; Illiquidity of LP Units

It is intended that the Partnership will continue until March 15, 2041. As a result, a Limited Partners will have limited sources of liquidity for its LP Units. Limited Partners should be aware that redemption rights in their favour are subject to significant limitations and restrictions. There will be no public market for the LP Units and an application for listing of the LP Units on a stock exchange will not be made. LP Units in the Partnership are highly illiquid investments and should only be acquired by investors able to bear the economic risk of an investment in the LP Units for an indefinite period of time. The LP Units are being sold on a "private placement" basis in reliance upon exemptions from prospectus requirements of applicable securities laws and therefore are subject to significant statutory restrictions on transfer or sale. The LP Units will be subject to "hold periods" under applicable securities legislation and, as the Partnership is currently not a "reporting issuer" in any province or territory in Canada, the "hold periods" may never expire. Additionally, Limited Partners will not be permitted to transfer their LP Units without first offering to sell the subject LP Units to the General Partner in accordance with the Partnership Agreement, subject to certain exceptions, including the provision of an opinion of counsel that such a transfer would not subject the Partnership or the Limited Partners to any regulatory or tax burdens or result in violation of any applicable law or governmental regulation. Investments in the Partnership should be considered long-term in nature.

Distribution of Income

The Trust will distribute Trust income and Trust capital gains for each taxation year, so that Trust income and Trust capital gains may be taxable to Trust Unitholders and the Trust will not have any obligation to pay tax under the Tax Act. Payment of distributions is intended to be made in cash, but the Trust may, in certain circumstances, make distributions by distributing additional Trust Units. See ***“Item 4.1 - Declaration of Trust”***. In addition, The General Partner will make distributions to the Limited Partners. In the event that the Issuers do not make cash distributions, then investors will have to rely solely on the redemption of their Trust Units or LP Units to obtain a cash return on their investment.

The return on an investment in the Trust Units and LP Units is not comparable to the return on an investment in fixed-income securities. Cash distributions are not guaranteed and are not fixed obligations of the Issuers.

Nature of Trust Units

Each Trust Unit represents an equal undivided beneficial interest in the Trust. The Trust Units do not represent debt instruments and there is no principal amount owing to Trust Unitholders under the Trust Units, and the Trust Units are not insured against loss through the Canadian Deposit Insurance Corporation.

Nature of LP Units

Each LP Unit represents an equal undivided beneficial interest in the Partnership. The LP Units do not represent debt instruments and there is no principal amount owing to Limited Partners under the LP Units, and the LP Units are not insured against loss through the Canadian Deposit Insurance Corporation.

There are no restrictions on the number of Units that can be acquired

The Issuers do not place restrictions on the number of Units that any one Subscriber can acquire under the Offerings. As a result, any one Subscriber could end up controlling a large number of Units of the Issuers which may impact the voting on important matters that affect the Issuers, the Property and the Innovation Development.

Limited voting rights for Limited Partners and Trust Unitholders

The Partnership Agreement and the Declaration of Trust provides that there is no requirement on the part of the General Partner and the Trustee, respectively, to hold annual general meetings of the Limited Partners and the Trust Unitholders, and the General Partner and Trustee has no present intention to convene any such meetings. Subject to the limited voting rights provided to the Limited Partners in the Partnership Agreement and to the Trust Unitholders in the Declaration of Trust, Limited Partners must rely on the General Partner and Trust Unitholders must rely on the Trustee to manage and control the affairs of the Partnership and the Trust, respectively. In order for Limited Partners to request a meeting of the Limited Partners, Limited Partners holding not less than 50% of the number of all issued and outstanding LP Units must make a written request in respect of same to the General Partner. In order for Trust Unitholders to request a meeting of the Trust Unitholders, Trust Unitholders holding not less than 50% of the number of all issued and outstanding Trust Units must make a written request in respect of same to the Trustee. See ***“Item 4 Material Agreements”***.

Possible loss of limited liability and liability for return of capital

Maintenance of limited liability of a Limited Partner requires compliance with certain legal requirements in jurisdictions in which the Partnership will operate. There is a risk that Limited Partners could lose their limited liability in certain circumstances and be liable beyond their contribution and share of undistributed net income of the Partnership.

Where a Limited Partner has received a distribution from the Partnership, such Limited Partner may be liable to return to the Partnership or, if the Partnership is dissolved, to its creditors, any amount, not in excess of the amount distributed to such Limited Partner with interest, as may be necessary to discharge the liabilities of the Partnership to all creditors who extended credit or whose claims otherwise arose before such distribution.

Statutory rights related to Units

The Units do not represent a traditional investment and should not be viewed by investors as “shares” of the Issuers. Corporate law does not govern the Partnership or the Trust, the rights of Limited Partners as limited partners of the Partnership, or the rights of the Trust Unitholders of the Trust. The Limited Partners, as limited partners of the Partnership, and the Trust Unitholders of the trust will not have the statutory rights normally associated with ownership of shares of a corporation, including, for example, the right to bring “oppression” or “derivative” actions. The rights of Limited Partners, as limited partners of the Partnership, are specifically set forth in the Partnership Agreement. The rights of the Trust Unitholders are specifically set out in the Declaration of Trust. In addition, partnerships and trusts are not defined as recognized entities within the definitions of legislation such as the *Bankruptcy and Insolvency Act* (Canada) and the *Companies’ Creditors Arrangement Act* (Canada). As a result, in the event of an insolvency or restructuring, the Limited Partners’ position as limited partners of the Partnership and the Trust Unitholders’ position as Trust beneficiaries may be quite different than that of a shareholder of a corporation.

Representations – Qualified Person

Each Limited Partner will represent that such Limited Partner is a Qualified Person. There is no assurance now or in the future a Limited Partner will not be found to be an Unqualified Limited Partner. In the event that the General Partner determines that a Limited Partner has become an Unqualified Limited Partner, then such Unqualified Limited Partner shall be deemed to have ceased to be a Limited Partner effective immediately prior to the date of contravention and will not be entitled to any voting rights after such date or distributions of the Partnership which accrue after that date and the LP Units of that Unqualified Limited Partner will be deemed not to be outstanding until acquired by a Qualified Person and, in certain circumstances, the General Partner will be entitled to sell those LP Units on behalf of such Unqualified Limited Partners on such terms and conditions as the General Partner deems reasonable and may acquire those LP Units.

Trust Units are intended to be held by Taxable and Tax Exempt Investors

The Trust Units are intended to be held by taxable and tax exempt investors. Taxable investors may be subject to tax as a result of holding Trust Units. The Trust intends to make all taxable income of the Trust payable to Trust Unitholders each year and to distribute such income by distributing cash or Trust Units. In addition, income allocated by the Trust to Trust Unitholders may exceed the amount payable to them on a redemption of their Trust Units. Investors should consult their own tax advisors respecting the tax consequences of owning the Trust Units.

Mutual Fund Trust Status

To qualify as a mutual fund trust, the sole undertaking of the Trust must be the investing of its funds in property (other than certain real property or interests in real property), the Trust must comply on a continuous basis with certain requirements relating to maintaining a diversity of investments, the qualification of the Trust Units for distribution to the public, the number of Trust Unitholders and the dispersal of ownership of Trust Units and the Trust must not be reasonably considered to have been established or maintained primarily for the benefit of non-residents of Canada. If the Trust fails or ceases to qualify as a “mutual fund trust”, there may be adverse tax consequences to the Trust and Trust Unitholders.

Eligibility of Trust Units for Investment by Deferred Plans

If the Trust fails or ceases to qualify as a “mutual fund trust” the Trust Units may not be or may cease to be qualified investments for Deferred Plans which will have adverse tax consequences to Deferred Plans and their annuitants, holders or beneficiaries. If the Trust Units are or become a prohibited investment for trusts governed by the Deferred Plans, adverse tax consequences may result to the holder of the Deferred Plans.

One of the requirements for the Trust to qualify as a mutual fund trust is that it will have at least 150 separate holders of Trust Units, each holding no less than one block of units (meaning 10 Trust Units if the Fair Market Value is at least \$100 per Trust Unit), with an aggregate value of at least \$500 worth of Trust Units. The Trust may hold Closings of the Trust Offering prior to this requirement being met and there is no guarantee that this requirement will be met.

Trust Property or Redemption Notes received as a result of a distribution or redemption of Trust Units may not be a qualified investment for Deferred Plans, which may give rise to adverse consequences to a Deferred Plan or the annuitant, holder or beneficiary thereunder.

Tax Treatment of Trust Units and Trust Unitholders

Canadian federal or provincial income tax legislation may be amended, or their interpretation changed, so as to alter fundamentally the tax consequences of holding or disposing of Trust Units or the investments held by the Trust. The alternative minimum tax could limit tax benefits available to Trust Unitholders. There is no assurance that income tax laws or administrative practices of tax officials in the various jurisdictions of Canada will not be changed in a manner which will adversely alter the tax treatment of Trust Unitholders.

Tax Characterization of Trust Income and Trust Capital Gains

The designation of income or gains realized by the Trust to Trust Unitholders, including the designation of gains realized on the disposition of investments as capital gains will depend largely on factual considerations. The Trust will endeavor to make appropriate characterizations of income or gains realized by the Trust for purposes of designating such income or gains to Trust Unitholders based on information reasonably available to it. However, there is no certainty that the manner in which the Trust characterizes such income or gains will be accepted by the CRA. If it is subsequently determined that the Trust's characterization of a particular amount was incorrect, Trust Unitholders might suffer material adverse tax consequences as a result.

SIFT Status

If investments in the Trust are listed or traded on a stock exchange or other public market, the Trust may be taxable as a "SIFT trust" under the Tax Act, which will have adverse tax consequences to the Trust Unitholders and the Trust and the Canadian federal income tax considerations of investing in the Trust will be materially different from those described herein.

Tax Aspects relating to LP Units

Canadian federal and provincial tax aspects should be considered prior to investing in the LP Units (see ***"Item 8 - Canadian Federal Income Tax Consequences and RRSP Eligibility"***). The return on a Limited Partner's investment in LP Units may be affected by changes in Canadian tax laws. The discussion of income tax considerations in this Offering Memorandum is based upon current income tax laws and regulations. There can be no assurance that (a) tax laws, regulations or judicial or administrative interpretations will not be changed, (b) applicable tax authorities will not take a different view as to the interpretation or the application of tax laws and regulations than the Partnership or than as set out in this Offering Memorandum, (c) applicable tax authorities will not challenge allocations by the Partnership of income, losses, gains or deductions or disallow certain deductions against income, or (d) the facts upon which the tax discussions set out in this Offering Memorandum are materially correct. Any of the preceding may fundamentally alter, in a negative way, the tax consequences to investors of holding or disposing of LP Units.

If an interest in a Limited Partner is or becomes a "tax shelter investment", if a Limited Partner finances the acquisition of its LP Units with limited recourse financing, or if more than 50% of the LP Units are held by "financial institutions" for the purposes of the Tax Act, there may be adverse tax consequences to all Limited Partners and the Partnership. If investments in the Partnership are listed or traded on a stock exchange or other public market and the Partnership holds one or more "non-portfolio properties", as defined in the Tax Act, then the Partnership may be a SIFT Partnership and the Canadian federal income tax considerations will be materially different than those described herein.

The discussion of certain Canadian federal income tax considerations contained in this Offering Memorandum is provided for information purposes only and is not a complete analysis or discussion of all potential tax considerations that may be relevant to the acquisition of LP Units. Prospective investors are urged to consult their own tax advisors, prior to investing in the Partnership, with respect to the specific tax consequences to them from the acquisition of LP Units.

Risks Relating to Redemption

If holders of a substantial number of Trust Units exercise their redemption rights, the number of Trust Units outstanding could be significantly reduced. In any such circumstance, the Trustee may at any time terminate the Trust without the approval of the Trust Unitholders if, in the opinion of the Trustee, it is no longer economically feasible to continue the Trust or the Trustee determines that it would be in the best interests of Trust Unitholders to terminate the Trust.

Liability for Return of Distributions

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

Dilution/Concentration

The Trust and Partnership are each authorized to issue an unlimited number of Trust Units and LP Units (as applicable). Any issuance of additional Trust Units or LP Units may have a dilutive or concentrative effect on the value of Trust Units or LP Units. Investors who invest after a particular Property is acquired will be entitled to receive the same distributions as an investor who invested before such Property was acquired and will therefore be entitled to the equivalent benefits or disadvantages as each other Trust Unitholder or Limited Partner (as applicable).

Additional Limited Partners

The Trust is not the only Limited Partner in the Partnership. The Partnership is seeking additional investments by Persons other than the Trust directly into the Partnership. The direct investment by Persons other than the Trust may dilute the Trust's interest in the Partnership.

Recourse to the Trust's Assets

The Trust's assets, including any investments made by the Trust and any capital held by the Trust, are available to satisfy all liabilities and other obligations of the Trust. If the Trust itself becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the Trust's assets generally and not be limited to any particular asset, such as the investment giving rise to the liability.

Indemnification

The Trustee, each former Trustee and each officer of the Trust and each former officer of the Trust is entitled to indemnification and reimbursement out of the Trust Property, except under certain circumstances, from the Trust. Such indemnification obligations could decrease the returns which would otherwise be available to the Trust Unitholders.

Effect of Expenses on Returns

The Trustee, each former Trustee and each director and officer of the Trust and each former director and officer of the Trust is entitled to indemnification and reimbursement out of the Trust Property, except under certain circumstances, from the Trust. Such indemnification obligations could decrease the returns which would otherwise be available to the Trust Unitholders.

Risks Relating to Redemption of LP Units

If holders of a substantial number of LP Units exercise their redemption rights, the number of LP Units outstanding could be significantly reduced and the Partnership may not be able to meet its investment objectives.

The Risk of Uninsured Losses will be Borne by the Partnership

The Partnership expects to maintain insurance coverage against liability to third parties and property damage as is customary for similar businesses, insofar as the General Partner deems the same necessary or appropriate, in its sole discretion. There can be no assurance that insurance will be available or sufficient to cover all such risks. Insurance against certain risks may be unavailable or commercially infeasible. Uninsured losses will be borne by the Partnership.

Securities Regulatory Risks

Securities regulatory authorities have reviewed the Issuer's past use of forward looking information in connection with projected estimated possible returns and, although the Issuers believe that their disclosure is full, plain and true with a balanced disclosure of the underlying assumptions for their forward looking projections and no enforcement action has been taken, there is no assurance that the regulator will not take another position and take action that could delay capital raising or other actions that could negatively affect the working capital of the Issuers.

In the ordinary course of business, the Issuers may be subject to ongoing reviews by the securities regulators, who have broad powers to pass, interpret, amend and change the interpretation of securities laws from time to time and broad powers to protect the public interest and to impose terms, conditions, restrictions or requirements regarding registration under securities laws. Further, the securities regulators have the authority to retroactively deny the benefit of an exemption from prospectus or registration requirements otherwise provided for in the securities laws where the regulator considers it necessary to do so to protect investors or the public interest. It is possible that securities matters may be reviewed and challenged by the securities authorities. If such challenge were to succeed, it could have a material adverse effect on the Issuers. There is no assurance that applicable securities laws or the securities regulators interpretation thereof or the practices of the securities regulators will not be changed or re-interpreted in a manner that adversely affects the Issuers.

Disclosure of Personal Information

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

Issuers Risks

Required loans may not be provided, may terminate or may not be sufficient

The First Mortgage is due on July 1, 2018. Although the Issuers expect the full amount owing under the First Mortgage to be refinanced prior to the due date (or any extension thereof), there is no assurance that the Issuers of 1027110 may obtain such refinancing, and the mortgage would then become due and would then necessitate a sale of the Property and there is no assurance that the Property would be sold at the greatest market potential value.

Separate financing for each building comprising the Innovation Development of the Property may be required. Also, the Partnership may wish to borrow funds for other reasons. There can be no guarantee that any such financing or any other loans can or will be obtained on reasonable or acceptable terms, or at all.

There can be no guarantee that (i) any financing will eventually be obtained from a lender or that a lender will not materially alter the terms of any financing, (ii) any required renewal of any financing, if required, will occur on similar terms thereof or at all, or (iii) the lender under any financing will not demand repayment of the amounts

owing thereunder at a time when the Partnership does not have the funds to repay this loan. This will require alternate financing which may be considerably more expensive or may not be available.

The Partnership has the authority to negotiate and obtain other loans or loan facilities for the purposes of carrying out its operations and to grant security against its assets, including the Property and the Innovation Development, without obtaining approval of the Limited Partners. The Partnership may exercise this power in a number of circumstances. Any such borrowing and the granting of security, which may be from arm's length third parties and/or, subject to compliance with all applicable laws and receipt of all required regulatory approvals (if any), from affiliates of the Partnership or from Limited Partners, will be on such terms as the General Partner deems to be appropriate. Any such borrowings may be evidenced by promissory notes or other evidence of indebtedness. Such borrowings may include securities offerings by the Partnership of indebtedness, such as notes or debentures, which may or may not be secured by the Partnership's assets, including the Property and the Innovation Development.

There can be no assurances that the Partnership will be able to obtain financing for its purposes when required or, if it can obtain such financing, that such financing will be on terms that are reasonable or acceptable to the Partnership. The failure or inability of the Partnership to obtain such financing will have a material negative effect on the ability of the Partnership to develop the Property, in whole or in part, on a timely basis, or at all, which may have a material negative effect on the value of the Units and any return thereon. Charges, costs and fees will be associated with providing security and documenting the relationship of the Partnership with the lenders under any financing and any other credit facilities, loans or borrowings entered into by the Partnership, which charges, costs and fees may be material and will have to be paid by the Partnership.

Lack of Operating History

The Trust and the Partnership have no operating history and no history of earnings. The past performance of any of the Regehr Parties in the real estate investment business in British Columbia should not be construed as a guarantee or expectation of future results of any investment in the Issuers. Accordingly, there is no operating history upon which to base an evaluation of the Issuers or their business or prospects. The Issuers are in the early stages of their business and therefore are subject to the risks associated with early stage entities, including start-up losses, uncertainty of revenues, markets and profitability, the need to raise additional funding, the evolving and unpredictable nature of their business and the ability to identify, attract and retain qualified personnel. There can be no assurance that the Issuers will be successful in doing what they are required to do to overcome these risks. No assurance can be given that the Issuers' business activities will be successful. Total loss of an investment in Trust Units or LP Units is possible.

The Partnership has no operating history and its operating policies and strategies are untried. The Partnership will be dependent upon the experience and expertise of the General Partner in administering its day-to-day operations. The General Partner and its affiliates have experience investing in and managing real estate-related assets; however, there can be no assurance that the General Partner will be able to implement successfully the strategies that the Partnership intends to pursue.

Past Performance not a Predictor of Future Results.

The examples of historical successes of past projects developed by the WestStone Group discussed elsewhere in this Offering Memorandum are, for the most part, based on different investment models and relate to properties located in different locations than the Property. These historical successes cannot, and should not, be viewed as indicative of future performance of the Issuers and the Units offered under this Offering Memorandum and must not be relied upon as a forecast or projection of the anticipated returns, if any, on an investment in the Units.

Neither the General Partner nor the Partnership will take registered title to the Property

To facilitate administration of the Property, the legal title to the Property as a whole, will be registered in the name of WKGD One, WKGD Two and WKGD Three. WKGD One, WKGD Two and WKGD Three will hold such title for the benefit of the Partnership (based on the number of LP Units sold under the Offerings and the corresponding percentage of the beneficial interest purchased by the Partnership) under the terms of the Earn-in Agreement. The Partnership will not hold legal title to its percentage undivided interest in the Property and will only hold a beneficial interest therein. In addition, under the terms of the Co-Ownership Agreement, the Co-Owners, including the Partnership, are not permitted to register a caveat in respect of their beneficial undivided interest in the Property against the registered title to the Property. As a result, the Partnership will not have available to it the protections

that would arise from holding legal title to the Property or from registering a caveat against such legal title. The Partnership must rely on WKGD One, WKGD Two and WKGD Three, as the holders of the legal title, to protect its interest in that regard, in accordance with the terms of the Earn-in Agreement and the Co-Ownership Agreement.

The Innovation Development of the Partnership may require modifying the existing Property zoning and obtaining other approval from local government agencies

On December 19, 2016, Surrey City Council by way of third reading passed a resolutions that "Surrey Official Community Plan Bylaw, 2013, No. 18020, Amendment Bylaw, 2015, No. 18472" pass its third reading which is understood to rezone the property from its former zoning Tourist Commercial to Comprehensive Development (CD Zone). Final approval is expected form the City of Surrey by June 2017, but there is no assurances that approval will be secured by that time or at all, as expected. 1027110 has further applied to the City of Surrey to obtain a development permit under the CD Zoning of the Property to allow for the Project to be constructed. As part of obtaining a development permit process, the Partnership may update the zoning designations to fit the Innovation Development of the Property and also obtain other associated required approvals from local or other government agencies. The process of obtaining these approvals (which may require certain environmental impact studies) may take many months or years and the costs of holding the Property will accrue while regulatory approvals are being sought. These approvals may not be received in a timely manner or may not be received in a manner that is acceptable to the General Partner. Failure to obtain acceptable approvals in a timely manner could have a significant negative effect on the value of the Property and the Innovation Development of the Property and, in turn, on the value of the Units.

Default of registered mortgages

The WestStone Group has owned the Property by way of registering a first and second mortgage (the "Mortgages") in favour of funders of the Property. These Mortgages contain common lending conditions including restrictions on disposing of equity, waste, destroying buildings or removing tenants thereby reducing rental income. Any infringement of these conditions allows the lender, at its option, to call its mortgage due. A part of the development process requires the elimination of tenants and other buildings which the WestStone Group has done. These actions of the WestStone Group, including the registration of the Second Mortgage, could cause either one of the Mortgage to call its loan due during the period of the Partnership acquiring the Property. The WestStone Group has agreed that it will, during this time period should any Mortgagee call its loan due, indemnify the Partnership for any cost or loss pertaining thereto. However, if in such event the WestStone Group is unable to perform on its indemnity, or defaults in the repayment of any indebtedness, or becomes insolvent, the Partnership in holding such indebtedness will be entitled to exercise available legal remedies against the WestStone Group for its rights under these agreements. As the Partnership's funding is subordinate to the first and second mortgage, there is no assurance that there will be assets available to recover any portion of the Partnership's investment of funds in the Property.

No guarantee that an investment in the Units will be successful

There can be no guarantee that investors will not realize losses from an investment in Units and there can be no assurance that the Issuer's strategy in relation to the Innovation Development of the Property will be successful or that the objective of earning a profit will be achieved. Real estate investment involves a high degree of risk that even the combination of experience and knowledge may not be able to avoid. Success in these objectives will depend to a certain extent on the experience and knowledge of the General Partner and the WestStone Group and on a number of other external factors, such as, among other things, the development of the residential and commercial real estate market in the vicinity of the Property and the general political and economic conditions that may prevail from time to time, which factors are beyond the control of the General Partner and the WestStone Group.

The likelihood of success of the Issuers must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any real estate investment. If the General Partner fails to address any of these risks or difficulties adequately, the Partnership's performance likely will suffer. Future profits, if any, will depend upon various factors, including the growth of the City of Surrey, and in particular the areas surrounding the Property, the success, if any, of the development and marketability of the Innovation Development of the Property, the receipt of applicable government approvals, the application of government regulations and enforcement of such regulations and general political and economic conditions. There is no assurance that the Issuers can operate profitably or that the Issuers will successfully implement its plans.

Potential regulation of the Issuers

As a result of recent highly publicized financial scandals and ongoing financial turmoil, investors, regulators and the general public have expressed concerns over the integrity of both the financial markets and the regulatory oversight of these markets and their participants. As a result, the regulatory environment in which the Issuers will operate is subject to heightened regulation. With respect to alternative asset management funds, in recent years there has been debate in both the Canadian and non-Canadian governments about new rules or regulations to be applicable to hedge funds, private equity funds or other alternative investment products and the advisers thereto. It is impossible to determine the scope and extent of the impact of any new laws, regulations or initiatives that may be proposed, whether any of the proposals will become law or whether if enacted, any such laws, regulations or initiatives would apply to the Issuers. Compliance with any new laws or regulations could make compliance more difficult and expensive and affect the manner in which the Issuers operates. Moreover, as calls for additional regulation have increased, there may be a related increase in regulatory investigations of the investment activities of alternative asset management funds, including the Issuers. Such investigations may impose additional expenses on the Issuers and may require the attention of senior management and may result in fines if either of the Issuers are deemed to have violated any regulations.

Partnership purchasing Property on an “as is, where is” basis

Under the terms of the Earn-in Agreement, the Partnership has agreed that its beneficial interest in the Property will be purchased in its “as-is, where is” condition with respect to the physical and environmental condition of the Property and that 1027110 makes no representation or warranty to the Partnership with respect to the physical or environmental condition of the Property.

If the Partnership is unable to acquire an interest in the Property, it will dissolve, however amounts returned to Limited Partner may be less than the amounts they invested

If one or more closings of this Offerings have occurred but the Partnership is not able to acquire an interest in the Property for any reason, the General Partner will wind-up and dissolve the Partnership and distribute its assets in accordance with the Partnership Agreement. In those circumstances, the Issuers will have expenses related to, among other things, the formation of the Partnership and the Trust, the Offerings and its operations to the date of wind-up and dissolution and, accordingly, the amounts returned to the Limited Partners and Trust Unitholders will be less than the purchase price paid for the Units under this Offerings.

The Partnership may have substantial amounts of debt

The Partnership may have substantial debt. This debt could result in an increased risk of potential insolvency of the Partnership, which will have a significant material impact on the Partnership and its ability to continue its operations. It is expected that the lenders of any debt financing entered into by the Partnership will, unless such lenders determine otherwise in their sole discretion, place restrictions on the Partnership’s ability to make distributions on the Units until such financing has been paid in full. In addition, lenders providing Financing with respect to the Innovation Development of the Property may require that the Partnership provide to such lenders security in the Property and the Innovation Development and other assets of the Partnership to secure the indebtedness of the Partnership under any such lender’s financing. This may further delay the Issuers’ ability to make distributions on the Units.

Default on indebtedness prior to completion

In the event that the Partnership acquires a portion of its beneficial interest or exercises its option to acquire a portion of the Second Mortgage and then thereafter the WestStone Group defaults in the repayment of any indebtedness, or becomes insolvent, the Partnership in holding such indebtedness will be entitled to exercise available legal remedies against the WestStone Group for its rights under these agreements. As the Second Mortgage is a subordinate charge to the first mortgage, there is no assurance that there will be assets available to recover any portion of the Partnership’s investment of funds in acquiring the portion of the Second Mortgage, which would negatively affect the value of the Units.

Default on indebtedness

If the Partnership defaults in the repayment of any indebtedness, or becomes insolvent, the creditors holding such indebtedness will be entitled to exercise available legal remedies against the Partnership, including among other things, preventing any distributions on the Units, declaring the full amounts of such loans immediately repayable and exercising their rights against the assets of the Partnership, including the Property and the Innovation Development. There is no assurance that there will be assets available to recover any portion of a Limited Partner's investment.

Accounting Estimates

International Financial Reporting Standards used in connection with the accounting and auditing of the Trust, the Partnership and the General Partner requires that management apply certain accounting policies and make certain estimates and assumptions that affected reported amounts in their respective financial statements. Those assumptions may affect the reported amounts in the financial statements. The accounting policies may result in non-cash charges to net income and adjustments to net assets in the financial statements. Such non-cash charges and adjustments may be viewed unfavourably by the market and may result in a decline in the value of the Units. The carrying value of the Property is one of the items which is subject to valuation and potential non-cash adjustments.

General Partner has limited assets

The General Partner has unlimited liability for the obligations of the Partnership. The General Partner will indemnify and hold harmless the Partnership from and against all costs incurred and damages suffered by the Partnership as a result of negligence, a breach of its standard of care, wilful misconduct or a fraudulent act by the General Partner, or as a result of an act or omission by the General Partner not believed to be in good faith or within the scope of authority of the General Partner conferred by the Partnership Agreement. The General Partner has, and will continue to have, limited financial resources and will only have limited assets, which will affect its ability to indemnify the Partnership. The amount of any such indemnity will be limited to the extent of the assets of the General Partner and will not include, under any circumstance, the assets of an affiliate of the General Partner.

Business Risk

While the General Partner and Trustee believe that the Partnership will be successful over the long term in acquiring its interest in the Property and developing the Innovation Development, there can be no guarantee against losses resulting from an investment in the Units and there can be no assurance that the Issuers' investment approaches will be successful or that its investment objectives will be attained. No assurance can be given that the Innovation Development of the Property will generate any income or will appreciate in value. The Issuers could realize substantial losses, rather than gains, from its investments.

No Assurance of Return

Although the General Partner will use its best efforts to achieve superior rates of return for the Partnership, no assurance can be given in this regard. An investment in Units should be considered as speculative and investors must be able to bear the risk of a complete loss of their investment.

Limited Resources of General Partner

The General Partner has no obligation to fund any operating deficits resulting from the business of the Partnership or to advance funds to continue the business operations of the Partnership. Even if the General Partner should elect to do so voluntarily or be held individually accountable by Partnership creditors, there is no assurance that the available assets will be adequate to satisfy the capital needs of continuing business operations. If Partnership revenues are insufficient to pay Partnership expenses after expending the funds obtained from the Offerings and if the General Partner does not advance such additional funds as may be needed by the Partnership, the Partnership may not be able to continue its business operations in the absence of an alternative source of financing, and there can be no assurance that such financing will be available to the Partnership.

Dependence on Key Personnel

The success of the Issuers will be entirely dependent upon the efforts of the General Partner and, in particular, the efforts, knowledge and expertise of the General Partners management team, who have substantial discretionary authority for the Partnership and the Innovation Development of the Property. The Trust and other Limited Partners have no right or power to take part in the management of the Partnership. Accordingly, no one should invest in Units unless they are willing to entrust all aspects of the management and all decisions of the Partnership to the General Partner and its management team.

Termination of the Trust

Although the Trust is expected to continue until 2041, Trust Unitholders may, by Extraordinary Resolution, vote to terminate the Trust at any meeting of Trust Unitholders duly called by the Trustee or the Trust Unitholders for the purpose of considering termination of the Trust, following which the Trustee will commence winding-up of the Trust. Such Extraordinary Resolution may contain directions to the Trustee as the Trust Unitholders determine, including a direction to distribute the securities held by the Trust, *in specie*. If the termination occurs earlier than the term of the Trust, the Trust may not have been in existence for the period of time necessary to achieve the business objectives of the Trust.

Possible Conflicts of Interest

The Issuers may be subject to various conflicts of interest.

The WestStone Group is engaged in a wide variety of real estate investment and development activities and certain of the directors and officers of the General Partner are also directors and or officers of one or more members of the WestStone Group or other real estate entities. Although the General Partner will have various obligations to the Partnership, situations may arise where the interests of the directors, officers, employees and shareholders of the General Partner (being the promoter of the Partnership) could conflict with the interests of the Partnership.

The General Partner and its respective officers, directors, employees, and shareholders are not limited or affected in their ability to carry on other business ventures for their own account, or for the account of others, and may be engaged in the development of, investment in, or management of businesses that may compete with the business of the Partnership.

The Partnership will not have an independent review committee or any other form of management oversight and will rely exclusively upon the General Partner to manage the business of the Partnership and to provide managerial skill. The directors, officers, employees and shareholders of the General Partner may have a conflict of interest in allocating their time between the business of the General Partner and the Partnership, and other businesses or projects in which they may become involved. The directors and officers of the General Partner have, however, agreed to devote as much time to the Partnership as is required for the effective management of the Partnership.

The WestStone Group as well as employees, directors and officers of the WestStone Group may invest their own money in the Partnership and may, from time to time, have substantial holdings in the Partnership.

The Partnership pays the General Partner the Management Fee and a Carried Interest (ultimately borne by the holders of the Units as discussed elsewhere in this Offering Memorandum).

There may be occasions when the Regehr Parties encounter conflicts of interest in connection with the Issuers' activities. There may be conflicts in allocating business opportunities among the Partnership and other Regehr Parties. In a bankruptcy proceeding, it is possible that the Trust's interests may be subordinated or otherwise adversely affected by virtue of the involvement or actions of such other participants.

Broad Authority of the General Partner

The Partnership Agreement gives the General Partner broad discretion over the conduct of the Partnership's business including the Partnership's participation in the development of the Innovation Development of the Property.

Competition for Services

The Partnership will not have independent management and will rely upon the General Partner to manage the business of the Partnership and to provide investment managerial skill. The directors and officers of the General Partner may have a conflict of interest in allocating their time among the business of the General Partner and the Partnership, and other businesses or projects in which they may become involved. The directors and officers of the General Partner have, however, agreed to devote as much time to the Partnership as is required for the effective management of the Partnership.

No Obligation to Devote Full Time Efforts

The General Partner will devote such time as it believes, in its discretion, is necessary to carry out the operations of the Partnership. Moreover, officers and employees of the General Partner and its affiliates are not obligated to devote full time efforts to the Partnership's efforts, and they may have conflicts in their allocation of time between the Partnership and other unrelated activities.

The Partnership's Success is Dependent on Key Personnel

The Partnership believes that its success will depend to a significant extent upon the experience of key management personnel of the General Partner. The continued service of some of these key management personnel cannot be guaranteed. However, while the General Partner believes that it could replace these key personnel, the loss of any such persons or the loss of all of such persons at a single point in time could have a material adverse effect on the operations of the Partnership through a diminished ability to obtain investment opportunities and to structure and execute the Partnership's potential investments and business plan. In addition, the Partnership may not successfully recruit additional personnel and any additional personnel that are recruited may not have the requisite skills; knowledge or experience necessary or desirable to enhance the incumbent management.

Joint Ventures

The Partnership may enter into one or more joint ventures with strategic partners, including with affiliates of the General Partner. Investments with joint venture partners may involve carried interests and/or fees payable to such joint venture partners, as the General Partner may deem appropriate, in its sole discretion. Any joint venture contemplated by the Partnership will be reviewed and shall only proceed if approved by the board of directors of the General Partner, which shall require the approval of both independent members of the board of directors of the General Partner.

Lack of independent counsel representing Trust Unitholders and Limited Partners

The Trust and Partnership has consulted with and retained for its benefit legal counsel to advise them in connection with the formation and terms of the Trust and the offering of Trust Units. Trust Unitholders and Limited Partners (other than the Trust) have not, however, as a group been represented by independent legal counsel. Therefore, to the extent that such Trust Unitholders and Limited Partners could benefit by an independent review, such benefit will not be available unless such Trust Unitholders and Limited Partners retain their own legal counsel.

Real Estate Industry Risks

Risks of real property ownership and development

Real estate investments are generally subject to varying degrees of risk depending on the nature of the property. Such risks include the highly competitive nature of the real estate industry, changes in general economic conditions (such as the availability and costs of mortgage funds), local conditions (such as the supply of office and retail space or the demand for residential real estate in the area), government regulations and changes therein (such as zoning, taxation of property and environmental legislation), changes in governments and the attractiveness of property to potential purchasers, developers and renters. In addition, each segment in the real estate development industry is capital intensive and is typically sensitive to interest rates and economic conditions. The income generated by the Innovation Development of the Property, if any, is dependent upon general economic conditions and, accordingly, the return to Limited Partners may be affected by changes in those conditions. There is also no assurance that the Innovation Development of the Property can be expected to be leased or sold profitably. Economic conditions may also affect the municipalities and their ability and willingness to fund infrastructure projects and support

development. The market for real property can be affected adversely by economic factors, which may be regional, national or international in scope.

The Partnership will be required to make certain expenditures in respect of its activities, including, but not limited to, the payment of property taxes, maintenance costs, insurance costs and related charges regardless of whether or not the Innovation Development of the Property is producing sufficient income to service such expenses. If the Partnership is unable or unwilling to meet such payment obligations, losses could be sustained as a result of the exercise by creditors of rights of foreclosure or sale.

Various factors affect the timing and profitability real estate development and construction. The Partnership will be subject to risks inherent in the development of real estate including: (i) construction and other unforeseen delays; (ii) cost overruns; (iii) the inability to secure the appropriate development and other necessary approvals in a timely and cost effective manner; and (iv) fluctuations in demand and supply for developed properties.

Risk of Investment in Real Properties

The success of the Issuers is to a substantial extent dependent upon the General Partner's abilities to attract tenants to generate net income from the Innovation Development of the Property.

Construction Costs

The real estate industry is significantly impacted by fluctuations in the costs of construction and servicing of land. Any material increase in construction and/or servicing costs may have a materially adverse effect on the Issuers and on the timing and costs of completion of the Innovation Development of the Property.

Regulatory Approvals

From time to time the development of the Property will or may require re-zoning, environmental and other approvals from Provincial and local government agencies. The process of obtaining such approvals may take many months and there can be no assurance that the necessary approvals for the Innovation Development of the Property will be obtained. Holding costs accrue while regulatory approvals are being sought and delays can render real estate investments uneconomic at any given period.

Environmental Matters

The Weststone Group has received a Stage 1 environmental report that confirms that there is no contamination on the Property and states that there is no need for a Stage 2 report.

Notwithstanding the foregoing, under various environmental laws, ordinances and regulations, the current or previous owner or operator of real property may be liable for the costs of removal or rededication of hazardous or toxic substances on, under or in such property. Such laws could impose liability whether or not the Partnership knew of, or was responsible for, the presence of such hazardous or toxic substances. The presence of hazardous or toxic substances, or the failure to remove or rededicate such substances, if any, could adversely affect the Partnership'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 Partnership.

General Real Estate Risks

Various factors can affect the timing and profitability of real estate investment. While the General Partner has made certain plans for applying an effective strategy to the acquisition and development of the Property, there is no assurance that such plans will be met on a timely basis or at all. There is also no assurance that the Innovation Development of the Property can be leased profitably. The Issuers will be subject to risks inherent in the ownership of real estate intended for generating sustainable net rental income, and for future resale.

Builder contract risk

The success of any development project is to a certain extent dependent upon the ability of BKR to attract builders/contractors with successful track records in construction. In the event that any of the builders/contractors that are contracted with in connection with the Innovation Development of the Property should not comply with

their obligations to the Issuers under the applicable agreements, the financial performance of the Issuers will in part depend upon the Partnership's ability to find replacement builders/contractors. There can be no guarantee that the Partnership will find suitable builders/contractors on a timely basis or on terms that are advantageous to the Partnership.

The development industry is highly competitive

The real estate development industry is highly competitive. The Partnership will compete against land development companies, land speculators, numerous local, regional and national builders and others in the real estate business. Leasing of the Innovation Development of the Property will also compete with the existing rental market. The Partnership may compete for financing, raw materials and skilled labour with entities that possess greater financial, marketing and other resources.

Competition

The Partnership competes with other investors, developers and owners of properties for the rental of commercial, retail and residential real estate. Some of the commercial, retail and residential properties of the competitors of the Partnership are better located and better capitalized than the Property. Certain of these competitors have greater financial and other resources and greater operating flexibility and efficiencies than the Partnership. The existence of competing developers and owners could have a material adverse effect on the ability of the Partnership and the WestStone Group to market the Innovation Development of the Property, and could adversely affect the profitability for the Issuers.

The future political and economic climate in British Columbia cannot be predicted

British Columbia and the City of Surrey present social, economic and political conditions that are reasonably stable. However, these levels of government and the federal government could implement policies that could have a material adverse effect on the value of the Property and the Innovation Development.

Examples of such policies include tax reform, land use restrictions, land ownership restrictions, transportation policies, development moratoriums, annexation proceedings or other adverse economic or monetary policies.

In addition, the success of the Partnership will be highly dependent on the economy of the Province of British Columbia and the City of Surrey. The British Columbia economy may not sustain recent levels of growth and projections regarding its future growth may not be accurate. If the economy of British Columbia or the City of Surrey declines, this could have a material adverse impact on the value of the Partnership and the ability of the Partnership to carry out its proposed activities with respect to the Property and Innovation Development of the Property and return to investors their investment in the Partnership.

Changes in legislation and policies

There can be no assurances that provincial or municipal legislation will not be implemented or policies and frameworks will not be implemented by the applicable municipal bodies or other government regulators having jurisdiction over the Property which places new restrictions on the ability to develop the Property or which generally has the effect of significantly reducing the value, or the potential value, of the Property and the Innovation Development.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Issuers. Prospective investors should read this entire Offering Memorandum and consult their own counsel and financial advisors before deciding to invest in the Trust.

Neither the Issuers, the Trustee, the General Partner, Administrator nor any other Regehr Party or any affiliate or associate of the foregoing is responsible for, and undertakes no obligation to, determine the general or specific investment needs and objectives of a potential investor and the suitability of the Trust Units or LP Units having regard to any such investment needs and objectives of the potential investor.

ITEM 11 - REPORTING OBLIGATIONS

The Trust will send to Trust Unitholders within six months of the Fiscal Year end and, in any event, on or before any earlier date prescribed by Applicable Laws, annual financial statements of the Trust for the Fiscal Year ended immediately prior to such period, which information shall consist of a balance sheet, income statement and statement of cash flows, which are audited and prepared in accordance with International Financial Reporting Standards (IFRS).

The Trustee will, within the time frame required under the Tax Act, forward to each Trust Unitholder who received distributions from the Trust in the prior calendar year, such information and forms as may be needed by the Trust Unitholder in order to complete its income tax return in respect of the prior calendar year under the Tax Act and equivalent provincial legislation in Canada.

The Partnership will send to Limited Partners within 90 days of the Fiscal Year end and, in any event, on or before any earlier date prescribed by Applicable Laws, annual financial statements of the Partnership for the Fiscal Year ended immediately prior to such period, which information shall consist of a balance sheet, income statement and statement of cash flows, which are audited and prepared in accordance with International Financial Reporting Standards (IFRS).

The General Partner will, within the time frame required under the Tax Act, forward to each Limited Partner who received distributions from the Partnership in the prior calendar year, such information and forms as may be needed by the Limited Partner in order to complete its income tax return in respect of the prior calendar year under the Tax Act and equivalent provincial legislation in Canada.

The Issuers will make reasonably available to Trust Unitholders and Limited Partners such other information as required by applicable securities laws for a non-reporting issuer that distributes securities using the “offering memorandum” exemption (including audited annual financial statements, annual notices of use of proceeds and notices of certain key events, if and when applicable). Generally, disclosure documents will be considered to have been “made reasonably available” if the documents are mailed to Trust Unitholders and Limited Partners, or if they receive notice that the disclosure documents can be viewed on a public website of the Issuers or a website accessible by all Trust Unitholders and Limited Partners (such as a password-protected website).

None of the Issuers is a “reporting issuer” or equivalent under the securities legislation of any jurisdiction. Accordingly, the Issuers are not subject to the “continuous disclosure” requirements of a reporting issuer under securities legislation. **Other than the documents described above, we are not required to send you any documents on an annual or ongoing basis.**

The Issuers will deliver to prospective investors certain documents, including this Offering Memorandum, a subscription agreement and any updates or amendments to the Offering Memorandum required by law, from time to time by way of facsimile or e-mail. In accordance with the terms of the subscription agreement provided to prospective investors, delivery of such documents by email or facsimile shall constitute valid and effective delivery of such documents unless the Issuers receive actual notice that such electronic delivery failed. Unless the Issuers receive actual notice that the electronic delivery failed, the Issuers are entitled assume that the facsimile or e-mail and the attached documents were actually received by the prospective investor and the Issuers will have no obligation to verify actual receipt of such electronic delivery by the prospective investor.

ITEM 12 - RESALE RESTRICTIONS

12.1 General

The Trust Units and LP Units will be subject to a number of resale restrictions, including restrictions on trading. Until the restriction on trading expires, you will not be able to trade the Trust Units or LP Units unless you comply with an exemption from the prospectus requirements under securities legislation. Additionally, investors will not be permitted to transfer their Trust Units or LP Units without the consent of the Trustee or General Partner (as applicable).

12.2 Restricted Period

Unless permitted under securities legislation, a holder cannot trade the Trust Units or LP Units before the date that is four months and a day after the date the Trust or Partnership (as applicable) becomes a reporting issuer in any province or territory in Canada. Since the Issuers are not reporting issuers in any province or territory, the applicable hold period may never expire, and if no further exemption may be relied upon and if no discretionary order is obtained, this could result in an investor having to hold the Trust Units or LP Units acquired under the Offerings for an indefinite period of time.

12.3 Manitoba Resale Restrictions

In addition to the above, for subscribers resident in Manitoba, unless permitted under securities legislation, a holder must not trade the Trust Units or LP Units without the prior written consent of the regulator in Manitoba, unless:

- (a) the Trust or Partnership (as applicable) has filed a prospectus with the regulator in Manitoba with respect to the Trust Units or LP Units (as applicable) and the regulator in Manitoba has issued a receipt for that prospectus, or
- (b) the holder has held the Trust Units or LP Units for at least 12 months.

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

The Administrator must approve of any proposed disposition of Trust Units and the General Partner must approve any proposed disposition of LP Units. It is the responsibility of each individual holder to ensure that all forms required by the applicable securities legislation are filed as required upon disposition of the Trust Units or LP Units.

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

ITEM 13 - PURCHASERS' RIGHTS

If you purchase Trust Units or LP Units you will have certain rights, some of which are described below. For information about your rights you should consult a lawyer.

13.1 Two Day Cancellation Right

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

13.2 Statutory Rights of Action in the Event of a Misrepresentation

Securities legislation in certain of the provinces of Canada provides purchasers with a statutory right of action for damages or rescission in cases where an offering memorandum or any amendment thereto contains an untrue statement of a material fact or omits to state a material fact that is required to be stated or is necessary to make any

statement contained therein not misleading in light of the circumstances in which it was made (a “misrepresentation”). These rights, or notice with respect thereto, must be exercised or delivered, as the case may be, by purchasers within the time limits prescribed and are subject to the defences and limitations contained under the applicable securities legislation. Purchasers of Trust Units or LP Units resident in provinces of Canada that do not provide for such statutory rights will be granted a contractual right similar to the statutory right of action and rescission described below for purchasers resident in Ontario and such right will form part of the subscription agreement to be entered into between each such purchaser and the Issuers in connection with these Offerings.

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

13.3 Rights of Purchasers in Alberta

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

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

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. Additionally, if you elect to exercise a right of rescission against the Issuers, you will have no right of action against the persons described in (b) above.

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

13.4 Rights of Purchasers in British Columbia

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

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

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. Additionally, if you elect to exercise a right of rescission against the Issuers, you will have no right of action against the persons described in (b) above.

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

13.5 Rights of Purchasers in Saskatchewan

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

- (a) the Issuers to cancel your agreement to buy these securities, or
- (b) for damages against the Issuers, every promoter of the Issuers, every person who was a director or acting in a similar capacity of the Issuers at the date of this Offering Memorandum, every person whose consent has been filed respecting the offering but only with respect to reports, opinions and statements made by that person, and every other person who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. Additionally, if you elect to exercise a right of rescission against the Issuers, you will have no right of action against the persons described in (b) above.

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

13.6 Rights of Purchasers in Manitoba

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

- (a) the Issuers to rescind your agreement to buy these securities, or
- (b) for damages against the Issuers, every person who was a director or acting in a similar capacity of the Issuers at the date of this Offering Memorandum and every other person who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. Additionally, if you elect to exercise a right of rescission against the Issuers, you will have no right of action against the persons described in (b) above.

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 rescind the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three years after the day you purchased the securities.

13.7 Rights of Purchasers in Ontario

If you are a resident of Ontario, and if there is a misrepresentation in this Offering Memorandum, a purchaser who purchases a security offered by this Offering Memorandum during the period of distribution has, without regard to whether the purchaser relied on the misrepresentation, the following rights:

- (a) the purchaser has a right of action for damages against the Issuers, or
- (b) where the purchaser purchased the securities from a person or the Issuers referred to in clause (a), the purchaser may elect to exercise a right of rescission against the person or the Issuers, in which case the purchaser has no right of action for damages against such person or the Issuers.

The Issuers will not be held liable under this paragraph if the subscriber purchased the securities with the knowledge of the misrepresentation. In an action for damages, the Issuers will not be liable for all or any portion of such

damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied upon and in no case will the amount recoverable under this paragraph exceed the price at which the securities were sold to the subscriber.

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

13.8 Rights of Purchasers in Quebec

In addition to any other right or remedy available to you at law, if this Offering Memorandum is delivered to an investor resident in Québec and contains a misrepresentation, the investor will have: (1) statutory rights under Québec legislation; or (2) contractual rights in circumstances where the Québec legislation does not provide such rights, as follows:

- (a) a right of action for damages against the Issuers, every person acting in a capacity with respect to the Issuers which is similar to that of a director or officer of a company, any expert whose opinion, containing a misrepresentation, appeared, with his consent, in this Offering Memorandum, the dealer (if any) under contract to the Issuers and any person who is required to sign the certificate of attestation in this Offering Memorandum; or
- (b) a right of action against the Issuers for rescission of the purchase contract or revision of the price at which Trust Units or LP Units (as applicable) were sold to the investor.

However, there are various defences available to the persons or companies that you have a right to sue. Among other defences, no person or company will be liable if it proves that:

- (a) the investor purchased the Trust Units with knowledge of the misrepresentation; or
- (b) in an action for damages, that they acted prudently and diligently (except in an action brought against the Issuers).

No action may be commenced to enforce such a right of action:

- (a) for rescission or revision of price more than three years after the date of the purchase; or
- (b) for damages later than the earlier of:
 - (i) three years after the purchaser first had knowledge of the facts giving rise to the cause of action, except on proof of tardy knowledge imputable to the negligence of the purchaser; or
 - (ii) five years from the filing of this Offering Memorandum with the Autorité des marchés financiers de Québec.

13.9 Rights of Purchasers in Nova Scotia

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

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

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

exercise a right of rescission against the Issuers, you will have no right of action against the persons described in (b) above.

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

13.10 Rights of Purchasers in New Brunswick

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

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

The Issuers will not be held liable under this paragraph if the subscriber purchased the securities with the knowledge of the misrepresentation. In an action for damages, the Issuers will not be liable for all or any portion of such damages that they prove do not represent the depreciation in value of the securities as a result of the misrepresentation relied upon and in no case will the amount recoverable under this paragraph exceed the price at which the securities were sold to the subscriber. Additionally, if you elect to exercise a right of rescission against the Issuers, you will have no right of action against the persons described in (b) above.

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

13.11 Rights of Purchasers in Newfoundland and Labrador, Nunavut or Prince Edward Island

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

- (a) the Issuers to rescind your agreement to buy these securities, or
- (b) for damages against the Issuers, every person who was a director or acting in a similar capacity of the Issuers at the date of this Offering Memorandum and every other person who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. Additionally, if you elect to exercise a right of rescission against the Issuers, you will have no right of action against the persons described in (b) above.

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

ITEM 14 – FINANCIAL STATEMENTS

The following financial statements are provided as part of this Offering Memorandum:

- (a) in respect of the General Partner, audited financial statements prepared in accordance with International Financial Reporting Standards for the years ended December 31, 2017 and December 31, 2016;
- (b) in respect of the Partnership, audited financial statements prepared in accordance with International Financial Reporting Standards for the year ending December 31, 2017 and the period from inception on January 29, 2016 to December 31, 2016; and
- (c) in respect of the Trust, audited financial statements prepared in accordance with International Financial Reporting Standards for the year ending December 31, 2017 and the period from inception on January 31, 2016 to December 31, 2016.

AUDITED FINANCIAL STATEMENTS
OF
WESTSTONE (INNOVATION) GP LTD.
FOR THE YEARS ENDED DECEMBER 31, 2017 AND DECEMBER 31, 2016

WESTSTONE (INNOVATION) GP LTD.

**FINANCIAL STATEMENTS
(AMENDED)**

December 31, 2017

(Expressed in Canadian Dollars)

INDEPENDENT AUDITORS' REPORT

TO THE DIRECTORS OF WESTSTONE (INNOVATION) GP LTD.

We have audited the accompanying financial statements of WestStone (Innovation) GP Ltd., which comprise the statements of financial position as at December 31, 2017 and 2016 and the statements of income and comprehensive income, changes in shareholders' equity (deficiency) and cash flows for the years then ended, 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 auditors consider 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 in our audits 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 WestStone (Innovation) GP Ltd. as at December 31, 2017 and 2016 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 1 in the financial statements, which describes matters and conditions that indicate the existence of material uncertainties that may cast significant doubt about the Corporation's ability to continue as a going concern.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
May 17, 2018

WESTSTONE (INNOVATION) GP LTD.
AMENDED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

As at December 31,	2017	2016
ASSETS		
Current		
Cash	\$ 114,127	\$ 347,344
Due from Partnership (note 4)	<u>206,307</u>	<u>-</u>
	320,434	347,344
Non-current		
Investment in Partnership (note 4)	<u>10</u>	<u>10</u>
	<u>\$ 320,444</u>	<u>\$ 347,354</u>
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current		
Accounts payable and accrued liabilities	\$ 20,520	\$ 3,780
Related party payables (note 6)	155,411	155,411
Due to Partnership (note 4)	-	245,511
Income tax payable (note 8)	<u>25,272</u>	<u>-</u>
	<u>201,203</u>	<u>404,702</u>
Shareholders' equity (deficiency)		
Share capital (note 5)	100	100
Retained earnings (deficit)	<u>119,141</u>	<u>(57,448)</u>
	<u>119,241</u>	<u>(57,348)</u>
	<u>\$ 320,444</u>	<u>\$ 347,354</u>

Approved on behalf of the Board:

"Brian Regehr" Director "Robert Dominic" Director

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

WESTSTONE (INNOVATION) GP LTD.**AMENDED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME**

Year Ended December 31

(Expressed in Canadian Dollars)

	2017	2016
MANAGEMENT FEES (note 4)	<u>\$ 253,369</u>	<u>\$ 97,074</u>
EXPENSES		
Professional fees	45,593	3,780
Office	615	599
Write-off of receivables	<u>-</u>	<u>4,086</u>
	<u>46,208</u>	<u>8,465</u>
INCOME BEFORE TAX	<u>207,161</u>	<u>88,609</u>
Income tax expense (note 8)	<u>(30,572)</u>	<u>-</u>
Net income and comprehensive income for the year	<u>\$ 176,589</u>	<u>\$ 88,609</u>

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

WESTSTONE (INNOVATION) GP LTD.**AMENDED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)**

(Expressed in Canadian Dollars)

	Common shares		Retained earnings (deficit)	Total
	Number of shares	Amount		
Balance, December 31, 2015	100	\$ 100	\$ (146,057)	\$ (145,957)
Net income	<u>-</u>	<u>-</u>	<u>88,609</u>	<u>88,609</u>
Balance, December 31, 2016	100	100	(57,448)	(57,348)
Net income	<u>-</u>	<u>-</u>	<u>176,589</u>	<u>176,589</u>
Balance, December 31, 2017	100	\$ 100	\$ 119,141	\$ 119,241

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

WESTSTONE (INNOVATION) GP LTD.
AMENDED STATEMENTS OF CASH FLOWS
Year Ended December 31
(Expressed in Canadian Dollars)

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year	\$ 176,589	\$ 88,609
Item not affecting cash:		
Write-off of receivables	-	4,086
Changes in non-cash working capital items:		
Prepaid expenses	-	10,000
Due from Partnership	(206,307)	(97,074)
Accounts payable and accrued liabilities	16,740	(6,484)
Due to related parties	-	5,000
Income tax payable	25,272	-
Net cash provided by operating activities	12,294	4,137
CASH FLOWS FROM FINANCING ACTIVITY		
Advances from (repayments to) Partnership	(245,511)	342,585
Net cash provided by (used in) financing activity	(245,511)	342,585
CASH FLOWS FROM INVESTING ACTIVITY		
Investment in Partnership	-	(10)
Net cash used in investing activity	-	(10)
Change in cash during the year	(233,217)	346,712
Cash, beginning of year	347,344	632
Cash, end of year	\$ 114,127	\$ 347,344

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

1. Nature of operations and going concern

WestStone (Innovation) GP Ltd. (the “**Corporation**”) was incorporated under the laws of the Province of British Columbia on April 2, 2015 as WestStone Real Estate GP Ltd. and changed its name to WestStone (Innovation) GP Ltd. on September 15, 2015. The Corporation was formed to operate as the general partner for WestStone (Innovation) Limited Partnership (the “**Partnership**”).

The Partnership was established as a limited partnership under the laws of the Province of British Columbia on January 29, 2016, pursuant to a Certificate of Limited Partnership under the *Partnership Act* (British Columbia), with the Partnership being governed by the limited partnership agreement (the “**Partnership Agreement**”) among the Corporation, 1027110 B.C. Ltd. (“**1027110**”) and each additional party who, from time to time, is accepted as a limited partner (each, a “**Limited Partner**”) of the Partnership. The Partnership was formed under the Partnership Agreement with 1027110 as the initial Limited Partner and the Corporation as the general partner of the Partnership.

The address of the Corporation is 300 – 10092 152 Street, Surrey, British Columbia, V3R 8X8 and its registered records office is located at 700 – 595 Burrard Street, Vancouver, British Columbia, V7X 1S8.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Corporation will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

For the year ended December 31, 2017, the Corporation has net income of \$176,589 (2016 - \$88,609) and as at December 31, 2017 had retained earnings of \$119,141 (2016 - deficit of \$57,448).

The application of the going concern concept is dependent upon the Corporation’s ability to generate future profitable operations and receive continued financial support from its shareholders, related parties or debt holders. These material uncertainties may cast significant doubt about the Corporation’s ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Corporation be unable to continue as a going concern. Such adjustments could be material.

2. Significant accounting policies

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 directors of the Corporation on May 17, 2018.

2. Significant accounting policies (cont'd...)

Basis of presentation

These financial statements have been prepared on a historical cost basis, except for certain financial instruments classified at fair value through profit or loss, which are stated at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Functional and presentation currency

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

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.

Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

Going concern

The assessment of whether the concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. The Corporation is aware that material uncertainties exist related to events or conditions that may cast significant doubt upon the Corporation's ability to continue as a going concern.

Fair value of Partnership

Management assesses at the end of each reporting period whether there had been any impairment on its investment in the Partnership using objective evidence to determine if the investment in Partnership has been impaired.

2. Significant accounting policies (cont'd...)

Use of estimates and judgments (cont'd...)

Assessment of control

In determining whether the Corporation controls the Partnership, management is required to consider and assess the definition of control in accordance with IFRS 10 *Consolidated Financial Statements*. The Corporation has assessed that while the Partnership Agreement between the General Partner and the Limited Partners provides the General Partner with the ability to direct all relevant activities of the Partnership, and the General Partner can only be removed as General Partner of the Partnership if it enters bankruptcy or receivership, or the occurrence of any gross negligence, willful misconduct or fraud on the part of the General Partner, and the Limited Partners pass a special resolution to remove the General Partner as the General Partner, the General Partner is acting as an agent of the Limited Partners. There is judgment required to determine whether the rights of the Corporation result in control of the Partnership, and whether the General Partner meets the definition of an agent. The Corporation has significant influence over the Partnership and accounts for the investment using the equity method, as it does not have control over the Partnership.

Financial instruments

Financial assets

All financial assets are initially recorded at fair value and classified upon inception into one of the following four categories: FVTPL, loans and receivables, available-for-sale or at held-to-maturity.

Fair value through profit or loss – This category comprises derivatives and financial assets acquired principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss.

Loans and receivables – These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost using the effective interest method less any provision for impairment.

Held-to-maturity investments – These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Corporation's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method less any provision for impairment. If there is objective evidence that the asset is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss.

Available-for-sale – Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized in other comprehensive income (loss). Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from accumulated other comprehensive income (loss) and recognized in profit or loss.

2. Significant accounting policies (cont'd...)

Financial instruments (cont'd...)

Financial assets (cont'd...)

The Corporation has classified its cash as fair value through profit or loss, and due from Partnership as loans and receivables.

Financial liabilities

The Corporation classifies its financial liabilities into one of two categories as follows:

Fair value through profit or loss – This category comprises derivatives and financial liabilities incurred principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss.

Other financial liabilities – This category consists of liabilities carried at amortized cost using the effective interest method.

The Corporation classified its accounts payable and accrued liabilities, related party payables and due to Partnership as other financial liabilities.

Impairment of non-financial assets

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

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

Impairment of financial assets

All financial assets, except those measured at fair value through profit or loss, are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is objective evidence of impairment as a result of one or more events that have occurred after initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

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

2. Significant accounting policies (cont'd...)

Investment in Partnership

The Corporation accounts for its investment in the Partnership using the equity method, whereby the investment is recorded based on capital contributions made less distributions received and adjusted for the Corporation's share of net income (loss) of the Partnership. These financial statements do not reflect the Corporation's share of the assets, liabilities, revenue or expenses of the Partnership.

Income taxes

Income tax expense comprises of current and deferred taxes. Current taxes and deferred taxes are recognized in net income (loss), except to the extent that it relates to a business combination, or items recognized directly in equity or in comprehensive income (loss).

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits, and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period, the Corporation reassesses unrecognized deferred tax assets. The Corporation recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

The amount of the deferred tax asset or liability is measured at the amount expected to be recovered from or paid to the taxation authorities. This amount is determined using tax rates and tax laws that have been enacted or substantively enacted by the year end date and are expected to apply when the liabilities (assets) are settled (recovered).

Revenue recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Corporation and the revenue can be reliably measured. Management fees are based upon 1.8% of total cumulative capital contributions received by the Partnership from Limited Partners (note 4) and recognized on the accrual basis as the capital contributions are received by the Partnership. Additionally, the Partnership will distribute any distributable cash in order of priority, which includes a 9% distribution to the Corporation, followed by a 50% distribution to the Corporation after other distributions are made accordingly (note 4).

2. Significant accounting policies (cont'd...)

New standards, interpretations and amendments not yet adopted

A number of new standards, amendments to standards and interpretations have been issued but are not yet effective for the year ended December 31, 2017 and have not been applied in preparing these financial statements. None of these are expected to have an effect on the financial statements of the Corporation, with the exception of:

IFRS 9 *Financial Instruments* was issued by the IASB on October 28, 2010 and will replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 uses a single approach and is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. IFRS 9 is effective for annual periods beginning on January 1, 2018. The Corporation is currently evaluating the impact of IFRS 9 on its financial statements.

IFRS 15 *Revenue from Contracts with Customers* was issued by IASB on April 12, 2014, and establishes a comprehensive framework for the recognition, measurement and disclosure of revenue replacing IAS 11 *Construction Contracts*, IAS 18 *Revenue*, IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfers of Assets from Customers* and SIC-31 *Revenue — Barter Transactions Involving Advertising Services*. IFRS 15 is effective for annual periods beginning on January 1, 2018. The Corporation is currently evaluating the impact of IFRS 15 on its financial statements.

3. Capital management

The Corporation's capital is comprised of shareholders' equity (deficiency). The Corporation's capital management policy is to maintain a strong capital base that optimizes the Corporation's ability to grow, maintain confidence of the Limited Partners and the Corporation's creditors (if any), 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 of the Corporation.

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

The Corporation is not subject to externally imposed capital requirements and did not change its approach to capital management during the year ended December 31, 2017.

WESTSTONE (INNOVATION) GP LTD.
NOTES TO THE AMENDED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016
(Expressed in Canadian Dollars)

4. Investment in Partnership

The Corporation was formed to operate as the general partner for the Partnership. Under the Partnership Agreement, the Corporation has:

- i. Unlimited liability for the debts, liabilities and obligations of the Partnership; and
- ii. The full and exclusive right, power and authority on behalf of the Partnership and in the name of the partners to manage, control, administer and operate the business and affairs of the Partnership and to make decisions regarding the undertaking and business of the Partnership.

The Corporation's investment in the Partnership consists of 10 units at a price of \$1.00 per unit, representing 0.00004% (2016 - 0.0002%) ownership of the Partnership.

The Corporation is entitled to an annual management fee equal to 1.8% of total cumulative capital contributions received by the Partnership from Limited Partners and reimbursement for its expenses under the Partnership Agreement. As at December 31, 2017, the due to Partnership balance of \$nil (2016 - \$245,511) pertains to funds received from the Partnership for future expenditures and various expenses paid for by the Partnership on behalf of the Corporation, and due from Partnership of \$206,307 (2016 - \$nil) relates to the annual management fees accrued for the year. For the year ended December 31, 2017, the Corporation charged \$253,369 (2016 - \$97,074) in management fees plus applicable good and services taxes.

Amounts due to or from the Partnership are unsecured, non-interest-bearing and without fixed terms of repayment.

Subsequent to the issuance of the financial statements of the Partnership for the year ended December 31, 2017, figures for other current assets and other non-current assets were amended.

Summary of financial information of the Partnership:

As at December 31,	2017	2016
Assets		
Cash	\$ 129,143	\$ 20
Other current assets	2,639,205	837,130
Non-current assets	21,549,096	4,214,459
	<u>\$ 24,317,444</u>	<u>\$ 5,051,609</u>
Liabilities		
Current liabilities	\$ 6,350,869	\$ 936,409
Year ended December 31,	2017	2016
Expenses	\$ 443,293	\$ 295,851
Net loss	<u>\$ (443,293)</u>	<u>\$ (295,851)</u>

5. Share capital

Authorized

Unlimited number of Class A common shares.

Issued

100 Class A common shares

There were no share issuances during the years ended December 31, 2017 and 2016.

6. Related party transactions

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Corporation. The Corporation has determined that key management personnel consist of executive and non-executive members of the Corporation's Board of Directors and corporate officers. Key management personnel compensation during fiscal 2017 amounted to \$nil.

Related party payables include advances of \$155,411 (2016 - \$155,411) from a company controlled by a director of the Corporation. The advances are unsecured, non-interest-bearing and without fixed terms of repayment.

7. Financial instruments and risk management

Financial instruments

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quotes prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying values of cash, accounts payable and accrued liabilities, related party payables and due to/from Partnership approximate fair values due to the short-term nature of the financial instruments.

Risk management

The Corporation is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure to be insignificant.

7. Financial Instruments and risk management (cont'd)

Risk management (cont'd...)

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfil its payment obligations. As at December 31, 2017, the Corporation is exposed to credit risk with respect to its cash balances and its balance of \$206,307 (2016 – \$nil) due from Partnership.

The Corporation maintains its cash at a major Canadian financial institution. The Corporation obtains and reviews financial information from the Partnership on regular basis.

Liquidity risk

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As of December 31, 2017, the Corporation had cash balance of \$114,127 (2016 - \$347,344) to settle current liabilities of \$201,203 (2016 - \$404,702), of which \$nil (2016 - \$245,511) is due to the Partnership. The Corporation will need to raise additional funds through equity or debt to continue its operations. Accounts payable are due for payments within 90 days of December 31, 2017.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Corporation is not exposed to any significant market risk.

8. Income taxes

A reconciliation of income taxes at a statutory rate with the reported taxes is as follows:

	2017	2016
Net income before income taxes	\$ 207,161	\$ 88,609
Expected income tax	\$ 25,895	\$ 23,038
Underprovided in prior years	6,360	-
Benefit of recognized tax losses	(1,683)	(23,038)
Income tax expense	\$ 30,572	\$ -

WESTSTONE (INNOVATION) GP LTD.
NOTES TO THE AMENDED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016
(Expressed in Canadian Dollars)

8. Income taxes (cont'd)

The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following amounts:

	2017	2016
Incorporation costs	\$ 66,275	\$ 57,446
Total	\$ 66,275	\$ 57,446

9. Segmented reporting

The Corporation's sole business is to manage the business of the Partnership. All operations are located in Canada.

AUDITED FINANCIAL STATEMENTS
OF
WESTSTONE (INNOVATION) LIMITED PARTNERSHIP
FOR THE YEAR ENDED DECEMBER 31, 2017 AND
THE PERIOD FROM INCEPTION ON JANUARY 29, 2016 TO DECEMBER 31, 2016

WESTSTONE (INNOVATION) LIMITED PARTNERSHIP

**FINANCIAL STATEMENTS
(AMENDED)**

December 31, 2017

(Expressed in Canadian Dollars)

INDEPENDENT AUDITORS' REPORT

TO THE PARTNERS OF WESTSTONE (INNOVATION) LIMITED PARTNERSHIP

We have audited the accompanying financial statements of WestStone (Innovation) Limited Partnership, which comprise the statements of financial position as at December 31, 2017 and 2016 and the statements of loss and comprehensive loss, changes in partners' equity and cash flows for the year ended December 31, 2017 and the period from inception on January 29, 2016 to December 31, 2016, 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 auditors consider 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 in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of WestStone (Innovation) Limited Partnership for the year ended December 31, 2017 and 2016 and its financial performance and its cash flows for the year ended December 31, 2017 and the period from inception on January 29, 2016 to December 31, 2016 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 1 in the financial statements, which describes matters and conditions that indicate the existence of material uncertainties that may cast significant doubt about the Partnership's ability to continue as a going concern.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
May 17, 2018

WESTSTONE (INNOVATION) LIMITED PARTNERSHIP**AMENDED STATEMENTS OF FINANCIAL POSITION**

December 31

(Expressed in Canadian Dollars)

As at	2017 (Amended – Note 6)	2016
ASSETS		
Current		
Cash	\$ 20	\$ 20
Cash held in trust (note 11)	129,123	-
Accounts receivable	117,876	16,850
Due from related parties (note 5)	2,521,329	820,280
	<u>2,768,348</u>	<u>837,150</u>
Non-current		
Advances on Earn-In (notes 1 and 6)	-	3,246,930
Deferred costs (note 6)	6,194,729	967,529
Development property (notes 1 and 6)	<u>15,354,367</u>	<u>-</u>
	<u>\$ 24,317,444</u>	<u>\$ 5,051,609</u>
LIABILITIES AND PARTNERS' EQUITY		
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 12,693	\$ 14,312
Interest payable (note 7)	91,676	-
Related party payables (note 5)	1,619,065	904,376
Distributions payable (note 4)	-	17,721
Mortgage payable (note 7)	<u>4,627,435</u>	<u>-</u>
	<u>6,350,869</u>	<u>936,409</u>
Partners' Equity (note 3)	<u>17,966,575</u>	<u>4,115,200</u>
	<u>\$ 24,317,444</u>	<u>\$ 5,051,609</u>

Approved on behalf of the Board of Directors of WestStone (Innovation) GP Ltd., the General Partner:

"Brian Regehr" Director
 "Robert Dominic" Director

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

WESTSTONE (INNOVATION) LIMITED PARTNERSHIP
AMENDED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	Year ended December 31, 2017	Period from inception on January 29, 2016 to December 31, 2016
EXPENSES		
Advertising and promotion	\$ 30,188	\$ 8,932
Consulting (note 5)	54,725	122,840
Financing costs (note 7)	7,679	-
Foreign exchange gain	(842)	-
Management fees (note 5)	253,369	97,074
Professional fees	98,174	67,005
Net loss and comprehensive loss for the period	\$ (443,293)	\$ (295,851)

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

WESTSTONE (INNOVATION) LIMITED PARTNERSHIP
AMENDED STATEMENTS OF CHANGES IN PARTNERS' EQUITY
(Expressed in Canadian Dollars)

	Number of units	Partners' Equity
	20	\$ 20
Issued on inception on January 29, 2016		
Issuance of partnership units	5,343,000	5,343,000
Unit issue costs	-	(946,429)
Distributions declared	-	(35,540)
Unit subscription received for future issuances of partnership units	-	50,000
Net loss for the period	-	(295,851)
Balance, December 31, 2016	5,343,020	4,115,200
Issuance of partnership units	17,464,620	17,464,620
Unit issue costs	-	(2,814,297)
Unit subscription received in fiscal 2016	-	(50,000)
Unit subscription received for future issuances of partnership units	-	118,000
Distributions declared	-	(423,655)
Net loss for the year	-	(443,293)
Balance, December 31, 2017	22,807,640	\$ 17,966,575

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

WESTSTONE (INNOVATION) LIMITED PARTNERSHIP
AMENDED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	Year ended December 31, 2017	Period from inception on January 29, 2016 to December 31, 2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	\$ (443,293)	\$ (295,851)
Items not involving cash:		
Amortization of deferred financing costs	7,679	-
Foreign exchange	(842)	-
Changes in non-cash working capital:		
Accounts receivable	(101,026)	(16,850)
Due from related parties	(1,701,049)	(917,354)
Accounts payable and accrued liabilities	(1,619)	14,312
Related party payables	206,282	97,099
Net cash used in operating activities	(2,033,868)	(1,118,644)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of partnership equity	17,414,620	5,343,020
Unit subscription received	118,000	50,000
Unit issue costs	(2,814,297)	(946,429)
Distributions paid to unitholders	(441,376)	(17,819)
Net cash provided by financing activities	14,276,947	4,428,772
CASH FLOWS FROM INVESTING ACTIVITIES		
Funds advanced for Earn-In	-	(3,246,930)
Deferred costs	(1,574,974)	(63,178)
Development property	(10,538,982)	-
Net cash used in investing activities	(12,113,956)	(3,310,108)
Change in cash during the period	129,123	20
Cash, beginning of period	20	-
Cash, end of period	\$ 129,143	\$ 20
Supplemental cash flow information		
Related party payables related to deferred costs	\$ -	\$ 904,351
Related party payables related to development property	\$ 1,412,758	\$ -
Deferred costs related to mortgage assumed	\$ 4,619,755	\$ -
Interest payable related to development property	\$ 92,518	\$ -

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

WESTSTONE (INNOVATION) LIMITED PARTNERSHIP
NOTES TO THE AMENDED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017 AND THE PERIOD FROM INCEPTION ON
JANUARY 29, 2016 TO DECEMBER 31, 2016
(Expressed in Canadian Dollars)

1. Structure, nature of operations and going concern

WestStone (Innovation) Limited Partnership (the “**Partnership**”) is a limited partnership established under the laws of the Province of British Columbia on January 29, 2016, pursuant to a Certificate of Limited Partnership under the *Partnership Act* (British Columbia). The Partnership is governed by the limited partnership agreement (the “**Partnership Agreement**”) among WestStone (Innovation) GP Ltd. (“**WestStone GP**” or the “**General Partner**”), 1027110 B.C. Ltd. (“**1027110**”) and each additional party who, from time to time, is accepted as a limited partner (each, a “**Limited Partner**”) of the Partnership, dated January 29, 2016. The Partnership was formed under the Partnership Agreement with 1027110 as the initial Limited Partner and WestStone GP as the General Partner of the Partnership.

The term of the Partnership (the “**Term**”) commenced on its formation date, subject to early termination in accordance with the Partnership Agreement, shall continue until the date that is 25 years after the first closing of the sale of Units to the initial Limited Partner and the General Partner (the “**Initial Term**”). Notwithstanding the foregoing, the General Partner shall be entitled, by delivering notice in writing to the Limited Partners not less than thirty days prior to the end of the Initial Term or the first extension term, as the case may be, to cause the term of the Partnership to be extended for two additional two-year periods. Thereafter, the Term of the Partnership Agreement may only be extended with the approval of both the General Partner and a special resolution of the Limited Partners (excluding the votes attached to any Units held by the General Partner, and its principals and/or their affiliates).

The address of the Partnership is Suite 300, 10092 152 Street, Surrey, British Columbia, V3R 8X8 and its registered office is located at Suite 700, 595 Burrard Street, Vancouver, British Columbia, Canada, V7X 1S8.

The Partnership was established for the purposes of investing and development, pursuant to an earn-in agreement (the “**Earn-In Agreement**”) dated January 29, 2016 between the Partnership, 1027110 and Weststone One King George Developments Ltd., Weststone Two King George Developments Ltd. and Weststone Three King George Developments Ltd. (collectively, the “**Bare Trustees**”), in the real estate development property (the “**Property**”). The Property is located at 9525 King George Boulevard, Surrey, British Columbia, legally described as PID No. 011-069-236, Parcel “F” (Reference Plan 15821), Lot 2 Except part on Highway Statutory Right of Way Plan 62493, Section 32, Township 2, New Westminster District Plan 4312. 1027110 is the beneficial owner of the Property. The Property is encumbered by the following financial charges: a first mortgage, which secures the principal amount of \$7,500,000 (the “**First Mortgage**”), and a second mortgage, which secures the principal amount of \$8,500,000 (the “**Second Mortgage**”). The First Mortgage is registered under charge number CA6309075 in favour of West Lakeside Capital Co., and the Second Mortgage is registered under charge number CA4308566 in favour of the 1027110. Proceeds received from the First Mortgage during the year ended December 31, 2017 amounted to \$8,288,692 (USD\$6,300,000) (note 7).

Under the Earn-In Agreement, the Partnership obtained the option at any time until March 31, 2018 to acquire from 1027110 up to a 100% beneficial interest in the Property or a portion of the Second Mortgage (the “**Acquired Interest**”) for a total aggregate purchase price of \$23,000,000, which may be acquired in one or more closings in increments of \$1,000,000. Such Acquired Interest may, at the election of 1027110 be a purchase and assignment of an amount equal to the portion under the Second Mortgage up to a maximum of \$3,000,000 (the “**Acquired Mortgage**”), or may be an acquisition of a 1/23 beneficial interest in the Property (the “**Acquired Property**”) for every \$1,000,000 of purchase price paid. Once all of the \$3,000,000 portion of the Second Mortgage is acquired and the remaining \$5,500,000 of the Second

WESTSTONE (INNOVATION) LIMITED PARTNERSHIP
NOTES TO THE AMENDED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017 AND THE PERIOD FROM INCEPTION ON
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1. Structure, nature of operations and going concern (cont'd)

Mortgage is paid out from the proceeds of purchase price amounts paid under the Earn-In Agreement (as 1027110 is required to do for proceeds paid for Acquired Property), the Acquired Mortgage should be converted into Acquired Property at the rate of 1/23 for every \$1,000,000. As at December 31, 2016, the Partnership advanced \$3,246,930 towards the total purchase price, and during the year ended December 31, 2017 the advance was applied towards the total purchase price (note 6).

Upon acquiring a beneficial interest in the Property from 1027110 under the Earn-In Agreement, the Partnership and 1027110 will become co-owners of the Property, and their respective rights and obligations of such co-ownership and development of the Property will be governed pursuant to the terms of a co-ownership agreement between 1027110 and the Partnership dated January 29, 2016 (the “**Co-Ownership Agreement**”). Under the Co-Ownership Agreement, each of 1027110 and the Partnership are responsible for their respective pro rata share of expenses and are entitled to their respective pro rata share of income less the expenses, and are liable for the obligations, liabilities and losses relating to ownership and development of the Property.

In particular, the development of the Property under the Co-Ownership Agreement is further governed by a pre-development agreement between 1027110 and BKR Construction Ltd. (“**BKR**”) dated January 29, 2016 (the “**Pre-Development Agreement**”). BKR is a company controlled by Brian Regehr. BKR’s responsibilities under this agreement is to engage any and all required consultants and trades to complete development of the Property. Under the Pre-Development Agreement, BKR is entitled to be reimbursed for its development expenses as well as a developer’s fee of \$50,000 per month plus applicable goods and services taxes, or such other amount as may be agreed upon.

On January 3, 2017, the Partnership, together with the Bare Trustees, entered into an agreement (the “**Amending Agreement**”) to amend the Earn-In Agreement dated January 29, 2016 among those same parties.

Under the Amending Agreement, the parties agreed that acquisition of the second mortgage would no longer be part of the earn-in option and that purchase of beneficial interest in the Property could be made in increments of \$100,000 rather than \$1,000,000, and that the earn-in option also extend to provide the further option to the Partnership to acquire any additional real estate property that is contiguous or otherwise related to the Property that 1027110 or its affiliates may acquire.

During the year ended December 31, 2017, the Partnership acquired a 58.696% beneficial ownership interest in the Property from 1027110 for a purchase price of \$13,500,000 pursuant to the Earn-In Agreement, as amended by the Amending Agreement (the “**Acquisition**”). In addition, 1027110 also transferred ownership of 58.696% of the issued and outstanding shares of the Bare Trustees to the Partnership. The \$13,500,000 purchase price was satisfied through acceptance and acknowledgement by 1027110 of the advances made to it or payments made on behalf of it by the Partnership, including such advances and payments as listed in these financial statements.

Subsequent to December 31, 2017, the Amending Agreement was amended and the option to acquire a beneficial interest in the Property was extended until March 31, 2019 (note 12).

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Partnership will be able to continue in operation for the foreseeable future and

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1. Structure, nature of operations and going concern (cont'd)

will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The application of the going concern concept is dependent upon the Partnership's ability to generate future profitable operations and receive continued financial support from its unitholders. While the Partnership has been successful in obtaining its required funding in the past, there is no assurance that sufficient funds will be available to the Partnership in the future. The Partnership has no assurance that such financing will be available or be available on favorable terms. There can be no assurance the Partnership will be successful in its endeavor to obtain additional financing.

These material uncertainties may cast significant doubt about the Partnership's ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Partnership be unable to continue as a going concern. Such adjustments could be material.

2. Significant accounting policies

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 Board of Directors of the General Partner of WestStone (Innovation) Limited Partnership on May 17, 2018.

Basis of presentation

These financial statements have been prepared on a historical cost basis, except for certain financial instruments classified as financial instruments at fair value through profit or loss, which are stated at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These financial statements present the financial position, loss, partners' equity and cash flows of the Partnership. They do not include all of the assets, liabilities, revenue and expenses of the partners. No provision for income taxes has been included in these financial statements as the income tax liability is that of the partners and not the Partnership.

Functional and presentation currency

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

Development property

Development property is stated at cost less impairment charges, if any. Cost includes initial acquisition costs, other direct costs of development and construction, allocation of directly attributable general and administrative expenses, property taxes, and interest on both specific and general debt.

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2. Significant accounting policies (cont'd)

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.

Impairment assessment

At each financial position reporting date, the carrying amounts of the Partnership's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment, if any.

Going concern

The assessment of whether the concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. The Partnership is aware that material uncertainties exist related to events or conditions that may cast significant doubt upon the Partnership's ability to continue as a going concern.

Financial instruments

Financial assets

All financial assets are initially recorded at fair value and classified upon inception into one of the following four categories: FVTPL, loans and receivables, available-for-sale or at held-to-maturity.

Loans and receivables – These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments – These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Partnership has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment including impairment losses are recognized in profit or loss.

Available-for-sale – Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity.

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2. Significant accounting policies (cont'd)

Financial instruments (cont'd)

Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized through net income (loss).

The Partnership has classified its cash and cash held in trust as fair value through profit or loss, and due from related parties as loans and receivables.

Impairment

All financial assets, except those measured at fair value through profit or loss, are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is objective evidence of impairment as a result of one or more events that have occurred after initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

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

Financial liabilities

The Partnership classifies its financial liabilities as other financial liabilities.

Other financial liabilities

Other financial liabilities are initially recognized at fair value plus any directly attributable transaction cost. Subsequent to initial recognition, loans and payables are measured at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in profit or loss over the period of maturity. Other financial liabilities are classified as current or non-current based on their maturity date. Other financial liabilities include accounts payable and accrued liabilities, related party payables and distributions payable.

Transaction costs

The Partnership recognizes its transaction costs in net loss in the period incurred. However, the carrying amount of the financial instruments that will not be subsequently measured at fair value is adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

Impairment of non-financial assets

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

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

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2. Significant accounting policies (cont'd)

New standards, interpretations and amendments not yet adopted

A number of new standards, amendments to standards and interpretations have been issued but are not yet effective for the year ended December 31, 2017 and have not been applied in preparing these financial statements. None of these are expected to have an effect on the financial statements of the Partnership, with the exception of:

IFRS 9 *Financial Instruments* was issued by the IASB on October 28, 2010 and will replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 uses a single approach and is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. IFRS 9 is effective for annual periods beginning on January 1, 2018. The Partnership is currently evaluating the impact of IFRS 9 on its financial statements.

3. Partnership Units

The Partnership's authorized capital consists of an unlimited number of partnership units.

On January 29, 2016, the Partnership issued 10 units to the General Partner for cash consideration of \$10, and 10 units to 1027110 as the initial Limited Partner for cash consideration of \$10.

During the year ended December 31, 2017, the Partnership issued 17,464,620 (2016 - 5,343,000) units of which 9,517,120 (2016 - 1,356,000) was issued to the WestStone (Innovation) Trust (the "**Trust**"), for cash consideration of \$17,464,620 (2016 - \$5,343,000), of which \$50,000 was received during the year ended December 31, 2016. Unit issuance costs of 16% (2016 - 16%) of the total consideration received and other related issuance costs of \$2,814,297 (2016 - \$946,449) were incurred in relation to the issuance.

During the year ended December 31, 2017, the Partnership received \$118,000 of unit subscriptions for a future issuances of partnership units. During the year ended December 31, 2016, the Partnership received \$50,000 of unit subscriptions. These units were issued during the year ended December 31, 2017.

Each of the units have identical rights and restrictions. Each unit entitles the holder thereof to one vote at all meetings of unitholders, entitles the holder thereof to the pro rata right to be paid a share of the profits or allocated a portion of the loss of the Partnership or receive compensation by income or otherwise in respect of their respective capital contributions, and entitles the holder to receive their pro rata share of the distributions. Each unitholder has the right of redemption under the terms set forth in the Partnership Agreement.

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4. Distributions

The General Partner of the Partnership is responsible for calculating and determining the Partnership's distributable cash at least annually within 120 days of each fiscal year-end and at such other times as it may determine in its discretion.

Pursuant to the Partnership Agreement, the Partnership will distribute its distributable cash in the following order of priority:

- (a) to repay any loans to the Partnership made by the General Partner or any Limited Partners;
- (b) to distribute to the Limited Partners pro rata according to their cumulative respective capital contributions until the amount so distributed equals each respective Limited Partner's aggregate capital contribution;
- (c) to distribute to the Limited Partners pro rata according to their respective unpaid 9% cumulative annual preferred return until such amount of preferred return has been paid, wherein one-third of the annual return will be payable every six months on June 30 and December 31 each year and two-thirds shall be payable annually as determined by the General Partner;
- (d) the amount equal to the distributions in (c) above shall be paid as incentive remuneration to the General Partner;
- (e) thereafter 50% as a distribution to the Limited Partners pro rata according to their respective capital contributions, and 50% as an additional paid as incentive remuneration to the General Partner; and
- (f) the balance thereafter will be allocated: 50% thereof as a distribution to the Limited Partners pro-rata according to their respective capital contributions; and 50% thereof as a further incentive remuneration to the General Partner.

For the year ended December 31, 2017, total distributions of \$423,655 (2016 - \$35,540) were declared. Of the total amount declared, \$423,655 (2016 - \$17,819) was paid prior to December 31, 2017 and \$nil (2016 - \$17,721) remained as distribution payable at December 31, 2017.

The liability of each Limited Partner for the debts, liabilities, obligations and losses of the Partnership will be limited to the amount of their capital contribution plus their share of any undistributed profits in the Partnership.

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5. Related party transactions

In addition to related party transactions disclosed elsewhere in the financial statements, the Partnership incurred the following:

Due to related parties

Due to the General Partner (a)	\$ 206,307
Due to BKR (c)	1,412,758
	<u>\$ 1,619,065</u>

Due from related parties

Due from the General Partner (a)	\$ -
Due from the Trust (b)	6,973
Due from 1027110 (c)	2,128,836
Due from 1027110 (c)	385,520
	<u>\$ 2,521,329</u>

- a) The General Partner is entitled to a 1.8% annual management fee (calculated on the total aggregate amount of cumulative capital contributions) plus the carried interest, and reimbursement for its expenses under the Partnership Agreement. For the year ended December 31, 2017, the Partnership incurred \$253,369 (2016 - \$97,094) in management fees plus applicable goods and services taxes. Amounts owing for unpaid management fees are included in related party payables at December 31, 2017 of \$206,307 (2016 - \$nil). As at December 31, 2017 included in due from related parties is \$nil (2016 - \$245,511) due from the General Partner to cover future expenses.
- b) As at December 31, 2017, included in due from related parties is \$6,973 (2016 - \$4,264) due from the Trust for expenses incurred.
- c) 1027110 is a company controlled 80% by Brian Regehr, 10% by Robert Dominick, and 10% by David Siebenga, all of whom are also directors of the General Partner.

As at December 31, 2017, included in due from related parties is \$2,128,836 (2016 - \$420,000) due from 1027110 as the beneficial ownership interest of 58.696% (2016 - 0%) has been obtained by the Partnership from 1027110. Also included in amounts due from related parties is \$385,520 (2016 - \$150,504) in advances paid to other companies on behalf of 1027110. As at December 31, 2017, related party payables include \$nil (2016 - \$904,396) owing to 1027110, and \$1,412,758 (2016 - \$nil) owing to BKR.

Key management compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Partnership. The Partnership has determined that key management personnel consist of executive and non-executive members of the General Partner's Board of Directors and corporate officers.

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5. Related party transactions (cont'd)

Key management personnel compensation is as follows:

	Year ended December 31, 2017	Period from inception on January 29, 2016 to December 31, 2016
Consulting fees	\$ 50,000	\$ 120,000

Consulting fees of \$50,000 were paid to a company controlled by the General Partner's Chief Financial Officer.

The amounts due from and to related parties are unsecured, non-interest-bearing and without fixed terms of repayment.

6. Development property

Costs capitalized during the periods ended 2016 and 2017 were as follows:

	Development property	Advances on Earn-In	Deferred costs
Balance, January 29, 2016	\$ -	\$ -	\$ -
Acquisition costs	-	3,246,930	967,529
Balance, December 31, 2016	-	3,246,930	967,529
Acquisition costs	13,500,000	(3,246,930)	1,574,974
Development costs	1,704,428	-	(967,529)
Mortgage assumed	-	-	4,619,755
Capitalized interest	92,518	-	-
Other	57,421	-	-
Total	\$ 15,354,367	\$ -	\$ 6,194,729

Deferred costs of \$967,529 payable to 1027110 were incurred in relation to the purchase of the land (note 1) in 2016 and were reclassified to development Property during fiscal 2017, as the Partnership obtained 58.696% beneficial ownership interest in the Property (note 5).

During the year ended December 31, 2017, acquisition costs of \$7,044,437 were paid to 1027110. During the period ended December 31, 2016, deferred costs of \$63,178 and advances on earn-in payments for land (note 1) of \$3,246,930 were paid to 1027110 (note 5).

Subsequent to the issuance of the financial statements for the year ended December 31, 2017, the mortgage assumed by the Partnership was reclassified to deferred costs from due from related parties as the amount will not be refunded by 1027110 (note 7).

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7. Mortgage payable

		2017		2016
Mortgage payable	\$	4,641,005	\$	-
Less: Deferred financing costs		13,570		-
	\$	4,627,435	\$	-

During the year ended December 31, 2017, in connection with the Property, the Partnership and 1027110 completed a \$8.3 million (USD\$6,300,000) mortgage financing. The mortgage bears interest at 7.0% per annum and matures on July 1, 2018. The mortgage payable is secured by charges registered against the Property. As further security for the mortgage obligations, the Partnership assigned to the lender the rents and the benefit of all rights and agreements contained in the existing and future leases of the Property in the event of default.

The first advance of \$7,674,560 (USD\$5,800,000) was made on June 19, 2017, and the second advance of \$614,132 (USD\$500,000) was made on September 20, 2017, for a total initial value of \$8,288,692 (USD\$6,300,000).

In accordance with the Co-Ownership Agreement, as at December 31, 2017, the mortgage apportioned to the Partnership is \$4,627,435 (USD\$3,700,000) as the beneficial ownership interest of 58.696% (2016 – 0%) has been obtained by the Partnership from 1027110. The amount of \$4,619,755 is included in the deferred costs related to the Property (note 6) and represents mortgage payable net of financing costs for the year. As at December 31, 2017, and interest payable of \$91,676 (USD\$73,045) is accrued on the mortgage payable apportioned to the Partnership.

8. Financial instruments and risk management

Financial instruments

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quotes prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

WESTSTONE (INNOVATION) LIMITED PARTNERSHIP
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8. Financial instruments and risk management (cont'd)

Financial instruments (cont'd)

The carrying values of cash, cash held in trust, accounts receivable, accounts payable and accrued liabilities, distributions payable and due to/from related parties approximate the fair values due to the short-term nature of the financial instruments.

The fair value of the mortgage payable approximates its carrying value due to the short-term nature of the mortgage payable.

Risk management

The Partnership is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure.

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. As at December 31, 2017, the Partnership is exposed to credit risk with respect to its cash balances and its balance of \$2,521,329 (2016 - \$820,280) due from the related parties. The Partnership maintains its cash at a major Canadian financial institution and hold cash in trust with the Partnership's legal counsel.

Liquidity risk

The Partnership's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As of December 31, 2017, the Partnership had a cash balance of \$20 (2016 - \$20), cash held in trust of \$129,123 (2016 - \$nil), accounts receivable of \$117,876 (2016 - \$16,850) and related party receivables of \$2,521,329 (2016 - \$820,280) to settle current liabilities of \$6,350,869 (2016 - \$936,409). The Partnership will need to raise additional funds through equity or debt to continue its operations and investing in the Earn-In Agreement and to meet mortgage obligations. Accounts payable are due for payment within 90 days of December 31, 2017.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Partnership is not exposed to any significant market risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The mortgage payable apportioned to the Partnership currently provides for interest at 7% per annum.

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8. Financial instruments and risk management (cont'd)

Financial instruments (cont'd)

(ii) Foreign currency risk

As at December 31, 2017, the Partnership is exposed to currency risk through the mortgage and interest payable denominated in US dollar. Based on the Partnership's exposures at December 31, 2017, a 13% depreciation or appreciation of the US currency against the Canadian dollar would result in approximately a \$618,000 (2016 - \$nil) increase or decrease in loss and comprehensive loss, respectively.

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Partnership is not exposed to significant other price risk.

9. Capital management

The Partnership defines its capital structure as partners' equity. Capital requirements are driven by the Partnership's property development activities. The General Partner's objective is to ensure there are adequate capital resources to safeguard the Partnership's ability to continue as a going concern. The General Partner reviews its capital management approach on an ongoing basis.

Although the Partnership has been successful in raising funds during the period, it is uncertain whether it can continue this financing methodology.

The Partnership is not subject to any externally imposed capital requirements and the Partnership did not change its approach to capital management for the year ended December 31, 2017.

10. Segmented reporting

The Partnership operates in one geographic location (Surrey, British Columbia) and its sole business is to invest pursuant to the co-ownership agreement with 1027110 in the Property.

11. Cash held in trust

Amounts held in trust relate to the unit subscriptions received from unitholders. Trust funds are held in trust with legal counsel and are to be used for the Partnership's future expenses. It is management's judgment that proceeds will be released from trust within twelve months of the statement of financial position date.

WESTSTONE (INNOVATION) LIMITED PARTNERSHIP
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12. Events after the reporting date

Issuance of limited partnership units

Subsequent to December 31, 2017, the Partnership issued 2,153,403 units at a price of \$1.00 per unit for gross proceeds of \$2,153,403.

Amendment of Amending Agreement

On March 31, 2017, the Partnership, together with 1027110 and Bare Trustees, entered into an agreement (the “**Amending Agreement No.2**”) to amend the Earn-In Agreement dated January 3, 2017 among those same parties.

Under the Amending Agreement No.2, the option to acquire a beneficial interest in the Property was extended until March 31, 2019.

AUDITED FINANCIAL STATEMENTS
OF
WESTSTONE (INNOVATION) TRUST
FOR THE YEAR ENDED DECEMBER 31, 2017 AND
THE PERIOD FROM INCEPTION ON JANUARY 31, 2016 TO DECEMBER 31, 2016

WESTSTONE (INNOVATION) TRUST

**FINANCIAL STATEMENTS
(AMENDED)**

December 31, 2017

(Expressed in Canadian Dollars)

INDEPENDENT AUDITORS' REPORT

TO THE UNITHOLDERS OF WESTSTONE (INNOVATION) TRUST

We have audited the accompanying financial statements of WestStone (Innovation) Trust, which comprise the statements of financial position as at December 31, 2017 and 2016 and the statements of loss and comprehensive loss, changes in unitholders' equity and cash flows for the year ended December 31, 2017 and the period from inception on January 31, 2016 to December 31, 2016, 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 auditors consider 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 in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of WestStone (Innovation) Trust as at December 31, 2017 and 2016 and its financial performance and its cash flows for the year ended December 31, 2017 and the period from inception on January 31, 2016 to December 31, 2016, in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 1 in the financial statements, which describes matters and conditions that indicate the existence of material uncertainties that may cast significant doubt about the Trust's ability to continue as a going concern.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
May 17, 2018

WESTSTONE (INNOVATION) TRUST
AMENDED STATEMENTS OF FINANCIAL POSITION
December 31
(Expressed in Canadian Dollars)

As at	2017	2016
ASSETS		
Investment in Partnership (note 4)	\$ 10,399,274	\$ 1,281,612
	\$ 10,399,274	\$ 1,281,612
LIABILITIES AND UNITHOLDERS' EQUITY		
Current		
Due to Partnership (note 5)	\$ 6,973	\$ 4,264
Distributions payable (note 3)	1,532	4,241
	8,505	8,505
Unitholders' equity (note 3)	10,390,769	1,273,107
	\$ 10,399,274	\$ 1,281,612

Approved on behalf of the Trustee of WestStone (Innovation) Trust:

"Kendall Friesen" Director, 1008184 B.C. Ltd., Trustee

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

WESTSTONE (INNOVATION) TRUST
AMENDED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	Year ended December 31, 2017	Period from inception on January 31, 2016 to December 31, 2016
Equity loss in Partnership (note 4)	\$ (211,332)	\$ (74,388)
Net loss and comprehensive loss for the period	\$ (211,332)	\$ (74,388)

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

WESTSTONE (INNOVATION) TRUST
AMENDED STATEMENT OF CHANGES IN UNITHOLDERS' EQUITY
(Expressed in Canadian Dollars)

	Number of Class A units	Amount
Issued on inception on January 31, 2016	1	\$ 1
Issuance of trust units for cash	1,356,000	1,356,000
Distributions declared	-	(8,505)
Redemption of trust unit issued on inception	(1)	(1)
Net loss for the period	-	(74,388)
Balance, December 31, 2016	1,356,000	1,273,107
Issuance of trust units for cash	9,517,120	9,517,120
Distributions declared	-	(188,126)
Net loss for the year	-	(211,332)
Balance, December 31, 2017	10,873,120	\$ 10,390,769

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

WESTSTONE (INNOVATION) TRUST
AMENDED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	Year ended December 31, 2017	Period from inception on January 31, 2016 to December 31, 2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	\$ (211,332)	\$ (74,388)
Item not involving cash:		
Equity loss in Partnership	211,332	74,388
Changes in non-cash working capital item:		
Due to Partnership	2,709	4,264
Net cash provided by operating activities	2,709	4,264
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of units	9,517,120	1,356,000
Distributions paid to unitholders	(190,835)	(4,264)
Net cash provided by financing activities	9,326,285	1,351,736
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of Partnership units	(9,517,120)	(1,356,000)
Distributions received from the Partnership	188,126	-
Net cash used in investing activity	(9,328,994)	(1,356,000)
Change in cash during the period	-	-
Cash, beginning of period	-	-
Cash, end of period	\$ -	\$ -

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

WESTSTONE (INNOVATION) TRUST

NOTES TO THE AMENDED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017 AND FOR THE PERIOD FROM JANUARY 31, 2016 TO DECEMBER 31, 2016

(Expressed in Canadian Dollars)

1. Nature of operations and going concern

WestStone (Innovation) Trust (the “**Trust**”) is an unincorporated investment trust established under the laws of the Province of British Columbia pursuant to the Declaration of Trust dated January 31, 2016. The Trust qualifies as a “unit trust” and as a “mutual fund trust” under the provisions of the *Income Tax Act* (Canada) (the “**Tax Act**”). The address of the Trust is Suite 300 – 10092 152 Street, Surrey, British Columbia, V3R 8X8 and its registered office of the Trust is located at Suite 700 - 595 Burrard Street, Vancouver, British Columbia, Canada, V7X 1S8.

The Trust was established for the purposes of investing indirectly, through the investment holding limited partnership, WestStone (Innovation) Limited Partnership (the “**Partnership**”), in investments including the 5.1 acre real estate development property (the “**Property**”) located at 9525 King George Boulevard, Surrey, British Columbia, legally described as PID No. 011-069-236, Parcel “F” (Reference Plan 15821), Lot 2 Except part on Highway Statutory Right of Way Plan 62493, Section 32, Township 2, New Westminster District Plan 4312.

The trustee of the Trust is 1008184 B.C. Ltd. (the “Trustee”).

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Trust will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The application of the going concern concept is dependent upon the Trust’s ability to generate future profitable operations and receive continued financial support from its unitholders. These material uncertainties may cast significant doubt about the Trust’s ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Trust be unable to continue as a going concern. Such adjustments could be material.

2. Significant accounting policies

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 Trustee of WestStone (Innovation) Trust on May 17, 2018.

Basis of presentation

These financial statements have been prepared on a historical cost basis, except for certain financial instruments classified as financial instruments at fair value through profit or loss, which are stated at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

2. Significant accounting policies (cont'd...)

Functional and presentation currency

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

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.

Going concern

The assessment of whether the concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. The Trust is aware that material uncertainties exist related to events or conditions that may cast significant doubt upon the Trust's ability to continue as a going concern.

Fair value of the Partnership

Management assesses at the end of each reporting period whether there had been any impairment on its investment in the Partnership using objective evidence.

Assessment of control

In determining whether the Trust controls the Partnership, management is required to consider and assess the definition of significant influence in accordance with IAS 28 *Investment in Associates* and control in accordance with IFRS 10 *Consolidated Financial Statements* ("IFRS 10"). There is judgment required to determine whether the rights of the Trust result in control of the Partnership or significant influence.

Financial instruments

The Trust does not have any financial assets.

Financial assets

All financial assets are initially recorded at fair value and classified upon inception into one of the following four categories: FVTPL, loans and receivables, available-for-sale or at held-to-maturity.

Fair value through profit or loss – This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in profit or loss.

2. Significant accounting policies (cont'd...)

Financial instruments (cont'd...)

Financial assets (cont'd...)

Loans and receivables – These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments – These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Trust has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment including impairment losses are recognized in profit or loss.

Available-for-sale – Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized through net income (loss).

Financial liabilities

The Trust classifies its financial liabilities into one of two categories as follows:

Fair value through profit or loss – This category comprises derivatives and financial liabilities incurred principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss.

Other financial liabilities – This category consists of liabilities carried at amortized cost using the effective interest method.

The Trust has classified its due to Partnership and distributions payable as other financial liabilities.

Impairment

All financial assets, except those measured at fair value through profit or loss, are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is objective evidence of impairment as a result of one or more events that have occurred after initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

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

WESTSTONE (INNOVATION) TRUST

NOTES TO THE AMENDED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017 AND FOR THE PERIOD FROM JANUARY 31, 2016 TO DECEMBER 31, 2016

(Expressed in Canadian Dollars)

2. Significant accounting policies (cont'd...)

Financial instruments (cont'd...)

Impairment

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

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

Transaction costs

The Trust recognizes its transaction costs in net income (loss) in the period incurred. However, the carrying amount of the financial instruments that will not be subsequently measured at fair value is adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

Impairment of non-financial assets

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

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

Income taxes

The Trust is subject to income taxes under the Tax Act on the amount of taxable income for the year and is permitted a deduction in computing its income taxes for all amounts paid or payable to the Trust's beneficiary in determining income for tax purposes. No provision for income taxes has been reflected in these financial statements because the annual excess of revenue over expenses of the Trust will be distributed to the beneficiaries at the end of each fiscal year.

Investment in the Partnership

The Trust accounts for its investment in the Partnership using the equity method, whereby the investment is recorded based on capital contributions made less distributions received and adjusted for the Trust's share of net income (loss) of the Partnership. These financial statements do not reflect the Trust's share of the assets, liabilities, revenue or expenses of the Partnership.

WESTSTONE (INNOVATION) TRUST
NOTES TO THE AMENDED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017 AND FOR THE PERIOD FROM JANUARY 31, 2016 TO
DECEMBER 31, 2016
(Expressed in Canadian Dollars)

2. Significant accounting policies (cont'd...)

New standards, interpretations and amendments not yet adopted

A number of new standards, amendments to standards and interpretations have been issued but are not yet effective for the year ended December 31, 2017 and have not been applied in preparing these financial statements. None of these are expected to have an effect on the financial statements of the Trust, with the exception of:

IFRS 9 *Financial Instruments* was issued by the IASB on October 28, 2010, and will replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 uses a single approach and is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. IFRS 9 is effective for annual periods beginning on January 1, 2018. The Trust is currently evaluating the impact of IFRS 9 on its financial statements.

3. Trust units and distributions

Obligation to unitholders

The beneficial interest in the Trust's Class A, Class B, Class C and Class D units described and designated as "Units", and which are entitled to the rights and subject to the limitations, restrictions and conditions set out in the Declaration of Trust, including the right to vote and the right to participate pro rata in any distributions from the Trust no later than 120 days following December 31.

Trust units

The following table sets out the capitalization of the Trust as at December 31, 2017.

Class	Outstanding Units	Unit price
Class A Units	10,873,120	\$1.00
Class B Units	-	-
Class C Units	-	-
Class D Units	-	-

Each class of Units has identical rights and restrictions. Each Unit is without nominal or par value, entitles the holder thereof to one vote at all meetings of unitholders, entitles the holder thereof to the pro rata right to receive dividends and participate pro rata upon dissolution or liquidation, and entitles the holder to the right of redemption under the terms set forth in the Declaration of Trust.

The Trust is authorized to issue an unlimited number of Units of each class. Upon declaration of the Trust on January 31, 2016, one Unit was issued for proceeds of \$1.00. At the first closing of the issuance of Units, the interest of the holder of the initial Unit was redeemed by the Trust in return for its initial capital contribution of \$1.00. During the year ended December 31, 2017, 9,517,120 (2016 - 1,356,000) Units were issued for gross proceeds of \$9,517,120 (2016 - \$1,356,000).

Although the Trust may issue an unlimited number of any class of Units for \$1.00 per Unit, the Trust intends only to issue up to 35,000,000 Class A Units at a price of \$1.00 per Unit for gross proceeds of up to \$35,000,000. There is no minimum offering.

WESTSTONE (INNOVATION) TRUST
NOTES TO THE AMENDED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017 AND FOR THE PERIOD FROM JANUARY 31, 2016 TO
DECEMBER 31, 2016
(Expressed in Canadian Dollars)

3. Trust units and distributions (cont'd...)

Distributions

The Trustee of the Trust is responsible for calculating and determining the Trust's distributable cash for each six-month distribution period ending on June 30 and December 31 of each year. Distributions are declared on or about the last day of the next calendar month immediately following the end of the distribution period.

In addition to the distribution of distributable cash, the Trustee may declare to be payable and make distributions, from time to time, out of income, net capital gains and the capital of the Trust or any other amounts received or held by the Trust in any year or distribution period thereof, in such amounts, and on such dates as the Trustee may determine. All such distributions payable to Unitholders pursuant to the Declaration of Trust shall be deemed to be distributions of income, net capital gains, trust capital or other items in such amounts as the Trustee, shall, in their absolute discretion, determine.

During the year ended December 31, 2017, total distributions of \$188,126 (2016 - \$8,505) were declared. Of the total amount declared, \$186,594 (2016 - \$4,264) was paid prior to December 31, 2017 and \$1,532 (2016 - \$4,241) remained as distributions payable at December 31, 2017.

4. Investment in the Partnership

The Trust has significant influence over the Partnership and accounts for the investment using the equity method, as it does not have control over the Partnership in accordance with IFRS 10. The Trust's initial investment in the Partnership during the period ended December 31, 2016 consisted of 1,356,000 partnership units at a price of \$1.00 per unit representing 22.53% ownership interest. During the year ended December 31, 2017, an additional investment of 9,517,120 partnership units at a price of \$1.00 per unit was made for a total 47.67% ownership interest.

During the year ended December 31, 2017, total investment income of \$188,126 (2016 - \$nil) was received by the Trust from the Partnership from distributions of the annual preferred return on the Partnership units.

The investment is as follows:

Initial investment	\$ 1,356,000
Equity loss in Partnership	(74,388)
Balance, December 31, 2016	<u>1,281,612</u>
Additional investment during fiscal 2017	9,517,120
Distributions declared	(188,126)
Equity loss in Partnership	(211,332)
Balance, December 31, 2017	<u>\$ 10,399,274</u>

WESTSTONE (INNOVATION) TRUST
NOTES TO THE AMENDED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017 AND FOR THE PERIOD FROM JANUARY 31, 2016 TO
DECEMBER 31, 2016
(Expressed in Canadian Dollars)

4. Investment in the Partnership (cont'd...)

Subsequent to the issuance of the financial statements of the Partnership for the year ended December 31, 2017, figures for other current assets and other non-current assets were amended.

Summary of financial information of the Partnership:

As at December 31,	2017	2016
Assets		
Cash	\$ 129,143	\$ 20
Other current assets	2,639,205	837,130
Non-current assets	21,549,096	4,214,459
	<u>\$ 24,317,444</u>	<u>\$ 5,051,609</u>
Liabilities		
Current liabilities	\$ 6,350,869	\$ 936,409
	Year ended December 31, 2017	From inception on January 29, 2016 to December 31, 2016
Expenses	<u>\$ 443,293</u>	<u>\$ 295,851</u>
Net loss	<u>\$ (443,293)</u>	<u>\$ (295,851)</u>

5. Due to Partnership

Due to Partnership includes \$6,973 (2016 - \$4,264) of distributions paid to unitholders on behalf of the Trust. The amounts are unsecured, non-interest-bearing and without fixed terms of repayment.

6. Financial instruments and risk management

Financial instruments

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quotes prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

WESTSTONE (INNOVATION) TRUST

NOTES TO THE AMENDED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017 AND FOR THE PERIOD FROM JANUARY 31, 2016 TO DECEMBER 31, 2016

(Expressed in Canadian Dollars)

The carrying values of due to Partnership and distributions payable approximate fair values due to the short-term nature of the financial instruments.

6. Financial instruments and risk management (cont'd...)

Risk management

The Trust is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure.

Credit risk

Credit risk is the risk of loss associated with investment in the Partnership. There is a risk that the Partnership will not be successful in its venture and the Trust will not be able to recover its initial investment.

Liquidity risk

The Trust's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As of December 31, 2017, the Trust is exposed to liquidity risk equal to the total liabilities balance of \$8,505.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Trust is not exposed to any significant market risk.

7. Capital management

The Trust defines its capital structure as unitholders' equity. Capital requirements are driven by the Trust's investment in the Partnership activities related to property development. Management's objective is to ensure there are adequate capital resources to safeguard the Trust's ability to continue as a going concern. Management reviews its capital management approach on an ongoing basis and believes its approach given the relative size of the Trust is reasonable.

Although the Trust has been successful in raising funds during the year from unitholders, it is uncertain whether it can continue this financing methodology.

The Trust is not subject to any externally imposed capital requirements and the Trust did not change its approach to capital management during the year ended December 31, 2017.

8. Segmented reporting

The Trust's sole business is to acquire partnership units with the objective of generating returns to the unitholders.

WESTSTONE (INNOVATION) TRUST

NOTES TO THE AMENDED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017 AND FOR THE PERIOD FROM JANUARY 31, 2016 TO DECEMBER 31, 2016

(Expressed in Canadian Dollars)

9. Economic dependence

The Trust's revenue will be received exclusively from the operations of the Partnership. All revenues and expenses will be based on the success of business of the Partnership.

10. Events after the reporting date

Subsequent year-end, the Trust issued 917,403 units at a price of \$1.00 per unit for aggregate gross proceeds received in the amount of \$917,403.

ITEM 15 – DATE AND CERTIFICATE

Dated: May 28, 2018

CERTIFICATE OF WESTSTONE (INNOVATION) TRUST

This Offering Memorandum does not contain a misrepresentation.

WESTSTONE (INNOVATION) TRUST, by its trustee,
1008184 B.C. LTD.

(signed) “Kendall Friesen”
KENDALL FRIESEN
President and Director

PROMOTERS:

(signed) “Brian Regehr”
BRIAN REGEHR

(signed) “Robert Dominick”
ROBERT DOMINICK

(signed) “David Siebenga”
DAVID SIEBENGA

1027110 B.C. LTD.
By its Board of Directors

(signed) “Brian Regehr”
BRIAN REGEHR
President, Chief Executive Officer and Director

(signed) “Robert Dominick”
ROBERT DOMINICK
Chief Financial Officer and Director

(signed) “David Siebenga”
DAVID SIEBENGA
Corporate Secretary and Director

Dated: May 28, 2018

CERTIFICATE OF WESTSTONE (INNOVATION) LIMITED PARTNERSHIP

This Offering Memorandum does not contain a misrepresentation.

WESTSTONE (INNOVATION) LIMITED PARTNERSHIP, by its general partner,
WESTSTONE (INNOVATION) GP LTD.

(signed) "Brian Regehr"

BRIAN REGEHR

President, Chief Executive Officer and Director

(signed) "Robert Dominick"

ROBERT DOMINICK

Chief Financial Officer and Director

**BY THE BOARD OF DIRECTORS
OF WESTSTONE (INNOVATION) GP LTD.**

(signed) "Brian Regehr"

BRIAN REGEHR

President, Chief Executive Officer and Director

(signed) "Robert Dominick"

ROBERT DOMINICK

Chief Financial Officer and Director

(signed) "David Siebenga"

DAVID SIEBENGA

Corporate Secretary and Director

PROMOTERS:

(signed) "Brian Regehr"

BRIAN REGEHR

(signed) "Robert Dominick"

ROBERT DOMINICK

(signed) "David Siebenga"

DAVID SIEBENGA

1027110 B.C. LTD.

By its Board of Directors

(signed) "Brian Regehr"

BRIAN REGEHR

President, Chief Executive Officer and Director

(signed) "Robert Dominick"

ROBERT DOMINICK

Chief Financial Officer and Director

(signed) "David Siebenga"

DAVID SIEBENGA

Corporate Secretary and Director