

AMENDED OFFERING MEMORANDUM

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

Date: May 29th, 2015

Continuous Offering

THE ISSUER

Name: Nanaimo Memory Care Fund (the "**Fund**" or "**Issuer**")

Head office Address: c/o Sussex Retirement Living Inc. (the "**Administrator**")
2190B Thurston Drive, Ottawa, ON K1G 6E1

Phone #: 613-739-8538 Toll Free: 844-334-8538

E-mail address: asimourd@sussexrl.com or jcathrae@sussexrl.com

Fax #: 613-739-7440

Currently listed or quoted? **These securities do not trade on any exchange or market.**

Reporting issuer? The Issuer is not a reporting issuer.

SEDAR filer? The Issuer is not a SEDAR filer.

THE OFFERING

Securities offered: Class B units of the Issuer (the "**Class B Units**"), on a continuous basis and in such number as determined from time to time in the sole discretion of the Trustees, until such time as the Maximum Offering is reached.

Price per security: \$100.00 per Class B Unit.

Minimum Offering: **There is no minimum. You may be the only purchaser.**

Maximum Offering: The Maximum Offering is \$7,000,000.00.

Funds available under the Offering may not be sufficient to accomplish our proposed objectives.

Minimum subscription amount: \$5,000, or some lower amount approved by the Trustees.

Payment terms: Payment in full by certified cheque, trust cheque or bank draft of the subscription price is to be made with the delivery of a duly executed and completed Subscription Agreement. **See Item 5.2 - "Subscription Procedure".**

Proposed closing date(s): The Fund intends to complete and close the sale of Class B Units from time to time as subscriptions are received and as determined by the Trustees in their sole discretion.

Income tax consequences: There are important tax consequences to these securities. **See Item 6 - "Income Tax Consequences".**

Selling agent: Yes, the Fund has retained selling agent for this Offering. **See Item 7 - "Compensation Paid to Sellers".**

RESALE RESTRICTIONS

You will be restricted from selling your securities for an indefinite period. **See Item 10 "Resale Restrictions".**

PURCHASER'S RIGHTS

You have 2 business days to cancel your agreement to purchase these securities. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the agreement. **See Item 11 - "Purchaser's Rights"**

GLOSSARY OF TERMS

In this Offering Memorandum the following terms have the meaning set forth below:

- (a) **"Additional Guarantors"** means the additional guarantors under the Commitment Letter, being NMCP, Sussex Retirement Living Limited Partnership, SFT Sussex Holdings Limited, 7949278 Canada Inc., Suske Capital Inc., 1001593 B.C. Ltd., 0684496 B.C. Ltd., David (Les) Craik, Jason Craik, Aurele Simourd, Ken Craig and Stephen Suske;
- (b) **"Administration Fee"** means the fee payable to the Administrator by the Fund pursuant to the Administration Agreement, as described in **Item 2.7 - "Material Agreements - Administration Agreement"**;
- (c) **"Administration Agreement"** means the agreement dated October 20, 2014 between the Fund and Administrator in respect of the administration of the Fund;
- (d) **"Administrator"** means Sussex Retirement Living Inc., a corporation validly existing under the laws of Canada;
- (e) **"Asset Management Fee"** has the meaning ascribed thereto in **Item 2.2 - "Our Business"**;
- (f) **"Bank Financing"** has the meaning ascribed thereto in **Item 2.2 - "Our Business"**;
- (g) **"Bare Trustee"** means Nanaimo Memory Care Inc., appointed as bare trustee of the Lands pursuant to the Bare Trust Agreement;
- (h) **"Bare Trust Agreement"** means that certain bare trust agreement dated October 27, 2014 between the Limited Partnership and the Bare Trustee;
- (i) **"Borrower"** has the meaning ascribed thereto in **Item 2.7 - "Material Contracts - Commitment Letter"**;
- (j) **"Business Day"** means a day other than a Saturday, a Sunday or a statutory holiday in the Province of British Columbia;
- (k) **"Capital Contribution"** means, an amount contributed to the Limited Partnership by a Partner as a contribution of capital, including the amount per Unit paid (either in cash or by way of contribution of property) to the Partnership by each Partner in respect of the subscription for such Unit as set forth in the respective Subscription and Power of Attorney or otherwise, and any other amounts contributed as contributions of capital, whether or not Units are issued in consideration therefor, all as set forth in the LP Agreement;
- (l) **"Class A Units"** means ownership interests in the Fund designated as Class A Units, held by a Class A Unitholder and having the rights set forth in the Declaration of Trust;
- (m) **"Class B Units"** means ownership interests in the Fund designated as Class B Units, held by a Class B Unitholder and having the rights set forth in the Declaration of Trust;
- (n) **"Class A Unitholder"** means a holder of Class A Units of the Fund;
- (o) **"Class B Unitholder"** means a holder of Class B Units of the Fund;
- (p) **"Class 1 LP Unit"** means an ownership interest in the Limited Partnership designated as a Class 1 Unit, owned or held by the Fund, or subsequent Limited Partners, and having the rights set out in the LP Agreement;
- (q) **"Class 2 LP Unit"** means an ownership interest in the Limited Partnership designated as a Class 2 Unit,

owned or held by NMCP, or subsequent Limited Partners, and having the rights set out in the LP Agreement;

- (r) **"Class 3 LP Unit"** means an ownership interest in the Limited Partnership designated as a Class 3 Unit, owned or held by the General Partner, and having the rights set out in the LP Agreement;
- (s) **"Commissions"** means the dealing commissions payable by the Fund to exempt market dealer retained by the Fund - see **Item 7 - "Compensation Paid to Sellers"**;
- (t) **"Commitment Letter"** means the commitment letter provided by First National which was accepted by the Borrower and the Additional Guarantors on October 28, 2014;
- (u) **"Construction Management Agreement"** means the construction management agreement between the General Partner, on behalf of the Limited Partnership, and the Construction Manager, dated October 27, 2014;
- (v) **"Construction Management Fee"** has the meaning ascribed thereto in **Item 2.2 - "Our Business"**;
- (w) **"Construction Manager"** means Avenir Construction, LLC, an Arizona limited liability company;
- (x) **"Declaration of Trust"** means the Declaration of Trust dated October 20, 2014, entered into by the Trustees and its initial Unitholder, which created the Fund upon its execution (and which may be amended or restated from time to time);
- (y) **"Deferred Asset Management Fee"** has the meaning ascribed thereto in **Item 2.2 - "Our Business"**;
- (z) **"Deferred Fees"** means the Deferred Asset Management Fee, Development Fee and the Success Fee, the payment of which are delayed until the Class 1 Unitholders receive distributions of Distributable Cash equal to the Initial Fund Return Amount;
- (aa) **"Development Fee"** has the meaning ascribed thereto in **Item 2.2 - "Our Business"**;
- (bb) **"Distributable Cash"** means the balance of cash on hand of the Limited Partnership after provisions for reserves and to comply with limits or restrictions of the Limited Partnership's lenders, payment of expenses and allowances for contingencies, working capital, capital expenditures, acquisitions and repayments of borrowed funds, all as determined by the General Partner in its sole discretion;
- (cc) **"Distributable Cash Flow"** shall have the meaning ascribed thereto in **Item 2.7 - "Material Agreements - Declaration of Trust"**;
- (dd) **"Excess Lands"** means the Lands, other than the Residence Lands;
- (ee) **"Excess Lands Proceeds"** means the sale price of the Excess Lands less Selling Expenses;
- (ff) **"Exempt Plans"** means trusts governed by registered retirement savings plans ("**RRSPs**"), registered retirement income funds ("**RRIFs**"), deferred profit sharing plans ("**DPSPs**"), registered education savings plans ("**RESPs**"), registered disability savings plans ("**RDSPs**") and tax-free savings accounts ("**TFSAs**");
- (gg) **"First National"** means First National Financial LP, by its general partner, First National Financial GP Corporation;
- (hh) **"Gross Subscription Amount"** means the aggregate of the total gross subscription amounts (unit price multiplied by the number of Units subscribed for) made by Unitholders of the Fund whose subscription amounts, after payment of expenses of the Fund and provision of reserves, were or will be contributed as a Capital Contribution to the Limited Partnership, less the gross subscription amounts of all Redeemed Unitholders;

- (ii) **"including"** means including without limiting the generality of the foregoing, unless otherwise expressly stated such as "including only", and **"includes"** shall have a corresponding meaning;
- (jj) **"Initial Fund Return Amount"** equals the Gross Subscription Amount plus a 10% simple (non-compounding) annual rate of return on the Gross Subscription Amount;
- (kk) **"Founders"** means David (Les) Craik, Jason Craik, Aurele Simourd, Stephen Suske and Ken Craig;
- (ll) **"General Partner"** means Nanaimo Memory Care GP Inc.;
- (mm) **"Lands"** has the meaning ascribed thereto in **Item 2.2 - "Our Business"**;
- (nn) **"Lands Purchase Contract"** means that certain offer to purchase made by the Bare Trustee dated January 2nd, 2014 and accepted by Edgewater Retirement Inc. on January 3rd, 2014 in relation to the purchase by the Bare Trustee of the Lands, and includes all amendments and addendums thereto;
- (oo) **"Lender"** means the institution lending the Bank Financing to the Limited Partnership for the purposes of funding the construction of the Residence;
- (pp) **"Limited Partner"** means the holders from time to time of the Class 1 LP Units or Class 2 LP Units of the Limited Partnership, and **"Limited Partner"** means any one of them;
- (qq) **"Limited Partnership"** means the Nanaimo Memory Care Limited Partnership, a limited partnership formed pursuant to the laws of the Province of British Columbia;
- (rr) **"LP Agreement"** means the limited partnership agreement of the Limited Partnership dated October 27, 2014 between the Fund, NMCP and the General Partner, attached hereto as Schedule "B" to this Offering Memorandum, together with any and all amendments thereto;
- (ss) **"LP Units"** means an undivided interest in the Limited Partnership entitling the holder of record thereof to the rights provided the LP Agreement;
- (tt) **"Maximum Offering"** means the sale pursuant to this Offering of 70,000 Class B Units, for gross aggregate subscription proceeds of Seven Million (\$7,000,000) Dollars;
- (uu) **"Memory Care"** has the meaning ascribed thereto in **Item 2.2 - "Our Business"**;
- (vv) **"NI 31-103"** means National Instrument 31-103 - *Registration Requirements and Exemptions*;
- (ww) **"NI 45-106"** means National Instrument 45-106 - *Prospectus and Registration Exemptions*;
- (xx) **"NMCP"** means Nanaimo Memory Care Partnership, a general partnership formed pursuant to the laws of the Province of British Columbia;
- (yy) **"Non-Arm's Length Party"** has the meaning ascribed thereto in **Item 2.2 - "Our Business"**;
- (zz) **"Offering"** means the distribution of Class B Units pursuant to this Offering Memorandum;
- (aaa) **"Offering Memorandum"** means this confidential offering memorandum that is to be delivered to potential Subscribers of Class B Units, as same may be amended from time to time;
- (bbb) **"Project"** means the development of a Memory Care specialized retirement facility by the Limited Partnership as described in **Item 2.2 – "Our Business"**;
- (ccc) **"Redeemed Unitholders"** means those Unitholders of the Fund who have exercised the redemption rights

granted pursuant to the Declaration of Trust;

- (ddd) **"Redemption Amount"** means the aggregate of the Redemption Price paid or payable to all Redeemed Unitholders arising from a redemption of Units of the Fund;
- (eee) **"Redemption Date"** means the date that the Fund has, to the satisfaction of the Trustees, received notice of the exercise of the redemption right and all other documents or evidence of authority as may be required by the Trustees;
- (fff) **"Residence"** shall have the meaning ascribed thereto in **Item 2.2 - "Our Business"**;
- (ggg) **"Residence Lands"** means that portion of the Lands, being approximately one (1) acre or such other amount required by local authorities, to be used for the Residence;
- (hhh) **"Second Fund Return Amount"** equals the Gross Subscription Amount plus a 16% simple (non-compounding) annual rate of return on the Gross Subscription Amount;
- (iii) **"Selling Expenses"** means normal and customary selling expenses incurred in relation to the sale of the Excess Lands, including legal fees and real estate commissions, all as determined by the General Partner in its sole discretion;
- (jjj) **"Subscriber"** means a subscriber for Class B Units pursuant to this Offering;
- (kkk) **"Subscription Agreement"** means the form of subscription agreement attached to this Offering Memorandum as Schedule "A";
- (lll) **"Success Fee"** has the meaning ascribed thereto in **Item 2.2 - "Our Business"**;
- (mmm) **"Sussex Subscription"** means the subscription by SFT Sussex Holdings Limited, or its nominee, for 3,500 Class B Units of the Fund for a total subscription price of \$350,000.00, which is expected to occur and close concurrent with a closing pursuant to this Offering Memorandum;
- (nnn) **"Tax Act"** means the *Income Tax Act* (Canada), including the regulations thereto, as amended;
- (ooo) **"Trustees"** means the trustees of the Fund, as appointed pursuant to the Declaration of Trust;
- (ppp) **"Trust Funds"** means the funds raised pursuant to this Offering;
- (qqq) **"Trust Note"** means an unsecured promissory note of the Fund tendered as payment for the redemption price of Units tendered for redemption;
- (rrr) **"Unitholder"** means a holder of any class of Units of the Fund;
- (sss) **"Units"** means the Class B Units and/or the Class A Units, as applicable; and
- (ttt) **"\$"** means Canadian dollars, unless otherwise specified.

The foregoing is not an exhaustive list of the defined terms and expressions used in this Offering Memorandum and additional capitalized terms and expressions may be defined throughout this Offering Memorandum.

FORWARD-LOOKING STATEMENTS

This Offering Memorandum includes forward-looking statements with respect to the Fund. In particular, the information contained in **Item 2 - "Business of the Fund"** may constitute "forward-looking information" for the purpose of securities legislation, as it contains statements of the intended course of conduct and future operations of the Fund, its subsidiaries and affiliates. These statements are based on assumptions made by the Fund, relying on

the experience of the Founders and their respective knowledge of historical economic and market trends. Subscribers are cautioned that the assumptions made by the Founders and the success of the Fund are subject to a number of mitigating factors. Economic and market conditions may change and legislation may be amended or repealed, which may materially impact the success of the Fund's intended strategies as well as the actual course of conduct of the Fund. Subscribers are urged to carefully read **Item 8 - "Risk Factors"** for a discussion of other factors that may impact their investment in Class B Units of the Fund.

CONFIDENTIALITY

This Offering Memorandum is for the confidential use of only those persons to whom it is transmitted in connection with this Offering. By your acceptance of this Offering Memorandum, you agree that you will not transmit, reproduce or make available to anyone, other than your professional advisors, this Offering Memorandum or any information contained herein and that you will use this Offering Memorandum for the sole purpose of evaluating a possible investment in the Fund. Any reproduction or distribution of this Offering Memorandum, in whole or in part, or the disclosure of its contents without the prior written consent of the Fund is prohibited. No person has been authorized to provide any information or to make any representations not contained in this Offering Memorandum. Any such information or representation which is provided or received must not be relied upon.

ITEM 1: USE OF AVAILABLE FUNDS

1.1 FUNDS

		Assuming offering	min.	Assuming offering	max.
A.	Amount to be raised by this Offering	- nil		\$7,000,000	
B.	Selling commissions and fees	- nil		\$ 665,000 ²	
C.	Estimated Offering costs (e.g., legal, accounting, audit.)	\$ 560,000		\$ 560,000 ¹	
D.	Available funds: $D = A - (B+C)$	(\$ 560,000)		\$ 5,775,000	
E.	Additional sources of funding required	- nil		- nil	
F.	Working capital deficiency	- nil		- nil	
G.	Total: $G = (D+E) - F$	(\$ 560,000)		\$5,775,000	

Notes:

- 1) As of the date of this Offering Memorandum, the Fund has incurred approximately \$490,000 in Offering costs, such amount which is included in the estimated figures.
- 2) SFT Sussex Holdings Limited, a corporation controlled by Aurele Simourd, one of the Trustees and Founders, or a nominee of SFT Sussex Holdings Limited, intends to subscribe for Class B Units pursuant to the Sussex Subscription. Because the Sussex Subscription is with a related party of the Fund, selling commissions and fees have been waived for this portion of the Maximum Offering. Other subscriptions will be subject to the Commissions. To date, the Fund has incurred \$476,400 in Selling Commissions.

1.2 USE OF AVAILABLE FUNDS

Description of intended use of available funds listed in order of priority	Assuming offering ¹ min.	Assuming offering max.
Reserve for payment of expenses of the Fund and potential redemptions. See Item 2.2 - "Our Business" .	- nil	\$ 50,000
Capital contribution to the Limited Partnership as described in Item 2.2 – "Our Business" . If the Fund is unable to generate significant subscriptions, there is a risk that a significant portion of the subscription proceeds will be applied to pay fees and expenses of the Fund. See Item 8 - "Risk Factors" .	- nil	5,725,000 ²
Total: Equal to G in the table under Item 1.1 above	(\$ 560,000)	\$5,775,000

Notes:

- 1) Since there is no minimum offering, the Fund will not have any funds to use.
- 2) As of the date of this Offering Memorandum, the Fund has made \$4,216,071.30 of these Capital Contributions to the Limited Partnership.

1.3 REALLOCATION

We intend to spend the available funds as stated. We will reallocate funds only for sound business reasons.

ITEM 2: BUSINESS OF THE ISSUER

2.1 STRUCTURE

The Fund is an unincorporated open-ended trust established under the laws of the Province of Alberta by the Declaration of Trust and is a "mutual fund trust" under the provisions of the Tax Act. **See Item 2.7 - "Material Agreements" - "Declaration of Trust", Item 5.1 - "Terms of Securities" and Item 6 - "Income Tax Consequences and RRSP Eligibility"**. The Fund was settled on October 20, 2014 following the execution of the Declaration of Trust and the initial Unitholder subscribing for one (1) Class B Unit of the Fund. This one (1) Class B Unit was redeemed upon the issuance of Class A Units to the Trustees.

Subscribers are encouraged to obtain a copy of the Declaration of Trust and to review its contents prior to subscribing. The Trustees are responsible for the general control and direction of the Fund. **See Item 3 - "Interest of Trustees, Management, Promoters and Principal Holders" and Item 5.1 - "Terms of Securities"**.

The Fund is not a trust company and does not carry on business as a trust company; accordingly, the Fund is not registered under applicable legislation governing trust companies in any jurisdiction. The Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under that Act or any other legislation. The price of the Units offered hereby was established arbitrarily by the Trustees. There are certain risk factors inherent in an investment in the Units and in the activities of the Fund, including the possibility of Unitholder liability. **See Item 8 - "Risk Factors"**.

The Trustees own, directly or indirectly, an aggregate of three (3) Class A Units of the Fund. **See Item 3.1 - "Compensation and Securities Held"**. Distributable Cash Flow received by the Fund from its investment in the Limited Partnership will be allocated *pro rata* amongst the Class B Unitholders pursuant to the terms of the Declaration of Trust. The Class A Unitholders are not entitled to receive allocations of Distributable Cash. **See Item 2.7 - "Material Agreements - Declaration of Trust" and Item 5.1 - "Terms of Securities"**.

As of the date of this Offering Memorandum, the Fund has a total of 51,890 Class B Units outstanding. The total gross subscription proceeds in respect of these outstanding Class B Units were \$5,189,000.

Additional subscriptions for Class B Units will be received if, as and when accepted, subject to prior sale and satisfaction of any conditions set forth under **Item 5.2 - “Subscription Procedure”** and to the right of the Trustees to close the subscription books at any time without notice. Closings will be held from time to time as determined by the Trustees. Subscribers have two (2) Business Days from the later of the date of receipt of this Offering Memorandum or the date of execution of the Subscription Agreement to cancel their agreement to purchase Units. If there is a misrepresentation in this Offering Memorandum, Subscribers will have the right to sue either for damages or to cancel their agreement to purchase Units. **See Item 5.2 - “Subscription Procedure” and Item 11 - “Purchasers’ Rights”.**

Pursuant to the Sussex Subscription, SFT Sussex Holdings Limited, a Corporation owned and controlled by Aurele Simourd, one of the Trustees and Founders, or its nominee, may subscribe for 3,500 Class B Units, for a total subscription price of \$350,000.00. The Sussex Subscription is expected to close concurrent with one or more of the closings contemplated by this Offering. If the Maximum Offering is obtained, these Class B Units will represent a total of 5% of the outstanding Class B Units. Notwithstanding that there are no restrictions on the issuance of Class B Units and the Trustees may do so at their discretion, the Founders, or persons owned or controlled by them, may subscribe for up to an additional 3,500 Class B Units.

Nanaimo Memory Care Limited Partnership is a limited partnership formed on October 27, 2014 under the laws of the Province of British Columbia and pursuant to the *Partnership Act* of British Columbia, upon the execution of the LP Agreement, and by the registration of the Certificate of Limited Partnership. The General Partner is responsible for the management and administration of the business and affairs of the Limited Partnership, including the collection of all amounts owing to, and the payment of all debts and liabilities for, the Limited Partnership, but may delegate such duties to a manager. Under the laws of the Province of British Columbia, a Limited Partner is not liable for the debts and liabilities of the Limited Partnership beyond the amount that Limited Partner has contributed or has agreed to contribute to, plus any undistributed income of, the Limited Partnership provided that Limited Partner does not, directly or indirectly, take part in the business, affairs or management of the Limited Partnership. The Limited Partnership was created to receive funds from the Fund and subsequently develop the Project. **A copy of the LP Agreement is available for Subscribers to review upon request. See Item 2.7 - “Material Agreements - LP Agreement”.**

As of the date of this Offering Memorandum, the Fund is the registered owner of 5,000 Class 1 LP Units with a total Capital Contribution of \$4,216,071.30. As and when the Fund receives additional Trust Funds, the Fund intends to continue to advance the net proceeds of the Offering from the Fund to the Limited Partnership by way of an additional Capital Contribution, but will not receive additional LP Units. The Limited Partnership will use the Capital Contributions made by the Fund to develop the Project. **See Item 2.2 - “Our Business”.**

The principal and head office of the Fund is located at 2190B Thurston Drive, Ottawa, ON K1G 6E1, and the registered and records office of the Fund is located at Bryan & Company LLP, #2600, 10180 - 101 Street, Edmonton, Alberta, T5J 3Y2. The principal and head office of the Limited Partnership and General Partner are located at 7070 Brentwood Drive, Central Saanich, British Columbia, V8M 1B6, and the registered and records office of the Limited Partnership and General Partner are located at Kane, Shannon & Weiler, #220, 7565 -132nd Street, Surrey, British Columbia, V3W 1K5.

Administration of the Fund

The Administrator of the Fund is Sussex Retirement Living Inc. The Administrator was incorporated under the laws of Canada. Its principal place of business is located at 2190B Thurston Drive, Ottawa, ON K1G 6E1.

Administrator’s Duties

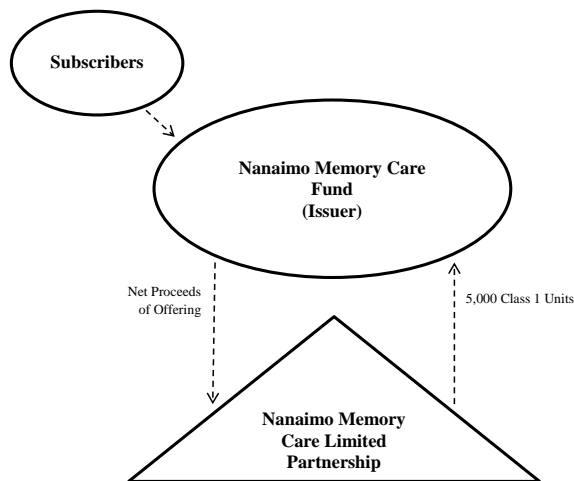
The Administrator is the administrator of the Fund and, pursuant to the terms of the Administration Agreement, has the sole responsibility to administer and regulate the Fund’s day-to-day operations. **The duties of the Administrator include, without limitation, arranging for the distribution of the Units, preparing and filing all documents and reports as required under applicable securities legislation, arranging for the keeping of records and accounts, calculating fees payable, reporting to Unitholders, establishing procedures for**

purchases and redemptions of Units of the Fund, conducting or arranging for the valuation of the assets of the Fund, and authorizing all contractual arrangements, including the appointment, with the consent of the Trustees, of the registrar and transfer agent and the appointment of the brokers, distributors and the initial accountants. Under the Administration Agreement, the Administrator has the power and authority to act for, and to approve and sign on behalf of the Fund, all documents, forms, agreements, and other instruments in writing.

The Administrator is paid the Administration Fee and is reimbursed by the Fund for certain expenses. The Administrator is owned by one of the Trustees who is a beneficial owner of LP Units of the Limited Partnership and is a beneficial owner of the General Partner. See Item 2.7 - “Material Agreements - Administration Agreement”.

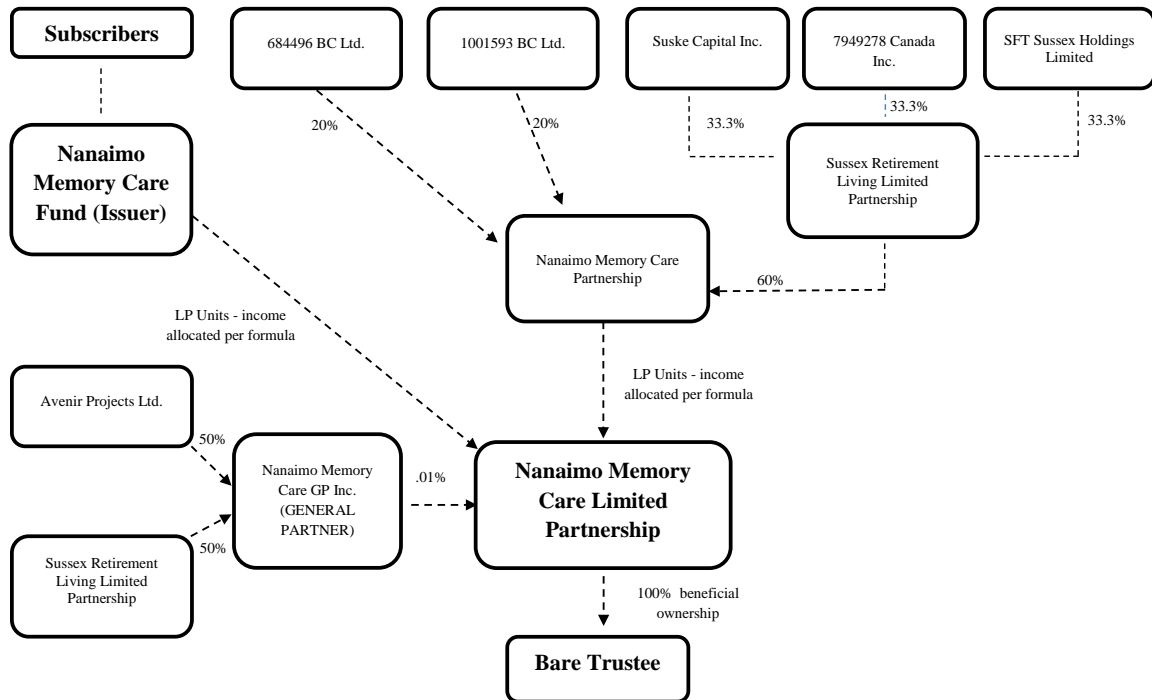
2.2 OUR BUSINESS

The Fund was established with the principal purpose of issuing Class B Units and to advance the net proceeds raised under this Offering, and any subsequent offerings, to the Limited Partnership. As of the date of this Offering Memorandum, the Fund is a Limited Partner and the legal and beneficial owner of 5,000 LP Units of the Limited Partnership having the characteristics set forth in the LP Agreement. **See Item 2.7 - “Material Agreements - LP Agreement”**. As of the date of this Offering Memorandum, the Fund had made a total Capital Contribution of \$4,216,071.30. As additional Trust Funds are raised pursuant to this Offering, the net proceeds will be advanced by the Fund to the Limited Partnership by way of Capital Contribution. The flow of funds is depicted by the following diagram:



1. *Nanaimo Memory Care Group*

The Fund and the Limited Partnership are related entities comprising part of the Nanaimo Memory Care group. The organizational structure of the Nanaimo Memory Care group is as follows:



The relationship between the Limited Partners of the Limited Partnership is governed by the LP Agreement - **See Item 2.7 - "Material Agreements - LP Agreement"**. The Bare Trustee is 100% beneficially owned by the Limited Partnership and will hold legal title to the Lands as bare trustee pursuant to the Bare Trust Agreement – **See Item 2.7 – "Material Agreements – Bare Trust Agreement"**.

2. *Limited Partnership Business*

Nanaimo Memory Care Limited Partnership

Where the term "Memory Care" is used in this Offering Memorandum, it shall refer to the provision of specialized service to patients suffering from one of the many forms of dementia. This specialized care will result from specially trained caregivers, specific programming directed towards caring for patients and specially designed facilities, all aimed at providing a level of care which is in accordance with the needs of dementia patients and superior to that which such patients would receive in a traditional long term care facility.

The Limited Partnership intends to respond to a growing need in seniors' housing for specialized care and residency needs of seniors suffering from various forms of dementia, especially Alzheimer's disease. This refers to those suffering from dementia to a degree sufficient to interfere with the activities of daily life. Alzheimer's accounts for up to 80% of dementia and is a terminal illness. Alzheimer's disease organizations have estimated that over 11% of seniors over the age of 65 suffer from Alzheimers and an additional 25% of those over 65 suffer from some other form of dementia. The growth rate of the number of people suffering from all forms of dementia is estimated to increase by 60% over the next 10 years, primarily due to the increase in the seniors' population.

Alzheimer's disease has 7 stages. Those individuals suffering from the earliest forms of the disease can be cared for at home, however, once an individual needs assistance with the activities of daily living, or begins to suffer disruptive behaviours, or wanders, the need for care services within a secure facility becomes self-evident. The rate of incidence of this level of dementia grows exponentially for each 5 year age cohort over the age of 75. According

to the US General Accounting Office study of 1998, the need for Memory Care services grows from a rate of 2.5% of those aged 75-79 to over 14% for those over the age of 85.

Market

The population of seniors over 75 years old is growing exponentially; however, the number of long term care beds (“**LTC beds**”) has not been keeping pace. For example, in Ontario, between 2005 and 2012, the waiting list for LTC beds grew by 85% but the number of LTC beds grew by only 3%. Private retirement homes have started building or converting a portion of their residences to Memory Care use, designating a section as a secure unit with separate staff, lounges and dining areas.

The Limited Partnership retained CBRE Limited Valuation and Advisory Services (“**CBRE**”), an industry leader in senior housing market feasibility studies and appraisals to prepare a feasibility study for the Project. According to the CBRE study, dated July 10, 2014 (the “**Feasibility Study**”), the long term care market for seniors is heavily underserved in the Nanaimo area. According to the Feasibility Study, the number of qualified clients exceeds the availability of long term care by nearly 3 to 1. In addition, as there is no stand-alone Memory Care competition on Vancouver Island, it is expected that the Project will benefit from first-mover advantage and seniors’ facilities on the island will be feeders into the Residence. For these reasons the Limited Partnership has chosen the Nanaimo market to implement its first Memory Care project.

Development of the Project

The Limited Partnership intends to use the funds raised pursuant to this Offering, after payment of expenses by the Fund and contribution by the Fund to the Limited Partnership, to develop a Memory Care specialized retirement facility (the “**Residence**”) in Nanaimo, British Columbia. The Residence will provide residential and care services for adults suffering from dementia and other memory related diseases.

The Limited Partnership will carry out the Project in multiple stages, including planning, land development, construction, operation and disposition. As of the date of this Offering Memorandum, the Project is in its early stages. The Limited Partnership estimates the following timelines for completion of the various stages of the Project:

Milestone	Date
Closing on land	Completed - March 2015
Apply for building permit	June 2015
Construction start	August 2015
Occupancy permit	October 2016
First resident move-in	October 2016
Stabilization and disposition (92.5% occupancy)	October 2019

All aspects of the development of the Project will be carried out by the General Partner in accordance with the terms of the Limited Partnership Agreement, which, *inter alia*, allows for the General Partner to subcontract certain of its rights and obligations to other persons. **See Item 2.7 - “Limited Partnership Agreement”**. The General Partner is controlled by the Founders.

Planning

Initial architectural design drawings of the Residence were completed in the early stages of the Project. Subsequently, the Limited Partnership has, after discussion with the Vancouver Island Health Authority (“**Island Health**”), updated the architectural design drawings to comply with licensing requirements set out by the British Columbia Ministry of Health. These updates do not affect any of the other planning requirements as the exterior envelope of the building has remained constant.

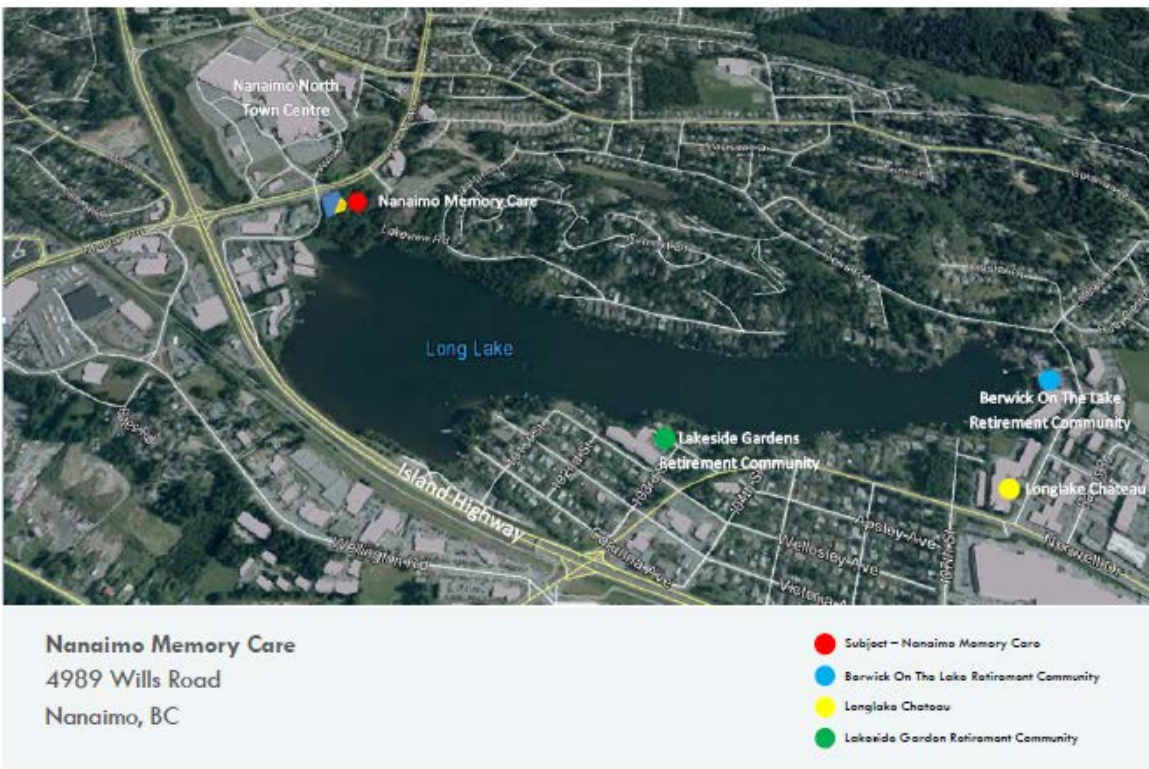
The development permit was approved November 24, 2014.

The final construction permit drawings are underway in preparation for the application for a building permit for the construction of the Residence.

Land Development

The Limited Partnership has purchased the lands for the Project (the “Lands”) – **See Item 2.7 – “Material Agreements – Lands Purchase Contract”**. The Lands consist of 3.84 acres and are located beside Long Lake, about 9 km northwest of the centre of Nanaimo. The area includes a number of amenities including the Rutherford Mall, directly north of the Lands, and other shopping plazas. It is easily accessible by way of the Island Highway directly west of the project. All municipal services are available to the Lands.

Area Map Showing Project and Location in Nanaimo



The Lands are currently zoned for their intended purpose and with the issuance of the development permit, the site is ready to be cleared, leveled and prepared for construction.

It is anticipated that the Residence will require only approximately one (1) acre of the Lands. In order to secure the Lands necessary for the Residence, the Limited Partnership purchased the entire parcel (3.84 acres) making up the Lands. It is intended that the Lands will be subdivided to form two parcels: the Residence Lands and the Excess Lands. The Limited Partnership will then attempt to sell the Excess Lands.

The Limited Partnership has received preliminary layout acceptance from the City of Nanaimo in respect of the proposal to subdivide the Excess Lands. However, the preliminary layout acceptance contains a number of conditions that the Limited Partnership must meet before final approval of the subdivision can occur, including that the Limited Partnership:

- install works and services required for the Lands;
- construct certain bicycle trails and pathways on the Lands; and
- register an easement over the Lands to permit road access to the Excess Lands;
- comply with lot grading, design and other requirements for the Lands, which may include construction of a retaining wall on the Lands.

There can be no guarantees that the Limited Partnership will receive final approval of the subdivision proposal or sell the Excess Lands.

Potential Subscribers should note that the proceeds from the sale of the Excess Lands less customary closing costs including legal fees and real estate commissions (collectively, the "Excess Lands Proceeds") are allocated differently than proceeds from the sale of the Residence or other assets of the Limited Partnership. The Limited Partnership Agreement provides that the Excess Lands Proceeds will be allocated and distributed as follows:

- a) 25% of the Excess Lands Proceeds to the Fund; and
- b) the remainder to NMCP.

Amounts allocated and distributed to the Fund as a result of the sale of the Excess Lands will be considered allocations and distributions for the purposes of determining the total amounts allocated and distributed to Limited Partners, including the Initial Fund Return Amount and Second Fund Return Amount. **See Item 2.7 - "Material Agreements - LP Agreement".**

There can be no assurances that the Excess Lands will be sold. Further, there are no guarantees that a Lender will allow the payment of the Excess Lands Proceeds at any time prior to the repayment and discharge of the Bank Financing. **See Item 8 - "Risk Factors". See Item 2.7 - "Material Agreements - LP Agreement".**

Construction

The Residence will be a four storey building with 25 parking spaces, two of which will be handicapped accessible. The building will be a slab on grade construction, non-combustible Hambro structure built using a combination of steel and concrete.

The Limited Partnership has retained the Construction Manager to provide general oversight and construction management, in exchange for the payment of the Construction Management Fee. The Construction Manager, which is owned and controlled by David (Les) Craik, one of the Founders, has the authority to negotiate and finalize contracts for the construction of the Residence. **See Item 2.7 - "Material Agreements - Construction Management Agreement".** As of the date of this Offering Memorandum, a final and definitive agreement has not been entered into with respect to the construction of the Residence, however, extensive and ongoing negotiations continue with Windley Contracting Ltd. ("**Windley**") Windley is a widely diverse and general contracting company based on Vancouver Island with extensive experience in the civil, commercial and residential sectors.

Prior to construction, the Limited Partnership will have to obtain a construction permit from the local municipality approving the construction plans of the Residence. Given the stage of development of the Project, the Limited Partnership has not yet obtained a construction permit. **There can be no assurances that all necessary permits and other regulatory consents, including the construction permit, will be obtained in a form that permits the Limited Partnership's intended construction of the Residence. See Item 8 - "Risk Factors".**

In order to fund the remaining costs of the Project, the Limited Partnership intends to borrow approximately \$11,541,606 or 65% of the construction budget approved by the Lender, whichever is lower (the "**Bank Financing**"). The Borrower and the Additional Guarantors have accepted the Commitment Letter from First National, which provides the framework for the conditional advancing of the Bank Financing. **See Item 2.7 - "Material Agreements - Commitment Letter".**

Notwithstanding that the Commitment Letter has been executed, potential Subscribers should note that, as of the date of this Offering Memorandum, First National has not made any advances of the Bank Financing and there are many conditions that must be met prior to funding. There can be no guarantees that the Limited Partnership will be receiving advances of Bank Financing under the Commitment Letter or at all. See Item 8 - "Risk Factors".

Below is a summary of the terms of the proposed Bank Financing as set out in the Commitment Letter: For additional discussion, **See Item 2.7 - "Material Agreements - Commitment Letter".**

BANK FINANCING DETAILS

Loan Amount:	\$ 11,541,606
Loan to Project Costs:	65% maximum (project costs includes the Development Fee)
Borrowers:	Bare Trustee and Limited Partnership, by the General Partner

Guarantors:

Corporate guarantees of:

NMCP
 Sussex Retirement Living Limited Partnership
 SFT Sussex Holdings Limited
 7949278 Canada Inc.
 Suske Capital Inc.
 1001593 B.C. Ltd.
 684496 B.C. Ltd.

Personal Covenants of:

David L. Craik
 Jason Craik
 Aurele Simourd
 Ken Craig
 Stephen Suske

Term:

In the absence of prior demand, December 31, 2018

Interest Rate:

Royal Bank of Canada Prime Rate plus 2% per annum, 5% minimum

Payments:

Monthly payments of interest paid monthly on the 1st of each month based on the total amounts advanced on a daily interest basis

Funding Date:

First funding date – No later than October 1, 2015.

For any reason determined necessary by the General Partner, including to cover cost overruns with respect to the construction of the Residence or operations expenses of the Residence prior to disposition, the General Partner may borrow such additional funds from any person, including persons who do not act at arm's length with the General Partner, in such amounts and on such terms as it sees fit. If the funds are borrowed from a Non-Arm's Length Party, the terms must be reasonable in the circumstances and carry an interest rate of not more than eighteen (18%) percent.

Use of Funds by the Limited Partnership

The Limited Partnership estimates that it will require approximately \$17,266,606 to complete the Project and expects to generate sufficient funds from the proceeds this Offering and Bank Financing to carry out the Project. **There can be no guarantees that the Limited Partnership will be able to raise the appropriate funds or obtain appropriate financing to complete the Project, or that the costs of the Project will not exceed the estimated amounts. See Item 8 – “Risk Factors”.**

The below table represents the Limited Partnership's estimated budget for the development and construction of the Project:

ESTIMATED BUDGET

Land Costs

Purchase:	\$2,350,000	
Closing Costs:	<u>163,000</u>	
Subtotal:		\$ 2,513,000

Hard Costs

Construction:	\$9,878,568	
Contingency:	<u>250,000</u>	
Subtotal:		\$ 10,128,568

Soft Costs

Design and Soft Costs:	\$1,130,100	
Furniture Fixtures Equipment:	424,000	
Development Soft Costs:	413,500	

Marketing and Pre-Open Budget:	238,150	
Asset Management Fee	588,000	
Financing Costs:	1,659,000	
Contingency:	<u>172,288</u>	
Subtotal:		\$ 4,625,038
Development Fee (deferred):		<u>\$ 1,250,000</u>
Subtotal:		\$18,516,606
Less Deferred Development Fee:		<u>(\$ 1,250,000)</u>
GRAND TOTAL:		\$17,266,606

SOURCE OF FUNDS

Lender:	\$11,541,607	
Capital Contributions from the Fund:	<u>5,725,000</u>	
GRAND TOTAL:		\$17,266,606

The foregoing budget is formed based on the prior history and expertise of the Trustees, the Founders and the Construction Manager as well as the discussions between the Construction Manager and Windley. **There can be no assurances that the costs of the Project will not exceed these estimates. See Item 8 – “Risk Factors”.**

Included in the construction budget is a design fee of \$60,000 payable to Avenir Lifestyles Corp., a corporation controlled by one of the Founders, David (Les) Craik.

The Residence

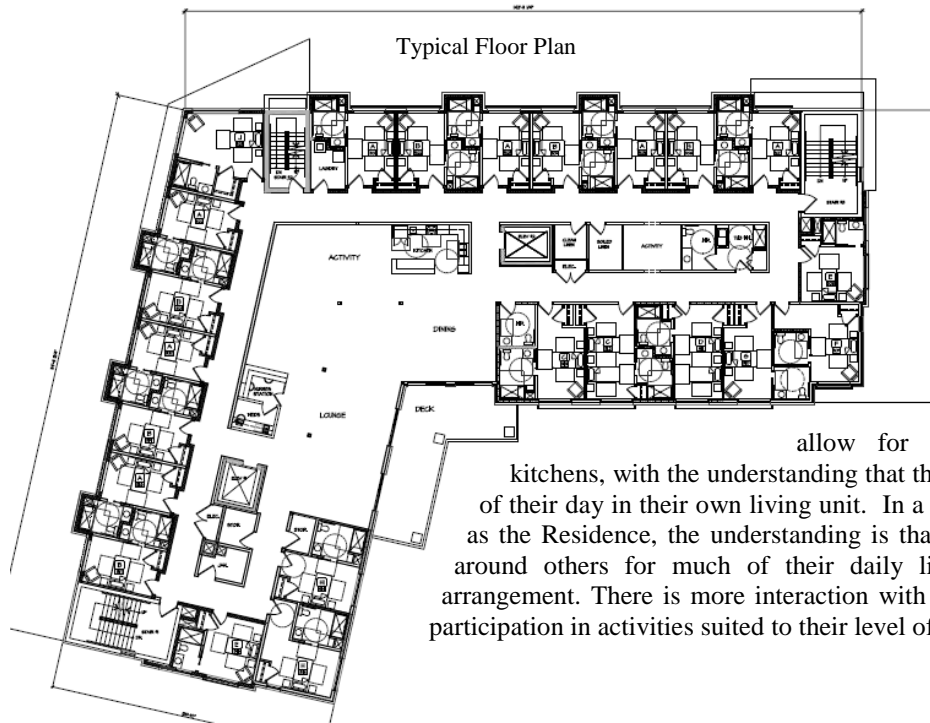
Preliminary drawings and architectural plans for the Residence. It is intended that the Residence will have a footprint of 13,371 square feet, with a gross floor area of 50,306 square feet on 4 floors. The Limited Partnership expects the Residence will contain a total of 77 rooms and 83 Memory Care beds.

Below is the architect's rendering of the Residence.



Design Concept

One of the noticeable differences between the Residence and other retirement residences providing some form of Memory Care is the "neighbourhood system". The Residence will have four distinct neighbourhoods, with each neighbourhood housing about 20 residents grouped according to their cognitive ability.



Differences to Assisted Living Retirement Homes

An assisted living unit in a typical retirement home does have the ability to care for a person with dementia. However, the design features are typically more suited for a resident with few cognitive deficits. The emphasis in a typical retirement home is on the resident unit or apartment and amenities inside. Often the design would

allow for apartment style living with small kitchens, with the understanding that the resident will spend a significant part of their day in their own living unit. In a Memory Care focused residence, such as the Residence, the understanding is that the resident will benefit from being around others for much of their daily living, similar to living in a family arrangement. There is more interaction with staff, improved monitoring and more participation in activities suited to their level of ability.

In the above floor design, which comprises one neighbourhood of the Residence, the emphasis is on smaller rooms but larger activity and lounge areas. Meals are prepared in a central kitchen, but delivered to fully functional server kitchens located in each neighbourhood, where the care staff serves residents much as they would have been served at home, meeting individual tastes and requirements. Each neighbourhood will also have its own nursing station, clean and dirty laundry rooms, living room, dining room and designated activity area.

Each neighbourhood is a secure unit, with controls in place to ensure the residents remain within the neighbourhood unless accompanied by a responsible individual. Each floor has a deck area, which residents can access without supervision. The overall feel of each neighbourhood is more like a large bungalow with many bedrooms off of the main living areas, including a large functional kitchen with island, fridge stove and cupboards, like a familiar home for the residents.

Room Size and Features

Rooms in Memory Care residences are typically smaller than other retirement facilities, averaging at about 250 square feet. Due to the cognitive abilities of the resident, it is considered beneficial for the resident to come out of individual rooms into the common areas to reduce isolation and to feel more "at home". Each room will have a private washroom, individual heating and cooling controls.

General Features

There will be a roof-top terrace, a secure outdoor amenity area and garden of over 4,600 square feet. The 4th floor will have a 1,300 square foot multi-purpose room that will permit special activities for residents, and will permit community resources to hold events within the facility.

Operation

During the construction phase, marketing activities will be undertaken in order to capitalize on demand for the opening of the Residence. Marketing efforts are diverse, and will involve presentations to retirement homes, hospitals, police services, fire department and emergency (ambulance) services.

Upon completion of construction, the Limited Partnership will need to obtain an occupancy permit for the Residence. In addition, prior to operations commencing, the Residence will need a license to operate a long term care facility in British Columbia. As of the date of this Offering Memorandum, the Limited Partnership is working with Island Health to start this process and minimize the length of the post-construction application process. The Limited Partnership has received a preliminary letter dated May 14, 2015 from Island Health confirming the initial aspects of the operating license application have been received and that, subject to submission the full application, and final inspections upon completion of the Residence, Island Health anticipates that the residence will be licensed under the *Community Care and Assisted Living Act* (British Columbia). **The Limited Partnership is optimistic that the necessary approvals will be granted, however, there are no guarantees that the occupancy permit, operating license, or any other required approval, permit or license, will be obtained. See Item 8 - "Risk Factors".**

Once construction is completed, the Limited Partnership intends to retain the services of a facility operations company to operate and manage the day to day operation of the Residence ("**Operations Services**"). **To date, the Limited Partnership has not yet signed a binding agreement with any entity to provide Operations Services. The General Partner has the discretion to enter into agreements on behalf of the Limited Partnership, including any agreement with respect to the provision of Operations Services, on such terms and conditions, and for such fees, as the General Partner determines. There can be no assurances that an agreement for the provision of Operations Services will be procured on terms favourable to the Limited Partnership or at all.**

The Limited Partnership intends to operate the Residence until occupancy stabilizes at a rate of 92.5%, after which time, attempts will be made to dispose of the Residence. The Limited Partnership estimates that it may take up to 3 years for a Project of this size to achieve stabilization.

Disposition

Upon achievement of a stabilized occupancy, the Limited Partnership intends to sell the Residence. The Limited Partnership believes there will be a number of publicly-traded seniors housing operators eager to acquire new, state-of-the-art product after a facility reaches stabilized occupancy. **Notwithstanding the foregoing, the General Partner has the ability to either (a) dispose of the Residence prior to reaching stabilization; or (b) delay the disposition of the Residence, in the event it determines, in its sole discretion, that it is in the best interests of the Limited Partnership. See Item 8 - "Risk Factors".**

If deemed advisable by the General Partner, the General Partner may dispose of the Residence, or any other asset of the Limited Partnership, to a party who does not deal at arm's length with the General Partner or the Limited Partnership ("Non-Arm's Length Party"). If the disposition is to occur to a Non-Arm's Length Party, the purchase price and sale shall be determined and approved in accordance with the following process:

- a) the General Partner shall, at the expense of the Limited Partnership, obtain two independent third party appraisals of the fair market value of the assets to be sold ("**Identified Assets**");
- b) the minimum purchase price for the Identified Assets shall be no less than:
 - i) if the appraisals of fair market value are within five (5%) percent, then the minimum purchase price shall be the greater of the two appraisals; or
 - ii) if the appraisals of fair market value are not within five (5%) percent, then the General Partner shall, at the expense of the Limited Partnership, obtain a third appraisal of the Identified Assets and the minimum purchase price shall be the average of the three appraisals.
- c) the sale to the Non-Arm's Length must be approved by a majority of the Unitholders of the Fund.

See Item 2.7 - "Material Agreements - LP Agreement" and Item 2.7 - "Material Agreements - Declaration of Trust".

There can be no guarantee that the purchase price obtainable on the sale of the Residence will be sufficient to cover the costs of the Project, or to provide any return to Unitholders. See Item 8 - "Risk Factors".

Fees and Expenses

Asset Management Fee

Sussex Retirement Living Inc., 0794671 BC Ltd. and Teykeeday Projects Corp. (the "**Asset Managers**") are paid an asset management fee (the "**Asset Management Fee**") equal to an aggregate amount of one and three quarter (1.75%) percent of the cost of the project ("**Project Cost**") of the Project, per year, to a maximum of Two Hundred and Ninety-Four Thousand (\$294,000.00) Dollars per year, commencing on December 31, 2014 and continuing until the Residence is sold. The first annual payment of the Asset Management Fee was due in advance on December 31, 2014, but the Asset Managers have agreed to defer all but \$58,800 of the first payment until the Maximum Offering is raised. The second annual payment is due, in advance, on or before December 31, 2015. The Asset Management Fee for year 3 and beyond, until the Residence is disposed of, will be paid in monthly installments, in advance, to the extent cash flow from operations of the Limited Partnership is available.

The first two years of the Asset Management Fee have been accounted for in the construction budget of the Limited Partnership and will be paid, when due, out of the Capital Contributions made by the Fund to the Limited Partnership or the Bank Financing. In subsequent years, the Asset Management Fee will be paid out of operating revenues, to the extent available, as determined by the General Partner. In the event operating revenues are insufficient to cover the Asset Management Fee, the deficiency (the "**Deferred Asset Management Fee**") will become a Deferred Fee payable only after certain preferred payments to the Fund in accordance with the provisions of LP Agreement described below under the subheading *Distributions* and in **Item 2.7 - "Material Agreements - Asset Management Fee Agreement"**.

Project Cost is to be determined by the General Partner on a yearly basis in advance and shall include:

- All costs for purchasing the lands required for the Project;
- Hard construction costs;
- Soft construction costs; and
- Cost overruns

all as determined in accordance with the construction budget of the Project determined by the General Partner or, as applicable, its agents or subcontractors.

Development Fee

Sussex Retirement Living Inc., 0794671 BC Ltd. and 684496 BC Ltd. are to be collectively paid a development fee (the "**Development Fee**") in a fixed amount equal to One Million Two Hundred and Fifty Thousand (\$1,250,000.00) Dollars in the aggregate. The Development Fee is a Deferred Fee payable only after certain preferred payments to the Fund in accordance with the provisions of the LP Agreement described below under the subheading *Distributions* and in **Item 2.7 - "Material Agreements - Development and Success Fee Agreement"**.

Success Fee

Sussex Retirement Living Inc., 0794671 BC Ltd. and 684496 BC Ltd. are to be collectively paid a success fee (the "**Success Fee**") in an amount equal to five and one quarter (5.25%) percent of the gross sale price of the Residence. The Success Fee is a Deferred Fee payable only after certain preferred payments to the Fund in accordance with the LP Agreement described below under the subheading *Distributions* and in **Item 2.7 - "Material Agreements - Development and Success Fee Agreement"**.

Construction Management Fee

The Construction Manager is to be paid a construction management fee ("**Construction Management Fee**") in the fixed amount of Three Hundred and Twenty-Five Thousand (\$325,000) Dollars payable in twelve equal monthly installments beginning on the commencement of construction activities which are estimated to begin in August 2015. See **Item 2.7 - "Material Agreements - LP Agreement"** and **Item 2.7 - "Material Agreements - Construction Management Agreement"**.

Day to Day Management Fee

The Limited Partnership intends to hire a third party acting at arm's length with the Limited Partnership and the General Partner with respect to the provision by such third party of Operations Services for the Residence. As of the date of this Offering Memorandum, the Limited Partnership has received an expression of interest from a highly reputable service provider, but no formal day to day operations management agreement has been executed. The General Partner has the authority and discretion to negotiate and enter into agreements on behalf of the Limited Partnership. There can be no assurances that the fees negotiated will be on terms favourable to the Limited Partnership or within expectations and budgeted amounts determined by management.

All applicable sales taxes, including GST and, where applicable, PST, are payable in addition to the fees payable by the Limited Partnership.

Expenses

The General Partner has very wide discretion to enter into contracts, incur expenses and authorize expenditures in connection with the business of the Limited Partnership. The Limited Partnership will reimburse the General Partner for all reasonable costs incurred by the General Partner, its designees or subcontractors in connection with the Limited Partnership's business or the General Partner acting as general partner pursuant to the LP Agreement, including the Fees discussed above. See Item 2.7 - "Material Agreements - Limited Partnership Agreement". These expenses may be greater than the cash flow generated by the Project.

Distributions

The LP Agreement governs distributions of income and cash flow from the Limited Partnership. These are summarized as follows:

Distributable Cash

All distributions of Distributable Cash shall be distributed at the discretion of the General Partner in accordance with the following priority:

- a) First, to the payment of any amounts to be distributed arising from the sale of the Excess Lands, to the extent such distributions have not previously been made;
- b) Second, to the Class 1 Unitholders, until the total Distributable Cash distributed to the Class 1 Unitholders over the duration of the Limited Partnership, inclusive of any amounts distributed arising from the sale of the Excess Lands, is equal to the Initial Fund Return Amount plus the Redemption Amount;
- c) Third, to the payment of the Deferred Fees;
- d) Fourth, on a dollar for dollar basis, 50% to the Class 1 Unitholders and the other 50% to the Class 2 Unitholders, until the total Distributable Cash distributed to the Class 1 Unitholders over the duration of the Limited Partnership, inclusive of any amounts distributed arising from the sale of the Excess Lands, is equal to the Second Fund Return Amount plus the Redemption Amount; and
- e) The remainder, as follows:
 - a. 25% to the Class 1 Unitholders; and
 - b. 75% to the Class 2 Unitholders.

Liquidation, Dissolution or Winding-Up

In the event of the liquidation, dissolution or winding-up of the Limited Partnership or other distribution of the assets of the Limited Partnership for the purpose of winding-up its affairs or upon a return of capital, all accrued and unpaid distributions of cash, if any, and distributions of the property or assets of the Limited Partnership shall be allocated as follows:

- a) First, to pay or provide for the payment of the debts and liabilities of the Limited Partnership, including reimbursement of expenses of the Partnership incurred by the General Partner and liquidation expenses, but excluding the Deferred Fees; and
- a) Second, any amounts to be distributed arising from the sale of the Excess Lands, to the extent such amounts have not previously been allocated;
- b) Third, to the Class 1 Unitholders, until the total Distributable Cash distributed to the Class 1 Unitholders over the duration of the Limited Partnership, inclusive of any amounts distributed arising from the sale of the Excess Lands, is equal to the Initial Fund Return Amount plus the Redemption Amount;
- c) Fourth, to the payment of the Deferred Fees;
- d) Fifth, on a dollar for dollar basis, 50% to the Class 1 Unitholders and the other 50% to the Class 2 Unitholders, until the total Distributable Cash distributed to the Class 1 Unitholders over the duration of the Limited Partnership, inclusive of any amounts distributed arising from the sale of the Excess Lands, is equal to the Second Fund Return Amount plus the Redemption Amount; and
- e) The remainder, as follows:
 - a. 25% to the Class 1 Unitholders; and
 - b. 75% to the Class 2 Unitholders.

Subscribers should note that the distributions to the Class 1 Unitholders described above are payable to the Fund. The actual amounts received by Subscribers may vary depending on the expenses and other amounts payable by the Fund. **See Item 2.7 – “Material Agreements- LP Agreement”.**

There are no guarantees that the Project will produce positive cash flow and, thus, no guarantees that the Fund will receive Distributable Cash Flow from the Limited Partnership. See Item 8 - "Risk Factors".

2.3 DEVELOPMENT OF BUSINESS

The Issuer was formed on October 20, 2014. Between formation and the date of this Offering Memorandum, the Fund has, through its selling agents, distributed 51,890 Class B Units for aggregate gross subscription proceeds of \$5,189,000.

The Fund entered into the LP Agreement and subscribed for 5,000 Class I Units on October 27, 2014. Since inception, the Fund has made additional Capital Contributions to the Limited Partnership in the aggregate amount of \$4,215,071.30 (the “**Initial Contributions**”), but, in accordance with the LP Agreement, the Fund did not receive any additional Class 1 Units.

Limited Partnership

On October 28, 2014, the Limited Partnership accepted the Commitment Letter from First Financial which provides the framework for the Bank Financing. Although advances under the Commitment Letter cannot be assured at this point, obtaining the conditional commitment from First Financial was an important milestone for the Limited Partnership and the Project.

Since its inception, the Limited Partnership has been working to obtain the necessary permits and approvals to begin construction of the Residence. The Limited Partnership and its contractors and agents have been working with the applicable authorities, including Island Health, to ensure the design and features of the Project will meet their requirements.

The Limited Partnership used the Initial Contributions to complete the purchase of Lands on March 30, 2015.

2.4 LONG TERM OBJECTIVES

The Fund seeks to raise funds pursuant to this Offering and subsequent offerings and to subsequently invest such funds in the Limited Partnership. The long-term objective of the Fund with respect to this Offering is to raise sufficient funds to allow the Limited Partnership to develop the Project and eventually sell the Residence. It is the ultimate goal of the Fund to, following the sale of the Residence, earn a return on the LP Units pursuant to the terms of the LP Agreement - **See Item 2.7 - “Material Agreements - LP Agreement”**.

It is the Fund's intention to raise up to Seven Million (\$7,000,000) Dollars pursuant to this Offering (of which \$5,189,000 has already been raised) and to invest the net proceeds of the Offering, less applicable reserves, in the Limited Partnership.

2.5 SHORT TERM OBJECTIVES AND HOW WE INTEND TO ACHIEVE THEM

What we must do and how we will do it	Target completion date or, if not known, number of months to complete	Our cost to complete
Advance net proceeds of this Offering to the Limited Partnership	June 2015	variable ¹
Raise the Maximum Offering	June 2015	\$665,000 ²

Notes:

- 1) The cost to complete this objective will equal the net proceeds advanced to the Limited Partnership from time to time.
- 2) Represents the estimated Commissions payable to the Issuer's exempt market dealers, payable out of the gross proceeds of this Offering. **See Item 7 - “Compensation Paid to Sellers”**.

2.6 INSUFFICIENT FUNDS

The funds available as a result of this Offering, after payment of expenses of the Fund, including Commissions, and provisions for appropriate reserves as determined by the Trustees in their sole discretion, will be advanced to the Limited Partnership. The Limited Partnership intends to use the proceeds received from the Limited Partnership to

further the development of the Project. **Even if the Maximum Offering is achieved, there is no assurance that additional financing will be available to complete the Project. See Item 8 - "Risk Factors".**

The Fund does not intend to hold any significant cash reserves, other than those amounts necessary to pay for all management, administration and operating expenses incurred by the Fund in the conduct of its business. Subscribers will not be required to contribute any additional funds over and above their initial subscription amount.

Disclosure

For disclosure purposes, Subscribers should note that the Trustees, the Fund, the Limited Partnership, the General Partner and the Bare Trustee are not arm's length, as that term is defined in the *Income Tax Act* (Canada).

2.7 MATERIAL AGREEMENTS

Declaration of Trust

The following is a summary of certain material provisions of the Declaration of Trust. The summary does not purport to be complete and is subject to the full text of the Declaration of Trust, a copy of which is available on request of the Administrator. Prospective Subscribers should review the complete text of the Declaration of Trust. Capitalized terms used in this section but not otherwise defined shall have the meanings ascribed to them in the Declaration of Trust.

The Fund was settled on October 20, 2014 following the execution of the Declaration of Trust and the initial Unitholder subscribing for one (1) Class B Unit of the Fund for a subscription price of \$500.00. This one (1) Class B Unit was redeemed, for the subscription price paid, upon the issuance of Class A Units to the Trustees.

The Declaration of Trust provides that the assets and operations of the Fund are subject to the control and direction of a minimum of three (3) and a maximum of ten (10) Trustees. The number of Trustees of the Fund is currently three (3). Notwithstanding the foregoing, between annual meetings of Unitholders, the Trustees may appoint one (1) or more additional Trustees to serve until the next annual meeting of Unitholders. The Trustees may also fill any vacancies that occur during the year as set out in the Declaration of Trust. **Only those Unitholders holding Class A Units of the Fund will have the ability to appoint or remove Trustees at an annual meeting of Unitholders. The Trustees are currently the only holders of Class A Units of the Fund.**

Purpose and Powers

The Fund is a limited purpose trust and its operations and activities shall be investing its funds in Securities of the Limited Partnership, including but not limited to, the Class 1 LP Units and any other purpose reasonably related, ancillary or incidental thereto. Subject to and in accordance with the foregoing purpose

- (a) the Fund may acquire, invest and reinvest, or loan, indirectly through subsidiaries, in interests (including fee ownership and leasehold interests) in Trust Assets, including the LP Units;
- (b) investing and reinvesting, indirectly through subsidiaries, in raw land for development or other development projects for the purpose of renovating or expanding existing facilities;
- (c) notwithstanding paragraph (d) below, the Fund may invest and reinvest, indirectly through subsidiaries, in mortgages and mortgage bonds (including, with the consent of a majority of the Trustees, a participating or convertible mortgage) where: (i) the security therefor is income producing real property which otherwise complies with purpose of the Fund; and (ii) the amount of the mortgage loan is not in excess of seventy five (75%) percent of the market value of the property securing the mortgage;
- (d) notwithstanding paragraph (c) above, the Fund may invest and reinvest, indirectly through subsidiaries, in mortgages if the Fund intends to use the acquisition of the mortgage as a method

of acquiring control of an income producing real property which would otherwise comply with the purpose of the Fund;

- (e) the Fund may invest in a joint venture arrangement only if:
 - (i) the arrangement is formed and operated solely for the purpose of acquiring, owning, maintaining, improving, leasing or managing a particular real property or interests therein in common with others (“**joint venturers**”) either directly or through the ownership of Securities of a corporation or other entity (a “**joint venture entity**”) as co-owners; and
 - (ii) the Fund has received a legal opinion to the effect that the investment (A) would not disqualify the Fund as a “mutual fund trust” within the meaning of the Tax Act; and (B) would not result in the Fund losing any status under the Tax Act that is otherwise beneficial to the Fund and its Unitholders;
- (f) lending funds to arm’s length parties in activities which accord with the purposes of the Fund, as well as activities ancillary or incidental thereto;
- (g) acquiring, investing and reinvesting in, holding, transferring, disposing of and investing the proceeds thereof in, and otherwise dealing with, directly or indirectly, securities of corporations, partnerships, trusts or other Persons engaged, directly or indirectly, in activities which accord with the purposes of the Fund, as well as activities ancillary or incidental thereto;
- (h) holding cash in interest bearing accounts, short-term government debt or short-term investment grade corporate debt, denominated in either U.S. or Canadian dollars, for the purposes of paying the expenses and liabilities of the Fund and its subsidiaries, paying amounts owing by the Fund in connection with the redemption of any securities of the Fund and making distributions to the Unitholders;
- (i) issuing Units and other securities of the Fund (including promissory notes, securities under a trust indenture, warrants, options or other rights to acquire Units or other securities of the Fund), for any proper purposes, including:
 - (i) obtaining funds to conduct the activities of the Fund, including raising funds for further acquisitions, investments or development (including investments that are not identical to those the Fund already owns);
 - (ii) repayment of any indebtedness or borrowings of the Fund, including Trust Notes; and
 - (iii) making non-cash distributions to Unitholders;
- (j) issuing debt securities or otherwise borrowing and mortgaging, pledging, charging, granting a security interest in or otherwise encumbering any of the Fund’s assets as security, including for purposes of obtaining funds to conduct the activities of the Fund, including raising funds for further acquisitions, investments or development;
- (k) guaranteeing (as guarantor, surety or co-principal obligor) the payment of any indebtedness, liability or obligation of any affiliate of the Fund pursuant to any good faith debt on borrowed money incurred by such affiliate, and mortgaging, pledging, charging, granting a security interest in or otherwise encumbering all or any part of the Fund’s assets, as security for such guarantee;
- (l) disposing of all or any part of the Fund’s assets and reinvesting the proceeds thereof in new investments (including new investments that are not identical to those the Fund already owns);

- (m) repurchasing or redeeming Units or other securities of the Fund, subject to the provisions of the Declaration of Trust and applicable law;
- (n) satisfying the obligations, liabilities or indebtedness of the Fund;
- (o) undertaking such other activities, or taking such actions, as shall be ancillary or incidental to the foregoing and approved by the Trustees from time to time;
- (p) entering into and performing its obligations under any agreements and instruments as the Fund may be required to enter into from time to time in connection with the acquisition of real property by the Fund and its subsidiaries; and
- (q) undertaking all other usual and customary actions for the conduct of the activities of the Fund in the ordinary course as are approved by the Trustees from time to time, or as are contemplated by the Declaration of Trust.

provided, however, that the Fund shall not undertake any activity, take any action or make or retain any investment which would result (or fail to take any action where such failure would result) in (i) the Fund ceasing to qualify as a “mutual fund trust” for the purposes of the Tax Act; or (ii) the Fund not being treated as a “unit trust” for purposes of paragraph 108(2)(a) of the Tax Act.

Subject only to the specific limitations contained in the Declaration of Trust, the Trustees will have, without further or other action or authorization and free from any control or direction on the part of the Unitholders, full, absolute and exclusive power, control and authority over the assets of the Fund and over the operations of the Fund to the same extent as if the Trustees were the sole and absolute beneficial owners of such assets in their own right, to do all such acts and things as in their sole judgment and discretion are necessary or incidental to, or desirable, for the carrying out of any of the purposes of the Fund or for conducting the operation of the Fund; however, Trustees will not be able to make any investments that would result in the Fund ceasing to be a “mutual fund trust” as defined in the Tax Act. In addition, not more than forty-nine (49%) percent of the Units shall be owned by non-residents of Canada. To the maximum extent permitted by law, the Trustees, in carrying out investment activities, will 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 the Trustees. For further clarification, the Trustees will not be required to have regard to the criteria for investment for prudent trustees prescribed by the laws pertaining to trustees in any jurisdiction. In addition to the broad powers to manage the operations of the Fund solely in their discretion as described above, the Trustees have the authority to allow a fund administrator, committee or other persons to administer and regulate the operation of the Fund, to act as agents for the Fund, to execute documents on behalf of the Fund and the Trustees and to make executive decisions which conform to the general policies and principles and the investment and operating policies established by the Trustees.

The Trustees also have the power to delegate to a committee or committees, which may be comprised of all or less than all of the Trustees, or to a fund administrator, other advisors or other persons who are not Trustees, any of the powers of the Trustees, including the responsibility for administering the Fund on a day to day basis, performing the record keeping and reporting functions of the Fund and managing the investments of the Fund, subject to the overriding authority of the Trustees and the requirement for each Trustee to exercise the powers and discharge the duties of his or her office honestly, in good faith and with a view to the best interests of the Fund and the Unitholders. For greater certainty, to the extent that the Trustees contract or delegate the performance of all or a portion of their activities to a fund administrator, a Trustee or other advisor, they are deemed to have satisfied the aforesaid standard of care. The paragraphs above set out generally the powers of the Trustees to administer the Fund. The Declaration of Trust contains a list of specific powers granted to the Trustees, which specific powers in no way limit the general powers and authority described above. It should be noted that the matters in respect of which Unitholder approval is required under the Declaration of Trust are generally less extensive than the rights conferred on the shareholders of a corporation pursuant to the *Canada Business Corporations Act* (the “CBCA”), as same may be amended from time to time. Please refer to the Declaration of Trust for the specific powers granted to the Trustees, a copy of which will be provided to Subscribers upon request.

Unless otherwise required by law, the Trustees are not required to give bond, surety or security in any jurisdiction for the performance of any duties or obligations under the Declaration of Trust nor are the Trustees required to devote their entire time to the investments, purpose or affairs of the Fund. The Declaration of Trust limits the liability of the Trustees to the Fund and the Unitholders, restricting liability to gross negligence, willful misconduct or actual fraud by a Trustee. The Declaration of Trust further provides an indemnity for each Trustee and officer of the Fund by the Fund and states that, in the exercise of the powers, authorities or discretion conferred upon the Trustees by the Declaration of Trust or any other agreement, the Trustees are conclusively deemed to be acting as trustees of the assets of the Fund and will not be subject to any personal liability for any debts, liabilities, obligations, claims, demands, judgments, costs, charges, damages, penalties or expenses against or with respect to the Fund or the assets or property of the Fund and, without limiting the generality of the foregoing, the Fund is solely liable therefore and resort will be had solely to the Fund assets for payment or performance thereof.

The Trustees have the ability to amend the Declaration of Trust at any time and in any manner as determined by the Trustees in their sole and unfettered discretion. The Declaration of Trust stipulates, amongst other things (i) that only the Class B Unitholders will share in the distribution of Distributable Cash Flow (See **Item 5.1 - "Terms of Securities"**); (ii) that Class B Unitholders will only be entitled to share in Distributable Cash Flow and no other revenue, if any, received by the Fund; (iii) the valuation procedure for Class B Units in the event of redemption by the Unitholder; and (iv) the redemption rights of the Trustees.

The Trustees will be entitled to receive such reasonable compensation, if any, as the Trustees may determine from time to time for their services as Trustees, including compensation for attending board or committee meetings. Trustees will also be entitled to reimbursement of their reasonable out-of-pocket expenses incurred in acting as a Trustee and to receive remuneration, as determined by the Trustees, for services rendered to the Fund in any other capacity, either directly or indirectly. Such services may include, without limitation, services as an officer of the Fund, legal, accounting or other professional services or services as a broker or underwriter, whether performed by a Trustee or any person affiliated or associated with a Trustee.

Conflicts of Interest

The Declaration of Trust contains "conflict of interest" provisions that are designed to protect Unitholders without imposing undue limitations on the Fund. The Declaration of Trust contains provisions, similar to those contained in the CBCA, that require each Trustee or officer to disclose to the Fund, as applicable, any interest in a material contract or transaction or proposed material contract or transaction with the Fund, or the fact that such person is a director or officer or employee of, or otherwise has a material interest in, any Person who is a party to a material contract or transaction or proposed material contract or transaction with the Fund. In such a case, a Trustee or officer who has made disclosure to the foregoing effect is not entitled to vote on any resolution to approve the contract or transaction unless the contract or transaction is one relating primarily to (i) his or her remuneration as a Trustee, officer, employee or agent of the Fund, or (ii) indemnity pursuant to the Declaration of Trust or for the purchase of liability insurance.

Notwithstanding the foregoing, the requirement of a Trustee to disclose a conflict of interest does not apply to the Initial Trustees with respect to the issuance of Units to the Initial Trustees as part of the Initial Offering, the entering into of the Administration Agreement, including any amendments thereto, or the subscription for LP Units of the Limited Partnership, the exercise of voting rights granted to the LP Units of the Limited Partnership owned by the Fund, or any other matter arising from the Fund's investment in the Limited Partnership, it being understood that the Initial Trustees have a material beneficial interest in the Limited Partnership.

Rights Attaching to Units

Subject to amendment to the Declaration of Trust, each Class B Unit confers the following rights and holds the following attributes:

- (a) Each Class B Unit shall be without nominal or par value and shall be issued as fully paid and non-assessable;

- (b) Each Class B Unit shall entitle the holder thereof to one vote at all meetings of the Class B Unitholders of the Fund, if any. **Although the Class B Units carry the right to vote, the number of matters on which the Class B Unitholders are authorized to vote is very limited.** The Class B Unitholders may vote to approve a disposition of assets of the Limited Partnership to a Non-Arm's Length Party. **The Trustees have wide discretion to carry out the business of the Fund and only the Class A Units (held by the Trustees) carry the right to appoint or elect Trustees. See Item 8 - "Risk Factors";**
- (c) Each Class B Unit shall entitle the holder thereof to participate pro rata amongst all Class B Units in allocations and distributions of cash flow, net realized capital gains and other allocations and distributions pursuant to the Declaration of Trust. **See *Allocations and Distributions* below;** and
- (d) No person is entitled, as a matter of right, to subscribe for or purchase any Unit. There are no conversion, retraction, redemption or pre-emptive rights attaching to the Units other than as specifically set out in the Declaration of Trust and described below in this Offering Memorandum.

The legal ownership of the assets of the Fund and the right to conduct the affairs of the Fund are vested exclusively in the Trustees and the Unitholders will have no interest therein other than as described in the Declaration of Trust. Unitholders will have no right to compel any partition, division or distribution of the Fund or any of the assets of the Fund. The Units are personal property and confer upon the holders thereof only the interest and rights specifically set forth in the Declaration of Trust.

A Unit may be transferred by a Unitholder or his agent duly authorized in writing, to any other person, to the transferor and one or more other persons jointly, or by two or more joint holders to one or some of them, in very limited circumstances and only to the extent permitted under the Declaration of Trust and only in compliance with all applicable securities and other laws. Further, a transfer of Units will not be permitted if, as a result of the transfer, the Fund will cease to qualify as a "mutual fund trust" or a "unit trust" as defined in the Tax Act. **See Item 10 - "Resale Restrictions".**

The Fund's ability to make distributions is dependent upon the Limited Partnership generating sufficient cash flow to cover expenses (including Project Costs, the Asset Management Fee and other amounts payable entities related to the Fund) and distributing such positive cash flow, indirectly through the Limited Partnership, to the Fund. **See Item 8 - "Risk Factors".**

Class B Units have very few rights to vote on or direct actions of the Fund. The Class B Units do carry the right to vote to approve a potential disposition of the Limited Partnership's assets to a Non-Arm's Length Party. The Class A Unitholders have the sole right to elect Trustees and appoint or remove auditors of the Fund. **See Item 5.1 - "Terms of Securities" and Item 8 - "Risk Factors".**

Allocations and Distributions

Cash flow (the "**Cash Flow**") of the Fund for any Distribution Period shall include amounts received by the Fund, including, without limitation, amounts received from the Limited Partnership plus any other revenues (except proceeds from the issuance of Securities) received by the Fund in the Distribution Period, or otherwise, to the extent not previously distributed, **less all costs and expenses of the Fund that accrued or became owing in the Distribution Period**, amounts relating to the redemption of Units which have been paid or become payable in cash in the Distribution Period, including amounts owing pursuant to the terms of any outstanding Trust Notes, interest, expenses or other amounts relating to the payment of amounts borrowed by the Fund, and any other amount the Trustees may from time to time reasonably consider to be necessary to provide for the payment of any costs that have been or are reasonably expected to be incurred by the Fund, including any tax liabilities of the Fund.

The distributable Cash Flow ("**Distributable Cash Flow**"), which shall be allocated entirely to the Class B Units, shall be the Cash Flow for a given Distribution Period, **less estimated cash amounts which the Trustees reasonably consider to be necessary to provide for the payment of any costs which have been or will be incurred in the activities and operations of the Fund (including any reserves to account for redemptions of Class B Units)**, to provide for any contemplated investments in accordance with the purposes of the Fund, and to provide for the payments of any tax liability of the Fund (but excluding such amounts previously deducted in the determination of Cash Flow).

In the event of a sale or refinancing of any Trust Assets and a subsequent receipt by the Fund of Cash Flow as a result of such sale or refinancing (as determined by the Trustees in their sole and unfettered discretion), the resulting Distributable Cash Flow shall be allocated as follows: (i) payment of the operating expenses of the Fund, including any Administration Fees payable to the Administrator under the Administration Agreement, accounting for future operating expenses of the Fund and the establishment of any other reserves as determined by the Trustees from time to time; (ii) payment of any amounts related to the redemption of Class B Units including any amounts owing pursuant to the terms of any outstanding Trust Notes, as well as accounting for future redemptions of Class B Units; and (iii) any excess Cash Flow shall be allocated pro rata amongst the Class B Unitholders.

The Fund may declare and make other distributions to Unitholders, from time to time, out of the Income of the Trust, Net Realized Capital Gains of the Trust, the Capital of the Fund, or otherwise, in such amount or amounts, to the Class B Unitholders on a pro rata basis.

Where the Trustees determine that the Fund does not have available cash, taking into account other obligations of the Fund, in an amount sufficient to make payment of the full amount of any distribution which has been declared to be payable pursuant to the Declaration of Trust on the due date for such payment, the payment may, at the option of the Trustees in their sole discretion, include the pro rata issuance of additional Units to Unitholders of the applicable class of Units, or fractions of Units, if necessary, having a value equal to the difference between the amount of such distribution and the amount of cash which has been determined by the Trustees to be available for the payment of such distribution.

The Trustees may deduct and/or withhold from any distribution payable to any Unitholder all amounts required by law to be deducted and withheld. All withheld amounts shall be remitted to the appropriate Government Authority. If the amount required to be deducted or withheld exceeds the cash, if any, payable to the Unitholder, the Trustees may sell property that is transferrable to the Unitholder, or deduct or withhold from any other amount payable to the Unitholder to obtain the funds to pay the amount required to be deducted or withheld and to pay all of the Trustees' reasonable expenses with regard thereto and the Trustees shall have the power of attorney of such Unitholder to do so. No liability shall accrue to the Trust or the Trustees if property disposed of in accordance with the above described provision is sold at a loss to such affected Unitholder or sold for less than what might otherwise have been obtained if sold at a different time or in different circumstances.

Each Unitholder indemnifies the Fund and the Limited Partnership for any amount required to be deducted and/or withheld and agrees that the Fund may deduct and/or withhold any required amounts from any distribution, including distributions subsequent to the distribution requiring amounts to be withheld.

In addition to the distributions which are made payable to Unitholders, the Trustees may allocate and designate as payable any income or capital gain realized by the Fund as a result of the redemption of Trust Units pursuant to the redeeming Unitholders. Any such allocations and designations will reduce the payments otherwise due to such Unitholders for the redemption of their Trust Units, but, for the avoidance of doubt, shall not affect the calculation of the Redemption Price payable.

Unitholder Redemptions

To exercise a Unitholder's right to require redemption, a duly completed and properly executed notice requiring the Fund to redeem Units must be sent by the redeeming Unitholder. The notice and all other supporting documentation or evidence must be received by the Fund, to the satisfaction of the Trustees. Unitholders should review the redemption provisions set out in the Declaration of Trust to ensure that all redemption processes are properly carried out by the Unitholder in respect of any redemption.

Upon delivery of the redemption notice, the Unitholder shall cease to have any rights with respect to the Trust Units tendered for redemption (other than to receive payment of the redemption price), including the right to receive any distributions declared payable to Unitholders of record on a date that is subsequent to the Redemption Date.

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

- (a) if the Redemption Date is prior to September 1, 2015, eighty-five (85%) percent of the subscription price paid in respect of the Trust Unit redeemed;
- (b) if the Redemption Date is on or after September 1, 2015 but prior to September 1, 2016, ninety (90%) percent of the subscription price paid in respect of the Trust Unit redeemed; or
- (c) if the Redemption Date is on or after September 1, 2016, the fair market value of the Trust Unit redeemed.

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.

The Redemption Price may be paid by the Fund in cash or, where the total amount payable by the Fund pursuant to redemptions tendered in any given calendar month exceeds Ten Thousand (\$10,000.00) Dollars, by distributing or issuing any combination of cash and/or Trust Notes payable by the Fund, having an aggregate fair market value equal to the aggregate fair market value of the Units tendered for redemption.

Terms of the Trust Notes shall be determined by the Trustees in their sole and unfettered discretion. **There is no guarantee of repayment of Trust Notes. See Item 8 - "Risk Factors". Trust Notes will not qualify as a "qualified investment" for Exempt Plans. See Item 6.2 - "Income Tax Consequences" and Item 8 - "Risk Factors".**

The fair market value of each Class B Unit for the purposes of determining the Redemption Price above shall be the fair market value of the Fund as a whole ("**Fair Market Value**") divided by the number of issued and outstanding Class B Units on the applicable Redemption Date. The fair market value of each Class A Unit shall be deemed to be the subscription price thereof.

Fair Market Value will be determined as of a Redemption Date by an independent third party valuator with experience and expertise in the subject matter of the valuation ("**Valuator**") retained by the Trustees on behalf of the Fund. All costs and expenses of the determination of Fair Market Value shall be borne by the Fund. The determination of Fair Market Value by a Valuator shall be final and binding upon the Trustees, the Fund and all Unitholders. **See Item 8 - "Risk Factors".**

If Fair Market Value has been determined by a Valuator at any time (the "**Determination**"), the Determination shall be deemed to be the Fair Market Value of the Fund for a period of one (1) year following the Redemption Date which is the subject of the Determination ("**FMV Period**") and shall apply to redemptions for which the Redemption Date falls within the FMV Period. Notwithstanding the foregoing sentence, if there is a subsequent redemption ("**Subsequent Redemption**") and the Trustees determine, acting reasonably and in good faith, that Fair Market Value is likely to have been materially changed since the Determination, the Trustees may require that Fair Market Value be determined as at the Redemption Date in respect of the Subsequent Redemption. **See Item 8 - "Risk Factors".**

Trustee Redemption

The Trustees may redeem all of the Class B Units in the event that the Limited Partnership disposes of the property or assets purchased with funds obtained from the Fund and upon the Trustees concluding that no further Cash Flow is due and owing from the Limited Partnership (or such other third parties, as applicable) to the Fund. In such an event, the redemption price for each Class B Trust Unit shall be one tenth of one cent (\$0.001) and such funds shall be payable within sixty (60) days from the date of the redemption notice provided by the Trustees to the Class B Unitholders. The Trustees shall have the power of attorney of each Class B Unitholder to execute any documentation or perform any acts with respect to such redemption.

A copy of the Declaration of Trust is available upon request.

Administration Agreement

The following is a summary of certain material provisions of the Administration Agreement. The summary does not purport to be complete and is subject to the full text of the Administration Agreement, a copy of

which is available on request of the Administrator. Prospective Subscribers should review the complete text of the Administration Agreement. Capitalized terms used in this section but not otherwise defined shall have the meanings ascribed to them in the Administration Agreement.

The Fund has entered into an Administration Agreement with the Administrator to handle the day to day activities of the Fund. The Administrator will be paid the Administration Fee by the Fund for its services in an amount equal to \$5,000.00 per annum, payable in quarterly installments. The Administrator will also be reimbursed for all costs and expenses incurred on behalf of the Fund. Any amount payable to the Administrator that remains unpaid when so due shall remain due (whether on demand or otherwise) and bear interest (both before and after judgment), at a rate per annum equal to the prime rate charged by the Fund's banker plus 5% per annum from the date payment is due until the date payment is made.

In the event the Fund is unable to pay amounts owing to the Administrator when due, with the consent of the Administrator, the Fund may pay such amounts owing by the issuance of promissory notes, bearing interest as stated in the above paragraph, and payable in preference to any distributions to unitholders of the Fund.

Pursuant to the terms of the Administration Agreement, amongst other things, the Administrator is responsible for all matters relating to: (i) any offering of securities to the public; (ii) ensuring compliance with applicable law, including in relating to an offering of securities to the public; (iii) all matters relating to the content of any securities offering documents, the accuracy of the disclosure contained therein and the certification thereof; and (iv) all matters concerning any subscription agreements. Under the provisions of the Administration Agreement, a Trustee who is also a director, officer or employee of the Administrator may also be paid compensation by the Administrator. The Trustees of the Fund may be directors, officers or employees of the Administrator and may be paid compensation as a result of their positions with the Administrator.

The Administrator is a related party of the Fund. The Administrator is beneficially owned by the Trustees of the Fund.

A copy of the Administration Agreement is available upon request.

LP Agreement

The following is a summary of certain material provisions of the LP Agreement. The summary does not purport to be complete and is subject to the full text of the LP Agreement, a copy of which is available on request of the Administrator. Prospective Subscribers should review the complete text of the LP Agreement. Capitalized terms used in this section but not otherwise defined shall have the meanings ascribed to them in the LP Agreement.

The Limited Partnership is governed by the terms of the LP Agreement entered into between the General Partner, as general partner, and the Fund and NMCP, as limited partners. As of the date of this Offering Memorandum, the issued and outstanding LP Units are as follows:

Partner	Type of Partner	Number and Class of LP Units	Capital Contribution
Nanaimo Memory Care GP ¹ Inc.	General Partner	1 Class 3	\$ 1.00
Nanaimo Memory Care Fund	Limited Partner	5,000 Class 1	\$4,216,071.30
Nanaimo Memory Care Partnership ²	Limited Partner	5,000 Class 2	\$ 1,000.00

Notes:

- 1) 50% of the issued and outstanding voting securities of the General Partner are beneficially owned by the Trustees. The remaining 50% are owned by Avenir Projects Ltd., which is beneficially owned and controlled by David (Les) Craik, one of the Founders.
- 2) 60% of the partnership interests of NMCP are beneficially owned by the Trustees. 20% of the partnership interests of NMCP are beneficially owned by Jason Craik, one of the Founders. The remaining 20% of the

partnership interests of NMCP are beneficially owned by Violet Craik, the wife of David (Les) Craik, one of the Founders.

The Limited Partnership was formed for the purpose of using the Trust Funds, after payment of expenses and contribution by the Fund, to develop the Project. The General Partner will carry on the business of the Limited Partnership and may hold legal title to the assets of the Limited Partnership, as nominee, and for the use and benefit of and on behalf of the Limited Partnership. The Lands will be legally owned by the Bare Trustee but held for the use and benefit of the Limited Partnership pursuant to the Bare Trust Agreement. **See Item 2.7 - "Material Agreements - Bare Trust Agreement"**.

As a Limited Partner, the Fund's liability for the debts of the Limited Partnership is limited to its aggregate Capital Contribution, which, as of the date of this Offering Memorandum is \$4,216,071.30, plus its pro rata share of undistributed income. Net proceeds of this Offering which are contributed to the Limited Partnership will increase the Capital Contribution of the Fund to the Limited Partnership. In order to maintain its status as a limited partner, the Fund must not partake in the management of the Limited Partnership.

Powers, Costs, Expenses and Indemnities

The LP Agreement grants the General Partner wide powers to carry out the business of the Limited Partnership, all of which are specified in the LP Agreement, and grants the General Partner the authority to delegate certain responsibilities to third parties. Notwithstanding the general grant of authority to the General Partner, there are certain powers that may only be exercised by Extraordinary Resolution of the Partners, including removing the General Partner, amending, altering or repealing a previously passed Extraordinary Resolution, amending the LP Agreement, requiring the General Partner to enforce any obligation or covenant of a Limited Partner and, subject to certain restrictions, dissolving the Limited Partnership. Potential Subscribers should review these powers granted to the General Partner. In addition, the Class 1 Unitholder has the ability to approve a sale of Limited Partnership assets to a Non-Arm's Length Party. **See "Non-Arm's Length Disposition" below.**

The General Partner will be reimbursed for all reasonable costs incurred acting as general partner of the Limited Partnership.

The General Partner (not including its affiliates or their respective shareholders, directors, officers or employees) will indemnify and hold harmless the Fund for costs, expenses, damages or liabilities suffered or incurred by the Limited Partners if the limited liability of the Fund is lost for or by reason of the fraudulent, bad faith, reckless or willful misconduct of General Partner in performing its duties and obligations as set forth in the LP Agreement.

The Limited Partnership (only to the extent of the assets of the Partnership, including Capital Contributions and undistributed income) but, for clarity, not the Partners themselves, will indemnify the General Partner, its directors, shareholders, officers, employees or agents from and against all costs, expenses, damages or liabilities suffered or incurred by reason of the acts, omissions or alleged acts or omissions arising out of the activities of the General Partner on behalf of the Partnership under this Agreement or in furtherance of the interests of the Partnership, unless the acts, omissions or the alleged acts or omissions on which the actual or threatened action, proceeding or claim are based were not believed in good faith by the General Partner to be within the scope of the authority conferred by this Agreement or otherwise by law, or were performed or omitted fraudulently or in bad faith or constituted negligence or willful or reckless disregard of the obligations of the General Partner under this Agreement or applicable law.

The General Partner will indemnify the Partnership from and against all costs, expenses, damages or liabilities suffered or incurred by the Partnership by reason of any act or omission not believed by the General Partner in good faith to be within the scope of the authority conferred on the General Partner by this Agreement or otherwise by law or any act or omission performed or omitted constituting negligence or willful or reckless disregard of the General Partner's obligations under this Agreement or applicable law.

The General Partner may be removed by way of Extraordinary Resolution in the event the General Partner is in default of any of its obligations under the LP Agreement, and such default is not rectified within sixty (60) days of receipt of written notice of the default from the Limited Partners.

The General Partner may employ or retain affiliates, associates or other related parties of the General Partner on behalf of the Limited Partnership to provide goods or services to the Limited Partnership, provided that the costs of such goods or services are reasonable and competitive with the costs of similar goods and services provided by independent third parties.

Non-Arm's Length Disposition

The General Partner may procure a sale of any or all of the Limited Partnership's assets, including the Residence, the Lands, and/or any part or combination thereof, to a Non-Arm's Length Party provided that certain conditions are complied with, including:

- 1) The General Partner, at the expense of the Limited Partnership, obtains two appraisals of the fair market value of the assets to be sold.
- 2) The purchase price for the assets to be sold shall be no less than:
 - i) if the appraisals are within five (5%) percent of each other, the greater of the two appraisals; or
 - ii) if the appraisals are not within five (5%) percent of each other, then the General Partner shall, at the expense of the Limited Partnership, obtain a third appraisal and the purchase price shall be no less than the average of the three appraisals.
- 3) The General Partner shall submit the proposed sale to the Class 1 Unitholders (the Fund) for approval. If the Fund approves, the General Partner may complete such proposed sale.

Subscribers should note that the Declaration of Trust provides the Class B Unitholders with the right to vote their Units at a meeting of the Unitholders to approve a non-arm's length disposition as contemplated above. **See Item 2.7 - "Material Contracts - Declaration of Trust."**

Allocations and Distributions

Excess Lands

Notwithstanding the other provisions of Schedule "A" of the LP Agreement, in the event the Excess Lands are subdivided and sold:

- a) Income and Tax Income arising on the sale of the Excess Lands shall be allocated as follows:
 - a. 25% to the Class 1 Unitholders; and
 - b. 75% to the Class 2 Unitholders.
- b) Distributable Cash, if any, arising on the sale of the Excess Lands shall be distributed at the discretion of the General Partner in accordance with the following priority:
 - a. 25% of the Excess Lands Proceeds to the Class 1 Unitholders; and
 - b. The remainder to the Class 2 Unitholders.

In the event the Excess Lands are not subdivided, but rather are sold together with the Residence Lands, the General Partner shall, in its sole discretion acting reasonably, determine the amount of purchase price of the Lands allocable to the Excess Lands. Once said purchase price for the Excess Lands is determined, Income, Tax Income and Distributable Cash shall be determined and allocated based upon the determined purchase price.

Allocations of Accounting Income

Subject to the above section titled "Excess Lands", all allocations of Income shall be allocated at the discretion of the General Partner in accordance with the following priority:

- c) 0.01% to the Class 3 Unitholder;
- d) The remainder as follows:
 - a. First, to the Class 1 Unitholders, until the total Income allocated to the Class 1 Unitholders over the duration of the Limited Partnership is equal to the Initial Fund Return Amount less the Gross Subscription Amount;
 - b. Second, 50% to the Class 1 Unitholders and the other 50% to the Class 2 Unitholders, until the total Income allocated to the Class 1 Unitholders over the duration of the Limited Partnership is equal to the Second Fund Return Amount less the Gross Subscription Amount; and
 - c. The remainder, as follows:
 - i. 25% to the Class 1 Unitholders; and
 - ii. 75% to the Class 2 Unitholders.

Allocation of Tax Income

Subject to the above section titled "Excess Lands", all allocations of Tax Income shall be allocated at the discretion of the General Partner in accordance with the following priority:

- a) 0.01% to the Class 3 Unitholder;
- b) The remainder as follows:
 - a. First, to the Class 1 Unitholders, until the total Tax Income allocated to the Class 1 Unitholders over the duration of the Limited Partnership is equal to the Initial Fund Return Amount less the Gross Subscription Amount;
 - b. Second, on a dollar for dollar basis, 50% to the Class 1 Unitholders and the other 50% to the Class 2 Unitholders, until the total Tax Income allocated to the Class 1 Unitholders over the duration of the Limited Partnership is equal to the Second Fund Return Amount less the Gross Subscription Amount; and
 - c. The remainder, as follows:
 - i. 25% to the Class 1 Unitholders; and
 - ii. 75% to the Class 2 Unitholders.

Allocations of Loss and Tax Loss

All allocations of Loss and Tax Loss shall be allocated at the discretion of the General Partner amongst all Partners in proportion to the Partners' Capital Account balances.

Distributable Cash

All distributions of Distributable Cash shall be distributed at the discretion of the General Partner in accordance with the following priority:

- a) First, any amounts to be distributed pursuant to the section above titled "Excess Lands", to the extent such distributions have not previously been made;
- b) Second, to the Class 1 Unitholders, until the total Distributable Cash distributed to the Class 1 Unitholders over the duration of the Limited Partnership, inclusive of any amounts distributed pursuant to the section above titled "Excess Lands", is equal to the Initial Fund Return Amount plus the Redemption Amount;
- c) Third, to the payment of the Deferred Fees;
- d) Fourth, on a dollar for dollar basis, 50% to the Class 1 Unitholders and the other 50% to the Class 2 Unitholders, until the total Distributable Cash distributed to the Class 1 Unitholders over the duration of the Limited Partnership, inclusive of any amounts distributed pursuant to the section above titled "Excess Lands", is equal to the Second Fund Return Amount plus the Redemption Amount; and
- e) The remainder, as follows:
 - a. 25% to the Class 1 Unitholders; and
 - b. 75% to the Class 2 Unitholders.

Liquidation, Dissolution or Winding-Up

In the event of the liquidation, dissolution or winding-up of the Limited Partnership or other distribution of the assets of the Limited Partnership for the purpose of winding-up its affairs or upon a return of capital, all accrued and unpaid distributions of cash, if any, and distributions of the property or assets of the Limited Partnership shall be allocated as follows:

- a) First, to pay or provide for the payment of the debts and liabilities of the Limited Partnership, including reimbursement of expenses of the Limited Partnership incurred by the General Partner and liquidation expenses, but excluding the Deferred Fees; and
- b) Second, any amounts to be distributed pursuant to the section above titled "Excess Lands", to the extent such distributions have not previously been made;
- c) Third, to the Class 1 Unitholders, until the total Distributable Cash distributed to the Class 1 Unitholders over the duration of the Limited Partnership, inclusive of any amounts distributed pursuant to the section above titled "Excess Lands", is equal to the Initial Fund Return Amount plus the Redemption Amount;
- d) Fourth, to the payment of the Deferred Fees;
- e) Fifth, on a dollar for dollar basis, 50% to the Class 1 Unitholders and the other 50% to the Class 2 Unitholders, until the total Distributable Cash distributed to the Class 1 Unitholders over the duration of the Limited Partnership, inclusive of any amounts distributed pursuant to the section above titled "Excess Lands", is equal to the Second Fund Return Amount plus the Redemption Amount; and
- f) The remainder, as follows:
 - a. 25% to the Class 1 Unitholders; and
 - b. 75% to the Class 2 Unitholders.

Allocations and Distributions Generally

Any amount allocated or distributed to a class of unitholders of the Limited Partnership pursuant to the terms of this Agreement shall be allocated or distributed, as applicable, amongst the unitholders of such class on the applicable date for distribution or allocation, on a pro rata basis, according to the ratio the number of LP Units of such class owned by a unitholder of the Limited Partnership bears to the total LP Units of such class that are issued and outstanding as of a relevant date..

Restrictions on Transfer

No partner may transfer its LP Units except with the prior consent of the General Partner and otherwise in accordance with the LP Agreement.

Meetings of the Partners

The General Partner may call meetings of the Partners as it considers appropriate. Limited Partners holding, in the aggregate, not less than fifteen (15%) percent of the outstanding LP Units may require the General Partner to call a meeting of Partners. Quorum at any meeting of the Partners shall consist of a majority of the Partners entitled to vote at such meeting holding a majority of the LP Units entitled to be voted at such meeting.

Dissolution/Termination

The Limited Partnership shall dissolve upon the occurrence of any of the following events or dates:

- 1) the acquisition of all LP Units by one Partner;
- 2) the passage of an Extraordinary Resolution approving the dissolution of the Partnership;
- 3) the sale of all or substantially all of the assets of the Limited Partnership;
- 4) the removal or resignation of the General Partner unless the General Partner is replaced as provided herein or in the resolution removing the General Partner; or
- 5) September 1, 2075, unless the Partners unanimously consent to another date.

Upon dissolution, the General Partner shall liquidate the assets of the Limited Partnership and use the proceeds to pay all debts and liabilities of the Limited Partnership, including reimbursement of expenses incurred by the Limited Partnership, and, following satisfaction of the debts and liabilities, any remaining assets shall be distributed to the Limited Partners in accordance with the LP Agreement.

Related Parties

The Limited Partnership and General Partner are each related parties of the Fund. The General Partner is beneficially owned by the Founders (including the Trustees), and the Stephen Suske (a Trustee and Founder) and David (Les) Craik (a Founder) are its directors.

In addition, the other Limited Partner, NMCP, is a related party of the Fund as it is controlled, directly or indirectly, by the Founders.

Amendment

No amendment may be made to the LP Agreement which would have the effect of reducing a Limited Partner's share of income, reducing a Limited Partner's interest, changing the liability of a Limited Partner, allowing a Limited Partner to exercise control over or manage the business of the Limited Partnership, changing the voting rights of Partners, without the unanimous consent of the Partners.

The General Partner may amend any provision of the LP Agreement from time to time for the purpose of adding, amending, or deleting provisions, in the opinion of the General Partner, acting reasonably, are for the protection or benefit of the Limited Partners, to cure an ambiguity provided the cure does not materially adversely affect the Limited Partners, to make such other provisions in regard to such matters or questions arising under the LP Agreement which, in the opinion of the General Partner, acting reasonably, do not and will not materially and

adversely affect the interests of the Limited Partners, or to make such amendments or deletions to take into account the effect of any change in, amendment of or repeal of any applicable legislation, which amendments, in the opinion of the General Partner, acting reasonably, do not and will not materially and adversely affect the interests of any Limited Partner.

Lands Purchase Contract

The following is a summary of certain material provisions of the Lands Purchase Contract. The summary does not purport to be complete and is subject to the full text of the Lands Purchase Contract, a copy of which is available on request of the Administrator. Prospective Subscribers should review the complete text of the Lands Purchase Contract. Capitalized terms used in this section but not otherwise defined shall have the meanings ascribed to them in the Lands Purchase Contract.

The Lands Purchase Contract was an agreement between the Bare Trustee and Edgewater Retirement Inc., a British Columbia corporation beneficially owned by two of the Founders, David (Les) Craik and Stephen Suske, with respect to the purchase of the Lands. The purchase price for the lands was agreed upon at Two Million Three Hundred and Fifty Thousand (\$2,350,000.00) Dollars ("**Lands Purchase Price**"), payable by way of a Twenty Thousand (\$20,000.00) Dollar deposit and the balance payable on the closing date ("**Closing Date**"). The Closing Date of the purchase and sale was originally stated as August 3, 2014.

By way of addendums dated July 24, 2014, September 15, 2014, October 25, 2014, November 28, 2014, January 20, 2015 and January 30, 2015, the parties agreed, among other things, to increase the deposits paid by the Bare Trustee and extend the Closing Date to on or before March 31, 2015. The purchase of the Lands was completed on March 30, 2015 and title to the Lands is now held by the Bare Trustee on behalf of the Limited Partnership pursuant to the Bare Trust Agreement. **See Item 2.7 - "Material Agreements - Bare Trust Agreement".**

The addendum to the Lands Purchase Contract dated September 15, 2014 provided that, in exchange for extending the Closing Date, the Bare Trustee would assume responsibility for the outstanding taxes owing with respect to the Lands and the seller's outstanding legal fees with respect to the transaction. These amounts were estimated to be \$50,000 and \$13,000, respectively. On the Closing Date, the Limited Partnership paid \$49,848.87 with respect to the taxes owing and \$12,790.54 with respect to the legal fees, in addition to the Lands Purchase Price.

Bare Trust Agreement

The following is a summary of certain material provisions of the Bare Trust Agreement. The summary does not purport to be complete and is subject to the full text of the Bare Trust Agreement, a copy of which is available on request of the Administrator. Prospective Subscribers should review the complete text of the Bare Trust Agreement. Capitalized terms used in this section but not otherwise defined shall have the meanings ascribed to them in the Bare Trust Agreement.

The Bare Trust Agreement governs the relationship between the Bare Trustee, as the legal and registered owner of the Lands, and the General Partner in its capacity as general partner of the Limited Partnership ("**Owner**"), as the beneficial owner of the Lands. Pursuant to the Bare Trust Agreement, the parties thereto acknowledge and agree that the Bare Trustee holds legal and registered title to the Lands as bare trustee and mere nominee of the Owner. The Bare Trustee covenants and agrees to, among other things:

1. transfer legal and registered title to the Lands to the Owner, or such other person as the Owner shall direct;
2. hold all rents and profits from the Lands, if any, as bare trustee and mere nominee of the Owner; and
3. execute a blank freehold transfer in favour of the Owner sufficient to transfer the legal title to the Lands to the Owner which the Owner will hold, and the Owner shall be at liberty to register in the land title office at any time.

The Bare Trustee, General Partner, Limited Partnership and the Fund are all related parties.

Commitment Letter

The following is a summary of certain material provisions of the Commitment Letter. The summary does not purport to be complete and is subject to the full text of the Commitment Letter, a copy of which is available

on request of the Administrator. Prospective Subscribers should review the complete text of the Commitment Letter. Capitalized terms used in this section but not otherwise defined shall have the meanings ascribed to them in the Commitment Letter.

First National provided the Bare Trustee and the Limited Partnership (collectively, the "**Borrower**") and the Additional Guarantors with the Commitment Letter with respect to the terms and conditions on which First National is prepared to provide the Bank Financing. The Borrower and the Additional Guarantors accepted the Commitment Letter on October 28, 2014.

The Commitment Letter provides that First National is prepared to lend the Borrower an amount equal to the lesser of Eleven Million Five Hundred Forty-One Thousand Six Hundred and Six (\$11,541,606) Dollars and 65% of the construction budget as approved by First National (the "**Loan Amount**"). The Commitment Letter contains an understood construction budget of Seventeen Million Seven Hundred Fifty-Six Thousand Three Hundred and Eighteen (\$17,756,318) Dollars but the final amount is subject to approval by First National prior to any advance being made.

Interest shall be payable on any outstanding principal amount at a rate equal to the greater of: (a) The Royal Bank of Canada Prime Rate plus two (2%) percent; and (b) five (5%) percent, calculated daily and payable monthly in arrears on the first day of each month. The entire principal amount shall be repaid on or before December 31, 2018, unless otherwise demanded by First National prior thereto.

The Borrower is required to pay certain fees, including:

- 1) Set-Up Fee of Twenty Thousand (\$20,000) Dollars ("**Initial Set-Up Fee**") of the Set-Up Fee was paid upon execution of the Commitment Letter.
- 2) Processing Fee equal to One Hundred Fifteen Thousand Four Hundred and Sixteen (\$115,416) Dollars payable on the first loan advance.
- 3) Standby Fee equal to one quarter of one (0.25%) percent per annum of the undrawn loan amount, commencing thirty days following execution of the Commitment Letter. The Standby Fee has been accruing on the Loan Amount since November 27, 2014, totaling approximately \$17,000 as of the date of this Offering Memorandum. This accrued Standby Fee will be paid out of the first advance but will thereafter cease to accrue.

The Bank Financing will be a demand credit facility secured by the Financing Documents. **See Item 8 - "Risk Factors"**. Financing Documents will include, but are not limited to:

- 1) First Ranking Collateral Mortgage over the Lands;
- 2) General Security Agreement of the Limited Partnership;
- 3) General Assignment of Leases and Rents;
- 4) Guarantees of the Additional Guarantors; and
- 5) Assignment of Rights and Interests in licenses and permits and construction contracts.

The Loan Amount is payable by First National in advances as the Project progresses.

Each advance made by First National will be subject to a number of conditions precedent in favour of First National, including, but not limited to:

- 1) Due diligence review of the Project by First National, including review of permits, zoning, environmental, budget, appraisals and material agreements, including any amendments thereto;
- 2) Approval by First National of the plans and specifications of the Residence; and
- 3) Fixed price contracts are obtained by major contractors and suppliers for the construction of the Residence.

As of the date of this Offering Memorandum, not all of the conditions contained in the Commitment Letter have been satisfied. Satisfaction of all conditions is determined by First National in its sole discretion. As a result there can be no assurances that First National will provide the Bank Financing on the same terms and conditions set forth in the Commitment Letter, or at all. See Item 8 - "Risk Factors".

First National has the right to cancel the Commitment Letter and any obligation to make an advance in a number of situations, including:

- 1) If the first advance is not made on or prior to October 1, 2015;
- 2) The Borrower or an Additional Guarantor is in breach of any representation and warranty set out in the Commitment Letter; and
- 3) In the opinion of First National, a material adverse change in the financial position of the Borrower, the condition of the Lands or the viability of the Project, has occurred.

The Limited Partnership will be responsible for all costs and expenses of First National, including legal and due diligence, regardless of whether First National makes an advance under the Commitment Letter.

Construction Management Agreement

The following is a summary of certain material provisions of the Construction Management Agreement. The summary does not purport to be complete and is subject to the full text of the Construction Management Agreement, a copy of which is available on request of the Administrator. Prospective Subscribers should review the complete text of the Construction Management Agreement. Capitalized terms used in this section but not otherwise defined shall have the meanings ascribed to them in the Construction Management Agreement.

The General Partner, on behalf of the Limited Partnership, has entered into the Construction Management Agreement. The Construction Management Agreement appoints the Construction Manager to oversee all aspects of the construction of the Residence, in exchange for the Construction Management Fee.

The duties and responsibilities of the Construction Manager as set forth in the Construction Management Agreement include, but are not limited to:

- (a) Provide administrative services to the General Partner, including establishing a preliminary budget and, once bids are received for the construction of the Residence, establish a final budget to be approved by the General Partner;
- (b) Coordinate all contract work with the help of consultants;
- (c) Obtain bids from subcontractors and suppliers of materials and equipment for the Project;
- (d) Ensure subcontractors and suppliers comply with the general terms of any contracts entered into with such parties;
- (e) Prepare draw requests to be submitted by the General Partner to the Lender with respect to advances under the Bank Financing;
- (f) Liaise with the General Partner and subcontractors and suppliers regarding the payment of invoices;
- (g) Obtain a certificate of substantial completion;
- (h) Provide general supervision throughout the construction of the Residence;
- (i) Create final plans and specifications in compliance with applicable laws, rules and standards;
- (j) Select materials, building systems and equipment;
- (k) Establish a construction schedule;
- (l) Coordinate inspections and obtain approvals from applicable building authorities;

- (m) Submit to the General Partner for approval any change order that is not less than \$50,000.00;
- (n) Provide assistance to the General Partner with respect to any disputes arising out of work performed by a contractor or subcontractor; and
- (o) Provide design management services including the selection of finishing, furniture, fixtures and other related items.

In exchange for the services to be provided, the Construction Manager will receive the Construction Management Fee and be reimbursed for expenses incurred in relation to the Project.

The Construction Manager covenants, among other things, to carry out its duties and responsibilities in a competent, efficient and diligent manner, in accordance with the standards of a first class construction manager and in the best interests of the General Partner, to keep and maintain accurate books and records of the Project, and to provide access to such books, records and other construction information and documents as requested by the General Partner.

The General Partner agrees to indemnify and hold the Construction Manager and its construction consultant harmless from and against all loss, damage, liability or expense suffered or incurred by, or claim made against the Construction Manager or its construction consultant in connection with the Project, unless due to the negligence, breach of contract or misconduct of the Construction Manager or its construction consultant.

The General Partner may terminate the Construction Management Agreement upon the occurrence of an event of default (as defined in the Construction Management Agreement), including where the Construction Manager fails to remedy or proceed diligently to remedy a breach by the Construction Manager within 30 days following receipt of written notice from the General Partner

The Construction Manager is owned and controlled by David (Les) Craik, one of the Founders. Since Mr. Craik is a Founder and also a director and beneficial owner of 50% of the voting securities of the General Partner, there may be a conflict of interest in certain circumstances where the General Partner is to approve actions of, payments to or sanctions against, the Construction Manager.

Asset Management Fee Agreement

The following is a summary of certain material provisions of the Asset Management Agreement. The summary does not purport to be complete and is subject to the full text of the Asset Management Agreement, a copy of which is available on request of the Administrator. Prospective Subscribers should review the complete text of the Asset Management Agreement. Capitalized terms used in this section but not otherwise defined shall have the meanings ascribed to them in the Asset Management Agreement.

The Asset Management Fee Agreement provides for the payment of the Asset Management Fee by the Limited Partnership to Sussex Retirement Living Inc. (60%), 0794671 BC Ltd. (20%) and Teykeeday Projects Corp. (20%) in return for high level guidance provided by the aforementioned entities. The Asset Management Fee Agreement terminates on the winding up or dissolution of the Limited Partnership. Termination shall not alleviate the Limited Partnership's obligations to pay any fees due and owing as of the date of termination.

Sussex Retirement Living Inc. is a Canadian corporation controlled by the Trustees. 0794671 BC Ltd. is a British Columbia corporation controlled by David (Les) Craik, one of the Founders. Teykeeday Projects Corp. is a British Columbia corporation controlled by Jason Craik, one of the Founders and the son of David (Les) Craik. As a result of the foregoing, there may be a conflict of interest between the parties to the Asset Management Fee Agreement because the General Partner is beneficially controlled or directed by the Trustees and David (Les) Craik.

Development and Success Fee Agreement

The following is a summary of certain material provisions of the Development and Success Fee Agreement. The summary does not purport to be complete and is subject to the full text of the Development and Success Fee Agreement, a copy of which is available on request of the Administrator. Prospective Subscribers should review the complete text of the Development and Success Fee Agreement. Capitalized terms used in this

section but not otherwise defined shall have the meanings ascribed to them in the Development and Success Fee Agreement.

The Development and Success Fee Agreement provides for the payment of the Development Fee and Success Fee by the Limited Partnership to Sussex Retirement Living Inc. (60%), 0794671 BC Ltd. (20%) and 684496 BC Ltd. (20%) in return for high level guidance provided by the aforementioned entities with respect to the overall vision of the Project, including with respect to concept, property acquisition, planning, modelling, financing, and the sale of the Residence. The Development and Success Fee Agreement terminates on the winding up or dissolution of the Limited Partnership. Termination shall not alleviate the Limited Partnership's obligations to pay any fees due and owing as of the date of termination.

Sussex Retirement Living Inc. is a Canadian corporation controlled by the Trustees. 0794671 BC Ltd. is a British Columbia corporation controlled by David (Les) Craik, one of the Founders. 684496 BC Ltd. is a British Columbia corporation controlled by Jason Craik, one of the Founders and the son of David (Les) Craik. As a result of the foregoing, there may be a conflict of interest between the parties to the Development and Success Fee Agreement because the Limited Partnership is beneficially controlled or directed by the Trustees and David (Les) Craik.

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

3.1 COMPENSATION AND SECURITIES HELD

Name and municipality of principal residence	Positions held (e.g., director, officer, promoter and/or principal holder) and the date of obtaining that position	Compensation paid by issuer or related party in the most recently completed financial year and the compensation anticipated to be paid in the current financial year	Number, type and percentage of securities of the issuer held after completion of min. offering	Number, type and percentage of securities of the issuer held after completion of max. offering
Aurele Simourd, Ottawa, Ontario	Trustee, Principal Holder and Promoter of the Fund	Mr. Simourd is a beneficial owner of the Administrator. To the extent the Administrator earns the Administration Fee, Mr. Simourd will benefit. He will not be directly paid.	1 Class A Unit, representing 33% of the Class A Units Outstanding	1 Class A Unit, representing 33% of the Class A Units Outstanding
Stephen Suske, Toronto, Ontario	Trustee, Principal Holder and Promoter of the Fund	Mr. Suske is a beneficial owner of the Administrator. To the extent the Administrator earns the Administration Fee, Mr. Suske will benefit. He will not be directly paid.	1 Class A Unit, representing 33% of the Class A Units Outstanding	1 Class A Unit, representing 33% of the Class A Units Outstanding
Ken Craig, Nepean, Ontario	Trustee, Principal Holder and Promoter of the Fund	Mr. Craig is a beneficial owner of the Administrator. To the extent the Administrator earns the Administration Fee, Mr. Craig will benefit. He will not be directly paid.	1 Class A Unit, representing 33% of the Class A Units Outstanding	1 Class A Unit, representing 33% of the Class A Units Outstanding
David (Les) Craik	Promoter of the Fund	Mr. Craik is the beneficial owner of Avenue Lifestyles Corp. which will be paid a \$60,000 design fee from the Limited Partnership.	nil	nil
Jason Craik	Promoter of the Fund	Nil	nil	nil
SFT Sussex	Principal Holder of	Nil	nil	3,500 Class B

Holdings Limited ²	the Fund			Units, representing 5% of the Class B Units Outstanding ³
-------------------------------	----------	--	--	--

Notes:

1. in addition to the disclosure above, the above persons are beneficial owners of various entities related to the Fund and Limited Partnership, and will receive compensation indirectly through the payment of management fees by, and equity interests in, the Limited Partnership, but not specifically to benefit the Fund.
2. SFT Sussex Holdings Limited is owned and controlled by Aurele Simourd, one of the Trustees and Founders.
3. It is anticipated that these Class B Units be issued pursuant to the Sussex Subscription. **See Item 2.2 - "Our Business"**.

3.2 MANAGEMENT EXPERIENCE

Name	Principal occupation and related experience
Aurele Simourd	Since October, 2013, Aurele has acted as the President and CEO of Sussex Retirement living. Aurele brings over 40 years of experience in commercial lending, consulting, real estate development and ownership. Aurele has loaned over \$2 billion for commercial real estate projects across a variety of industries, including healthcare. On a personal note, Aurele's mother was diagnosed with Lewy body dementia. This firsthand understanding of the disease and current care options fuel his passion to develop person-centered Memory Care facilities.
Stephen (Steve) Suske	For the last five years Steve has acted as President and CEO of Suske Capital Inc., a Canadian private equity firm with a focus on real estate, emerging technology and renewable energy. Steve is the founder of Chartwell Seniors Housing REIT and Regal Lifestyle Communities Inc., both listed on the Toronto Stock Exchange. Since 2003, he has developed over 50 retirement residences through his roles as President and CEO of Spectrum Seniors Housing Development Corporation (which was amalgamated with Suske Capital Inc. to form the amalgamated Suske Capital Inc. on January 1, 2015) and as Chair of MTCO Holdings Inc. He is a passionate advocate of public policy around seniors housing and care.
Ken Craig	Ken has spent the last 3 years as President and Founding Partner of Altaview Financial Group. Altaview is a home for financial advisors to offer multiple financial services under one roof. The aim is to offer a diversified investment platform to the mass-affluent that was previously only available to high-net-worth and institutional investors. He is also the Co-Founder of Lonsdale Private Wealth, a discretionary money management service used by financial advisors across Canada. Prior to Altaview, Ken spent 5 years at an internationally recognized land-based investment and development group that manages over \$3 billion in assets.
John Cathrae	For the last year, John Cathrae has acted as the CFO of Sussex Retirement Living. His daily responsibilities include financial modelling, review of financial performance, strategy for growth and other general duties. Before Sussex John spent 16 years as the Vice-President of Mask Management Consultants Limited, a company that has provided services for financial institutions such as banks, life insurance companies, pension funds and the Canadian Mortgage Housing

	Corporation.
David (Les) Craik	For the past 5 years Les has acted as President and Owner of the Avenir Group of Companies. Avenir is a leading developer of Independent, Assisted Living and Memory Care Retirement Facilities in the United States and Canada. Les has Over 30 years of experience as a real estate developer and nearly 15 years of experience building Independent Living and Assisted Living facilities.
Jason Craik	For the past 5 years Jason has acted as Vice-President and Principal for the Avenir Group of Companies. Avenir is a leading developer of Independent, Assisted Living and Memory Care Retirement Facilities in the United States and Canada. Jason has over 20 years of real estate development experience. Jason also co-founded MAC Marketing Solutions, one of North America's leading condominium marketing companies with over \$4 billion in sales.

3.3 PENALTIES, SANCTIONS AND BANKRUPTCY

To the best of our knowledge, no trustee, senior officer or control person of the Fund or Trustees, nor any issuer of which those persons were a director, trustee, senior officer or control person, have been subject to any penalty or sanction or any proceedings under any bankruptcy or insolvency legislation or compromise with creditors or the appointment of a receiver during the preceding ten (10) years.

David (Les) Craik and Jason Craik, two of the Founders who are not Trustees nor directly involved in the Fund, but will be involved in the business of the Limited Partnership, were executive officers and directors of Arte Senior Housing LLC ("Arte"), an Arizona corporation which developed and built a seniors living facility in Scottsdale, Arizona (the "Facility"). Arte had obtained approximately US\$34.25 million in construction financing (the "Note") from Bank of America, a reputable bank based in the United States. During the credit crisis and after the Facility was constructed and was being leased-up by Arte, the Note was sold to a subsidiary of Square Mile Capital Management LLC ("Square Mile"), a US-based fund, for US\$26.75 million. Square Mile immediately demanded repayment of the Note and commenced foreclosure proceedings. To stave off foreclosure, Arte voluntarily petitioned for Chapter 11 Bankruptcy Protection in Arizona on July 5, 2012. Arte and Square Mile eventually came to a settlement which, among other things, provided for the sale of the Facility for US\$30 million and payment to Square Mile of approximately US\$31 million in full and final satisfaction of the Note and related amounts owing thereunder. The US\$1 million shortfall and legal fees of US\$.750 million were paid by Arte. The US\$31 million settlement funds represented a US\$4.25 million premium over the amount paid by Square Mile for the Note. Upon completion of the settlement, the Chapter 11 case was dismissed and the Trustees have been advised by the Craiks that all other creditors of Arte were paid in full.

Similarly, notwithstanding that the circumstances fall outside the time frame for disclosure required by this Item 3.3, the Trustees wish to disclose the following. Aurele Simourd, one of the Trustees, was a co-defendant in a lawsuit brought against, *inter alios*, he and his former employer (Metropolitain Trust Co. of Canada ("Metropolitan")). The allegations stemmed from mortgage loans arranged between 1986 and 1988 by Metropolitan for which Mr. Simourd was one of the ultimate lenders. The debtor plaintiff defaulted on the loan and Metropolitan appointed a receiver who eventually sold the security. The plaintiff brought the action in 1988 alleging, *inter alia*, fraud and breach of trust for the failure of Metropolitain and Mr. Simourd, who was one of the employees who procured the loan, to disclose Mr. Simourd's involvement, and for charging fraudulent and excessive fees. The plaintiff was successful in the action and Metropolitan and Mr. Simourd were found jointly liable on the basis of fraud, deceit and breach of trust. Mr. Simourd was jointly liable for damages totaling \$266,600.00, plus interest. The decision of the Ontario Superior Court of Justice, dated May 31, 2001, is cited as 561895 Ontario Inc. v. Metropolitan Trust Co. of Canada, [2001] O.J. No. 2162. Subsequent to the trial decision, the plaintiff appealed the trial judge's decision to not award punitive damages and sought to increase the quantum of damages awarded by the trial judge. This appeal, dated December 10, 2004 and cited as 561895 Ontario Inc. v. Metropolitan Trust Co. of Canada, 193 OAC 71¹, was dismissed.

¹ This decision can be viewed online at <http://www.canlii.org/en/on/onca/doc/2004/2004canlii46650/2004canlii46650.html>.

3.4 LOANS

As of the date of this Offering Memorandum, there are no debentures or loans due to or from any of the directors, management, promoters or principal holders of the Fund or Trustees.

ITEM 4: CAPITAL STRUCTURE

4.1 UNIT CAPITAL

Description of security ¹	Number authorized to be issued	Price per security	Number outstanding as at May 29, 2015	Number outstanding after min. offering	Number outstanding after max. offering
Class A Units ²	unlimited	\$1.00	3	3	3
Class B Units ³	Unlimited	\$100.00, subject to change pursuant to the Declaration of Trust	51,890	0	70,000

Notes:

1. The material terms of the securities are contained in the Declaration of Trust - **See Item 2.7 - "Material Agreements - LP Agreement"** and **Item 5.1 - "Terms of Securities"**.
2. The Class A Units are held by the Trustees. They carry the right to vote on various matters in respect of the Fund, including the election of Trustees, but do not carry any rights to participate in the income or distributions of cash flow of the Fund.
3. The Class B Units will be issued pursuant to this Offering. They carry the right to receive allocations of income and distributions of cash flow but do not carry the right to vote on any matters in respect of the Fund.

4.2 LONG TERM DEBT SECURITIES

As of the date of this Offering Memorandum, the Fund has no long term debt.

4.3 PRIOR SALES

Date of issuance	Type of security issued	Number of securities issued	Price per security	Total funds received ²
October 20, 2014	Class B Unit	1 ¹	\$500.00	\$500.00
November 20 ,2014	Class B Unit	1,551	\$100.00	\$155,100
December 18 , 2014	Class B Unit	12,641	\$100.00	\$1,264,100
January 19, 2015	Class B Unit	2,024	\$100.00	\$202,400
February 18 , 2015	Class B Unit	8,354	\$100.00	\$835,400
March 18 , 2015	Class B Unit	8,535	\$100.00	\$853,500
April 29 ,2015	Class B Unit	18,785	\$100.00	\$1,878,500

Notes:

1. The initial Class B Unit was issued to the initial Unitholder upon formation of the Fund. This one Class B Unit was redeemed upon the issuance of Class A Units to the Trustees. The provisions setting forth the redemption of the initial Unitholder's one Class B Unit are contained in the Declaration of Trust - **See Item 2.7 - "Material Agreements - Declaration of Trust"**.
2. These amounts are gross funds received by the Fund, prior to payment of Commissions and other expenses of the Fund.

ITEM 5: SECURITIES OFFERED

5.1 TERMS OF SECURITIES

The intended material terms of the Class B Units being offered include:

Rights Attaching to Units

Units will be subject to the terms and conditions of the Declaration of Trust. The statements in this Offering Memorandum concerning the Declaration of Trust are intended to be only a summary of the provisions of the Declaration of Trust and do not purport to be complete. A copy of the Declaration of Trust will be provided to each prospective Subscriber on request in writing to the Fund. Following receipt of the Offering Memorandum, each prospective Subscriber should review with his, her or its advisors the provisions of the Declaration of Trust for the complete details of these provisions and all other provisions thereof. All capitalized terms in this section not otherwise defined herein shall have the meaning set out in the Declaration of Trust.

Units

The beneficial interests in the Fund are divided into classes of interests, 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, as amended from time to time. The Trustees of the Fund are authorized to create an unlimited number of classes of Units. The Fund may issue an unlimited number of Units of each class of Units. Each Unitholder's interest in the Fund is determined by the rights and obligations as set out in the Declaration of Trust and the number of Units held. Units may be issued by the Fund at the times, to the persons, for the consideration and on the terms and conditions that the Trustees determine in their sole discretion and, without limiting the generality of the foregoing and subject to applicable securities law, the Trustees may authorize the payment of a commission or other fee to any person in consideration of such person purchasing or agreeing to purchase Units from the Fund or for finding, procuring or agreeing to find or procure purchasers of Units. The Trustees may also authorize and allow

commercially reasonable discounts to persons in consideration of their subscribing or agreeing to subscribe for Units, or agreeing to produce subscriptions therefor, whether absolute or conditional. Upon any issue of Units, the name of the Subscriber will promptly be recorded in the Unit register as the owner of the number of Units issued to such Subscriber, or if the Subscriber is already a Unitholder, the register will be amended to include such additional Units.

The Trustees may in their sole discretion without Unitholder approval, create one or more additional classes of Units of the Fund, as and when they see fit, with each such class of Units being comprised of such number of Units and having such rights and being subject to such limitations, restrictions and conditions as the Trustees deem advisable notwithstanding that such rights may be more favourable or rank in priority to any one or more classes of the Units including, without limitation, the Class B Units then in existence or may have limitations, restrictions and conditions less onerous than those of any one or more classes of the Units including, without limitation, the Class B Units then in existence. Subject to the provisions of the Declaration of Trust, the Trustees may also amend, in their sole discretion, the rights and characteristics of any Units in existence, without Unitholder approval.

Rights and Characteristics of the Units

Each Unit confers the right to one vote on any resolution of Unitholders, whether conducted at a meeting of Unitholders or in writing; **however, it should be noted that Unitholders owning Class B Units are very limited in the matters that they may vote upon as, pursuant to the terms of the Declaration of Trust, the Trustees and the Class A Unitholders determine the vast majority of the matters respecting the Fund.** Class B Unitholders do have a right to instruct the Trustees to exercise the right to vote LP Units owned by the Fund in respect of a proposed sale of assets by the Limited Partnership to a Non-Arm's Length Party.

All Class B Units outstanding from time to time will participate pro rata in any distributions from the Fund to the Class B Unitholders. No person is entitled, as a matter of right, to subscribe for or purchase any Unit. There are no conversion, retraction, redemption or pre-emptive rights attaching to the Units other than as specifically set out in the Declaration of Trust and described below in this Offering Memorandum.

The legal ownership of the assets of the Fund and the right to conduct the affairs of the Fund are vested exclusively in the Trustees, and the Unitholders will have no interest therein other than as described in the Declaration of Trust. Unitholders will have no right to compel any partition, division or distribution of the Fund or any of the assets of the Fund. The Units are personal property and confer upon the holders thereof only the interest and rights specifically set forth in the Declaration of Trust. A Unit may be transferred by a Unitholder or his agent duly authorized in writing, to any other person, to the transferor and one or more other persons jointly, or by two or more joint holders to one or some of them, in very limited circumstances and **only to the extent permitted under the Declaration of Trust and only in compliance with all applicable securities and other laws.** Further, a transfer of Units will not be permitted if, as a result of the transfer, the Fund will cease to qualify as a "mutual fund trust" or a "unit trust" as defined in the Tax Act. **See Item 10 - "Resale Restrictions".**

Allocation of Distributable Cash amongst Units

It is the Fund's current intention to distribute one hundred (100%) percent of any distributable cash received by it from the Limited Partnership, on an on-going basis, less a reasonable amount that will be set aside by the Trustees to deal with redemption of Units, including any amounts owing pursuant to outstanding Trust Notes, and additional potential costs of the Fund.

Unitholders will subscribe for Class B Units of the Fund and the Trustees (or their respective nominees) will own all of the issued and outstanding Class A Units of the Fund. Subscribers who subscribe for Class B Units shall be entitled to income received by the Fund in relation to its investment in the Limited Partnership. The Declaration of Trust sets out a detailed explanation of the calculation and allocation of distributable cash, but, in general terms, it allows for any revenue received by the Fund from its investment in the Limited Partnership to be allocated in the following order:

- (i) payment of the operating expenses of the Fund, including any amounts owed to the Administrator under the Administration Agreement, as well as accounting for future operating expenses of the

Fund;

- (ii) payment of any amounts related to the redemption of Class B Units, as well as accounting for future redemptions of Class B Units; and
- (iii) after payment of the operating expenses and amounts owed pursuant to redemption of Class B Units as outlined in (i) and (ii) above, Class B Unitholders shall share (on a *pro rata* basis based on their proportionate ownership of the Class B Units) in the distributable cash received by the Fund in respect of its indirect investment in the Limited Partnership.

Given the nature of the Project, it is not expected that the Fund will receive any distributions from its investment in the Limited Partnership until the development and construction phases of the Project have been completed. Subject to any requirements of the Limited Partnership's Lender and the performance of the Project, the Fund may not receive any distributions until the Residence is sold, or at all. **Subscribers should note that there is no certainty that the Project will achieve positive cash flow and even if it does, there is no guarantee that any cash will be available for distribution to Unitholders after the Fund pays its expenses. See Item 8 - "Risk Factors" which describes the risk associated with an investment in Units and the factors that could cause the Fund to fail to achieve its objectives.**

Unitholder Redemption Rights

An investment in Class B Units is intended to be a long-term investment. Each Unitholder is entitled to require the Fund to redeem at any time and from time to time at the demand of the Unitholder all or any part of the Units registered in the name of the Unitholder at the prices determined and payable and in accordance with the conditions set forth in the Declaration of Trust. Subject to the provisions set forth below, the redemption price payable by the Fund in respect of the Units surrendered for redemption during any month shall be satisfied no later than thirty (30) days after the last day of the calendar month in which the Units were surrendered for redemption. **See "Redemption Provisions Applicable to Units of the Fund" below for further information related to the redemption of Units.** In order to exercise this right, a Unitholder must comply with the steps and provide the documentation set out in the Declaration of Trust. Upon the Units being tendered for redemption and the Fund receiving the proper notice pursuant to the Declaration of Trust, the Unitholder will cease to have any rights with respect to the Units tendered for redemption.

Redemption Provisions Applicable to Units of the Fund

Subject to the provisions set out in the following paragraphs under this heading, the Unit redemption price payable in respect of Units tendered for redemption ("**Redemption Price**") will be paid in cash by direct deposit or cheque, drawn on a Canadian chartered bank or trust company in lawful money of Canada, payable to, or deposited to the account of the registered Unitholder of the Unit tendered for redemption, or payable or deposited as otherwise instructed in writing by such registered Unitholder. The Redemption Price shall be determined as follows:

- (a) if the Redemption Date is prior to September 1, 2015, eighty-five (85%) percent of the subscription price paid in respect of the Trust Unit redeemed;
- (b) if the Redemption Date is on or after September 1, 2015 but prior to September 1, 2016, ninety (90%) percent of the subscription price paid in respect of the Trust Unit redeemed; or
- (c) if the Redemption Date is on or after September 1, 2016, the fair market value of the Trust Unit redeemed.

The fair market value of each Class B Unit for the purposes of the determination of the Redemption Price above shall be the fair market value of the Fund as a whole ("**Fair Market Value**") divided by the number of issued and outstanding Class B Units on the applicable Redemption Date. The fair market value of each Class A Unit shall be deemed to be the subscription price thereof.

Fair Market Value will be determined as of a Redemption Date by an independent third party valuator with experience and expertise in the subject matter of the valuation ("**Valuator**") retained by the Trustees on behalf of the Fund. All costs and expenses of the determination of Fair Market Value shall be borne by the Fund. The

determination of Fair Market Value by a Valuator shall be final and binding upon the Trustees, the Fund and all Unitholders. **See Item 8 - "Risk Factors".**

If Fair Market Value has been determined by a Valuator at any time (the "**Determination**"), the Determination shall be deemed to be the Fair Market Value of the Fund for a period of one (1) year following the Redemption Date which is the subject of the Determination ("**FMV Period**") and shall apply to redemptions for which the Redemption Date falls within the FMV Period. Notwithstanding the foregoing sentence, if there is a subsequent redemption ("**Subsequent Redemption**") and the Trustees determine, acting reasonably and in good faith, that Fair Market Value is likely to have been materially changed since the Determination, the Trustees may require that Fair Market Value be determined as at the Redemption Date of the Subsequent Redemption. **See Item 8 - "Risk Factors".**

Cash payments of the Redemption Price made by the Fund are conclusively deemed to have been made when deposited by direct deposit or upon the mailing of a cheque in a postage pre-paid envelope addressed to the payee unless such cheque is dishonoured upon presentment. Upon such payment as set out in accordance with the Declaration of Trust, the Trustees and the Fund will be discharged from all liability to the former registered Unitholder in respect of the Units so redeemed.

Trustees shall be entitled in their sole discretion to extend the time for payment of any Redemption Prices, if in the reasonable opinion of the Trustees such payment would be materially prejudicial to the interests of the remaining Unitholders in the Fund.

The Declaration of Trust stipulates that the entitlement of Unitholders, as a group, to receive cash upon the redemption of their Units is subject to the limitation that the total amount payable by the Fund in respect of such Units and all other Units tendered for redemption in the same calendar month shall not exceed Ten Thousand (\$10,000.00) Dollars. In the event that Units having an aggregate Redemption Price in excess of Ten Thousand (\$10,000.00) Dollars are tendered for redemption in any given month, the Ten Thousand (\$10,000.00) Dollars (or such other amount) shall be divided amongst all tendering Unitholders on a pro rata basis (provided that such limitation may be waived at the discretion of the Trustees).

If a Unitholder is not entitled to receive cash upon the redemption as a result of the foregoing limitation, each Unit tendered for redemption shall, subject to any applicable regulatory approvals, be redeemed by way of a distribution *in specie* of Trust Notes. In the event of redemption by way of distribution *in specie* of Trust Notes, the Trust Notes shall have a principal amount equal to the Redemption Price minus any cash payments made on the redemption. Otherwise, the terms of the Trust Notes shall be determined by the Trustees in their sole discretion. Subscribers should note that the term of such Trust Notes may be as long as twenty-five (25) years from the date of issuance. The Limited Partnership reserves the right to repay without penalty, at its sole discretion, such Trust Notes in full prior to the expiry of their term.

The Fund may, in its sole discretion, refuse to make a redemption payment in cash (the "**Cash Redemption Proceeds**") to a Unitholder if the Administrator suspects or is advised that the payment to such Unitholder may result in a breach or violation of any applicable laws or regulations (including, without limitation, any anti-money laundering or anti-terrorism laws and regulations) by the Fund or any other person in any relevant jurisdiction, or such refusal is necessary to ensure compliance by the Fund, the Administrator or any authorized agent with any such applicable laws or regulation in any relevant jurisdiction. In such circumstances, and until otherwise instructed by the relevant authority, the Administrator may deposit such Cash Redemption Proceeds in a separate bank account. If the Administrator is given permission to pay out such Cash Redemption Proceeds to the relevant Unitholder, such Unitholder's only right against the Fund shall be the right to receive the moneys so deposited (without interest).

An investment in Units is intended to be a long term investment and the redemption right described above will be the primary mechanism for Unitholders to dispose of their Units. There is no market through which the Units may be sold and none is expected to develop. Units are subject to restrictions on resale under applicable securities legislation, rules and regulations, unless a further statutory exemption may be relied upon by the investor or an appropriate discretionary order is obtained from the appropriate securities regulatory authorities pursuant to applicable securities laws.

The terms of the Trust Notes will be determined by the Trustees at the time of redemption, in their sole and unfettered discretion, and Subscribers should note that the terms of such Trust Notes may be as long as twenty-five (25) years from the date of issuance. The principal amount of such Trust Notes and the interest accrued thereon, if any, may not be repaid until the expiry of their term. Trust Notes which may be distributed *in specie* to Unitholders in connection with redemption will not be listed on any stock exchange, and no market is expected to develop in such Trust Notes, and they may be subject to resale restrictions under applicable securities laws. Trust Notes so distributed will not be qualified investments for Exempt Plans. The Trustees may designate any income or capital gain for tax purposes realized by the Fund as a result of the *in specie* redemption of Units to the redeeming Unitholder.

Subscribers should note that Unitholders may suffer adverse tax consequences should they redeem their Units. Subscribers should also note that should the Fund not receive any revenue from its investment in the Limited Partnership, nor be able to liquidate its investment in The Limited Partnership, the Fund may not have sufficient funds to pay the redemption price for Unitholders who redeem their Units, or to satisfy any outstanding Trust Notes. See Item 8 - "Risk Factors". Subscribers should consult their legal and tax advisors for further information regarding the redemption of Units.

Redemption by Trustees

The Trustees may redeem all of the Class B Units in the event that the Limited Partnership disposes of the property or assets purchased with funds obtained from the Limited Partnership, and upon the Trustees concluding that no further distributions are due and owing from the Limited Partnership to the Limited Partnership. In such an event, the redemption price of each Class B Unit shall be one tenth of one cent (\$0.001) and such funds shall be payable within sixty (60) days from the date of the redemption notice provided by the Trustees to the Unitholders.

Unitholder Liability

The Declaration of Trust provides that no Unitholder will be held to have any personal liability as such, and no resort will be had to, nor will recourse or satisfaction be sought from, the private property of any Unitholder for any liability whatsoever, in tort, contract or otherwise, to any person in connection with the assets or the affairs of the Fund, including, without limitation, for satisfaction of any obligation or claim arising out of or in connection with any contract or obligation of the Fund or of the Trustees or any obligation which a Unitholder would otherwise have to indemnify a Trustee for any personal liability incurred by the Trustee as such, but rather the assets of the Fund only are intended to be liable and subject to levy or execution for satisfaction of such liability.

THE ABOVE DESCRIPTION OF UNIT RIGHTS IS QUALIFIED IN ITS ENTIRETY BY THE SPECIFIC LANGUAGE OF THE RIGHTS CONTAINED IN THE DECLARATION OF TRUST. UPON REQUEST, THE FUND WILL PROVIDE A COMPLETE COPY OF THE DECLARATION OF TRUST. SUBSCRIBERS ARE ENCOURAGED TO REVIEW THE DOCUMENT IN ITS ENTIRETY BEFORE INVESTING.

Constraints on Transferability

As the Fund is not currently a reporting issuer in any jurisdiction, the Units are subject to resale restrictions pursuant to applicable securities laws. See Item 10 - "Resale Restrictions".

5.2 SUBSCRIPTION PROCEDURE

To subscribe, you must complete and execute the Subscription Agreement in the form attached hereto as Schedule "A" or such other form as required by the Fund in its sole discretion, and deliver the same along with a certified cheque or bank draft, dated as of the date of the executed Subscription Agreement, made payable to Nanaimo Memory Care Fund in the amount equal to the purchase price for the Class B Units subscribed for, and deliver both to Bryan & Company LLP, 2600 Manulife Place, 10180-101 Street, Edmonton, AB T5J 3Y2, Phone #: (780) 423-5730, Toll Free # (800) 357-9265 Fax #: (780) 428-6324.

Subject to applicable securities laws, a purchase of Class B Units evidenced by a duly completed Subscription

Agreement delivered to the Trustees will be irrevocable following the second (2nd) Business Day after the Subscriber executes the Subscription Agreement. Purchases of Class B Units will be received, subject to rejection or acceptance in whole or in part by the Fund, and subject to the right of the Fund to terminate the private placement at any time without notice. The Fund has the unconditional right to accept or reject any Subscription Agreement submitted. If a purchase of Class B Units is not accepted in full the subscription proceeds received from the Subscriber will be promptly returned to the Subscriber without interest or deduction.

You can cancel your Subscription Agreement to purchase these securities. To do so, you must send a notice to the Fund or Trustees before midnight on the second (2nd) Business Day after you execute the Subscription Agreement or you receive this Offering Memorandum, whichever is later. Any subscription funds advanced by a purchaser will be held in trust during this period.

THE UNITS WILL ONLY BE OFFERED ON A PRIVATE PLACEMENT BASIS. REFERENCE IS MADE TO THE SUBSCRIPTION AGREEMENT FOR A LIST OF ALL AVAILABLE EXEMPTIONS. SUBSCRIBERS SHOULD CONSULT THEIR LEGAL ADVISORS TO CONFIRM IF THEY CAN RELY ON ONE OF THESE EXEMPTIONS.

ITEM 6: INCOME TAX CONSEQUENCES AND RRSP ELIGIBILITY

6.1 CONSULT YOUR OWN ADVISORS

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

6.2 INCOME TAX CONSEQUENCES

General

In the opinion of Felesky Flynn LLP, the following summary fairly describes the principal Canadian federal income tax considerations generally applicable to a Unitholder who acquires Units pursuant to this Offering and who, for the purposes of the Tax Act, is resident in Canada, holds the Units as capital property and deals at arm's length with the Fund. Units will generally be considered to be capital property to a Unitholder provided that the Unitholder does not hold the 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. Unitholders who would not otherwise hold Units as capital property may be entitled to make an irrevocable election under subsection 39(4) of the Tax Act to treat all "Canadian Securities", as defined in the Tax Act, which includes the Units, as capital property.

This summary is not applicable to: (i) a Unitholder that is a "financial institution", as defined in the Tax Act for purposes of the "mark-to-market" rules; (ii) a Unitholder an interest in which is a "tax shelter" or "tax shelter investment" as defined in the Tax Act; (iii) a Unitholder that is a "specified financial institution" as defined in the Tax Act; or (iv) a Unitholder that has elected to compute its income in accordance with the "functional currency" reporting rules in the Tax Act. Any such Unitholder should consult its own tax advisor with respect to an investment in 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 hereof, all specific proposals to amend the Tax Act that have been publicly announced prior to the date hereof and the Trustees' understanding, based on publicly available published materials as of the date hereof, of the current published administrative and assessing policies of the Canada Revenue Agency ("CRA"). This summary assumes that any proposed amendments will be enacted in the form proposed; however, no assurance can be given that any proposed amendments will be enacted in the form proposed, if at all.

This summary is not exhaustive of all possible Canadian federal income tax considerations and does not take into account any changes in the law, whether by legislative, governmental or judicial action, or any changes in the administrative policies and assessing practices of the CRA or any changes in the administrative policies and

assessing practices of the CRA. This summary does not take into account provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein.

This summary is based upon the assumption that the Fund will, at all times, qualify as a mutual fund trust within the meaning of the Tax Act. Further, this summary is based on the assumption that the tax payable under paragraph 122(1)(b) of the Tax Act ("**SIFT Tax**") on income of a trust that is a specified investment flow-through trust ("**SIFT Trust**") as defined in the Tax Act will not apply to the Fund.

THIS SUMMARY IS OF A GENERAL NATURE ONLY AND IS NOT INTENDED TO BE, NOR SHOULD IT BE CONSTRUED TO BE, LEGAL OR TAX ADVICE TO ANY PROSPECTIVE UNITHOLDER. ACCORDINGLY, PROSPECTIVE UNITHOLDERS SHOULD CONSULT WITH THEIR TAX ADVISORS FOR ADVICE WITH RESPECT TO THE TAX CONSEQUENCES APPLICABLE TO THEM HAVING REGARD TO THEIR OWN PARTICULAR CIRCUMSTANCES.

Mutual Fund Trust Status

The Fund intends to, at all times, qualify as a "unit trust" and a "mutual fund trust" within the meaning of the Tax Act, and elected in its return of income for its 2014 taxation year under section 132(6.1) of the Tax Act to qualify as a "mutual fund trust" from the beginning of its first taxation year. This summary is based upon the assumption that the Fund will, at all times, qualify as a mutual fund trust within the meaning of the Tax Act.

In order for the Fund to maintain its status as a "mutual fund trust" under the Tax Act, the Fund cannot carry on an active business and is limited in the types of investments it may make. The Declaration of Trust contains restrictions to this effect.

In addition, in order to maintain its status as a mutual fund trust, the Fund cannot, and may not at any time, reasonably be considered to be established or maintained primarily for the benefit of non-residents of Canada unless, at all times, all or substantially all of its property consists of property other than certain "taxable Canadian property" (as defined in the Tax Act). Taking into consideration the anticipated investors in the Fund and the restriction on ownership of Units by non-residents, the Trustees do not anticipate that the Fund will at any time be established or maintained primarily for the benefit of non-residents of Canada.

If the Fund does not qualify or ceases to qualify as a mutual fund trust, the income tax considerations would, in some respects, be materially different from those described below. **See Item 8 - "Risk Factors" - "Mutual Fund Trust Status".**

SIFT Tax

A SIFT Trust is not permitted to claim a deduction for distributions paid out of non-portfolio earnings ("**NPE**"). Amounts distributed to beneficiaries of a SIFT Trust out of NPE are treated as taxable dividends in the hands of the beneficiaries, and are subject to SIFT Tax in the SIFT Trust at a rate that is equivalent to the combined Canadian federal and provincial general corporate tax rate, with the provincial component determined as a weighted average of the general provincial corporate tax rates in each province in which the SIFT Trust has a permanent establishment. For 2015, the rate of SIFT Tax payable by a SIFT Trust with a permanent establishment in Alberta is twenty five (25%) percent.

NPE of a SIFT Trust is defined as the total of the income from businesses carried on in Canada, income from non-portfolio properties ("**NPP**") (other than dividends) and taxable capital gains from dispositions of NPP (and capital gains dividends from mutual fund corporations), in each case less losses and allowable capital losses applicable to these sources. NPP is defined as: (a) Canadian real, immovable or resource properties if the total fair market value of such properties is greater than fifty (50%) percent of the equity value of the SIFT Trust; (b) a property that the SIFT Trust (or a non-arm's length person or partnership) uses in the course of carrying on a business in Canada; and (c) investments in another entity (which is resident in Canada or is a Canadian resident partnership (a "**Subject Entity**")) that have a fair market value greater than ten (10%) percent of the Subject Entity's equity value or

investments in a Subject Entity where the SIFT Trust holds securities of the Subject Entity or its affiliates that have a total fair market value greater than fifty (50%) percent of the equity value of the SIFT Trust.

The Fund should not be a SIFT Trust provided that no unit, security or other investment in the Fund is listed or traded on a stock exchange or other public market. This summary is based on the assumption that the SIFT Tax will not apply to the Fund.

Taxation of the Fund

The Fund will be subject to tax under Part I of the Tax Act on the amount of its income for a taxation year, including the taxable portion of net realized capital gains. The taxation year of the Fund ends on December 31.

The Fund will be required to include in computing its income its share of the net income of the Limited Partnership for each taxation year of the Fund. Income of the Limited Partnership from certain sources (including taxable dividends received on a share of the capital stock of a taxable Canadian corporation and taxable capital gains) will be treated in the hands of the Fund as if it were also income from that source and any provisions of the Tax Act applicable to that type of income will apply to the Fund.

Upon the actual or deemed disposition of a security held by the Fund as capital property, the Fund will realize a capital gain (or capital loss) to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such security. The Fund will be entitled for each taxation year throughout which it is a mutual fund trust to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized capital gains by an amount determined under the Tax Act based on the redemption of Units during the year ("**capital gains refund**"). In certain circumstances, the capital gains refund in a particular taxation year may not completely offset the tax liability of the Fund for such taxation year which may arise upon the sale of securities in connection with redemptions of Units.

The Fund will be entitled to deduct from its income for a taxation year otherwise determined, after taking into account certain inclusions and deductions, the portion of such income that becomes payable in the year to Unitholders. An amount will be considered to be payable to a Unitholder in a taxation year if it is paid in the year by the Fund or a Unitholder is entitled in the year to enforce payment of the amount. The Declaration of Trust requires that the Fund distribute or make payable its net income for tax purposes for each taxation year of the Fund to Unitholders to such an extent that the Fund will not be liable in any taxation year for income tax under Part I of the Tax Act on such net income (after taking into account any applicable losses of the Fund).

Taxation of the Limited Partnership

The Limited Partnership will not be subject to tax under the Tax Act. Each partner of the Limited Partnership, including the Fund, will be required to include in computing the partner's income the partner's share of the income or loss (limited to its "at-risk amount" in the case of a limited partner) of the Limited Partnership for its fiscal year end ending in or coincident with the partner's taxation year, whether or not such income is distributed to the partner in the taxation year. For this purpose, the income or loss of the Limited Partnership will be computed for each fiscal year as if the Limited Partnership were a separate person resident in Canada. In computing the income or loss of the Limited Partnership, deductions may be claimed in respect of its reasonable administrative and other expenses incurred for the purpose of earning income from its business and investments and available capital cost allowances, generally including interest on borrowed funds used in the business of the Limited Partnership.

The income (including taxable capital gains) or loss of the Limited Partnership for a fiscal year will be allocated to the partners of the partnership, including the Fund, on the basis of their respective shares of such income or loss as determined in accordance with the LP Agreement, subject to the detailed rules in the Tax Act in that regard. If the adjusted cost base of the Fund's interest in the Limited Partnership is negative at the end of a fiscal period of the Limited Partnership, the amount by which it is negative will be deemed to be a capital gain realized by the Fund at that time and the Fund's adjusted cost base of such unit will be increased by the amount of the deemed gain.

Taxation of Unitholders

A Unitholder will generally be required to include in income for a particular taxation year of the Unitholder such portion of the net income, including the taxable portion of the net realized capital gains, of the Fund for a taxation year as is paid or becomes payable to the Unitholder in that particular taxation year. Provided that appropriate designations are made by the Fund, such portion of the net realized taxable capital gains of the Fund, and the taxable dividends received or deemed received by the Fund on shares of taxable Canadian corporations as is paid or becomes payable to a Unitholder will effectively retain its character and be treated as such in the hands of the Unitholder. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the gross-up and dividend tax credit rules will apply, including the enhanced gross-up and dividend tax credit rules in respect of eligible dividends paid by taxable Canadian corporations after 2005. Any loss of the Fund for purposes of the Tax Act cannot be allocated to, and cannot be treated as a loss of, the Unitholders.

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

The cost to a Unitholder of a Unit acquired pursuant to the Offering will equal the purchase price of the Unit plus the amount of any reasonable costs incurred in connection therewith. The adjusted cost base of a particular Unit will be the average cost of all Units of the Fund held by the Unitholder as capital property at a particular time. Upon the disposition or deemed disposition by a Unitholder of a Unit, including on the redemption of a Unit by the Fund, the Unitholder will generally realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition (excluding any amount payable by the Fund which represents an amount that must otherwise be included in the Unitholder's income as described above) are greater (or less) than the aggregate of the Unitholder's adjusted cost base of the Unit and any reasonable costs associated with the disposition. A Unitholder will be required to include one-half of the amount of any resulting capital gain (a "**Taxable Capital Gain**") in income and will be entitled to deduct one-half of the amount of any resulting capital loss (an "**Allowable Capital Loss**") against Taxable Capital Gains realized in the year of disposition. Allowable Capital Losses not deducted in the taxation year in which they are realized may be carried back and deducted in any of the three preceding years or carried forward and deducted in any following years against Taxable Capital Gains realized in such years, to the extent and under the circumstances specified in the Tax Act.

Taxable Capital Gains realized by a Unitholder that is an individual and certain trusts may give rise to alternative minimum tax depending on the Unitholder's circumstances. A Unitholder which is, throughout the relevant taxation year, a "Canadian-controlled private corporation" (as defined in the Tax Act) will be subject to a refundable tax of twenty-six and two thirds (26⅔%) percent in respect of its "aggregate investment income" for the year (as defined in the Tax Act). A Unitholder, which is subject to the twenty-six and two thirds (26⅔%) percent tax, will be entitled to a refund of the tax as taxable dividends are paid at the rate of One (\$1.00) Dollar for every Three (\$3.00) Dollars of dividends paid by the corporation, subject to certain limitations contained in the Tax Act.

The law firm of Felesky Flynn LLP has provided tax advice to the Fund.

6.3 RRSP ELIGIBILITY

Provided that the Fund qualifies as a "mutual fund trust" within the meaning of the Tax Act, and thereafter maintains such status, the Units will be a qualified investment for an Exempt Plan, subject to the specific provisions of any such plan.

Not all securities that are qualified investments for Exempt Plans can be acquired in an RRSP, RRIF or TFSA. RRSPs, RRIFs and TFSAs are subject to rules in Part XI.01 of the Tax Act that may result in negative tax consequences if a trust governed by an RRSP, RRIF or TFSA acquires a security that is a "prohibited investment" for

that particular RRSP, RRIF or TFSA as defined in Part XI.01, notwithstanding that the security may otherwise be a qualified investment for Exempt Plans. The Units will generally not be a prohibited investment for an RRSP, RRIF or TFSA if the controlling individual of the RRSP, RRIF or TFSA deals at arm's length with the Fund for the purposes of the Tax Act and the controlling individual does not have a "significant interest" (within the meaning of subsection 207.01(4) of the Tax Act) in the Fund, or a corporation, partnership or trust with which the Fund does not deal at arm's length for the purposes of the Tax Act. Generally, an individual will have a significant interest in the Fund if at any time, the individual, together with other individuals, corporations, trusts and partnerships that do not deal at arm's length with the individual, hold at any time Units that have a fair market value of 10% or more of the fair market value of all the outstanding Units of the Fund. Unitholders should consult their own tax advisors as to whether the Units will be a prohibited investment in their particular circumstances.

Finally, there can be no assurance that the Canadian federal income tax laws and administrative policies of the CRA respecting the status of the Units as qualified investments for Exempt Plans will not be changed in a manner that adversely affects the Unitholders. In that event, negative tax consequences will result and potential investors should consult with their own professional advisors in this regard.

If Units are redeemed by a Unitholder and the redemption price is satisfied by a Trust Note, the Trust Note will not be a qualified investment for an Exempt Plan, which may give rise to adverse consequences to an Exempt Plan or the annuitant, holder or beneficiary thereunder.

ITEM 7: COMPENSATION PAID TO SELLERS AND FINDERS

The Fund distributes its Units through registered exempt market dealers. The exempt market dealers and their registered dealing representatives may be paid, in the aggregate, Commissions of up to ten (10%) percent of the gross proceeds realized on the sale of Class B Units by registered dealing representatives of the exempt market dealer, except the Sussex Subscription.

If the Maximum Offering is raised, the total Commissions payable are expected to be \$665,000.

ITEM 8: RISK FACTORS

In addition to factors set forth elsewhere in this Offering Memorandum, potential Subscribers should carefully consider the following factors, many of which are inherent to ownership of the Class B Units. The following is only a summary of the risk factors involved in an investment in the Class B Units. Subscribers should consult with their own professional advisors to assess the income tax, legal and other aspects of an investment in the Class B Units. The risks discussed in this Offering Memorandum can adversely affect the Fund's operations, operating results, prospects and financial condition. This could cause the value of the Class B Units to decline and cause Subscribers to lose part or all of their investment. In addition to those set out below and elsewhere in this Offering Memorandum, other material risks and uncertainties of which the Fund is not presently aware may also harm the Fund's investment activities.

No Guarantee that Investment in Class B Units will be Successful

There can be no guarantee that the Fund's strategy of investing in the Limited Partnership will be successful or that the objective of earning a profit will be achieved. The success of the Fund and their objectives will depend on the efforts and abilities of the management of the Limited Partnership and on a number of other external factors such as, among other things, the market for Memory Care services, the general political and economic conditions that may prevail from time to time and many others, which factors are out of the control of both the Fund and the Limited Partnership. There are no guarantees that the development plans of the Limited Partnership will be achieved and there are no guarantees that the estimated and budgeted costs, timelines, leasing rates and sale prices will be met.

Price for the Class B Units Determined Arbitrarily

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

No Market for the Class B Units

There is no public market for the Class B Units and no such market is expected to develop in the future. **Other than in accordance with the redemption rights attached to the Class B Units, a Limited Partner may never be able to sell his Class B Units and recover any part of his investment.** Accordingly, an investment in Class B Units should only be considered by investors who do not require liquidity.

Highly Speculative

An investment in the Class B Units is highly speculative. Investors should buy them only if they are able to bear the risk of the entire loss of their investment and have no need for immediate liquidity in their investment. An investment in Class B Units should not constitute a major portion of an investor's portfolio. Actual returns on the Fund's investment in the Limited Partnership will depend on, among other factors, construction costs, future operating results of the Limited Partnership, the value of the Project and market conditions at the time of disposition, any related transaction costs and the manner and timing of sale of the Residence, all of which may differ from the assumptions and circumstances on which the Trustees based its investment decision on. Subscribers should be aware that neither the Fund nor the Limited Partnership has a history of earnings, profit or return on investment. There is no assurance that the Limited Partnership or the Fund will earn revenues, operate profitably or provide a return on investment in the future. The nature of the business of the Limited Partnership is such that until such time as the Residence is operational, it is unlikely that the Fund will earn any revenues. **Any investment in Class B Units of the Fund should be considered high risk.**

Market for Residence

A significant portion of the earning potential of the Project is tied to the planned disposition once the Residence achieves stabilization. Although the Trustees are confident a healthy market will exist for the disposition, there are no guarantees that the Limited Partnership will be able to dispose of the Residence for a profit.

Loan Facilities

The Limited Partnership has obtained conditional Bank Financing, which it estimates will be sufficient to complete the Project, as set out in the Commitment Letter. While the Limited Partnership has obtained the Commitment Letter (See Item 2.7 – “Material Agreements – Commitment Letter”), the provision of advances under the Bank Financing remains subject to a number of conditions precedent. There can be no assurances that the Limited Partnership will ultimately receive advances under the Bank Financing it requires to complete Project.

The Limited Partnership will require that the operations of the Project be economically viable to service any loans. If the Limited Partnership defaults in the repayment of such loans, its creditors will have recourse against the Project. **There is no assurance that assets will be available to recover any portion of the Fund's investment in the Limited Partnership.**

The Units Are Not Insured

The Class B Units are not “deposits” within the meaning of the *Canada Deposit Insurance Corporations Act* (Canada). The Fund is not and will never be a member institution of the Canada Deposit Insurance Fund and the Class B Units offered pursuant to this Offering Memorandum are not insured against loss through the Canada Deposit Insurance Fund. The Class B Units are redeemable at the option of the holder, but only under certain circumstances. See Item 5.1 - “Terms of Securities”.

Units are Intended to be Held by Taxable and Tax Exempt Subscribers

The Units are intended to be held by taxable and tax exempt Subscribers. Taxable Subscribers may be subject to tax as a result of holding Units. The Fund intends to make all taxable income of the Fund payable to Unitholders each year and to distribute such income by distributing cash or Units. In addition, income allocated by the Fund to

Unitholders may exceed the amount payable to them on a redemption of their Units. Potential Subscribers should consult their own tax advisors respecting the tax consequences of owning the Units.

“Mutual Fund Trust” Status

It is intended that the Fund will qualify as a mutual fund trust for the purposes of the Tax Act. However, there can be no assurance that the Canadian federal income tax laws and administrative policies of the CRA respecting the treatment of mutual fund trusts and unit trusts will not be changed in a manner which adversely affects the holders of Units. If the Fund fails to meet one or more conditions to qualify as a mutual fund trust, the income tax considerations described under this Offering Memorandum would, in some respects, be materially different.

If the Fund ceases to qualify as a mutual fund trust, the Units will cease to be a qualified investment for trusts governed by Exempt Plans.

If at any time an RRSP, RRIF or TFSA acquires Units that are not qualified investments or are a prohibited investment (as defined in the Tax Act) or holds Units that cease to be qualified investments or become a prohibited investment, the annuitant of the RRSP or RRIF or the holder of the TFSA will be liable for a penalty tax equal to fifty (50%) percent of the fair market value of the Units; however, the penalty tax may be refundable if the Units are disposed of by the end of the calendar year following the calendar year in which the penalty tax is imposed. In addition, an RRSP, RRIF or TFSA may be subject to tax on the income attributable to the holding of non-qualified investments, including tax on full capital gains, if any, realized on the disposition of the Units.

Where, at the end of a month, an RESP or DPSP holds Units that are not qualified investments, the RESP or DPSP must, in respect of that month, pay a tax equal to one (1%) percent of the fair market value of the Units at the time such Units were acquired by the REPS or DPSP. If a DPSP acquires Units that are not qualified investments at the time of acquisition, a penalty tax equal to 100% of the fair market value of the Units will be payable by the DPSP trust; however, the penalty tax may be refundable where the DPSP trust subsequently disposes of the Units.

If an RESP acquires Units that are not qualified investments, the CRA may revoke the RESP’s registration, in which case the RESP will become taxable under Part I of the Tax Act and any Canadian Education Savings Grant payments will have to be repaid.

If at any time an RDSP acquires Units that are not qualified investments or holds Units that cease to be qualified investments, the holder of the RDSP will be liable for a penalty tax equal to fifty (50%) percent of the fair market value of the Units; however, the penalty tax may be refundable if the Units are disposed of by the end of the calendar year following the calendar year in which the penalty tax is imposed.

Additionally, if the Fund ceases to qualify as a mutual fund trust, it may be required to pay a tax under Part XII.2 of the Tax Act. The payment of Part XII.2 tax by the Fund may have adverse income tax consequences for certain Unitholders, including non-resident persons and Exempt Plans that acquire an interest in the Units directly or indirectly from another Unitholder.

Unitholder Liability

The Declaration of Trust limits the liability of Unitholders in respect of the Fund and states that the assets of the Fund only are intended to be liable and subject to levy or execution for satisfaction of Fund liabilities and that no resort is to be had to, nor recourse or satisfaction sought from, the private property of any Unitholder in respect of such liabilities. The Fund will invest in the Limited Partnership, which will carry on the business of developing and operating the Project. As a result of this structure, no business operations will be conducted by the Fund. Notwithstanding the above, to the extent that claims are not satisfied by the Fund, there is a risk that a Unitholder will be held personally liable for obligations of the Fund where the liability is not disclaimed in the contracts or arrangements entered into by the Fund with third parties. Personal liability may also arise in respect of claims against the Fund that do not arise under contracts, including claims in tort, claims for taxes and certain other statutory liabilities. The possibility of any personal liability of this nature arising is considered by the Fund’s management to be remote due to the nature of the Fund’s activities as a Limited Partner. In the event that payment

of a Fund obligation is required to be made by a Unitholder, such Unitholder will be entitled to reimbursement from the available assets of the Fund.

The Trustees intend to cause the Fund's operations to be conducted in such a way as to minimize any risk that Unitholders could be held personally liable for the obligations of the Fund, including by obtaining appropriate insurance and, where feasible, attempting to have every material written contract or commitment of the Fund contain an express disavowal of liability against the Unitholders.

Limited Partner Liability

The LP Agreement and *Partnership Act* (British Columbia) limit the liability of Limited Partners like the Fund to the Capital Contributions made or committed to be made by a Limited Partner, provided the Limited Partner does not partake in the management of the business of the Fund. The Trustees intend to cause the Fund's operations to be conducted in such a way as to minimize any risk that the Fund could be held personally liable for the obligations of the Limited Partnership. Notwithstanding the above, to the extent that claims arise and are not satisfied by the Limited Partnership, there is a risk that the Fund will be held personally liable for obligations of the Limited Partnership.

Tax Treatment and Possible Changes in Tax Laws

There can be no assurance that income tax laws will not be changed in a manner which adversely affects Unitholders. Prospective Subscribers should consult with their tax advisors for advice with respect to the tax consequences applicable to them having regard to their own particular circumstances.

Dilution

The number of Class B Units the Fund is authorized to issue is unlimited and the Trustees have the sole discretion to issue additional Class B Units at a subscription price determined at the Trustees' discretion. The proceeds of the Offering may not be sufficient to accomplish all of the Fund's proposed objectives. In addition to alternate financing sources, the Fund may conduct future offerings of Class B Units in order to raise the funds required which will result in a dilution of the interests of the Unitholders.

Redemption May Force Early Liquidation of Investment Positions

In order to pay the redemption price for Unitholders who redeem their Units, the Fund may be required to liquidate its investment earlier than it might otherwise choose. These liquidations may cause the Fund to incur losses and could substantially reduce the value of the Units if numerous redemptions are made over a short time frame. Such liquidation may also trigger tax consequences, such as the characterization of certain profits as ordinary income or losses rather than as capital gains or capital losses.

It may also be impossible for the Fund to liquidate its investment in the Limited Partnership as a result of its inability to transfer the LP Units. Accordingly, such inability to liquidate its investment will have an adverse effect on the Fund's ability to pay the redemption price for Unitholders who have redeemed their Units.

Fixed Redemption Price

For redemptions occurring until September 1, 2016, the Redemption Price is fixed at a percentage of the subscription price paid in respect of the Units being redeemed. For a redemption occurring prior to such date, the Redemption Price per Unit may be less than fair market value if the fair market value of the Fund increases. If the fair market value of the Fund decreases, the Redemption Price per Unit may be greater than fair market value.

Redemption Price is Determined By Valuator

For redemptions occurring after September 1, 2016, the Redemption Price of the Units is based on the fair market value of the Fund on the date of the redemption as determined an independent third party valuator. Subscribers will

have no right to choose the valuator and the valuation is final and binding upon all parties, including the Subscribers. Subscribers do not have a right to appeal or contest the valuation determined by the valuator.

Trust Notes

In addition, to the extent Trust Notes are used to pay the redemption price on a redemption of Units, the Trustees have the sole discretion to settle and determine the terms of the Trust Notes, including the interest rate (if any) and the maturity date. There are no guarantees that the Trust Notes will ever be repaid. The holder of a Trust Note will not be granted a security interest in the property of the Limited Partnership.

Importantly, if Trust Notes are used to pay the redemption price on a redemption of Units, the Trust Notes will not be a qualified investment for an Exempt Plan, which may give rise to adverse consequences to an Exempt Plan or the annuitant, holder or beneficiary thereunder. Potential Subscribers should discuss this with their own advisors.

Absence of Regulatory Oversight

As the Fund currently intends to offer its Class B Units only by way of private placement, its activities will not be governed by the securities laws applicable to reporting issuers, such as the continuous disclosure rules. Accordingly, Unitholders will not receive the type of continuous disclosure reports that would be received as an investor in a public company.

Limited History of Operation

Both the Fund and the Limited Partnership are recently established entities with no prior operating history. Although the Founders have developed and managed a number of other investments, the historical returns achieved by such prior investments are not necessarily indicative of the future performance of the Fund's investments. As the Fund and the Limited Partnership have limited operating histories, investors must rely on the ability, expertise, judgment, discretion, integrity and good faith of the Trustees and the Founders. There can be no guarantee that the judgment and discretion of the Trustees and Founders will lead to financial success.

Reliance on Trustees

In assessing the risks and rewards of an investment in Class B Units, potential investors should appreciate that they are relying on the good faith and judgment of the Trustees in administering and managing the Fund. Approval of the Unitholders is only required in very limited circumstances. The Unitholders will not have any right to take part in the management of, or the stated purpose of the Fund and the Fund will be bound by the decisions of the Trustees as provided in the Declaration of Trust. It would be inappropriate for investors who are unwilling to rely on the Trustees to this extent to subscribe for Class B Units. There is no certainty that the persons who are currently Trustees will continue to be available to the Fund for the entire period during which it requires the provision of their services. In such case, only the holders of Class A Units will have a say in the election or appointment of new Trustees.

Reliance on Management of the Limited Partnership

Decisions regarding the management of the Limited Partnership's affairs will be made exclusively by the management of the General Partner, and not by the Fund. The Fund will have very limited input or control over the affairs and management of the Limited Partnership and thus the direction and completion of the Project.

Liquidity of Underlying Investment

The securities in which the Fund is investing (the LP Units) have no trading market and are restricted as to their transferability under applicable securities laws and pursuant to the LP Agreement. It is possible that the Fund may not be able to sell such securities, or any of them, without facing substantially adverse prices, or at all. If the Fund is required to transact in such securities before its intended investment horizon, the performance and value of the Class B Units could suffer.

Illiquidity of Units

Because Units are not generally transferable, an investment in the Fund is a considerably illiquid investment and involves a high degree of risk. The Units are issued pursuant to exemptions from the prospectus and registration requirements under applicable securities laws and any disposition of Units will require compliance with those laws. Subscribers may be able to dispose of their Units only through redemption, and must bear the risk of any decline in the value of their Units. The illiquid nature of the Fund's investments will limit the Fund's ability to respond to changes in economic and other conditions. In addition, the transfer (if permitted by securities laws and the Trustees) or redemption of Units may result in adverse tax consequences to Subscribers. Subscribers should only purchase Units if Subscribers are able to maintain their investment and can afford the risk of loss associated with an investment in the Fund.

No Guaranteed Return

There is no guarantee that an investment in Class B Units will earn any positive return in the short or long term.

Nature of the Investment

Investments in real estate markets are affected by general economic conditions, local demand for premises, fluctuation in occupancy rates, operating expenses and various other factors. Investments in real estate markets are relatively illiquid. Investments in any real property investments are subject to elements of risk.

While the Lands are zoned for their intended use, the development permit has been issued, certain plans and assessments have been submitted in respect of the Project and timelines for development and construction have been estimated, the Limited Partnership will not have all necessary permits in place prior to the date of this Offering Memorandum. As a result, the Project is subject to risks inherent in the development of real estate including: (i) construction and other unforeseen delays; (ii) the inability to secure the appropriate building permits, operating licenses and other necessary approvals in a timely and cost effective manner; (iii) the incurring of construction and development costs in excess of revenue; (iv) general cost overruns, and (v) the failure of a Lender to advance the necessary financing to complete the Project.

If construction of the Project proceeds as planned, there is no assurance that the Residence will be operated at financially successful levels, or that, upon stabilization, a purchaser will be willing to purchase the Residence for a price that will generate any profit for the Limited Partnership.

Regulatory Approvals

Development of the Project requires zoning, permits and other approvals from local government agencies. While the Lands are zoned for their intended use and the development permit has been issued, the process of obtaining other required approvals, including the construction/building permit, occupancy permit and operating license may take many months and there is no assurance that the necessary approvals will be obtained. Holding costs accrue while regulatory approvals are being sought and significant, unexpected delays could render the completion of the Project uneconomical.

Market Risks

The economic performance and value of the Project will be subject to all of the risks associated with investing in real estate, including (i) changes in the national, regional and local economic climate; (ii) local conditions, including an oversupply of properties like the Residence, or a reduction in demand for properties like the Residence; (iii) competition from other available properties; and (iv) changes in laws and governmental regulations (such as zoning, taxation of property and environmental legislation).

Less than Maximum Offering

There can be no assurance that this Offering will be completely sold out. If less than the Maximum Offering is purchased by investors, then less than the maximum proceeds will be available for the indirect investment in the Limited Partnership, the Limited Partnership's business plans and prospects could be adversely affected, as these are the funds required to fund the development and construction costs of the Project.

Effect of Fees and Expenses on Return

The Limited Partnership will pay the Asset Management Fee, Development Fee, Success Fee, Construction Management Fee, in addition to other expenses of the Limited Partnership and the Fund will pay (i) the Commissions, (ii) the costs associated with the Offering, including legal fees and other organizational expenses; (iii) the Administration Fee; and (iv) operating costs and other expenses of the Fund. Such fees and expenses will reduce actual returns to Unitholders. While the Deferred Asset Management Fee, Success Fee and Development Fee are Deferred Fees, other fees and expenses will be paid regardless of whether the Limited Partnership, and thus, the Fund, produces positive investment returns. If the Limited Partnership does not produce significant positive investment returns, these fees and expenses could reduce the amount of the investment recovered by the Fund to an amount less than the amount invested in the Fund by the Subscribers or even to none at all.

Not a Public Mutual Fund

The Fund is not a reporting issuer "mutual fund" for securities laws purposes and is not subject to the restrictions placed on public mutual funds to ensure diversification and liquidity of the Fund's assets/portfolio. As a result, some of the protections provided to investors in reporting issuer mutual funds under such laws will not be available to investors in the Units and certain restrictions imposed on reporting issuer mutual funds under Canadian securities laws do not apply to the Fund.

Valuation of the Fund's Investments

Valuation of the Fund's Units and other investments will involve uncertainties and judgmental determinations and, if such valuations should prove to be incorrect, the value of the Fund and its various Units could be adversely affected.

Conflicts of Interest

The directors, officers and trustees (as applicable) of the Fund, General Partner and the Limited Partnership may also hold similar positions in the other entities. Accordingly, there may be conflicts of interest if the interests of these persons or entities are inconsistent. The Administrator has entered into the Administration Agreement with the Fund and is entitled to earn a fee for providing services to the Fund. The Administrator must render their services honestly and in good faith and must use reasonable commercial efforts to perform its duties and responsibilities in a conscientious, reasonable and competent manner. However, the Administrator, its directors and officers may, at any time, engage in promoting or managing other entities or their investments including real estate investing that may compete directly or indirectly with the Fund and/or the Limited Partnership.

Whenever a conflict of interest arises between the Fund, on the one hand, and the Administrator on the other, the parties involved, in resolving that conflict or determining any action to be taken or not taken, will be entitled to consider the relative interests of all of the parties involved in the conflict or that will be affected by such action, any customary or accepted industry practices, and such other matters as the parties deem appropriate in the circumstances.

The Declaration of Trust contains conflicts of interest provisions requiring the Trustees to disclose material interests in certain material contracts and transactions.

In addition to those discussed above, additional conflicts of interest may arise at the Limited Partnership level. The General Partner, Limited Partnership and may of the entities expected to perform services on behalf of the Limited Partnership may not deal at arm's length.

No Right to Use of Property

Subscribers for the Class B Units hereunder will have no right to the use of, to occupy, or to seek partition of, any part of the Lands nor may any investor in the Class B Units encumber any part of the Lands.

The Project will be the Only Significant Asset

The Limited Partnership was formed solely for the purpose of the development of the Project. The Project will represent the most significant asset of the Limited Partnership and therefore the Limited Partnership's financial performance will be directly tied to the performance of the Project. The investment in the Limited Partnership by the Fund will be the only asset of the Fund. The Limited Partnership may not be profitable and may preclude the Fund from obtaining any Distributable Cash Flow.

No Independent Counsel for Subscribers

Legal counsel that assisted with the preparation of the documentation in connection with the Offering was not retained to act on behalf of Subscribers. There has been no review by independent counsel on behalf of the Subscribers of this Offering Memorandum. No due diligence has been conducted on the Limited Partnership or the Project by such counsel.

Competition

While management of the Fund does not anticipate a significant increase in competition in the markets in which it intends to invest, changing market conditions may increase the level of competition for real estate investments.

Environmental and Other Regulatory Matters

Environmental legislation and policies has become an increasingly important feature of property ownership and management in recent years. Under various laws, the Limited Partnership could become liable for the costs of effecting remedial work necessitated by the release, deposit or presence of certain materials, including hazardous or toxic substances and wastes at or from a property, or disposed of at another location. The failure to affect remedial work may adversely affect the ability to sell the Lands.

Unproven Market

The Limited Partnership believes that the anticipated market for the Residence as a memory-care centre does exist, however, these assumptions may prove to be incorrect for a variety of reasons, including competition from other similar entities and from other processes or sources. There can be no assurances that the leasing market will be willing to pay the lease rates, or that a purchaser will be willing to pay a purchase price, that enable the Limited Partnership to generate a profit.

Structure of the Fund

The beneficial interests in the Fund are divided into various classes of Units. The Trustees of the Fund are authorized to create an unlimited number of classes of Units, each of which are entitled to the rights and subject to the limitations, restrictions and conditions set out in the Declaration of Trust.

The Fund is structured to delineate the rights, interests, benefits and liabilities between holders of different classes of Units, however, to the extent that the Fund were to incur legal and/or other liabilities, howsoever arising, which resulted in financial losses to the Fund, there is no separation or limitation that would preclude a claimant from pursuing reimbursement from and claiming against any or all of the Fund's assets and investments.

ITEM 9: REPORTING OBLIGATIONS

The Fund will not be a reporting issuer and therefore will not be subject to most continuous disclosure requirements imposed by applicable securities legislation. It is currently intended that audited consolidated financial statements of the Fund will be provided to Unitholders at least twenty-one (21) days prior to the date of each annual general meeting, which shall occur on or prior to June 30 each calendar year, or in such time or manner as stipulated in applicable securities legislation. Further, Subscribers will also be given notice of and be entitled to attend any meetings of the Unitholders of the Fund; however, unless otherwise provided by the Declaration of Trust, Subscribers may not be entitled to vote at such meetings **See Item 5.1 - "Terms of Securities"**.

Except as set forth in the Declaration of Trust, **we are not required to send you any documents on an annual or ongoing basis.**

ITEM 10: RESALE RESTRICTIONS

10.1 GENERAL STATEMENT

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

10.2 RESTRICTED PERIOD

If you reside in Alberta, British Columbia, Saskatchewan, New Brunswick, Newfoundland and Labrador, Nova Scotia and Prince Edward Island, the following statement applies:

Unless permitted under securities legislation, you cannot trade the securities before the date that is 4 months and a day after the date [insert name of issuer or other term used to refer to the issuer] becomes a reporting issuer in any province or territory of Canada.

The Fund is not, and currently has no intention of becoming, a reporting issuer in any province or territory of Canada and, as such, the restrictions in trading on the holders of Class B Units will not expire. There is no market over which any Class B Units can be transferred and it is very unlikely that one will develop. A Subscriber is encouraged to seek independent advice from its legal advisors with respect to these restrictions.

10.3 MANITOBA RESALE RESTRICTIONS

If you reside in Manitoba, the following statement applies:

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

1. the Fund has filed a prospectus with the regulator in Manitoba with respect to the securities you have purchased and the regulator in Manitoba has issued a receipt for that prospectus, or
2. you have held the securities for at least 12 months.

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

10.4 OTHER RESTRICTIONS

Investors resident in Ontario and other jurisdictions should seek legal advice as to the specific restriction on resale applicable to them.

In addition to the foregoing, no Class B Units of the Fund may be transferred without the prior consent of the Trustees. Subscribers should review the Declaration of Trust for the applicable sections regarding transferring Units. The Trustees is under no obligation to consent to such a transfer of Unit. **See Item 2.7 - "Material Agreements - Declaration of Trust"**

ITEM 11: PURCHASERS' RIGHTS

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

11.1 Two Day Cancellation Right

You can cancel your subscription agreement to purchase these securities. To do so, you must send a notice to the Trustees by midnight on the second (2nd) Business Day after the later of the date you sign the Subscription Agreement to buy the securities.

11.2 Additional Rights as a Purchaser

Generally

The securities laws of the Provinces and Territories of Canada are complex. Below is only a summary of your contractual or statutory rights of action. Investors should consult their own legal advisors with respect to the rights and remedies available to them.

The rights of action for cancellation or damages described below are in addition to and do not derogate from any other right that a purchaser may have at law.

Investors Resident in Alberta and British Columbia

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

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

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

If you elect to sue to cancel your agreement to purchase the Class B Units, then you will no longer have a right to sue for damages against a person or company referred to 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:

- (a) to cancel the agreement within one hundred and eighty (180) days from the day you signed the agreement to purchase the Class B Units; or
- (b) for damages within (i) one hundred and eighty (180) days from learning of the misrepresentation, or (ii) three (3) years from the day you signed the agreement to purchase the Class B Units, whichever is earlier.

Investors Resident in Saskatchewan

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

- (a) the Fund to cancel your agreement to buy the Class B Units; or
- (b) for damages against the Fund, every person who was a promoter of the Fund and every person who was a director of the Trustees at the date of this Offering Memorandum, every person or

company that signed this Offering Memorandum, and every person who sold you securities on behalf of the Fund under this Offering Memorandum:

- (i) the Fund, a Trustee of the Fund, or promoter of the Fund at the date of this Offering Memorandum;
- (ii) every person or company whose consent has been filed respecting the Offering, but only with respect to reports, opinions or statements that have been made by them;
- (iii) every person who, or company that, in addition to the persons or companies mentioned in clauses (i) and (ii), signed this Offering Memorandum; and
- (iv) every person who or company that sells Class B Units on behalf of the Fund under this Offering Memorandum.

If you elect to sue to cancel your agreement, then you will no longer have a right to sue for damages against a person or company referred to in (b) above. You have these rights to sue whether or not you relied on the misrepresentation. However, there are various defences available to the persons and companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the Class B Units.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within one hundred and eighty (180) days after you signed the agreement to purchase the Class B Units. You must commence your action for damages within the earlier of one (1) year after learning of the misrepresentation and six (6) years after you signed the agreement to purchase the Class B Units.

Investors Resident in Manitoba

If there is a misrepresentation in this Offering Memorandum, you have a statutory right of:

- (a) rescission against the Fund; and
- (b) action for damages against the following: (i) the Fund; (ii) every director of the Trustees at the date of the Offering Memorandum; and (iii) every person or company who signed the Offering Memorandum.

If an investor chooses to exercise a right of rescission against the Fund, the investor has no right of action for damages against a person or company referred to above. These statutory rights to sue are 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 they prove that you knew of the misrepresentation when you purchased the Class B Units.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within one hundred and eighty (180) days after the day of the transaction that gave rise to the cause of action. You must commence your action for damages within the earlier of: (i) one hundred and eighty (180) days after the day that you first had knowledge of the facts giving rise to the cause of action; and (ii) two (2) years after the day of the transaction that gave rise to the cause of action.

Investors Resident in Ontario

If this Offering Memorandum contains a misrepresentation, you have a statutory right of:

- (a) rescission against the Fund; and

- (b) action for damages against the Fund.

If an investor chooses to exercise a right of rescission against the Fund, the investor has no right of action for damages against a person or company referred to above. These statutory rights to sue are 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 they prove that you knew of the misrepresentation when you purchased the Units.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict timelines. No action may be commenced to enforce a right:

- (a) in the case of an action for rescission, more than one hundred and eighty (180) days after the day of the transaction that gave rise to the cause of action; or
- (b) in the case of an action, other than an action for rescission, the earlier of: (i) one hundred and eighty (180) days after the day that you first had knowledge of the facts giving rise to the cause of action; or (ii) three (3) years after the day of the transaction that gave rise to the cause of action.

ITEM 12: FINANCIAL STATEMENTS

The audited interim financial statements of the Fund for the fiscal year ending December 31, 2014 which comprise the statement of financial position as of that date, and the statement of comprehensive income or loss, the statement of changes in equity and statement of cash flows for the period from inception to that date, are attached immediately before the certificate page of this Offering Memorandum.

Nanaimo Memory Care Fund
Financial Statements
For the 72-day period ended December 31, 2014

Nanaimo Memory Care Fund
Financial Statements
For the 72-day period ended December 31, 2014

	Contents
Independent Auditor's Report	2
Financial Statements	
Statement of Financial Position	3
Statement of Comprehensive Loss	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 16

Independent Auditor's Report

To the Trustees of Nanaimo Memory Care Fund

We have audited the accompanying financial statements of Nanaimo Memory Care Fund, which comprise the Statement of Financial Position as at December 31, 2014 and the Statements of Comprehensive Loss, Changes in Equity and Cash Flows for the 72-day period ended December 31, 2014 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Nanaimo Memory Care Fund as at December 31, 2014, and its financial performance and its cash flows for the 72-day period then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 4(b) to the financial statements which indicates that the Trust had not yet achieved profitable operations and requires unitholder and debt financing in the development of its business. These conditions, along with other matters as set forth in Note 4(b), indicate the existence of a material uncertainty that may cast significant doubt about the Trust's ability to continue as a going concern.

BDO Canada LLP

Chartered Accountants

Vancouver, British Columbia
May 15, 2015

Nanaimo Memory Care Fund
Statement of Financial Position

As at December 31

2014

Assets

Current

Cash	\$	59,785
Due from a related party (Note 5)		<u>2,620</u>

62,405

Investment in an associate (Note 6)		<u>1,269,679</u>
-------------------------------------	--	------------------

\$ 1,332,084

Liabilities and Unitholders' Deficit

Liabilities

Current

Accounts payable and accrued liabilities	\$	122,210
Due to related parties (Note 7)		<u>180,152</u>

302,362

Redeemable trust units (Note 8)		<u>1,121,941</u>
---------------------------------	--	------------------

1,424,303

Unitholders' deficit		<u>(92,219)</u>
----------------------	--	-----------------

Total Liabilities and Unitholders' Deficit		<u>\$ 1,332,084</u>
--	--	---------------------

Approved on behalf of the Trust:

"Aurele Simourd"

Aurele Simourd, Trustee

"Stephen Suske"

Stephen Suske, Trustee

"Ken Craig"

Ken Craig, Trustee

Nanaimo Memory Care Fund
Statement of Comprehensive Loss

For the 72-day period ended December 31, 2014

Expenses	
Accounting	\$ 9,491
Bank charges and interest	156
Due diligence	36,750
Marketing	<u>45,822</u>
Total comprehensive loss for the period	<u>\$ (92,219)</u>

Nanaimo Memory Care Fund
Statement of Changes in Equity

For the 72-day period December 31, 2014

Unitholders' equity, beginning of period	\$ -
Comprehensive loss for the period	<u>(92,219)</u>
Unitholders' deficit, end of period	<u>\$ (92,219)</u>

Nanaimo Memory Care Fund
Statement of Cash Flows

For the 72-day period ended December 31

2014

Cash flows provided by (used in)

Operating activities

Comprehensive loss for the period \$ (92,219)

Changes in non-cash working capital balance

Accounts payable and accrued liabilities 35,289

Cash flows used in operating activities

(56,930)

Investing activities

Investment in an associate (1,269,679)

Due from related party (2,620)

Cash flows used in investing activities

(1,272,299)

Financing activities

Proceeds from issuance of trust units 1,419,703

Payment for redemption of trust units (500)

Unit issuance costs paid (210,341)

Due to related parties 180,152

Cash flows provided by financing activities

1,389,014

Increase in cash during the period

59,785

Cash, beginning of period

-

Cash, end of period

\$ 59,785

Nanaimo Memory Care Fund

Notes to Financial Statements

December 31, 2014

1. Trust Information

Nanaimo Memory Care Fund (the "Trust") is an unincorporated open-ended, limited purpose trust created pursuant to the Trust Declaration dated October 20, 2014 under, and governed by, the laws of the Province of Alberta. The Trust will qualify as a mutual fund trust under the provisions of the Income Tax Act (Canada) upon obtaining a minimum of 150 unitholders. The purpose of the Trust is to invest in limited partnership units of Nanaimo Memory Care Limited Partnership (the "Nanaimo LP") and such other investments as the Trust may be permitted to engage in according to the terms of the Trust Declaration. The Nanaimo LP is engaged in the construction and development of a "memory care" specialized retirement facility (the "Residence") in Nanaimo, British Columbia. The Residence will provide residential and care services for adults suffering from dementia and other memory related diseases. Construction has not commenced as at December 31, 2014. The registered office of the Trust is located at c/o Sussex Retirement Living Inc., 2190B Thurston Drive, Ottawa, Ontario.

These financial statements for the period ended December 31, 2014 were authorized for issue by the Trustees on May 15, 2015.

2. Changes in Accounting Standards

One new interpretation and a number of amendments are effective for the first time for periods beginning on (or after) January 1 2014, and have been adopted in these financial statements. The nature and effect of the new interpretation and each amendment adopted by the Trust is detailed below. Neither the interpretation nor certain of the amendments effective for the first time for periods beginning on (or after) January 1 2014 affect the Trust's financial statements.

(a) IAS 36 - Recoverable Amount Disclosures - Amendments to IAS 36

The amendments align the disclosures required for the recoverable amount of an asset (or CGU) when this has been determined on the basis of fair value less costs of disposal with those required where the recoverable amount has been determined on the basis of value in use. Certain disclosures are now only required when an impairment loss has been recorded or reversed in respect of an asset or CGU. Other disclosures requirements have been clarified and expanded, for assets or CGUs where the recoverable amount has been determined on the basis of fair value less costs of disposal. The amendment did not result in any effect on the Group's consolidated financial statements.

The Trust has not applied the following new and revised International Financial Reporting Standards ("IFRS") that have been issued but are not yet effective:

(b) Investment Entities (Amendments to IFRS 10, IFRS 12, and IAS 27)

These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10 Consolidated Financial Statements and must be applied retrospectively, subject to certain transition relief. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments have no impact on the Trust.

December 31, 2014

2. Changes in Accounting Standards (Continued)

(c) IFRIC 21 Levies

IFRIC 21 clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. Retrospective application is required for IFRIC 21. This interpretation has no impact on the Trust as it has applied the recognition principles under IAS 37 Provisions, Contingent Liabilities and Contingent Assets consistent with the Requirements of IFRIC 21.

(d) Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)

These amendments clarify the meaning of “currently has a legally enforceable right to set-off” and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting and is applied retrospectively. These amendments have no impact on the Trust as it does not have any offsetting arrangements.

The standards and interpretations that are issued, but not yet effective, up to the date of the issuance of the Trust's financial statements are disclosed below. The Trust is still evaluating the impact of these new standards and interpretations and intends to adopt these standards, if applicable, when they become effective.

(e) IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments (“IFRS 9”) which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments Recognition and Measurement (“IFRS 39”) and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting.

IFRS 9 is effective for annual periods beginning on or after January 1 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before February 1 2015.

(f) IAS 24 Related Party Disclosures

The amendment is applied retrospectively and clarified that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

(g) IFRS 13 Fair Value Measurement

The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39, as applicable).

Nanaimo Memory Care Fund
Notes to Financial Statements

December 31, 2014

2. Changes in Accounting Standards (Continued)

(h) IAS 27 Equity Method in Separate Financial Statements (amendments)

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. The amendments are effective for annual periods beginning on or after January 1 2016, with early adoption permitted.

3. Critical accounting estimates and judgment

The Trust makes certain estimates and assumptions regarding the future. Estimates and judgment are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Significant influence over the Nanaimo LP

Although the Trust holds half of the voting units issued by the Nanaimo LP, Note 6 describes that the Nanaimo LP is an associate of the Trust. The Trust does not have control or joint control but, rather, significant influence over the Nanaimo LP because it does not substantially have the ability to use its power over the investee to affect the business activities of the Nanaimo LP and the amount of the Nanaimo LP's returns.

(b) Going concern

The Trust's management has made an assessment of the Trust's ability to continue as a going concern and is satisfied that the Trust has the resources to continue in business for the foreseeable future. The factors considered by management are disclosed in Note 4(b).

December 31, 2014

4. Significant Accounting Policies

(a) Basis of presentation and statement of compliance

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

These financial statement have been prepared under the historical cost convention and are presented in Canadian dollars, which is the Trust's functional currency.

(b) Going concern

The Trust is a newly formed entity and there is currently no revenue generated to fund investments and anticipated general and administrative expenses and to settle liabilities as they fall due. The Trust's principal asset and activity is its investment in the Nanaimo LP which is accounted for using the equity method. The income and cash distributions from the Nanaimo LP, if any, are allocated to the Trust in such a manner as described in Note 6 to the financial statements.

These financial statements have been prepared on the basis that the Trust will continue as a going concern, which assumes that the Trust will be able to meet its obligations and continue its operations for the next year. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Trust be unable to continue as a going concern. At December 31, 2014 the Trust had not yet achieved profitable operations and requires unitholder and debt financing in the development of its business, all of which indicates the existence of a material uncertainty that may cast significant doubt upon the Trust's ability to continue as a going concern. The Trust's ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to develop its business and to meet its obligations and repay its liabilities arising from normal business operations when they come due. There is no assurance that the Trust will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Trust.

(c) Financial instruments

The Trust's financial assets include cash and an amount due from a related party which are classified and accounted for as loans and receivables. Financial assets are recognised on the trade date.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any impairment losses. Any changes in their value are recognised in profit or loss.

Derecognition of financial assets occurs when the rights to receive cash flows from the financial assets expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

December 31, 2014

4. Significant Accounting Policies (Continued)

(c) Financial instruments (Continued)

An assessment for impairment is undertaken at least at the end of each reporting period whether or not there is objective evidence that a financial asset or a group of financial assets is impaired. Impairment loss on loans and receivables is recognised when there is objective evidence that the company will not be able to collect all the amounts due to it in accordance with the original terms of the receivables. The amount of the impairment loss is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

The Trust's financial liabilities include accounts payable, amounts due to related parties and redeemable trust units which are classified and accounted for as financial liabilities at amortized cost. Financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument.

Financial liabilities are initially recognised at fair value, net of transaction costs incurred and subsequently measured at amortised cost using the effective interest method. Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled, or expires.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(d) Impairment of Non-financial Assets

Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ('CGUs'). Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income.

(e) Income Taxes

The Trust had a tax loss for the period. The Trust intends to distribute all of its taxable income, if any, to Class B unitholders when it qualifies as a mutual fund trust under the Income Tax Act (Canada) and is entitled to deduct such distributions for income tax purposes. Accordingly, a provision for current income taxes payable is not required.

Nanaimo Memory Care Fund
Notes to Financial Statements

December 31, 2014

4. Significant Accounting Policies (Continued)

(f) Cash

Cash includes funds held in a business chequing account with a Canadian schedule bank that is highly liquid.

(g) Investment in Associates

An associate is an entity over which the Trust has significant influence. Significant influence is the power to participate in (but not control) the financial and operating policy decisions of another entity. Associates are initially recognised in the statement of financial position at cost. Subsequently associates are accounted for using the equity method, where the Trust's share of post-acquisition profits and losses and other comprehensive income is recognised in the statement of profit and loss and other comprehensive income (except for losses in excess of the Trust's investment in the associate unless there is an obligation to make good on those losses). Any premium paid for an associate above the fair value of the Trust's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate. Where there is objective evidence that the investment in an associate has been impaired the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

(h) Redeemable Trust Units

The Trust classifies issued Class A and Class B units (the "Units") as financial liabilities as they include a contractual obligation for the Trust to repurchase or redeem them for cash or another financial asset. The Units do not meet the criteria in IAS 32 for classification as equity. Any transaction costs arising on the issue of the Units are recognized as a reduction of the financial liabilities.

5. Due from a Related Party

The amount is due from the general partner of the Nanaimo LP. It is non-interest bearing, unsecured and due on demand.

6. Investment In an Associate

On October 27, 2014, the Trust purchased 5,000 Class 1 units of the Nanaimo LP for \$1,000. For the period ended December 31, 2014, the Trust made additional contributions to the Nanaimo LP in the amount of \$1,268,679. The Nanaimo LP was formed under the Partnership Act (British Columbia). As described in Note 1, the Nanaimo LP is a limited partnership engaged in the construction of the Residence in Nanaimo, British Columbia. The Residence will provide residential and care services for adults suffering from dementia and other memory related diseases.

Nanaimo Memory Care Fund
Notes to Financial Statements

December 31, 2014

6. Investment In an Associate (Continued)

The Trust has a 50% interest in Nanaimo LP. Pursuant to the terms of the limited partnership agreement dated October 27, 2014, if the portion of the land in Nanaimo, British Columbia as described in Note 13 that will not be used for the Residence (the "Excess Land") can be subdivided and sold for a profit, the Trust is entitled to 25% of the income and distributable cash from the sale of the Excess Land (the "Land Distribution"). The Trust is entitled to 100% of all other distributable cash of the Nanaimo LP until it receives an amount, inclusive of the Land Distribution, equal to the capital contributions made by the Class B unitholders to the Trust, less certain adjustments for any redemptions (the "Capital Distribution Amount"). After the payment of the Land Distribution and the Capital Distribution Amount, the Trust is entitled to 100% of the income and distributable cash of the Nanaimo LP until the amount allocated or distributed, as applicable, is equal to a 10% simple annual rate of return on the Capital Distribution Amount. In addition, after payment of certain prescribed fees by the Nanaimo LP, the Trust is further entitled to receive 50% of the income and distributable cash of the Nanaimo LP until the amount allocated or distributed, as applicable, is equal to a 16% simple annual rate of return on the Capital Distribution Amount. Thereafter, the Trust is entitled to 25% of any remaining income and distributable cash. Any loss will be allocated to the Trust in proportion to the partners' capital account balances.

Summarized financial information of the Nanaimo LP is as follows:

As at December 31	2014
Current assets	\$ 1,433,993
Current liabilities	\$ 176,138
For the period ended December 31	2014
Revenue	\$ -
Expenses	\$ 27
Net loss for the period	\$ (27)

7. Due to Related Parties

The amounts are due to one of the Trustees and companies controlled by the Trustees. They are non-interest bearing, unsecured and repayable on demand.

8. Redeemable Trust Units

As at December 31	2014
3 Class A trust units	\$ 3
14,192 Class B trust units	1,419,200
Less: transaction costs	(297,262)
	\$ 1,121,941

December 31, 2014

8. Redeemable Trust Units (Continued)

The Trust is authorized to issue an unlimited number of Class A and Class B trust units.

On October 20, 2014, the Trust issued 1 Class B trust unit for \$500. On the same date, the Trust issued 3 Class A trust units for \$3 and subsequently redeemed the 1 outstanding Class B trust unit for \$500. On November 20, 2014 and December 18, 2014, the Trust issued additional 14,192 trust units for gross proceeds of \$1,419,200. Class A trust units are voting and transferable but are not eligible for any share of the Trust's income or assets, except in the event of termination or winding up of the Trust and subsequent to the distribution of proceeds or assets to Class B unitholders as outlined hereafter, Class A unitholders are entitled to receive \$3 being the total contributions made. Class B trust units are voting and transferable. They participate pro rata in any distributions from the Trust whether of cash flows, income, net realized capital gains or other amounts, and in the net assets of the Trust in the event of termination or winding up of the Trust, except that Class B unitholders shall only be entitled to those assets, or proceeds from the sale of such assets, purchased by the Trust, directly or indirectly, using Class B funds.

Both Class A and Class B trust units are redeemable at the option of the unitholder. If the redemption date is prior to September 1, 2015, the redemption amount is 85% of the subscription price paid by the unitholder; if the redemption date is on or after September 1, 2015 but prior to September 1, 2016, the redemption amount is 90% of the subscription price paid by the unitholder; and if the redemption date is on or after September 1, 2016, the redemption amount is equal to the pro rata fair market value of trust units on the applicable redemption date. The fair market value of Class A trust units are deemed to be the subscription price paid according to the Trust Declaration dated October 20, 2014.

9. Commitments

On October 20, 2014, the Trust entered into an Administration Agreement with Sussex Retirement Living Inc. (the "Administrator"), a company controlled by the Trustees. The Agreement will continue in force as long as the Trust is in existence, unless terminated earlier by either party, in their sole discretion, by notice in writing at least 30 days prior to the effective date of termination which shall be stated in such notice. Pursuant to the terms of the Administration Agreement, the Trust shall pay a yearly fee of \$5,000 in exchange for the administrative services provided by the Administrator.

On October 30, 2014, the Trust entered into an exempt market dealing services agreement with a third party, Raintree Financial Solutions ("Raintree") whereby the Trust agreed to pay 10% of gross proceeds from the sale of the Class B trust units to Raintree as commission.

In addition, the Nanaimo LP agreed to pay a construction management fee in the amount of \$325,000 to Avenir Construction, LLC, an entity related to a 50% shareholder of the general partner and investors of the Nanaimo LP at the commencement of the construction of the Residence, an asset management fee equal to 1.75% of the construction cost of the Residence up to a maximum of \$294,000 per year until the Residence is disposed of by the Nanaimo LP as well as a development and success fee equal to 5.25% of the sale price upon completion and successful sale of the Residence and the lesser of \$1,250,000 or an amount as required by the lender of the general partner to Sussex Retirement Living Inc., 0794671 BC Ltd., and Teykeeday Projects Corp. (collectively the "Asset Manager"), all of which are companies under control by the Trustees and Avenir Constructions LLC.

December 31, 2014

9. Commitments - Continued

According to the terms of the asset management fee agreement, the first annual payment of the asset management fee should be paid on or before December 31, 2014. The Asset Manager agreed to postpone the payment of this fee until additional funds are raised by the Trust; therefore, no accrual has been made in these financial statements.

10. Financial Instrument Risks

The Trust, through its financial assets and liabilities, is exposed to various risks. The following analysis provides a measurement of those risks at December 31, 2014.

(a) Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Trust is exposed to credit risk from the amount due from a related party. All of the Trust's cash is held at a single Canadian chartered bank.

(b) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Trust relies on the support of its unitholders and lenders or achieving profitable operations to meet its liabilities as they fall due.

11. Capital Management

The Trust monitors its capital which comprises all components of equity (i.e. unitholders' equity). The Trust's objectives when maintaining capital are to safeguard the Trust's ability to continue as a going concern, so that it can continue to provide returns and benefits for unitholders and to provide an adequate return to unitholders by pricing products and services commensurately with the level of risk.

The Trust sets the amount of capital it requires in proportion to risk. The Trust manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Trust may issue new units or sell assets to reduce debt.

The Trust is not subject to external capital restrictions nor were there changes in the Trust's approach to capital management during the period.

12. Contingent Liability

During the period, the partners of the Nanaimo LP incurred travel, meals and entertainment expenses on behalf of the Trust in the amount of approximately \$120,000 but will not be reimbursed at least until such time the general partner and partners of the Nanaimo LP deem it feasible for the Trust to do so based on the capital raised.

Nanaimo Memory Care Fund
Notes to Financial Statements

December 31, 2014

13. Events after the Reporting Period

Subsequent to the end of the reporting period, the Trust issued additional 37,698 Class B units in return for \$3,769,800 in gross cash receipts.

In addition, on March 30, 2015, the Nanaimo LP completed the purchase of land located at 4989 Wills Road, Nanaimo, British Columbia for a purchase price of \$2,350,000 paid in cash.

ITEM 13: DATE AND CERTIFICATE

Dated: May 29, 2015.

This Offering Memorandum does not contain a misrepresentation.

NANAIMO MEMORY CARE FUND, by its Trustees

Per: "Aurele Simourd"
Aurele Simourd

Per: "Stephen Suske"
Stephen Suske

Per: "Ken Craig"
Ken Craig

"Aurele Simourd"
**AURELE SIMOURD, CEO of the
Issuer**

"John Cathrae"
**JOHN CATHRAE, CFO of the Issuer and
Administrator**

**SUSSEX RETIREMENT LIVING INC., as administrator
of the Fund**

Per: "Aurele Simourd"

"Stephen Suske"
**STEPHEN SUSKE, CEO of the
Administrator**

By Two Directors of the Administrator

"Aurele Simourd"
**AURELE SIMOURD, Director of the
Administrator**

"Ken Craig"
KEN CRAIG, Director of the Administrator

Schedule "A" - Subscription Agreement

See Attached

SUBSCRIPTION AGREEMENT**TO: NANAIMO MEMORY CARE FUND****Purchase of Units of Nanaimo Memory Care Fund**

Subject to the terms and conditions contained in this Subscription Agreement, including the terms and conditions set forth in all Schedules attached hereto, we, the undersigned, hereby irrevocably subscribe for and agree to purchase that number of Class B Units (the “**Units**”) of Nanaimo Memory Care Fund (the “**Fund**”) set forth below, with each Unit having the attributes as described in the Fund’s Declaration of Trust, at the purchase price of One Hundred (\$100.00) Dollars per Unit, with a minimum subscription of fifty (50) Units.

<p>_____ Name of Subscriber #1 - <i>please print</i></p> <p>_____ Name(s) of Joint Subscriber(s) #2 - <i>please print</i> <input type="checkbox"/> CHECK THE BOX IF TO BE JOINT TENANTS WITH RIGHT OF SURVIVORSHIP</p> <p>_____ Signature of Subscriber #1 or Authorized Signature of Subscriber if Subscriber is not an individual</p> <p>_____ Signature of Joint Subscriber(s) #2 or Authorized Signatures of Subscriber if Subscriber is not an individual</p> <p>_____ Name and Official Capacity or Title of Authorized Signatory</p> <p>_____ Social Insurance Number(s) (SIN) #1 or Business/Registration Number of Non-Individual Subscriber</p> <p>_____ Social Insurance Number(s) (SIN) #2 or Business/Registration Number of Non-Individual Subscriber</p> <p>_____ Address of Subscriber #1 (incl. Postal Code)</p> <p>_____ Email Address of Subscriber #1 Telephone Number of Subscriber #1</p> <p>_____ Address of Subscriber #2</p> <p>_____ Email Address of Subscriber #2 Telephone Number of Subscriber #2</p>	<p>Number of Units Purchased _____</p> <p>Aggregate Subscription Price \$ _____</p> <p><u>Register the Units as set forth below:</u></p> <p>_____ [Name]</p> <p>_____ [Account Reference, if applicable]</p> <p>_____ [Subscriber's Address, if different than above]</p> <p><u>Deliver the Units as set forth below:</u></p> <p>_____ [Name]</p> <p>_____ [Account reference, if applicable]</p> <p>_____ [Contact Name]</p> <p>_____ [Address]</p> <p>_____ [Telephone Number]</p> <p>For British Columbia Subscribers Only I am a "registrant" <input type="checkbox"/> I am an "insider" of the Issuer <input type="checkbox"/> I am a "promoter" of the Issuer <input type="checkbox"/> Each as defined under the Securities Act (British Columbia) and reproduced in Schedule "G" herein.</p>
--	--

The Units subscribed for form part of a larger offering (the “**Offering**”) of up to Seventy Thousand (70,000) Units by the Fund for aggregate gross proceeds to the Fund of Seven Million (\$7,000,000.00) Dollars.

ALL DOLLAR AMOUNTS REFERRED TO IN THIS SUBSCRIPTION AGREEMENT ARE IN CANADIAN DOLLARS.

Please initial in the box beside the prospectus exemption you are relying on. By executing this Subscription Agreement, you represent and warrant that the statement beside your initials applies to you. PLEASE FILL OUT ONE OF THE TWO FIELDS BELOW, TOGETHER WITH THE SCHEDULES REFERENCED THEREIN.

- ☐ i) **OFFERING MEMORANDUM EXEMPTION:** We are resident in either British Columbia, Alberta, Saskatchewan or Manitoba, are purchasing as principal, at the same time as or before the execution of this Subscription Agreement, have received a copy of an Offering Memorandum prepared by the Fund in accordance with National Instrument 45-106 and have executed the attached two (2) copies of Form 45-106 F4 set forth in Schedule "B" and the Acknowledgment of Receipt of an Offering Memorandum set forth in Schedule "E" attached hereto [PLEASE FILL OUT AND EXECUTE BOTH COPIES OF FORM 45-106 F4 IN SCHEDULE "B" AND THE ACKNOWLEDGEMENT OF RECEIPT OF AN OFFERING MEMORANDUM IN SCHEDULE "E" ATTACHED HERETO AND DATE AND EXECUTE THE SAME]; and, if we are resident in Alberta, Saskatchewan or Manitoba, our aggregate acquisition cost does not exceed Ten Thousand (\$10,000.00) Dollars, OR in the event that our aggregate acquisition cost does exceed Ten Thousand (\$10,000.00) Dollars, we are "eligible investors" within the meaning of National Instrument 45-106 by virtue of falling within the categories of "eligible investors" set forth in Schedule "C" attached hereto [PLEASE INITIAL THE APPROPRIATE CATEGORY IN SCHEDULE "C" ATTACHED HERETO AND DATE AND EXECUTE THE SAME, IF APPLICABLE]; OR
- ☐ ii) **ACCREDITED INVESTOR EXEMPTION:** we are resident in or otherwise subject to applicable securities laws of a Qualifying Jurisdiction and we are an "accredited investor", as such term is defined in National Instrument 45-106 by virtue of falling within the categories of "accredited investors" set forth in Schedule "D" attached hereto [PLEASE INITIAL THE APPROPRIATE CATEGORY IN SCHEDULE "D" ATTACHED HERETO AND DATE AND EXECUTE THE SAME]; and if we are relying upon any one of the definitions contained in paragraphs (j), (k) or (l) of Schedule "D", we have executed the attached two (2) copies of Form 45-106F9 set forth in Appendix "A" to Schedule "D", [IF APPLICABLE, PLEASE FILL OUT AND EXECUTE BOTH COPIES OF FORM 45-106F9].

ACCEPTANCE: Sussex Retirement Living Inc., as administrator of the Fund, hereby accepts the above subscription this ____ day of _____, 20____.

SUSSEX RETIREMENT LIVING INC.

Per: _____

SCHEDULE "A"
TERMS AND CONDITIONS OF SUBSCRIPTION FOR UNITS
OF NANAIMO MEMORY CARE FUND

1. Conditions, Acceptance and Delivery

We acknowledge and agree that, as the issuance of Units will not be qualified by a prospectus, the issuance of Units is subject to the condition that we execute and return to the Fund, as applicable, all payments and relevant documentation required by this Subscription Agreement, applicable securities legislation, regulations, rules and policies and applicable stock exchange rules.

We agree to: (i) provide the Fund with such information and documents, including certificates, statutory declarations and undertakings, as the Fund may reasonably require from time to time to comply with any filing or other requirements under applicable securities legislation, regulations, rules and policies and applicable stock exchange rules; and (ii) comply with the provisions of any applicable securities legislation, regulations, rules and policies and applicable stock exchange rules concerning any resale of the Units.

The Subscriber acknowledges and agrees that the issuance by the Fund to him of the Units is subject to prior sale and to:

- (a) the acceptance of this Subscription, in whole or in part, by the Fund in its sole and absolute discretion; and
- (b) the availability to the Fund of exemptions ("**Exemptions**") under all applicable securities laws, rules and regulations which, in the opinion of counsel to the Fund, may be relied upon by the Fund in order to permit them to offer and sell the Units to the Subscriber without the necessity of filing and having approved a prospectus pursuant to such securities laws, rules and regulations.

It is currently contemplated that Units will only be sold in the Provinces of Alberta, British Columbia, Ontario, Manitoba and Saskatchewan (the "**Qualifying Jurisdictions**"). The Fund intends to issue the Units to subscribers in the Qualifying Jurisdictions in reliance on certain of the Capital Raising Exemptions as set out in Part 2, Division 1 of National Instrument 45-106 "Prospectus and Registration Exemptions" adopted by the securities commissions in the Qualifying Jurisdictions ("**NI 45-106**").

A Subscriber may not subscribe for less than fifty (50) Units having a Subscription Price of Five Thousand (\$5,000.00) Dollars. The Subscriber acknowledges that there is no minimum offering. The Subscriber also acknowledges that up to Seventy Thousand (70,000) Units for aggregate gross proceeds to the Fund of Seven Million (\$7,000,000.00) Dollars will be issued by the Fund pursuant to this Offering.

If we are relying on the Offering Memorandum Exemption, we further acknowledge that we have received an Offering Memorandum in relation to the issuance of the Units by the Fund. In that regard, we acknowledge that we are able to rescind this Subscription Agreement until midnight on the date that is two (2) days after we sign this Subscription Agreement. Further, we acknowledge that there is no obligation of the Fund to accept this Subscription Agreement and that there is no minimum offering.

We agree that the following must be delivered to Nanaimo Memory Care Fund c/o Bryan & Company LLP, 2600 Manulife Place, 10180 -101 Street, Edmonton, AB T5J 3Y2, Attention: Jason E. May:

- (a) one completed and duly signed copy of this Subscription Agreement together with, as applicable, the relevant risk acknowledgement completed in the form attached hereto as Schedule "B" and the Acknowledgement of Receipt of an Offering Memorandum completed in the form attached hereto as Schedule "E", as well as the exemption certificate completed in the form attached hereto as Schedule "C" or "D", as applicable;
- (b) such other documents as may be required pursuant to terms of this subscription agreement;

- (c) a certified cheque or bank draft for the Subscription Price payable to Nanaimo Memory Care Fund; and
- (d) all other documentation as may be required by applicable securities legislation.

2. Acknowledgements re: Hold Periods and Resale Restrictions

We understand and acknowledge the following:

- (a) the Units are subject to statutory hold periods and resale restrictions;
- (b) we have been advised to consult our own legal advisers in connection with any applicable statutory hold periods and resale restrictions relating to the Units;
- (c) upon the issuance of the Units, the certificates representing such Units (and any replacement certificate issued prior to the expiration of the applicable hold periods) will bear a legend substantially in the form of the following legend until the expiration of the applicable hold period:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITIES BEFORE THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE LATER OF (i) **[INSERT THE DISTRIBUTION DATE]**, AND (ii) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

EVERY TRANSFER OF SECURITIES IS SUBJECT TO THE APPROVAL OF A MAJORITY OF THE BOARD OF TRUSTEES OF THE FUND PURSUANT TO THE TERMS OF THE DECLARATION OF TRUST.”

- (d) we are solely responsible (and the Fund is not in any way responsible) for compliance with applicable hold periods and resale restrictions, including without limitation the filing of any documentation and, if applicable, the payment of any fees with any applicable securities regulatory authority, and that we, and (if applicable) others on whose behalf we are contracting hereunder, are aware that we, and (if applicable) such others, may not be able to resell the Units except in accordance with limited exceptions under applicable securities legislation and regulatory policy and we and, if applicable, others on whose behalf we are contracting hereunder, will not sell, resell or otherwise transfer the Units except in compliance with applicable laws.

3. Acknowledgements re: Prospectus Exemptions, etc.

We acknowledge and agree that the sale of the Units to us, or (if applicable) to such others, is conditional upon, among other things:

- (a) such sale being exempt from the prospectus filing requirements (as defined in any applicable Canadian securities legislation) of all applicable securities legislation relating to such sale or upon the issuance of such rulings, orders, consents or approvals as may be required to permit such sale without the requirement of filing a prospectus;
- (b) acceptance of your subscription by the fund, such acceptance which may be determined by the Fund in its sole discretion;

We also acknowledge and agree that:

- (c) no agency, governmental authority, regulatory body, stock exchange or other entity has made any finding or determination as to the merit for investment of, nor have any such agencies or governmental authorities made any recommendation or endorsement with respect to the Units;

- (d) no prospectus has been filed by the Fund with a securities commission or other securities regulatory authority in any Province of Canada or any other jurisdiction in connection with the issuance of the Units and such issuances are exempt from the prospectus requirements otherwise applicable under the provisions of Canadian securities laws and, as a result, in connection with our purchase of the Units hereunder:
 - (i) we are restricted from using most of the civil remedies available under Canadian securities laws;
 - (ii) we will not receive information that would otherwise be required to be provided to us under applicable securities laws or contained in a prospectus prepared in accordance with applicable securities laws;
 - (iii) the Fund is relieved from certain obligations that would otherwise apply under such applicable securities laws; and
- (e) the Units are being offered for sale only on a “private placement” basis.

We acknowledge that the Fund may be required to provide applicable securities regulatory authorities with a list setting forth the identities of the beneficial purchasers of the Units and we consent to the disclosure of any such information relating to our subscription hereunder as required for the Fund to properly comply with all regulatory requirements.

We understand and acknowledge that: (i) the Units have not been nor will be registered under the United States *Securities Act of 1933*, as amended (the “**U.S. Securities Act**”) nor any applicable state securities laws and may not be offered or sold or re-offered or resold, directly or indirectly, in the United States or to any U.S. person (as defined in Regulation S under the U.S. Securities Act, a “**U.S. Person**”), unless such securities have been registered under the U.S. Securities Act and any applicable state securities laws, or are otherwise exempt from such registration; and (ii) certificates representing the Units may bear a legend to such effect.

4. Representations, Warranties and Covenants of the Subscriber

We represent, warrant and covenant to and with the Fund (and acknowledge that the Fund is relying thereon) as follows:

- (a) *Ownership and Right to Units* - we are either:
 - individuals subscribing for Units of which we will, subject to a transfer in accordance with applicable securities laws and the conditions on transferability set forth in the Declaration of Trust of the Fund, remain the sole beneficial owners; or
 - an individual subscribing for Units which will subsequently be transferred to a Registered Retirement Savings Plan, Registered Retirement Income Fund, Deferred Profit Sharing Plan, Registered Education Savings Plan, Registered Disability Savings Plan or a Tax Free Savings Account (each, an “Exempt Plan”) of which we are the annuitants and, following such transfer, we will have the sole and exclusive right to withdraw funds from the Exempt Plan at any time and without the consent or approval of any other person; or
 - a Canadian corporation (the “Corporation”) subscribing for Units of which the Corporation will remain the sole beneficial owner and either: (a) 50% or more of the vote and value of each class of shares of the Corporation is owned by individuals resident in Canada and more than 50% of the Corporation’s deductible expenses are paid to individuals resident in Canada, or (b) the Corporation otherwise satisfies the limitation on benefits provision of the Canada-US Income Tax Convention.

- (b) *Not a U.S. Person* - we are neither U.S. citizens, U.S. permanent residents, U.S. resident aliens nor entities formed under U.S. law for U.S. income tax purposes;
- (c) *Jurisdiction of Residence* - we are resident or otherwise subject to the applicable securities legislation in the jurisdictions set out under “Subscriber’s Address” on Page 1 of this Subscription Agreement, we are either Canadian citizens or permanent residents of Canada and the purchase by and sale to us of the Units has occurred only in that jurisdiction. The address set out under “Subscriber’s Address” on page 1 was not created and is not used solely for the purpose of acquiring the Units and we were solicited to purchase in such jurisdiction and are acquiring the Units for our own account. We have not been formed solely for the purpose of entering into the transactions contemplated by this Subscription Agreement;
- (d) *Prospectus Exempt Purchaser* - we make the representations, warranties and covenants set out on page 2 of this Subscription Agreement, and in Schedules “C” and “D”, as applicable, with the Fund, and that we may avail ourselves of the prospectus exemption contemplated therein;
- (e) *Resale Restrictions* - we have been independently advised as to, and are aware of the restrictions with respect to trading in the Units pursuant to the applicable securities laws and any applicable stock exchanges;
- (f) *Not a Reporting Issuer* - we acknowledge that the Fund is not a reporting issuer in any province of Canada and, as such, the hold periods applicable to the Units may never expire and the Units may never be resold except pursuant to a further statutory exemption or discretionary order;
- (g) *Residency for Tax Purposes* - we are not a non-resident of Canada or a public fund or a fund controlled by a non-resident or controlled by a public fund or by any combination thereof within the meaning of the *Income Tax Act* (Canada) (the “**Tax Act**”), as amended from time to time;
- (h) *Due Execution and Delivery* - we are responsible for obtaining such legal advice as we consider necessary in connection with the execution, delivery and performance by us of this agreement and the transactions contemplated herein and we represent and warrant that such execution, delivery and performance shall not contravene any applicable laws of the jurisdiction in which we are resident;
- (i) *Independent Tax Advice* - we are solely responsible for obtaining such advice concerning the tax consequences of our investment in the Units and we are not relying on the Fund for advice concerning such tax consequences;
- (j) *Capacity* - if we and, if applicable, any person on whose behalf we are contracting (i) are an individual, we have attained the age of majority and are legally competent to execute this Subscription Agreement and to perform all actions required pursuant hereto; or (ii) are a fund, partnership, corporation, unincorporated association or other entity, we, as the case may be, have the legal capacity and competence to enter into and be bound by this Subscription Agreement and we further certify that all necessary approvals of directors, shareholders or otherwise have been given and obtained;
- (k) *Authority* - the entering into of this Subscription Agreement and the completion of the transactions contemplated herein will not result in the violation of any of the terms and provisions of any law applicable to, or the constating documents of, us or any purchaser on whose behalf we are contracting or of any agreement, written or oral, to which we are or such other purchaser is a party or by which we or such other purchaser are bound and the Fund is hereby authorized to treat any one such signatory to this Subscription Agreement as the authorized agent and signatory of the corporation or other entity in all matters respecting the Units unless otherwise notified in writing by the corporation or other entity;

- (l) *Enforceability* - this Subscription Agreement has been duly and validly authorized, executed and delivered by us and, upon acceptance by the Fund this Subscription Agreement will constitute a legal, valid and binding contract of ours, enforceable against us, in accordance with its terms;
- (m) *No Representation re: Resale, Refund, Future Price or Listing* - no person has made any written or oral representation to us:
 - (i) that any person will resell or repurchase the Units;
 - (ii) that any person will refund the purchase price of the Units other than as may be provided in this Subscription Agreement; or
 - (iii) relating to the future price or value of the Units.
- (n) *Investment Experience* - we have knowledge and experience with respect to investments of this type enabling us, to evaluate the merits and risks thereof and the capacity to obtain competent independent business, legal and tax advice regarding this investment;
- (o) *Investment Intent* - we are subscribing for the Units as principal for our own account and not for the benefit of any other person (within the meaning of applicable securities legislation) and not with a view to resale or distribution of all or any of the Units, or in the case of a subscription for the Units by us acting as trustee or agent (including, for greater certainty, a portfolio manager or comparable adviser) for a principal, that we are duly authorized to execute and deliver this Subscription Agreement and all other necessary documentation in connection with such subscription on behalf of each such beneficial person, each of whom is subscribing as principal for its own account, not for the benefit of any other person and not with a view to the resale or distribution of the Units; and
- (p) *No Prospectus* - we have not been provided with a prospectus in connection with the subscription for Units;

We acknowledge that the foregoing representations and warranties are made by us with the intent that they may be relied upon in determining our eligibility and the eligibility of any person on whose behalf we are contracting, to purchase the Units under relevant securities legislation and we hereby agree, on our own behalf and on behalf of any person on whose behalf we are contracting, to indemnify the Fund against all losses, claims, costs, expenses and damages and other liabilities which it may suffer or incur as the result of or arising from the reliance by the Fund on any such representation or warranty. We further agree that by accepting the Units we shall be representing and warranting that the foregoing representations and warranties are true as at the date of acceptance, with the same force and effect as if they had been made by us on such date and that they will survive the purchase by us of the Units and will continue in full force and effect notwithstanding any subsequent disposition by us of the Units.

5. Commissions

We acknowledge that the Fund may pay a cash commission, in accordance with all regulatory requirements, to agents or third party registrants for obtaining subscriptions in connection with the Offering, of up to 10% of the gross proceeds raised pursuant to Units sold by such agent or third party registrant.

6. Survival

This Subscription Agreement, including without limitation the representations, warranties and covenants contained herein, shall survive and continue in full force and effect and be binding upon the Fund and the undersigned for a period of three years from the Closing Date notwithstanding the completion of the purchase of the Units.

7. Governing Law

This agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein. We, hereby irrevocably attorn to the jurisdiction of the courts of the Province of Alberta with respect to any matters arising out of this agreement.

8. Costs

All costs and expenses incurred by us (including any fees and disbursements of any counsel retained by us) relating to the purchase by us of the Units shall be borne by us.

9. Assignment

This agreement is not transferable or assignable, in whole or in part, by us or (if applicable) by others on whose behalf we are contracting hereunder.

10. Enurement

This agreement will be binding upon and enure to the benefit of the parties hereto and their respective successors and assigns.

11. Entire Agreement and Headings

This agreement (including the schedules hereto) contains the entire agreement of the parties hereto relating to the subject matter hereof and there are no representations, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein. This agreement may be amended or modified in any respect by written instrument only. The headings contained herein are for convenience only and shall not effect the meanings or interpretation hereof.

12. Time of Essence

Time shall be of the essence of this agreement.

13. Counterparts and Facsimile Deliveries

This agreement may be executed in one or more counterparts, each of which counterparts when executed shall constitute an original and all of which counterparts so executed shall constitute one and the same instrument. The Fund shall be entitled to rely on delivery of a facsimile copy of this agreement, including the completed schedules attached hereto, and acceptance by the Fund of any such facsimile copy shall be legally effective to create a valid and binding agreement between the parties hereto in accordance with the terms hereof. Notwithstanding the foregoing, the undersigned shall deliver to the Fund at the address specified in Section 1 hereof, an originally executed copy of this agreement, including the schedules attached hereto, within two business days of the Closing Date.

14. Consent to Collection, Use and Disclosure of Personal Information

The Subscriber acknowledges that this Subscription Agreement and the schedules hereto require the Subscriber to provide certain personal information to the Fund. Such information is being collected by the Fund for the purposes of completing the Offering, which includes, without limitation, determining the Subscriber's eligibility to purchase the Units under applicable securities laws, preparing and registering certificates representing Units to be issued to the Subscriber and completing filings required by any stock exchange or securities regulatory authority. The Subscriber's personal information may be disclosed by the Fund to:

- (a) Any dealer acting behalf of the Fund;

- (b) stock exchanges or securities regulatory authorities;
- (c) any lenders involved in the business of the Fund that requests the identities of Subscribers;
- (d) any governmental authorities;
- (e) the Fund's registrar and transfer agent;
- (f) Canada Revenue Agency; and
- (g) any of the other parties involved in the Offering, including legal counsel, and may be included in record books in connection with the Offering.

By executing this Subscription Agreement, the Subscriber is deemed to be consenting to the foregoing collection, use and disclosure of the Subscriber's personal information.

15. Disclosure to Regulatory Authorities

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

16. No Reliance

The Fund's counsel, Bryan & Company LLP and Felesky Flynn LLP, are acting solely for the Fund and not for any of the Subscribers and, accordingly, the Subscriber may not rely upon them in any respect.

17. General

The Subscriber undertakes to immediately notify the Fund of any change in any statement or other information relating to the Subscriber or a beneficial purchaser for whom it is acting, set forth herein which takes place prior to the Closing.

In the event that a cheque for the funds provided by the Subscriber herewith is returned to the Fund due to "non-sufficient funds" or is otherwise dishonoured upon deposit by the Fund, the Subscriber hereby covenants and agrees to pay or reimburse the Fund an amount equal to all charges and out of pocket costs incurred by the Fund, including interest on any bridge financing acquired by the Fund to address the shortfall, upon notification of same by the Fund, and the Fund shall not be required to issue the Units to the Subscriber until all amounts herein required to be paid by the Subscriber have been paid.

The Subscriber agrees that the original certificate(s) for the Units to be issued to the Subscriber shall be retained in the books and records of the Fund unless the Subscriber specifically requests delivery of the original certificate(s) and the Administrator agrees to such release. Notwithstanding the foregoing, if the Subscriber is subscribing through a registered account, the original certificate(s) for the Units to be issued will be delivered to the trust company through which the Subscriber is subscribing.

SCHEDULE "B"
FORM 45-106F4

Risk Acknowledgement

- I acknowledge that this is a risky investment.
- I am investing entirely at my own risk.
- No securities regulatory authority or regulator has evaluated or endorsed the merits of these securities or the disclosure in the offering memorandum.
- The securities are redeemable, but I may only be able to redeem them in limited circumstances.
- I will not be able to sell these securities except in very limited circumstances. I may never be able to sell these securities.
- I could lose all the money I invest.

I am investing \$_____ [total consideration] in total; this includes any amount I am obliged to pay in future. Nanaimo Memory Care Fund will pay up to ten (10%) percent of this to Raintree Financial Solutions, or such other dealer acting on the Fund's behalf, as a fee or commission.

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

Date

Signature of Purchaser

Print name of Purchaser

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

**W
A
R
N
I
N
G**

You have 2 business days to cancel your purchase.

To do so, send a notice to the issuer stating that you want to cancel your purchase. You must send the notice before midnight on the 2nd business day after the later of your execution of the agreement to purchase the securities, or your receipt of the Offering Memorandum. You can send the notice by fax or email or deliver it in person to the issuer at the address below. Keep a copy of the notice for your records.

Issuer Name and Address: Nanaimo Memory Care Fund c/o Bryan & Company LLP, 2600 Manulife Place, 10180 - 101 Street, Edmonton, AB T5J 3Y2, Attention: Jason E. May, Email: jemay@bryanco.com; Fax: 780-428-6324;

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

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

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

You will receive an Offering Memorandum - Read the Offering Memorandum carefully because it has important information about the issuer and its securities. Keep the Offering Memorandum because you have rights based on it. Talk to a lawyer for details about these rights.

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

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

For more information on the exempt market, call your local securities regulatory authority or regulator.

Alberta Securities Commission

(403) 297-6454

Website: www.albertasecurities.com

British Columbia Securities Commission

(604) 899-6854

Website: www.bcsc.bc.ca

Saskatchewan Financial and Consumer Affairs Authority - Securities Division

(306) 787-5645

Website: www.sfsc.gov.sk.ca

Manitoba Securities Commission

(204) 945-2548

Website: www.msc.gov.mb.ca

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

FORM 45-106F4

Risk Acknowledgement

- I acknowledge that this is a risky investment.
- I am investing entirely at my own risk.
- No securities regulatory authority or regulator has evaluated or endorsed the merits of these securities or the disclosure in the offering memorandum.
- The securities are redeemable, but I may only be able to redeem them in limited circumstances.
- I will not be able to sell these securities except in very limited circumstances. I may never be able to sell these securities.
- I could lose all the money I invest.

I am investing \$_____ [total consideration] in total; this includes any amount I am obliged to pay in future. Nanaimo Memory Care Fund will pay up to ten (10%) percent of this to Raintree Financial Solutions, or such other dealer acting on the Fund's behalf, as a fee or commission.

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

Date

Signature of Purchaser

Print name of Purchaser

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

You have 2 business days to cancel your purchase.

To do so, send a notice to the issuer stating that you want to cancel your purchase. You must send the notice before midnight on the 2nd business day after the later of your execution of the agreement to purchase the securities, or your receipt of the Offering Memorandum. You can send the notice by fax or email or deliver it in person to the issuer at the address below. Keep a copy of the notice for your records.

Issuer Name and Address: Nanaimo Memory Care Fund c/o Bryan & Company LLP, 2600 Manulife Place, 10180 - 101 Street, Edmonton, AB T5J 3Y2, Attention: Jason E. May, Email: jemay@bryanco.com; Fax: 780-428-6324;

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

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

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

You will receive an Offering Memorandum - Read the Offering Memorandum carefully because it has important information about the issuer and its securities. Keep the Offering Memorandum because you have rights based on it. Talk to a lawyer for details about these rights.

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

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

For more information on the exempt market, call your local securities regulatory authority or regulator.

Alberta Securities Commission

(403) 297-6454

Website: www.albertasecurities.com

British Columbia Securities Commission

(604) 899-6854

Website: www.bcsc.bc.ca

Saskatchewan Financial and Consumer Affairs Authority - Securities Division

(306) 787-5645

Website: www.sfsc.gov.sk.ca

Manitoba Securities Commission

(204) 945-2548

Website: www.msc.gov.mb.ca

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

SCHEDULE "C" - ELIGIBLE INVESTOR

TO: NANAIMO MEMORY CARE FUND

The Subscriber agrees that, upon execution, this Schedule "C" shall be incorporated into and form a part of the subscription agreement to which this Schedule "C" is attached, and represents and warrants that the Subscriber is an "eligible investor" by virtue of falling within the category which is initialled below:

- (a) a person whose:
- _____ (i) net assets, alone or with a spouse, exceeds Four Hundred Thousand (\$400,000.00) Dollars,
- _____ (ii) net income before taxes exceeded Seventy-Five Thousand (\$75,000.00) Dollars in each of the two most recent calendar years and who reasonably expects to exceed that income level in the current calendar year, or
- _____ (iii) net income before taxes, alone or with a spouse, in the case of an individual, exceeds One Hundred and Twenty-Five Thousand (\$125,000.00) Dollars in each of the two most recent calendar years and who reasonably expects to exceed that income level in the current calendar year,
- _____ (b) a person of which a majority of the voting securities are beneficially owned by eligible investors or a majority of the directors are eligible investors,
- _____ (c) a general partnership in which all of the partners are eligible investors,
- _____ (d) a limited partnership in which the majority of the general partners are eligible investors;
- _____ (e) a trust or estate in which all of the beneficiaries or a majority of the trustees are eligible investors,
- _____ (f) an accredited investor **[IF SELECTING THIS OPTION, PLEASE ALSO FILL OUT SCHEDULE "D"]**
- _____ (g) a person described in section 2.5 [*Family, Friends and Business Associates*] of National Instrument 45-106
- _____ (h) a person or company that has obtained advice regarding the suitability of the investment and if the person or company is resident in a jurisdiction of Canada, that advice has been obtained from an **eligibility advisor**.

Date

Signature of Subscriber

Print name of Subscriber

RESIDENTS OF BRITISH COLUMBIA ARE NOT REQUIRED TO COMPLETE THE ABOVE

See Schedule "F" for Definitions applicable to this Schedule

SCHEDULE "D" - ACCREDITED INVESTOR

APPENDIX "A" TO SCHEDULE "B"

PLEASE MARK YOUR INITIALS BESIDE THE CATEGORY TO WHICH YOU BELONG

The Subscriber agrees that, upon execution, this Schedule "D" shall be incorporated into and form a part of the subscription agreement to which this Schedule "D" is attached, and represents and warrants that the Subscriber is an "accredited investor" by virtue of falling within the category which is initialled below:

Meaning of "Accredited Investor"

"Accredited investor" is defined in Section 1.1 of NI 45-106 and (if the Subscriber is resident in Ontario, Section 73.3 of the *Securities Act* (Ontario)) to mean any person who fits within any of the following categories at the time of the sale of securities to that person:

- ____ (a) Except in Ontario, a Canadian financial institution, or a Schedule III Bank;
- ____ (b) Except in Ontario, the Business Development Bank of Canada incorporated under the *Business Development Bank Act* (Canada);
- ____ (c) Except in Ontario, a subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary;
- ____ (d) Except in Ontario, a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer;
- ____ (e) an individual registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d);
- ____ (e.1) an individual formerly registered under the securities legislation of Canada, other than an individual formerly registered solely as a representative of a limited market dealer under one or both of the *Securities Act* (Alberta) or the *Securities Act* (Newfoundland and Labrador);
- ____ (f) Except in Ontario, the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada;
- ____ (g) Except in Ontario, a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Quebec;
- ____ (h) Except in Ontario, any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government;
- ____ (i) Except in Ontario, a pension fund that is regulated by the Office of the Superintendent of Financial Institutions (Canada) or a pension commission or similar regulatory authority of a jurisdiction of Canada;
- ____ (j) an individual who, either alone or with a spouse, beneficially owns financial assets having an aggregate realizable value that, before taxes, but net of any related liabilities, exceeds \$1,000,000; **[NOTE: If you are relying on this definition, you must also fill out Appendix "A"]**
- ____ (j.1) an individual who beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$5,000,000;
- ____ (k) an individual whose net income before taxes exceeded \$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse exceeded \$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year; **[NOTE: If you are relying on this definition, you must also fill out Appendix "A"]**

- ____ (l) an individual who, either alone or with a spouse, has net assets of at least \$5,000,000; **[NOTE: If you are relying on this definition, you must also fill out Appendix "A"]**
- ____ (m) a person, other than an individual or an investment fund, that has net assets of at least \$5,000,000, as shown on its most recently prepared financial statements;
- ____ (n) an investment fund that distributes or has distributed its securities only to:
 - (i) a person that is or was an accredited investor at the time of the distribution,
 - (ii) a person that acquires or acquired securities in the circumstances referred to in sections 2.10 of NI 45-106 [*Minimum Amount Investment*], or 2.19 of NI 45-106 [*Additional investment in investment funds*], or
 - (iii) a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 of NI 45-106 [*Investment fund reinvestment*];
- ____ (o) an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Quebec, the securities regulatory authority, has issued a receipt;
- ____ (p) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be;
- ____ (q) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction;
- ____ (r) a registered charity under the Income Tax Act (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdictions of the registered charity to give advice on the securities being traded;
- ____ (s) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function;
- ____ (t) a person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors;
- ____ (u) an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser;
- ____ (v) a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Quebec, the regulator as an accredited investor;
- ____ (w) a trust established by an accredited investor for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's spouse, a former spouse of the accredited investor or parent, grandparent, brother, sister, child or grandchild of that accredited investor, of that accredited investor's spouse or of that accredited investor's former spouse;

IF YOU ARE RESIDENT IN, OR OTHERWISE SUBJECT TO THE SECURITIES LAWS OF, ONTARIO, THE FOLLOWING ADDITIONAL DEFINITIONS MAY APPLY.

- ____ (x) (i) A bank listed in Schedule I, II or III to the Bank Act (Canada).
 - (ii) An association to which the Cooperative Credit Associations Act (Canada) applies or a central cooperative credit society for which an order has been made under subsection 473 (1) of that Act.
 - (iii) A loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative or credit union league or federation that is authorized by a statute of Canada or Ontario to carry on business in Canada or Ontario, as the case may be.,
- ____ (y) the Business Development Bank of Canada,

- ____ (z) a subsidiary of any person or company referred to in clause (a) or (b), if the person or company owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary,
- ____ (aa) a person or company registered under the securities legislation of a province or territory of Canada as an adviser or dealer, except as otherwise prescribed by the regulations,
- ____ (bb) the Government of Canada, the government of a province or territory of Canada, or any Crown corporation, agency or wholly owned entity of the Government of Canada or of the government of a province or territory of Canada,
- ____ (cc) a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'Île de Montréal or an intermunicipal management board in Quebec,
- ____ (dd) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government,
- ____ (ee) a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a pension commission or similar regulatory authority of a province or territory of Canada,
- ____ (ff) a person or company that is recognized or designated by the Commission as an accredited investor,

PLEASE MARK YOUR INITIALS BESIDE THE CATEGORY TO WHICH YOU BELONG

Date

Signature of Subscriber

Print name of Subscriber

See Schedule "F" for Definitions applicable to this Schedule

APPENDIX "A" TO SCHEDULE "D"
FORM 45-106F9

FORM FOR INDIVIDUAL ACCREDITED INVESTORS

WARNING!

This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.

SECTION 1 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
SECTION 1: About your investment	
Type of securities: Class B Units	Issuer: Nanaimo Memory Care Fund
Purchased from: Issuer	
SECTION 2 TO 4 TO BE COMPLETED BY THE PURCHASER	
SECTION 2: Risk acknowledgement	
This investment is risky. Initial that you understand that:	Your Initials
Risk of loss – You could lose your entire investment of \$_____. [Instruction: Insert the total dollar amount of the investment.]	
Liquidity risk – You may not be able to sell your investment quickly – or at all.	
Lack of information – You may receive little or no information about your investment	
Lack of advice – You will not receive advice from the salesperson about whether this investment is suitable for you unless the salesperson is registered. The salesperson is the person who meets with, or provides information to, you about making this investment. To check whether the salesperson is registered, go to http://www.aretheyregistered.ca .	
SECTION 3: Accredited investor status	
You must meet at least one of the following criteria to be able to make this investment. Initial the statement that applies to you. (You may initial more than one statement.) The person identified in section 6 is responsible for ensuring that you meet the definition of accredited investor. That person, or the salesperson identified in section 5, can help you if you have questions about whether you meet these criteria.	Your initials
<ul style="list-style-type: none"> Your net income before taxes was more than \$200,000 in each of the 2 most recent calendar years, and you expect it to be more than \$200,000 in the current calendar year. (You can find your net income before taxes on your personal income tax return.) 	
<ul style="list-style-type: none"> Your net income before taxes combined with your spouse's was more than \$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than \$300,000 in the current calendar year. 	
<ul style="list-style-type: none"> Either alone or with your spouse, you own more than \$1 million in cash and securities, after subtracting any debt related to the cash and securities. 	
<ul style="list-style-type: none"> Either alone or with your spouse, you have net assets worth more than \$5 million. (Your net assets are your total assets (including real estate) minus your total debt.) 	

SECTION 4: Your Name and Signature	
By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form.	
First and last name (please print):	
Signature:	Date:
SECTION 5 TO BE COMPLETED BY THE SALESPERSON	
SECTION 5: Salesperson information	
<i>[Instruction: The salesperson is the person who meets with, or provides information to, the purchaser with respect to making this investment. That could include a representative of the issuer or selling security holder, a registrant or a person who is exempt from the registration requirement.]</i>	
First and last name of salesperson (please print):	
Telephone:	Email:
Name of firm (if registered):	
SECTION 6 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
SECTION 6: For more information about this investment	
<p>Nanaimo Memory Care Fund 2190B Thurston Drive, Ottawa, ON K1G 6E1 Attn: John Cathrae (844) 334-8538 jcathrae@sussexrl.com www.sussexrl.com</p> <p>For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at www.securities-administrators.ca.</p>	

Form instructions:

1. This form does not mandate the use of a specific font size or style but the font must be legible.
2. **The information in sections 1, 5 and 6 must be completed before the purchaser completes and signs the form.**
3. **The purchaser must sign this form. Each of the purchaser and the issuer or selling security holder must receive a copy of this form signed by the purchaser. The issuer or selling security holder is required to keep a copy of this form for 8 years after the distribution.**

APPENDIX "A" TO SCHEDULE "D"
FORM 45-106F9

FORM FOR INDIVIDUAL ACCREDITED INVESTORS

WARNING!

This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.

SECTION 1 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
SECTION 1: About your investment	
Type of securities: Class B Units	Issuer: Nanaimo Memory Care Fund
Purchased from: Issuer	
SECTION 2 TO 4 TO BE COMPLETED BY THE PURCHASER	
SECTION 2: Risk acknowledgement	
This investment is risky. Initial that you understand that:	Your Initials
Risk of loss – You could lose your entire investment of \$_____. [Instruction: Insert the total dollar amount of the investment.]	
Liquidity risk – You may not be able to sell your investment quickly – or at all.	
Lack of information – You may receive little or no information about your investment	
Lack of advice – You will not receive advice from the salesperson about whether this investment is suitable for you unless the salesperson is registered. The salesperson is the person who meets with, or provides information to, you about making this investment. To check whether the salesperson is registered, go to http://www.aretheyregistered.ca .	
SECTION 3: Accredited investor status	
You must meet at least one of the following criteria to be able to make this investment. Initial the statement that applies to you. (You may initial more than one statement.) The person identified in section 6 is responsible for ensuring that you meet the definition of accredited investor. That person, or the salesperson identified in section 5, can help you if you have questions about whether you meet these criteria.	Your initials
<ul style="list-style-type: none"> Your net income before taxes was more than \$200,000 in each of the 2 most recent calendar years, and you expect it to be more than \$200,000 in the current calendar year. (You can find your net income before taxes on your personal income tax return.) 	
<ul style="list-style-type: none"> Your net income before taxes combined with your spouse's was more than \$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than \$300,000 in the current calendar year. 	
<ul style="list-style-type: none"> Either alone or with your spouse, you own more than \$1 million in cash and securities, after subtracting any debt related to the cash and securities. 	
<ul style="list-style-type: none"> Either alone or with your spouse, you have net assets worth more than \$5 million. (Your net assets are your total assets (including real estate) minus your total debt.) 	

SECTION 4: Your Name and Signature	
By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form.	
First and last name (please print):	
Signature:	Date:
SECTION 5 TO BE COMPLETED BY THE SALESPERSON	
SECTION 5: Salesperson information	
<i>[Instruction: The salesperson is the person who meets with, or provides information to, the purchaser with respect to making this investment. That could include a representative of the issuer or selling security holder, a registrant or a person who is exempt from the registration requirement.]</i>	
First and last name of salesperson (please print):	
Telephone:	Email:
Name of firm (if registered):	
SECTION 6 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
SECTION 6: For more information about this investment	
<p>Nanaimo Memory Care Fund 2190B Thurston Drive, Ottawa, ON K1G 6E1 Attn: John Cathrae (844) 334-8538 jcathrae@sussexrl.com www.sussexrl.com</p> <p>For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at www.securities-administrators.ca.</p>	

Form instructions:

1. This form does not mandate the use of a specific font size or style but the font must be legible.
2. **The information in sections 1, 5 and 6 must be completed before the purchaser completes and signs the form.**
3. **The purchaser must sign this form. Each of the purchaser and the issuer or selling security holder must receive a copy of this form signed by the purchaser. The issuer or selling security holder is required to keep a copy of this form for 8 years after the distribution.**

SCHEDULE "E" - ACKNOWLEDGMENT OF RECEIPT OF OFFERING MEMORANDUM

TO: NANAIMO MEMORY CARE FUND

I(We), _____ hereby acknowledge and confirm that I(we) have been provided with, and am (are) in receipt of an Offering Memorandum in relation to Nanaimo Memory Care Fund dated May 29, 2015.

SIGNATURE

SIGNATURE

DATE

SCHEDULE "F" - DEFINITIONS

For the purposes hereof:

- (a) **"affiliate"** means an issuer connected with another issuer because
 - (i) one of them is the subsidiary of the other, or
 - (ii) each of them is controlled by the same person;
- (b) **"bank"** means a bank named in Schedule I or II of the *Bank Act* (Canada);
- (c) **"beneficial ownership"** of securities by a person occurs
 - (i) for the purposes of British Columbia, Manitoba, New Brunswick, Nova Scotia, Newfoundland and Labrador, Ontario and Saskatchewan securities law, when such securities are beneficially owned by
 - (A) an issuer controlled by that person; or
 - (B) an affiliate of that person or an affiliate of an issuer controlled by that person;
 - (ii) for the purposes of Alberta securities law, when such securities are beneficially owned by
 - (A) a company controlled by that person or an affiliate of that company;
 - (B) an affiliate of that person; or
 - (C) through a trustee, legal representative, agent or other intermediary of that person;
- (d) **"Canadian financial institution"** means
 - (i) an association governed by the Cooperative Credit Associations Act (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act, or
 - (ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;
- (e) **"company"** means, in Ontario, any corporation, incorporated association, incorporated syndicate or other incorporated organization;
- (f) **"consultant"** means, for an issuer, a person, other than an employee, executive officer, or director of the issuer or of a related entity of the issuer, that
 - (i) is engaged to provide services to the issuer or a related entity of the issuer, other than services provided in relation to a distribution,
 - (ii) provides the services under a written contract with the issuer or a related entity of the issuer, and

(iii) spends or will spend a significant amount of time and attention on the affairs and business of the issuer or a related entity of the issuer

and includes, for an individual consultant, a corporation of which the individual consultant is an employee or shareholder, and a partnership of which the individual consultant is an employee or partner;

(g) "**control**" or "**controlled**" means

(i) for the purposes of Alberta securities law, a person or company is considered to control another person or company if the person or company, directly or indirectly, has the power to direct the management and policies of the other person or company by virtue of

(A) the ownership or direction of voting securities of the other person or company,

(B) a written agreement or trust instrument,

(C) being the general partner or controlling the general partner of the other person or company, or

(D) being the trustee of the other person or company;

(ii) and, for the purposes of British Columbia, Manitoba, New Brunswick, Nova Scotia, Newfoundland and Labrador, Ontario and Saskatchewan securities law, an issuer is deemed to be controlled by another person or company or by two or more companies where:

(A) voting securities of the issuer carrying more than 50% of the votes for the election of directors are held, other than by way of security only, by or for the benefit of the other person or company or by or for the benefit of the other companies; and

(B) the votes carried by those securities are entitled, if exercised, to elect a majority of the board of directors of the issuer;

(h) "**control person**" has the same meaning as in securities legislation except in Manitoba, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island and Québec, where control person means any person that holds or is one of a combination of person that holds

(i) a sufficient number of any of the securities of an issuer so as to affect materially the control of the issuer, or

(ii) more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holding of those securities does not affect materially the control of the issuer;

(i) "**director**" means

(i) a member of the board of directors of a company or an individual who performs similar functions for a company, and

(ii) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company;

(j) "**eligibility adviser**" means

- (i) a person that is registered as an investment dealer or in an equivalent category of registration under the securities legislation of the jurisdiction of a purchaser and authorized to give advice with respect to the type of security being distributed, and
- (ii) in Saskatchewan or Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction of Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not
 - (A) have a professional, business or personal relationship with the issuer, or any of its directors, executive officers, founders, or control persons, and
 - (B) have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months;
- (k) **"executive officer"** means, for an issuer, an individual who is
 - (i) a chair, vice-chair or president,
 - (ii) a vice-president in charge of a principal business unit, division or function including sales, finance or production,
 - (iii) an officer of the issuer or any of its subsidiaries and who performs a policy-making function in respect of the issuer, or
 - (iv) performing a policy-making function in respect of the issuer;
- (l) **"financial assets"** means
 - (i) cash,
 - (ii) securities, or
 - (iii) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;
- (m) **"foreign jurisdiction"** means a country other than Canada or a politician subdivision of a country other than Canada;
- (n) **"founder"**, means, in respect of an issuer, a person who,
 - (i) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and
 - (ii) at the time of the trade is actively involved in the business of the issuer;
- (o) **"fully managed account"** means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client's express consent to a transaction;

- (p) **"individual"** means a natural person, but does not include
- (i) a partnership, unincorporated association, unincorporated syndicate, unincorporated organization or a trust, or
 - (ii) a natural person in the person's capacity as trustee, executor, administrator or other legal representative;
- (q) **"investment fund"** means a mutual fund or non-redeemable investment fund, and, for greater certainty in British Columbia, includes an employee venture capital corporation that does not have a restricted constitution, and is registered under Part 2 of the *Employee Investment Act* (British Columbia), R.S.B.C. 1996 c. 112, and whose business objective is making multiple investments and a venture capital corporation registered under Part 1 of the *Small Business Venture Capital Act* (British Columbia), R.S.B.C. 1996 c.429 whose business objective is making multiple investments and in Québec any reporting issuer referred to in subsection 1.2(4) of Regulation 81-106 respecting investment fund continuous disclosure adopted under the *Securities Act* (Québec);
- (r) **"jurisdiction"** means a province or territory of Canada except when used in the term "foreign jurisdiction";
- (s) **"local jurisdiction"** means the jurisdiction in which the applicable securities regulatory authority is situate;
- (t) **"mutual fund"** means:
- (i) for the purposes of Alberta, Manitoba, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island and Saskatchewan securities law, an issuer of securities that entitles the holder to receive on demand, or within a specified period after demand, an amount computed by reference to the value of a proportionate interest in the whole or in part of the net assets, including a separate fund or trust account, of the issuer of the securities;
 - (ii) and, for the purposes of British Columbia securities law, also includes
 - (A) an issuer described in an order that the British Columbia Securities Commission may make pursuant to section 3.2 of the *Securities Act* (British Columbia); and
 - (B) an issuer that is in a class of prescribed issuers,
 but does not include an issuer, or a class of issuers, described in an order that the British Columbia Securities Commission may make under section 3.1 of the *Securities Act* (British Columbia);
 - (iii) and, for the purposes of New Brunswick securities law, also includes
 - (A) an issuer that is deemed to be a mutual fund in an order made by the Commission under paragraph 184(1)(n) of the *Securities Act* (New Brunswick); and
 - (B) an issuer or a class of issuers prescribed by regulation,
 but does not include an issuer, or a class of issuers, described in an order that the New Brunswick Securities Commission may make under subsection 148(2) of the *Securities Act* (New Brunswick);
- (u) **"non-redeemable investment fund"** means an issuer,

- (i) whose primary purpose is to invest money provided by its securityholders,
 - (ii) that does not invest,
 - (A) for the purpose of exercising or seeking to exercise control of an issuer, other than an issuer that is a mutual fund or a non-redeemable investment fund, or
 - (B) for the purpose of being actively involved in the management of any issuer in which it invests, other than an issuer that is a mutual fund or a non-redeemable investment fund, and
 - (iii) that is not a mutual fund;
- (v) "**permitted assign**" means, for a person that is an employee, executive officer, director or consultant of an issuer or of a related entity of the issuer,
 - (i) a trustee, custodian, or administrator acting on behalf of, or for the benefit of the person,
 - (ii) a holding entity of the person,
 - (iii) an RRSP or a RRIF of the person,
 - (iv) a spouse of the person,
 - (v) a trustee, custodian, or administrator acting on behalf of, or for the benefit of the spouse of the person,
 - (vi) a holding entity of the spouse of the person, or
 - (vii) an RRSP or a RRIF of the spouse of the person;
- (w) "**person**" includes
 - (i) an individual,
 - (ii) a corporation,
 - (iii) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and
 - (iv) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative;
- (x) "**regulator**" means:
 - (i) the Executive Director, as defined under section 1 of the Securities Act (Alberta);
 - (ii) the Executive Director, as defined under section 1 of the Securities Act (British Columbia); and
 - (iii) such other person as is referred to in Appendix D of National Instrument 14-101 – Definitions;
- (y) "**related entity**" means, for an issuer, a person that controls or is controlled by the issuer or that is controlled by the same person that controls the issuer;

- (z) "**related liabilities**" means
 - (i) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or
 - (ii) liabilities that are secured by financial assets;
- (aa) "**Schedule III bank**" means an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);
- (bb) "**securities legislation**" means:
 - (i) for Alberta, the Securities Act (Alberta) and the regulations and rules under such Act and the blanket rulings and orders issued by the Alberta Securities Commission; and
 - (ii) for other Canadian jurisdictions, such other statutes and instruments as are listed in Appendix B of National Instrument 14-101 – Mutual Funds – Definitions and Interpretation;
- (cc) "**securities regulatory authority**" means:
 - (i) the Alberta Securities Commission;
 - (ii) in respect of any local jurisdiction other than Alberta, means the securities commission or similar regulatory authority listed in Appendix C of National Instrument 14-101 – Definitions;
- (dd) "**spouse**" means, an individual who,
 - (i) is married to another individual and is not living separate and apart within the meaning of the Divorce Act (Canada), from the other individual,
 - (ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or
 - (iii) in Alberta, is an individual referred to in paragraph (i) or (ii), or is an adult interdependent partner within the meaning of the Adult Interdependent Relationships Act (Alberta);
- (ee) "**subsidiary**" means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary;
- (ff) a person (first person) is considered to "**control**" another person (second person) if
 - (i) the first person, directly or indirectly, beneficially owns or exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation,
 - (ii) the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests of the partnership, or
 - (iii) the second person is a limited partnership and the general partner of the limited partnership is the first person.

SCHEDULE "G" - DEFINITIONS FOR B.C. SUBSCRIBERS

For the purposes hereof:

- (a) **"Insider"** means
 - (a) a director or an officer of an issuer,
 - (b) a director or an officer of a person that is itself an insider or a subsidiary of an issuer,
 - (c) a person that has
 - (i) beneficial ownership of, or control or direction over, directly or indirectly, or
 - (ii) a combination of beneficial ownership of, and control or direction over, directly or indirectly, securities of an issuer carrying more than 10% of the voting rights attached to all the issuer's outstanding voting securities, excluding, for the purpose of the calculation of the percentage held, any securities held by the person as underwriter in the course of a distribution,
 - (d) an issuer that has purchased, redeemed or otherwise acquired a security of its own issue, for so long as it continues to hold that security,
 - (e) a person designated as an insider in an order made under section 3.2 of the Securities Act, or
 - (f) a person that is in a prescribed class of persons;
- (b) **"Promoter"** means, if used in relation to an issuer, a person who
 - (a) acting alone or in concert with one or more other persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, or
 - (b) in connection with the founding, organization or substantial reorganization of the business of the issuer, directly or indirectly receives, in consideration of services or property or both, 10% or more of a class of the issuer's own securities or 10% or more of the proceeds from the sale of a class of the issuer's own securities of a particular issue, but does not include a person who
 - (c) receives securities or proceeds referred to in paragraph (b) solely
 - (i) as underwriting commissions, or
 - (ii) in consideration for property, and
 - (d) does not otherwise take part in founding, organizing or substantially reorganizing the business;
- (c) **"Registrant"** means a person registered or required to be registered under the Securities Act; and
- (d) **"Securities Act"** means the *Securities Act*, R.S.B.C. 1996, c. 418, as amended, including the regulations promulgated thereunder.