

This Offering Memorandum constitutes a private offering of securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale, sold and therein only by those entities permitted to sell such securities. This Offering Memorandum is not, and under no circumstances is to be construed as, a prospectus or advertisement or a public offering of the securities referred to herein. This Offering Memorandum is for the confidential use of only those persons to whom it is transmitted in connection with this Offering. No person has been authorized to give any information or to make any representation not contained in this Offering Memorandum. The securities offered hereunder have not been and will not be registered under the United States Securities Act of 1933, as amended, (the “U.S. Securities Act”) and the securities laws of any state of the United States, and may not be offered or sold to, directly or indirectly, in the United States or for the account or benefit of a person in the “United States” or a “U.S. person” (as such terms are defined in Regulation S under the U.S. Securities Act), except pursuant to registration under the U.S. Securities Act and the securities laws of all applicable states or available exemptions therefrom. The Issuer (as defined herein) has no obligation or present intention of filing a registration statement under the U.S. Securities Act in respect of any of the securities offered herein.

### addy (1249 GRANVILLE ST) Corp.

Date:	MARCH 31, 2021	
<b>The Issuer</b>		
Name:	addy (1249 GRANVILLE ST) Corp. (the “ <b>Issuer</b> ”), a private company incorporated under the laws of the Province of British Columbia.	
Head office:	Suite 352 - 3381 Cambie Street Vancouver, British Columbia V5Z 4R3	
	Phone #:	1-833-462-9888
	E-mail address:	support@addyinvest.com
Currently listed or quoted?	<b>No. These securities do not trade on any exchange or market.</b>	
Reporting issuer?	No.	
SEDAR filer?	No.	
<b>The Offering</b>		
Securities offered:	Up to 600,000 Common shares in the capital of the Issuer (each, a “ <b>Share</b> ”).	
Price per security:	\$1.00 per Share	
Minimum/Maximum offering:	The minimum offering is \$10,000. Funds available under the offering may not be sufficient to accomplish our proposed objectives. The maximum offering is \$600,000.	
Minimum subscription amount:	The minimum subscription amount is \$1.00.	
Payment terms:	The full subscription price is payable to the Issuer upon subscription in the form of Interac or EFT payable to “addy (1249 GRANVILLE ST) Corp.” or such other means acceptable to the Issuer. <b>See Item 5.2.</b>	
Proposed closing date(s):	The Shares are being offered on a continuous basis. One or more closings will occur on dates to be determined by the Issuer. The Issuer may suspend or terminate the offering at any time.	
Income tax consequences:	There are important tax consequences to these securities. <b>See Item 6.</b>	
Selling agent?	None.	

### Resale restrictions

You will be restricted from selling your securities for an indefinite period. **See Item 11.**

### Purchaser’s rights

You have **60** 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 12.**

**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 9.**

## General

This offering (the “**Offering**”) of Shares is being made by the Issuer pursuant to exemptions from the prospectus requirements of applicable securities laws which may be available to the Issuer, including the offering memorandum exemption (the “**Offering Memorandum Exemption**”). The Offering Memorandum Exemption requires that Issuer provide investors with a prescribed form of offering memorandum. Prospective purchasers subscribing under the Offering Memorandum Exemption will be limited to a maximum of 1,500 Shares. The Issuer is not a “reporting Issuer” within the meaning of applicable securities laws and therefore it is not required to publish, disseminate or file ongoing continuous disclosure regarding its operations and affairs, except as relates to a material change in operations and as relates to required financial information.

A prospective purchaser of Shares should read this entire Offering Memorandum and consult its own professional advisors to assess the income tax, legal, risks and other aspects of its investment in the Shares. A prospective purchaser of Shares should rely only on the information contained in this Offering Memorandum or documents specifically incorporated into this document by reference. The Issuer has not authorized anyone to provide prospective purchasers of Shares with additional or different information. The information contained in this Offering Memorandum is accurate only as of the date of this Offering Memorandum, regardless of the time of delivery of this Offering Memorandum or any sale of the Shares.

## Cautionary Note Regarding Forward-looking Statements

This Offering Memorandum contains “forward-looking statements”. These statements relate to future events or the Issuer’s views or predictions of possible future performance, operations, and its strategy. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements can be identified by words such as: “anticipate”, “intend”, “plan”, “goal”, “seek”, “believe”, “project”, “estimate”, “expect”, “strategy”, “future”, “likely”, “may”, “should”, “will” and similar references to future periods. Examples of forward-looking statements include, among others, statements regarding (all capitalized terms used in this section that are not otherwise defined below are defined within the main body of this Offering Memorandum):

- the ability of the Issuer to raise sufficient funds under the Offering to accomplish proposed objectives;
- the ability for the Partnership to raise sufficient proceeds to commence and complete the proposed activities on the Property within the time frame currently expected;
- the ability of the Partnership to source tenants to rent the Property and or the continued ability of the Partnership to rent the Property;
- the ability of the Partnership to sell the Property at the price, in the manner and within the time frame consistent with the long-term objectives of the Issuer.

Forward-looking statements are based only on management’s current beliefs, expectations and assumptions regarding the future of the Issuer’s business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of the Issuer’s control. Actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause the Issuer’s actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following:

- economic and financial conditions, including volatility in interest and exchange rates and the value of real estate assets;
- volatility in the capital or credit markets;
- the impact on the Issuer’s ability to meet its expected business objectives as a result of changes to any federal, provincial or municipal laws;

- the impact of securities regulation on the ability of the Issuer to raise financing for the purposes stated in this Offering Memorandum through an online funding platform;
- the adequacy of the Partnership's working capital and other conditions which may affect its ability to achieve the intended Property redevelopment; and
- any disruptions to the Property or to the Issuer and/or Partnership's technology network including computer systems and software, as well as natural events such as severe weather, fires, floods and earthquakes or man-made or other disruptions of the Property or the Issuer and/or the Partnership's operating systems, structures or equipment.

To the extent any forward-looking statements or forward-looking information used herein constitutes "future-oriented financial information" or "financial outlooks" within the meaning of applicable Canadian securities laws, such information reflects current expectations with respect to current events and is not a guarantee of future performance. Subscribers should not place undue reliance on such future-oriented financial information and financial outlooks. Future-oriented financial information and financial outlooks, as with forward-looking information generally, are, without limitation, based on the assumptions and subject to the risks set out herein. The Issuer's actual financial position and results of operations may differ materially from management's current expectations and, as a result, the Issuer's revenue and expenses may differ materially from the revenue and expenses profiles provided herein. Such information is presented for illustrative purposes only and may not be an indication of the Issuer's actual financial position or results of operations.

Any forward-looking statement made in this Offering Memorandum is based only on information currently available to the Issuer and speaks only as of the date on which it is made. Except as required by applicable securities laws, the Issuer undertakes no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

### **Currency**

All dollar amounts stated herein, unless otherwise stated, are expressed in Canadian currency.

### **Reliance**

Prospective investors should rely only on information contained in this Offering Memorandum and on the website located at [www.addyinvest.com](http://www.addyinvest.com) operated by addy Technology Corp. ("**addy TechCo**") and all the information relating to the Issuer and its business or assets and relating to the sale of securities described in this Offering Memorandum are deemed to be incorporated by reference and form part of this Offering Memorandum, and such marketing materials will be subject to the same liability and rights of action for a misrepresentation as other disclosure in this Offering Memorandum. For clarity, this Offering Memorandum contains all of the information that is material to a prospective purchaser's investment decision. In an effort to differentiate itself from other issuers however, and with a goal of being as transparent as possible, the Issuer has made certain additional material available to investors to review. This information is available to prospective purchasers only to supplement the disclosure in this Offering Memorandum, in the event that prospective investors or their respective advisors wished to review same.

The Issuer has not authorized any other person to provide prospective investors with different information other than as contained in this Offering Memorandum. If a prospective investor is provided with different or inconsistent information, the prospective investor should not rely on such information. Before making an investment decision respecting the securities described in this Offering Memorandum, you should carefully review and consider this entire Offering Memorandum.

### **Market and Industry Data**

Unless otherwise indicated, the economic and industry data contained in this Offering Memorandum is based upon information from independent industry and government publications. While the Issuer believes this data to be reliable, market and industry data is subject to variation and cannot be verified due to limits on availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any

statistical survey. The Issuer has not independently verified the accuracy or completeness of such information contained herein.

**Prospective investors should carefully review this Offering Memorandum and are advised to consult with their own legal, investment, accounting, and tax advisors concerning this investment.**

## Item 1: Use of Available Funds

### 1.1 Funds

		Assuming min. offering <sup>[1]</sup>	Assuming max. offering
A.	Amount to be raised by this offering	\$10,000	\$600,000
B.	Selling commissions and fees <sup>[2]</sup>	\$0	\$0
C.	Estimated offering costs (e.g., legal, accounting, audit.)	\$0	\$0
D.	Available funds: $D = A - (B+C)$	\$10,000	\$600,000
E.	Additional sources of funding required	\$0	\$0
F.	Working capital deficiency	\$0	\$0
G.	Total: $G = (D+E) - F$	\$10,000	\$600,000

Notes:

[1] There is no minimum offering.

[2] The Issuer does not intend to pay any selling commissions or fees.

[3] The Issuer will incur initial setup costs, including incorporation of the Issuer, initial stub audit by KPMG, and subsequent audit period of four years totalling \$49,914 which is subsidized by addy TechCo, an affiliate of the Issuer.

### 1.2 Use of Available Funds

The Issuer intends to use the proceeds of the Offering, together with additional sources of funding to acquire up to 600 Class A Units (\$1,000/per Class A Unit) in the PURE Lex Holdings Limited Partnership (the “**Partnership**”) by July 29, 2021. The Partnership was formed on February 22, 2021 by PURE Multi-Family Fund Limited Partnership and PURE Lex GP LTD. (the “**General Partner**”), the general partner of the Partnership.

The Partnership will use the proceeds from the sale of Units to the Issuer and to other investors, together with other financing, to acquire a mixed-use building located at 1249, 1253 and 1255 Granville Street Vancouver, BC (the “**Property**”) by May 19, 2021 for a purchase price of \$23,300,000, closing costs of \$587,000, and a \$300,000 buffer for working capital for a total of \$24,187,000. If the amount raised from March 31, 2021 to May 19, 2021 is insufficient to cover 600 Class A Units, the Issuer will cover the remaining amount with an unsecured loan in the maximum amount up to \$600,000. For more information on the loan, see Item 3.4 – “Loans”. For more information on the Property and the acquisition thereof, see Item 2.2 “Our Business – The Partnership and the Property – The Partnership’s Property”.

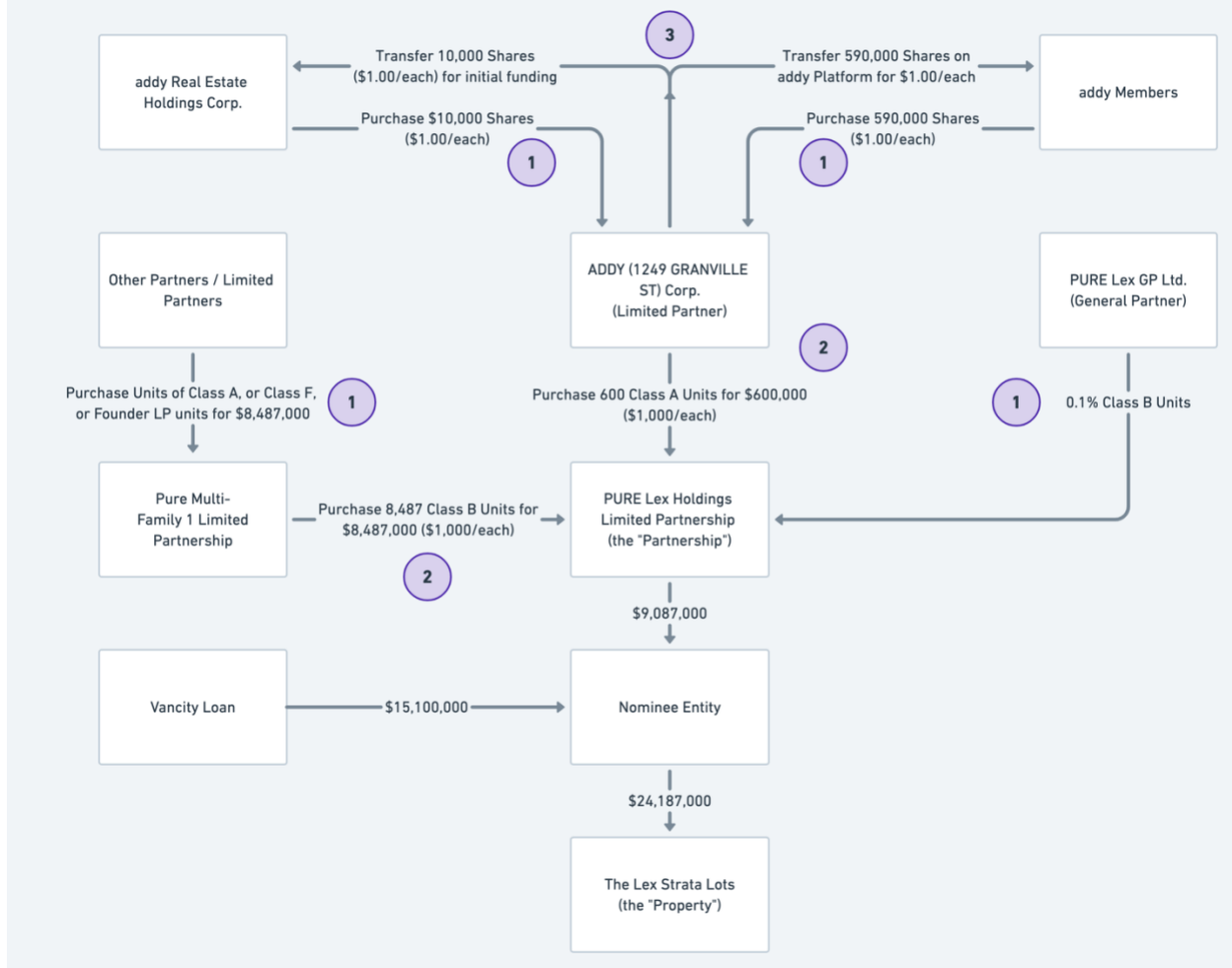
The Partnership plans to hold the Property to generate cashflow. The sale of the Property is the long-term goal for the Partnership, which is planned for 2026. For more information on the proposed Property plans and sale plans, see 2.2 “Our Business – The Partnership and the Property”.

Description of intended use of available funds listed in order of priority	Assuming min. offering	Assuming max. offering
Purchase of Class A Units in the Partnership.	\$10,000	\$600,000
Total: Equal to G in the Funds table above	\$10,000	\$600,000

If the proceeds from the Offering are insufficient to allow the Issuer to complete the proposed purchase of the maximum percentage, the Issuer may reduce its purchase commitment in the Partnership with no penalty.

## Flow of Funds

### addy Funds Flow



### 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 addy (1249 GRANVILLE ST) Corp.

### 2.1 Structure

The Issuer's full corporate name is addy (1249 GRANVILLE ST) Corp. The Issuer was incorporated on December 8, 2020 under the *Business Corporations Act* (British Columbia). The Issuer's principal and registered head office is located at Suite 352 - 3381 Cambie Street Vancouver, British Columbia V5Z 4R3.

The Issuer is not a "reporting issuer", as defined in the applicable securities legislation, and its securities are not available for purchase on a public stock exchange. The Issuer does not have any subsidiaries. The Issuer was formed to invest in the Partnership.

The Partnership was formed by the General Partner, "PURE Lex GP LTD.", and the initial limited partner, "PURE Multi-Family 1 Limited Partnership" under the name "PURE Lex Holdings Limited Partnership" pursuant to a limited partnership agreement dated February 22, 2021 and by a Certificate of Limited Partnership filed pursuant to the

*Partnership Act* (British Columbia). The registered and records office and head office of the Partnership is located at 910 – 925 West Georgia Street, Vancouver, British Columbia, V6C 3L2. The fiscal period end is December 31.

The General Partner was incorporated under the *Business Corporations Act* (British Columbia) on March 2, 2021 under Incorporation No. BC1292026. The General Partner’s registered and records office and head office is located at 910 – 925 West Georgia Street, Vancouver, British Columbia, V6C 3L2. The directors of the General Partner are Steve Evans, Francis Tam, and Scott Shillington.

The financing structure of the Partnership is set out below:

Sources of Funds	Equity	Debt
Issuer <sup>[1]</sup>	Up to \$600,000	
Other Holders of Units	\$8,487,000	
Loan <sup>[2]</sup>	n/a	\$15,100,000
<b>Subtotal</b>	<b>\$9,087,000</b>	<b>\$15,100,000</b>
<b>Total (Equity + Debt)</b>	<b>\$24,187,000</b>	

Notes:

[1] Other unit holders of the Partnership will fund the remaining equity if the maximum offering is not obtained through this Offering.

[2] The Loan is described under Item 2.7 “Material Agreements” – subsection iv

## 2.2 Our Business

### The Issuer

The Issuer was formed to indirectly invest in a mixed-use building so as to generate cash distributions and generate a profit from the future sale of the Property.

The Property will be owned by the Partnership, which was created exclusively to purchase, own, operate and sell the Property. The Issuer’s investment in the Partnership represents an indirect ownership interest in the Property.

The Issuer intends to use the proceeds of the Offering, together with additional sources of funding to acquire up to 600 Class A Units in the PURE Lex Holdings Limited Partnership (the “**Partnership**”) by the end of July 29, 2021. See Item 1.2 “Use of Available Funds”. The Issuer’s investment in the Class A Units will represent between 0.11% (at minimum offering) to 6.60% (at maximum offering) of the issued Units of the Partnership.

### The Partnership and the Property

The Issuer does not intend to have an active business. The Issuer’s business will be to raise capital, and hold Class A Units, representing an indirect interest in the Property. It is important that potential investors in the Issuer have an understanding of the Partnership’s Business and more specifically: (a) the Property; (b) the plans for the Property; (c) Property’s costs; and (d) projected financial return on the sale of the Property, each of which is described below:

#### a) The Partnership’s Property

##### *General*

The Partnership intends to acquire the Property, a mixed-use building with 45 residential and 2 retail units located at 1249, 1253 and 1255 Granville Street, Vancouver, and known as The Lex for a total purchase price of \$24,187,000 including closing costs. The current tenants of the retail units are a Subway restaurant and a nail salon. An appraisal in respect of the Property was completed with an effective date of December 9, 2020 by a qualified independent third-party appraisal company. The Property was appraised at a \$27,800,000 valuation, which represents a \$4,500,000 premium to the \$23,300,000 purchase price for the Property negotiated by the Partnership.



The Property is located at the heart of Downtown Vancouver and is a live-work-play location. The Property boasts an incredible ‘walk score’ of 99 – providing residents with easy access to all that downtown Vancouver has to offer.



*Property Condition Assessment and Environmental Assessment*

A building condition assessment was completed on the Property by a consulting firm hired by the General Partner on December 9, 2020 and based on the current structural condition, the building has a remaining structural economic life of at least 40 years, provided that it is regularly maintained. The property is generally in good condition and well maintained. It is 17 years old. The exterior envelope is in good condition with no issues. The roofing is in good condition, especially for its age, but may need replacement in 10-15 years depending on maintenance. The rooftop heating unit will most likely need replacement in the next 5-10 years. Repainting of the side concrete block wall should be required in the next 5-10 years. The two commercial rental units appear to be in good condition and well maintained. No issues were noted. The total escalated capital expenditure over the next ten years is estimated at \$253,969. Accounted for in the Partnership’s proforma is a budget for repairs & maintenance. See Appendix A. The building, its structure and finish, and the sitework appear to be in good condition.

A Phase I Environmental Assessment (Phase I ESA) was completed on the Property by a consulting firm hired by the General Partner in December 15, 2020 according to Canadian Standards Association (CSA Z768-01). Based on the findings of this Phase I ESA, no Areas of Potential Environmental Concern were identified. Therefore, no further investigation is recommended at this time for the continued ongoing on-Site operations.



### b) Property Plans

The Partnership intends to acquire and hold the Property to generate cash distributions and generate a profit from the future sale of the Property.

An affiliate of the General Partner of the Partnership will be the overseeing the asset management services (the “**Asset Manager**”).

An affiliate of the General Partner of the Partnership will be the overseeing the property management services (the “**Property Manager**”).

For additional information about the Asset Manager and Property Manager, see Item 8 “Other Material Facts”.

### c) Property Costs

The Property to be acquired by the Partnership will cost \$24,187,000. The Partnership was created for the sole purpose of acquiring, holding, owning, operating, generating cashflow and selling the Property for a capital gain.

The Partnership’s acquisition cost are set out below:

Uses of Funds	
Initial Purchase Price	\$23,300,000
Closing Costs <sup>[1]</sup>	\$587,000
Buffer for Working Capital	\$300,000
<b>Total Acquisition Cost</b>	<b>\$24,187,000</b>

Notes:

[1] Closing costs include the following items: Banking and Broker fee (\$147,512), Internal Acquisition fee (\$233,000), Broker fee (\$52,850), Other Acquisition & Lender Fees (\$116,500), Debt Guarantee Fee (\$37,750). These are fees of the General Partner and not the Issuer’s.

### d) Projected Financial Return on Sale of Property

The Issuer was formed to indirectly invest in the Property, a mixed-use building with 45 residential and 2 retail units in order to generate cash distributions and generate a profit from the future sale of the Property. Based on the Partnership’s budget, estimates and assumptions, the profit is projected to be \$3,481,000 over the 5-year life of the project, representing a projected 6.74% Internal Rate of Return (“**IRR**”), which is a projected 38.3% Return on Investment (“**ROI**”) to holders of Units of the Partnership which in turn is projected to provide subscribers to this offering a projected IRR of 5.52%, which is a projected ROI of 30.6% on their investment in the Issuer, as described below.

The Property is expected to generate rental income during the course of the proposed buy-and-hold plan of the Partnership. Operating expenses will also be incurred by the Partnership to manage and maintain the Property during the buy-and-hold plan. Operating profit is the difference between rental income and operating expense. Operating profit will be used to pay down the Vancity Loan which is described under Item 2.7 “Material Agreements” – “subsection iv” and will be distributed to holders of Units of the Partnership on an annual basis after paying the Vancity debt service (including principal) and any capital expenditures. For clarity, the Partnership is projected to generate profit from year-1 to year-5 for the holders of the Units, including the Issuer.

It is projected that the sale price of the Property at year-five will be \$25,978,000 and generate cash proceeds of \$12,354,000 after repayment of outstanding loans and expenses, which would represent a projected profit of \$3,481,000 on total equity of \$9,087,000 (of which the Issuer has contributed a maximum up to \$600,000). See Item 1.2 “Use of Available Funds – Flow of Funds”. Any cash proceeds will be distributed to the holders of Units of the Partnership on a pro rata basis based on the number of Units held. The projected profit represents a 6.74% IRR, which is a 38.3% ROI to holders of Units of the Partnership, where IRR is the average annual financial return of an investment

over its investment lifetime. The Issuer will incur initial setup costs, including incorporation of the Issuer, initial stub audit by KPMG, and subsequent audit period of four years totalling \$49,914 which is subsidized by addy TechCo, an affiliate of the Issuer. In addition, any cash proceeds will be split 80% to the Issuer and 20% to the General Partner resulting in a projected IRR of 5.52%, which is a ROI of 30.6% to subscribers to this offering.

**Additional information with respect to the projected profit and the associated IRR and ROI is set forth in Appendix A to this Offering Memorandum under “Projected Cash Flow and Profit”.**

**The General Partner has discretion on distributions timing, but not less than annually, and the amount.**

The projected IRR and ROI referenced in this section constitutes “future-oriented financial information” or “financial outlooks” within the meaning of applicable Canadian securities laws. Such information reflects current expectations with respect to current events and is not a guarantee of future performance. Subscribers should not place undue reliance on such future-oriented financial information and financial outlooks. Future-oriented financial information and financial outlooks, as with forward-looking information generally, are, without limitation, based on the assumptions and subject to the risks set out in Item 9 of the Offering Memorandum. Neither the Issuer nor the Issuer’s management are a related party to the Partnership, the General Partner or its directors and officers. The Issuer does not have any influence, control or affect on the operations of the Partnership. There is no assurance that the Partnership’s plans with respect to the acquisition, holding and disposition of the Property will be completed as intended. All projections contained herein, including references to the timing of activities, are estimates only and not a guarantee of future results. The Partnership’s actual financial position and results of operations may differ materially from current expectations (as presented herein) and, as a result, the Partnership’s revenue and expenses may differ materially from the revenue and expenses profiles provided herein. Such information is presented for illustrative purposes only and may not be an indication of the Partnership’s actual financial performance. See Item 9 “Risk Factors”.

### **2.3 Development of Business**

The Issuer was incorporated on December 8, 2020 for the purpose of acquiring up to 600 Class A Units of the Partnership.

addy Real Estate Holdings Corp., an affiliate of the Issuer has agreed to subscribe for 10,000 Shares at a price of \$1.00 per Share, for aggregate proceeds to the Issuer of \$10,000. The Issuer is conducting the Offering together with additional sources of funding to acquire up to 600 Class A Units in the PURE Lex Holdings Limited Partnership.

The ownership of Shares in the Issuer will permit the investors in the Issuer to indirectly own a share of the Property. See Item 1.2 “Use of Available Funds – Flow of Funds”. The Issuer’s investment in the Class A Units represents between 0.11% (at minimum offering) to 6.60% (at maximum offering) of the issued Units of the Partnership.

The Issuer has a limited operating history. Included in this Offering Memorandum are the Issuer’s financial statements as of December 31, 2020, prepared in accordance with IFRS and audited by KPMG LLP.

### **2.4 Long Term Objectives**

#### **The Issuer**

The long-term objective of the Issuer is to provide subscribers with a positive financial return on their investment. The significant events that must take place in order to achieve this objective are as follows:

- the sale and issuance of Shares under this Offering;

#### **The Partnership**

The long-term objective of the Partnership is to provide holders of Units of the Partnership, or its limited partners, with a positive financial return on their investment in the Partnership. The significant events that must take place in order to achieve this objective are as follows:

- Partnership acquiring the Property.

- the Partnership sells the Property and provides holders of Units of the Partnership, including the Issuer, with a return of capital invested together with a share of any profits on the sale plus any annual distributions.

For additional information about the Partnership and the Property and the proposed Property plans in respect thereof, see Item 2.2 “Our Business – The Partnership and the Property”.

## 2.5 *Short Term Objectives and How We Intend to Achieve Them*

The business objectives of the Issuer are to complete the Offering with a sufficient number of Shares pursuant to this Offering Memorandum. This will allow the Issuer to be able to acquire sufficient Class A Units and will enable the Issuer to invest in the Partnership who will acquire, own, operate and sell the Property on a commercially reasonable basis.

### **The Issuer**

<b>What we must do and how we will do it</b>	<b>Target completion date or, if not known, number of months to complete</b>	<b>Our cost to complete</b>
Issuer issues new Shares to addy members	July 29, 2021	n/a

### **The Partnership**

<b>What the Partnership must do and how the Partnership will do it</b>	<b>Target completion date or, if not known, number of months to complete</b>	<b>Our cost to complete</b>
Partnership acquires Property	May 19, 2021	n/a

## 2.6 *Insufficient Funds*

If the proceeds from this Offering are insufficient to allow the Issuer to complete the proposed purchase of the maximum percentage, the Issuer may reduce its purchase commitment in the Partnership with no penalty.

## 2.7 *Material Agreements*

The following is a list of agreements which are material to this offering and to the Partnership, all of which are or will be in effect:

- i) A Subscription Agreement which includes a Shareholders’ Agreement and a Voting Trust and Information Sharing Agreement, that all subscribers to this Offering will be required to sign upon subscribing for shares in the Issuer and which:
  - 1) reflects the number of shares and the price per share being subscribed for,
  - 2) requires the subscriber to make payment of settled funds to Issuer for the shares being subscribed for,
  - 3) causes the subscriber to acknowledge that shares are being issued in in reliance on an exemption from the prospectus requirements of the applicable securities laws and regulations in British Columbia, Ontario, and Alberta and as a consequence, the Subscriber will not be entitled to use most of the civil remedies available

- under the Legislation and the subscriber will not receive information that would otherwise be required to be provided pursuant to the Legislation,
- 4) causes the subscriber to acknowledge that:
    - a) no secondary market for the shares exists and no representation has been made that shares will be purchased from subscriber,
    - b) no representation has been made that shares can be resold or that refunds will be provided for subscription price and
    - c) no guarantee or warranty has been made about the length of time that the subscriber will be required to remain as an investor, or the financial return expected on their investment,
  - 5) includes Risk Acknowledgement Forms for both British Columbia, Ontario and Alberta, one of which must be signed by all subscribers,
  - 6) reflects the rights and obligations of Issuer and shareholders of the Issuer,
  - 7) sets out the conduct of the affairs of the Issuer as well as the information rights and confidentiality obligations of shareholders,
  - 8) sets out the share transfer process and associated rights of first refusal and drag along rights,
  - 9) sets out the Issuer termination process and
  - 10) appoints addy Technology Corp. as Voting Trustee thereby transferring the voting rights of all subscribers to the Voting Trustee.
- ii) The PURE Lex Holdings Limited Partnership - Limited Partnership Agreement dated February 22, 2021 between the Issuer, other holders of Units of the Partnership and the General Partner. This agreement:
- 1) precludes holders of Units of the Partnership, other than the General Partner from playing any management role in the Partnership or acting in any way on behalf of the Partnership which shall be the sole responsibility of the General Partner,
  - 2) limits the liability of holders of Units of the Partnership to the amount paid or agreed to be contributed for their respective Units, plus any additional capital required or agreed to be contributed by Limited Partners pursuant to the provisions hereof, plus its share of any undistributed income of the Partnership as hereinafter provided.
  - 3) grants the holders of Units of the Partnership the right to vote upon Ordinary Resolutions or Special Resolution tabled by Unit holders of Class A Units or Class B Units,
  - 4) grants the holders of Units of the Partnership a pro rata share of any net income, net realized capital gains and taxable income generated by the Partnership whereby:
    - a) first, each of the Partners shall be allocated pro rata an amount, if any, in proportion to and to the extent of any losses previously allocated to each such Partner in prior Fiscal Years pursuant to Sections 7.4(a) and (b) below, less the cumulative amount of all previous allocations of income for all prior fiscal years made under this Section 7.3(a); and
    - b) second:
      - (1) the Class A Percentage of the Net Income, Net Realized Capital Gains and Taxable Income shall be allocated 80% to the Limited Partners holding Class A Units, pro rata in accordance with their Proportionate Shares, and 20% to the General Partner; and
      - (2) the Class B Percentage of the Net Income, Net Realized Capital Gains and Taxable Income shall be allocated 100% to the Limited Partners holding Class B Units, pro rata in accordance with their Proportionate Shares.
  - 5) grants holders of Units of the Partnership the right to distributions of the Partnership at the discretion of the General Partner at least annually, as follows:
    - a) the Class A Percentage of the Distributable Cash will be distributed 80% to the Limited Partners holding Class A Units, pro rata in accordance with their Proportionate Shares, and 20% to the General Partner; and
    - b) the Class B Percentage of the Distributable Cash will be distributed 100% to the Limited Partners holding Class B Units, pro rata in accordance with their Proportionate Shares.
  - 6) grants the holders of Units of the Partnership their pro rata share of capital and profits after a wind up of the Partnership and liquidation of its assets after all debts, liabilities and any expenses incurred, and reserves are established in the winding up are settled out of liquidation proceeds.

- 7) grants a guarantee fee payable to an affiliate of the General Partner for the provision of a guarantee required by the lender of any acquisition or development financing or Refinancing in respect of the Property, in an amount equal to 0.5% of the amount of such guaranteed financing or Refinancing.
- 8) grants the General Partner the ability to borrow money from time to time, without limit as to the amount, and to grant and execute debentures, promissory notes, mortgages, documents and other instruments charging the whole or any part of the Property or other assets and undertaking of the Partnership and any undivided interest of the Limited Partners in such assets, and to do all acts relating thereto as may be necessary or desirable to further the business of the Partnership;
- 9) grants the General Partner the ability to sell the Property or an interest therein, all on such terms and conditions as the General Partner may determine, and to undertake any and all action necessary or desirable to complete such sale, including the execution and delivery of any agreements and documents relating to the sale;
- 10) sets out the annual financial statement and reporting fiscal year of March 31 in each year of the term of the Partnership, where not later than one-hundred twenty (120) days after each fiscal year the Limited Partners will receive such statements.
- 11) grants the affiliates of the General Partner the right to charge fees for services stated in Item 8 – “Other Material Facts” (i) and (ii).
- 12) the General Partner is irrevocably appointed with full power of substitution as the Issuer’s true and lawful attorney and agent (Power of Attorney), both before and after the dissolution of the Partnership, with full power and authority in the name, place and stead of the Issuer and for the use and benefit of the Issuer to contract and act on behalf of the Issuer, so long as doing so does not breach any terms of the Limited Partnership Agreement.
- 13) grants the General Partner the ability to request Limited Partners to advance funds for additional funding to the Partnership by way of Loan with interest rate and other terms of the Loan. Each Limited Partner may, within 14 days after its receipt of such notice, notify the General Partner as to whether:
  - a) it wishes to advance to the Partnership its Proportionate Share of the Loan;
  - b) it wishes to advance to the Partnership more than its Proportionate Share of the Loan, and if so what portion of any deficiency of the Loan it wishes to advance to the Partnership.

Limited Partners shall not be obligated to advance any portion of the Loan to the Partnership. If a Limited Partner does not notify the General Partner within such 14 days of either subparagraph (a) or (b) above, it shall be deemed to have elected to not advance any portion of the Loan to the Partnership.<sup>[1]</sup>

If the General Partner receives notices from Limited Partners advising that each wish to advance its Proportionate Share or more of the Loan, then the General Partner shall borrow the Loan from the Limited Partners pro rata in accordance with their Proportionate Shares. If any Limited Partner elects or is deemed to have elected to not advance its Proportionate Share of the Loan to the Partnership, the General Partner shall borrow any deficiency from the remaining Limited Partners who have elected to advance more than their Proportionate Share of the Loan, pro rata in accordance with the amounts set out in their notices pursuant to subparagraph (b) above. The Partnership shall repay the Loans, together with interest thereon, in priority to any distributions of Distributable Cash and Net Extraordinary Cash Receipts.

[1] The Issuer will not advance any portion of the Loan to the Partnership.

- iii) The Purchase Agreement between PURE Commercial Real Estate Advisors Inc. (the Purchaser), an affiliate of the General Partner, and KINGSETT CANADIAN REAL ESTATE INCOME FUND LP dated December 2, 2020 (the Vendor) whereby it agreed that:
  - 1) the purchase price for the Property is \$23,300,000 located at civic address 1249, 1253 and 1255 Granville Street, Vancouver, British Columbia
  - 2) the purchased assets are:
    - a) (a) the freehold interest in the Lands;
    - b) (b) the Building;
    - c) (c) the Chattels;
    - d) (d) the Elected Existing Contracts and Approved Contracts;
    - e) (e) the Existing Leases and Approved Leases; and

f) (f) the Permitted Encumbrances.

iv) The Term Loan Agreement between the Partnership and Vancity whereby the parties will agree that:

- 1) Partnership will borrow \$15,100,000,
- 2) the term is 5 years at an annual rate of 2.25%,
- 3) and the amortization is a 30-year term.

### Item 3. Interests of Directors, Management, Promoters and Principal Holders

#### 3.1 Compensation and Securities Held

The following table provides the specified information about the Issuer's directors and officers and each person who, directly or indirectly, beneficially owns or controls, or who will own or control following the Offering, 10% or more of any class of voting securities of the Issuer.

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
Michael Stephenson, Vancouver	President, Chief Executive Officer and Director [December 8, 2020]	\$0	0 Common Shares, 0.00%	1,500 Common Shares, 0.25%
Stephen Jagger, Vancouver	Interim Chief Financial Officer and Director [December 8, 2020]	\$0	0 Common Shares, 0.00%	1,500 Common Shares, 0.25%
addy Real Estate Holdings Corp.	Principal Holder [March 31, 2021]	\$0	10,000 Common Shares, 99.9%	10,000 Common Shares, 1.667%
addy Technology Corp	Promoter [December 8, 2020]	\$0	1 Common Share, 0.01%	1 Common Share, 0.0001%

#### 3.2 Management Experience

The name and principal occupation of the current directors and officers of the Issuer are as follows:

Name	Principal occupation and related experience
Michael Stephenson	<p>Mr. Stephenson is a serial entrepreneur and real estate technologist. He started his entrepreneurial journey in 2000 when he co-founded Combustion Hosting (which was acquired in 2006). Mr. Stephenson followed Combustion Hosting up with founding Ubertor Realtor Software which won the Most Innovative Web Service Award in 2009 from Inman News (which was acquired in 2013). Ubertor Realtor Software helped sell over 120,000 homes worth over \$90 billion.</p> <p>In 2012, Mr. Stephenson moved to the Philippines with his co-founder Stephen Jagger and setup OutsourcingThingsDone.com to provide virtual assistants to real estate professionals. OutsourcingThingsDone.com grew to 150 employees. In the Philippines, Mr. Stephenson</p>



	<p>discovered the lack of affordable and usable HR and payroll software. Mr. Stephenson addressed this by setting up a company called PayrollHero. Recently Mr. Stephenson launched addy to eradicate barriers to home ownership for everyone.</p> <p>Mr. Stephenson previously served on the board for the Douglas Park Community, and currently volunteers for Out In School.</p>
Stephen Jagger	<p>Mr. Jagger is an entrepreneur, author and speaker. Mr. Jagger started his entrepreneurial career in 2000 when he and business partner (Mike Stephenson) setup Combustion Hosting (which was acquired in 2006), followed by Ubertor Realtor Software (which was acquired in 2013).</p> <p>In 2012 Mr. Jagger moved to the Philippines and setup OutsourcingThingsDone.com to provide virtual assistants to real estate professionals. OutsourcingThingsDone.com grew to 150 employees. In the Philippines, Mr. Jagger discovered the lack of affordable and usable HR and payroll software. Mr. Jagger addressed this by setting up a company called PayrollHero, which was focused on time, attendance, scheduling, HR and payroll for the Philippines and Singapore.</p> <p>After four years in Manila and Singapore Mr. Jagger returned to Vancouver to launch addy to eradicate barriers to home ownership for everyone.</p> <p>Mr. Jagger co-authored the book Sociable! in 2009 with Shane Gibson and has spoken around the world at various real estate conferences, Entrepreneur Organization chapters and boards of trade events. Stephen is the co-President of the Vancouver College Alumni Association and sits as a Director of The Mel Jr. &amp; Marty Zajac Foundation.</p>

### 3.3 *Penalties, Sanctions and Bankruptcy*

No penalty or sanction has been in effect during the last 10 years, no cease trade order has been in effect for a period of more than 30 consecutive days during the past 10 years, and no declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors, appointment of a receiver, receiver manager or trustee to hold assets has been in effect during the last ten years against or with regard to any:

- (a) director, executive officer or control person of the addy (1249 GRANVILLE ST) Corp., or
- (b) an issuer of which any person referred to in sub-paragraph (a) above was a director, executive officer, or control person of at that time.

### 3.4 *Loans*

The Issuer will be party to an unsecured loan in the maximum amount up to \$600,000 bearing interest at an annual rate of 0% owing to addy TechCo. This loan will be made on May 19, 2021 with a maturity date of July 29, 2021. Proceeds from the loan will be used to fully fund the Issuer's purchase of 600 Class A Units in the Partnership. The intention of addy TechCo and the Issuer is that the TechCo Loan will be a short-term, bridge loan which will be repaid with the proceeds of this Offering. If the Offering has insufficient funds available July 29, 2021 to repay the TechCo Loan, addy Real Estate Holdings Corp, a related party to the Issuer, will repay the remainder in full. See Item 2.6 – "Insufficient Funds". There are no other debentures or loans to or from directors, management, promoters.

## Item 4. Capital Structure

### 4.1 Share Capital

The following table describes the Issuer's outstanding securities as of MARCH 31, 2021 (including options, warrants and other securities convertible into shares).

Description of security	Number authorized to be issued	Price per security	Number outstanding as at MARCH 31, 2021	Number outstanding after min. offering	Number outstanding after max. offering
Common	Unlimited	\$1.00	1	10,000 <sup>[1]</sup>	600,000 <sup>[1]</sup>

Notes:

[1] If the proceeds from this Offering are insufficient to allow the Issuer to complete the proposed purchase of the maximum percentage, the Issuer may reduce its purchase commitment in the Partnership with no penalty.

### 4.2 Long Term Debt Securities

See Item 3.4 "Loans".

### 4.3 Prior Sales

Prior to this offering, the Issuer has raised the following funds:

Date of issuance	Type of security issued	Number of securities issued	Price per security	Total funds received
December 8, 2020	Common shares	1	\$1.00	\$1.00

## Item 5. Securities Offered

### 5.1 Terms of Securities

Pursuant to the Subscription Agreement, including the Shareholders' Agreement and the Voting Trust and Information Sharing Agreement included therewith, for so long as the Issuer is not a public company, no Share may be sold, transferred or otherwise disposed of without the consent of the Issuer's director. Each Share entitles the holder thereof to receive notice of any meetings of shareholders of the Issuer and to attend and cast one vote in person or by proxy per Share at all such meetings. Holders of Shares are entitled to receive on a pro-rata basis such dividends, if any, as and when declared by the board of directors of the Issuer at its discretion from funds legally available. Upon the liquidation, dissolution, or winding-up of the Issuer, all holders of these Shares are entitled to receive, on a pro-rata basis, the net assets of the Issuer after payment of debts and other liabilities subject to the rights, privileges, restrictions, and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro-rata basis with the holders of Shares with respect to dividends or liquidation.

The Shares do not carry any pre-emptive, subscription, redemption or conversion rights. Currently, the Shares are not listed on any stock exchange. Subscribers are required to execute a Shareholders' Agreement, which includes a Voting Trust and Information Sharing Agreement, which transfers the voting rights of all subscribers to the Voting Trustee. For a description of the Shareholders' Agreement, and the Voting Trust and Information Sharing Agreement, see Item 2.7 "Material Agreements".

### 5.2 Subscription Procedure

Prospective purchasers subscribing under the Offering Memorandum Exemption will be limited to a maximum of 1,500 Shares.

In order to be eligible to subscribe for Units, subscribers must create an account and register with addy at [www.addyinvest.com](http://www.addyinvest.com). After successfully registering with addy, subscribers will be able to fund their "addy Wallet" using Interac or electronic funds transfer (or EFT). addy members will be able to view the current property listings

hosted by addy, including the Property. Only qualified addy members will be able to complete a subscription for Units using settled funds from their addy Wallet to complete the investment.

Purchasers will be limited to residents of British Columbia, Ontario, and Alberta. The purchase of Shares hereunder will be made in reliance upon exemptions from the prospectus requirements of applicable securities laws, including the “Offering Memorandum” exemption in Section 2.9(1) and (2.1), as applicable, of National Instrument 45-106 *Prospectus Exemptions* (“**NI 45-106**”), which may be available to the Issuer, and without the use of a registered dealer. As such, Subscribers: (i) will not receive the benefits associated with the involvement of such registrants; and (ii) will not receive the benefits associated with purchasing the shares pursuant to a filed prospectus, including the review of the material by the securities commissions or similar regulatory authority.

The required form of risk acknowledgment under Section 2.9(1) and (2.1) of NI 45-106 is Form 45-106F4.

If you purchase Shares, you will have certain rights, some of which are described below. Furthermore, the subscription agreement (the “**Subscription Agreement**”) you are provided concurrently with this offering memorandum supplements those rights on a contractual basis, such that all investors, wherever resident and regardless of the exemption relied upon, will be given substantially the same rights. For further information about your rights, you should consult a lawyer

In order to subscribe for Shares, subscribers must agree to provide the Issuer with such information in order to enable it to determine the availability of the exemption, including:

- a) a duly completed and executed subscription agreement (including all applicable schedules, appendices, acknowledgements, certificates and other documents requested by the Issuer); and
- b) if the Offering Memorandum Exemption is relied upon, two copies of a Risk Acknowledgement Form (Form 45-106F4).

Subscribers may subscribe for shares by returning to the Issuer at Suite #352 – 3381 Cambie Street, Vancouver, British Columbia V5Z 4R3 the following:

- a) a completed Subscription Agreement (including all applicable schedules, appendices, acknowledgements, certificates and other documents requested by the Partnership);
- b) an agreement to be bound to the Issuer’s Shareholders’ Agreement;
- c) an agreement to be bound to the Issuer’s Voting Trust Agreement; and
- d) transfer of the aggregate settled subscription amount from the subscriber’s addy Wallet, or, in very limited circumstances, such other means acceptable to the Issuer, including a certified cheque, bank draft, money order or wire transfer (instructions to be provided) payable to “addy (1249 GRANVILLE ST) Corp.”

The Issuer will hold the subscription monies advanced by each subscriber in trust for the subscriber until midnight on the 60<sup>th</sup> day after the subscription agreement is signed by the subscriber. Following execution of the subscription agreement by the subscriber, the subscriber has no right to withdraw the amount of the Subscription Price, or any interest earned thereon after the sixty-day cooling-off period.

Once executed and delivered by the subscriber, a subscription agreement constitutes an offer to purchase the shares. The shares will be sold only to subscribers who have submitted the documentation specified above, duly executed and delivered. Shares will be subject to restrictions on transfer. See Item 10 below. The Issuer has the right to reject any prospective purchaser of shares for any reason whatsoever. If the Issuer decides to accept an offer to purchase the shares, the Issuer will execute a copy of the subscription agreement remitted by the subscriber and return one copy to such subscriber.

If a request to purchase is accepted, shares will be issued and the Issuer will cause addy to update the subscriber’s addy Dashboard to include a written notification (the “**Confirmation Notice**”) confirming the completion of such issuance of shares, including, but not restricted to, a statement as to the number of shares issued to the subscriber and

the date of the issuance of the shares. Upon the written demand of the subscriber, the Issuer will deliver or cause the delivery of a Confirmation Notice to the investor.

Once the Issuer has accepted your Subscription Agreement, it will remain in effect as long as the Shares purchased pursuant thereto remain outstanding. A Subscription Agreement terminates only upon: (a) the purchase for cancellation of the Shares to which it relates; or (b) the liquidation of the Issuer.

**THIS OFFERING IS SUBJECT TO A MAXIMUM OF 600,000 SHARES AND IS MADE ON A CONTINUOUS BASIS. UNLESS TERMINATED EARLIER BY THE ISSUER, THIS OFFERING WILL TERMINATE ON THE DATE ON WHICH ALL OF THE SHARES OFFERED HEREBY HAVE BEEN SOLD.**

### **5.3      *Distribution***

This Offering is being made to (and subscriptions will only be accepted from) persons resident in British Columbia, Ontario, and Alberta pursuant to the Offering Memorandum Exemption in NI 45-106 from the prospectus requirements of applicable securities legislation. The foregoing exemptions relieve the Issuer from the provisions of applicable securities laws which otherwise would require the Issuer to file and obtain a receipt for a prospectus. Accordingly, prospective investors for the Shares will not receive the benefits associated with a subscription for securities issued pursuant to a filed prospectus, including the review of material by securities regulatory authorities. Each investor is urged to consult with his or her own legal adviser as to the details of the statutory exemption being relied upon and the consequences of purchasing securities pursuant to such exemption.

The Shares have not been and will not be registered under the United States Securities Act of 1933, as amended. Subject to certain exceptions, therefore, these securities may not be offered or sold in the United States.

**Each investor is urged to consult with his, her, their, or its own legal adviser as to the details of the statutory exemption being relied upon and the consequences of purchasing securities pursuant to such exemption.**

## **Item 6.              Income Tax Consequences and RRSP Eligibility**

### **6.1      *Tax Advice***

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

### **6.2      *Material Income Tax Consequences***

There are no unique or material tax consequences that apply to the purchase of these Shares.

### **6.3      *Advice Regarding RRSP Eligibility***

Not all securities are eligible for investment in a registered retirement savings plan (RRSP). You should consult your own professional advisers to obtain advice on the RRSP eligibility of these securities.

Shares will not constitute qualified investments for purposes of the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, registered disability savings plans, registered education savings plans, deferred profit-sharing plans or tax-free savings accounts (collectively, “Deferred Plans”) and should not be acquired by Deferred Plans.

## **Item 7.              Compensation Paid to Sellers and Finders**

Not applicable since no compensation earned or paid.

## **Item 8.              Other Material Facts**

The following are agreements which are material to this Offering but will not have been signed and executed into effect before the Offering date of MARCH 31, 2021:

- i) The Asset Management Agreement between the Partnership and an affiliate (the “**Asset Manager**”) of the General Partner of the Partnership whereby the parties will agree the Asset Manager will earn an annual fee payable monthly on the last day of each month equal to the greater of:
  - 1) 0.35% of the aggregate Capital Contributions received by the Partnership from the issuance of Units; and
  - 2) 2% of the gross rental collections from the Property.
- ii) The Property Management Agreement between the Partnership and an affiliate (the “**Property Manager**”) of the General Partner of the Partnership whereby the parties that:
  - 1) an annual fee payable to the Property Manager for the provision of property management services in respect of the Property, in an amount equal to 3.5% of the gross rental receipts from the Property.
- iii) The PURE Lex Holdings Limited Partnership Subscription Agreement between the Issuer, other holders of Units of the Partnership and the General Partner. Key terms in this agreement are as follows:
  - 1) the Issuer subscribes for and agrees to purchase up to 600 Class A Units at a price of \$1,000 per Unit in the Partnership and the Partnership agrees to issue and sell such number of units to the Issuer.
  - 2) the Units are sold on a private placement basis exempt from the prospectus requirements of the applicable securities laws.
  - 3) the Subscriber acknowledges that there were no representations from any parties that the Units will be repurchased at any point in the future.
  - 4) the Issuer agrees to be bound by the Partnership’s Limited Partnership Agreement described in 2.7(ii) - Material Agreements.

## **Item 9. Risk Factors**

**An investment in the Shares and the Issuer involves a number of significant risks. Prospective investors should carefully consider, among other factors, the matters described below, each of which could have an adverse effect on the value of the Shares. As a result of these factors, as well as other risks inherent in any investment, there can be no assurance that the Issuer will meet its business objectives. The Issuer’s returns may be unpredictable and, accordingly, the Shares are not suitable as a sole investment vehicle for an investor or an investor that is looking for a predictable source of cash flow. Based on, among others, the factors described below, the possibility of partial or total loss of capital will exist and investors should not subscribe unless they can readily bear the consequences of such loss.**

### ***9.1 Investment Risks - risks that are specific to the Shares being offered by the Issuer***

#### **No Review by Regulator**

Investors under this Offering will not have the benefit of a review of this Offering Memorandum by any securities regulatory authority or regulator.

#### **No Assurance on Investment Return**

An investment in the Issuer requires a long-term commitment, with no certainty of return. The success of the Issuer, accordingly, a return on investment for a purchaser of Shares, is entirely dependent upon the success of the Partnership’s real estate investment strategy. There is no assurance or guarantee that the Issuer and, accordingly, the holders of Shares will earn a return on their investment. Holders of Shares could lose the entire amount of their investment.

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

### **Restrictions on Transfer; Illiquidity of Shares and Liquidity Risks**

The Shares are not listed on an exchange. There is currently no secondary market through which the Shares may be sold, there can be no assurance that any such market will develop, and the Issuer has no current plans to develop such a market.

The Units of the Partnership are not redeemable for an estimated period of five years and therefore the Issuer, as a holder thereof, will have no right to demand that the Partnership redeem the Units until the dissolution or winding up of the Partnership.

### **Investment Losses**

The purchase of the Shares is highly speculative. An investment in the Shares may result in investment losses. A prospective purchaser should buy them only if he is able to bear the risk of the entire loss of its investment and has no need for immediate liquidity.

### **9.2 Issuer Risks - risks that are specific to this Issuer**

#### **Limited Operating History**

The Partnership is the very early stage of its business cycle and is therefore subject to the risks associated with early-stage entities including start-up losses, uncertainty of revenues, markets and profitability, the need to raise additional funding, the evolving and unpredictable nature of the business and the ability to identify, attract and retain qualified personnel. There can be no assurance that the Partnership will be successful in doing what it is required to do to overcome these risks. No assurance can be given that the Partnership's business activities will be successful. Total loss of an investment in Shares is possible.

#### **Past Performance not a Predictor of Future Results**

The track record of senior management of the Issuer or of the Partnership does not imply or predict (directly or indirectly) any level of future performance of the Issuer or the Partnership. Management's performance is dependent on future events and is, therefore, inherently uncertain. Past performance cannot be relied upon to predict future events for a variety of factors, including, without limitation, varying business strategies, different local and national economic circumstances, different supply and demand characteristics relevant to buyers and sellers of assets, varying degrees of competition and varying circumstances pertaining to the capital markets.

#### **Dependence on Key Personnel**

The success of the Issuer and Partnership will depend in large part upon the services of key personnel employed by the Partnership. The loss of any one of these individuals, for any reason, could have a material adverse effect on the prospects of the Issuer. The management of the Partnership depends on the services of certain key personnel. There can be no assurances that such personnel will remain with the Partnership.

#### **Projections are Estimates Only**

All projections contained in this Offering Memorandum, including Item 2.2 "Our Business – The Partnership and the Property – Projected Financial Return on Sale of Property" and Appendix A to this Offering Memorandum, are estimates only and not a guarantee of future results. The Partnership's actual financial position and results of operations may differ materially from current expectations (as presented in this Offering Memorandum) and, as a result, the Partnership's revenue and expenses may differ materially from the revenue and expenses profiles provided herein. Such information is presented for illustrative purposes only and may not be an indication of the Partnership's actual financial performance.

#### **Potential Inability to Fund Investments**

The Partnership may commit to making future investments in anticipation of repayment of principal outstanding and/or the payment of interest under existing investments and/or in reliance on its credit facilities. In the event that such repayments of principal or payments of interest are not made, or where credit facilities are not available, the



Partnership may be unable to advance some, or all of the funds required to be advanced pursuant to the terms of its commitments and may be required to obtain interim financing and to fund such commitments or face liability in connection with its failure to make such advances.

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

### **Real Property Ownership**

All real property investments are subject to elements of risk. Such investments are affected by general economic conditions, local real estate markets, demand for commercial and/or residential premises, competition from other available commercial and/or residential premises and various other factors. Certain significant expenditures, including property taxes, capital repair and replacement costs, maintenance costs, mortgage payments, insurance costs and related charges must be made throughout the period of ownership of real property regardless of whether the property is producing any income. If the Issuer is unable to meet mortgage payments on any property, losses could be sustained.

Real property investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for and the perceived desirability of such investments. Such illiquidity may tend to limit the Issuer's ability to vary its portfolio promptly in response to changing economic or investment conditions. If the Issuer was required to liquidate its real property investments, the proceeds to the Issuer might be significantly less than the aggregate value of its properties on a going-concern basis. The Partnership will be subject to the risks associated with debt financing, including the risk that existing mortgage indebtedness secured by the properties the Partnership acquires will not be able to be refinanced or that the terms of such refinancing will not be as favourable as the terms of existing indebtedness.

### **Risks Associated with Property Acquisition**

The acquisition of the Property entails risks that it will fail to perform in accordance with expectations. It is not possible to manage all risks associated with such an acquisition in the terms and conditions contained in commercial agreements pertaining to such an acquisition. The Property may be subject to unknown, unexpected or undisclosed liabilities that may materially and adversely affect its operations and financial condition and results. The representations and warranties, if any, given by the vendors may not adequately protect against these liabilities and any recourse against third parties may be limited by the financial capacity of such third parties. The Property may not achieve anticipated rental yields and the estimates of costs of this property and its intended Property plans may prove inaccurate or may not have intended results. There is no assurance that the Partnership will be able to meet its intended investment objective with the acquisition of the Property. There are general investment risks inherent in any real estate investment.

### **Revenue Produced from the Property**

The Property currently generates income through rental payments made by the tenants thereof. Upon the expiry of any lease, there can be no assurance that such lease will be renewed, or the tenant replaced. The terms of any subsequent lease may be less favorable to the Partnership than the existing lease. Unlike commercial leases which generally are "net" leases and allow a landlord to recover expenditures, residential leases are generally "gross" leases, and the landlord is not able to pass on costs to its tenants.

### **Litigation Risks**

The Partnership may, from time to time, become involved in legal proceedings in the course of its business. The costs of litigation and settlement can be substantial and there is no assurance that such costs will be recovered in whole or at all. The unfavorable resolution of any legal proceedings could have an adverse effect on the Partnership, and indirectly the Issuer, and its financial position and results of operations that could be material.

## **Debt Financing**

The Partnership is subject to the risks associated with debt financing, including the risk that the Partnership may be unable to make interest or principal payments or meet loan covenants, the risk that defaults under a loan could result in cross defaults or other lender rights or remedies under other loans, and the risk that existing indebtedness may not be able to be refinanced or that the terms of such refinancing may not be as favourable as the terms of existing indebtedness.

## **General Uninsured Losses**

The General Partner is expected to arrange for comprehensive insurance, including fire, liability and extended coverage, of the type and in the amounts customarily obtained for properties similar to the properties proposed to be acquired and will endeavour to obtain coverage where warranted against earthquakes and floods. However, in many cases certain types of losses (generally of a catastrophic nature) will be either uninsurable or not economically insurable. Should such a disaster occur with respect to the proposed Property to be acquired, the Partnership could suffer a loss of capital invested and not realize any profits which might be anticipated from the ownership thereof.

## **Real Estate Investment and Ownership**

Real estate investments are generally subject to varying degrees of risk depending on the nature of the property. Such risks include the highly competitive nature of the real estate industry, changes in general economic conditions (such as the availability and cost of mortgage funds), local conditions (such as the supply of office, industrial, retail space or warehousing or the demand for residential real estate in the area and thereby the prices at which serviced lots and parcels may be sold), government regulation and changes therein (such as planning, zoning, taxation of property and environmental legislation), changes in governments and the political environment in the applicable jurisdictions, competition from other available properties and the attractiveness of the property to potential purchasers, including builders. In addition, each segment in the real estate industry is capital intensive and is typically sensitive to interest rates and general economic conditions. The income generated by real estate properties, if any, is dependent upon general economic conditions and, accordingly, the return on investment may be affected by changes in those conditions. In addition, increased weakness and volatility in local markets may significantly reduce the amount of debt financing available for real estate projects. As a result, the current value of real estate investments could considerably decrease. These factors may have a negative impact on the value of the Partnership's Issuer's indirect interests in the Property, on the length of time the Issuer will be required to hold the Class A Units in the Partnership the Property, on the sale price of the Property when it is intended for sale, and on the value of the Class A Units.

## **Competition for Tenants**

The real estate business is competitive. Numerous other developers, managers and owners of properties compete with the Partnership in seeking tenants. The existence of competing developers, managers and owners for tenants could have an adverse effect on the Partnership's ability to lease suites in its properties and on the rents charged.

## **Dilution**

The number of Shares the Issuer is authorized to issue is unlimited. Any issuance of additional Shares may have a dilutive effect on the holders of Shares of the Issuer.

## **9.3 Industry Risks**

### **Environmental Matters**

Environmental and ecological legislation and policies have become increasingly important, and generally restrictive. Under various laws, the Partnership could become liable for the costs of removal or remediation of certain hazardous or toxic substances released on or in its properties or disposed of at other locations. The failure to remove or remediate such substances, if any, may adversely affect an owner's ability to sell such real estate or to borrow using such real estate as collateral, and could potentially also result in claims against the owner by private plaintiffs.

## Interest Rates

A decrease in interest rates may encourage buyers or tenants to purchase condominiums or other types of housing, which could result in a reduction in demand for multi-dwelling units or rental properties.

## General Economic Conditions

The Partnership is affected by general economic conditions, local real estate markets, competition from other available premises, including new developments, and various other factors. The competition for tenants also comes from opportunities for individual home ownership, including condominiums, which can be particularly attractive when home mortgage loans are available at relatively low interest rates. The existence of competing developers and owners for the Issuer's tenants and property buyers could have an adverse effect on the Partnership's ability to sell or lease suites in the Property and on the sale price sought or rents charged, rent growth, increased sales, leasing and marketing costs. In addition, any increase in the supply of available space in Metro Vancouver could have an adverse effect on the Partnership.

COVID-19 - The pandemic has led (and may continue to lead) to disruptions in global economic activity, resulting in, among other things, a general decline in capital markets and lower interest rates. These circumstances are likely to have an adverse effect on levels of employment, which may adversely impact the ability of tenants, borrowers and other counterparties to make timely payments on their rents, mortgages and other loans. An increase in delinquent payments by tenants, borrowers and other counterparties may negatively affect the Partnership's financial position. The full extent of the duration and impact that COVID-19, including any regulatory responses to the outbreak, will have on the Canadian economy and the Partnership's proposed business is highly uncertain and difficult to predict at this time.

## Tax Risks

No assurance can be given that changes in the Income Tax Act (Canada) (the "Tax Act"), or changes in the administrative policies and assessing practices of the Canada Revenue Agency, or future court decisions, or the implementation of new taxes will not adversely affect the Partnership or fundamentally alter the income tax consequences to holders of Shares with respect to acquiring, holding or disposing of Shares. Investors are strongly encouraged to consult their tax advisors as to the tax consequences of acquiring, holding and disposing of Shares.

## Competition

The Partnership experiences competition for multifamily property purchases as well as leasing of thereof. The Partnership could face increased competition from newly formed or emerging entities, as well as from established entities that choose to focus (or increase their existing focus) on multifamily opportunities in Metro Vancouver and the other markets in which the Partnership intends to operate.

**For all of the aforesaid reasons and others set forth and not set forth herein, the Shares involve a certain degree of risk. Any person considering the purchase of the Shares should be aware of these and other factors set forth in this Offering Memorandum and should consult with his/her legal, tax and financial advisors prior to making an investment in the Shares. The Shares should only be purchased by persons who can afford to lose all of their total investment**

## Item 10. Reporting Obligations

### 10.1 Nature and Frequency of Reporting

The Issuer is not a "reporting issuer" in any jurisdiction in Canada. This means that the Issuer is not required to file documents with securities regulators or provide you with financial or other information under Canadian securities laws. **Except as required under applicable securities laws, the Issuer is not required to send you any documents on an annual or ongoing basis.**

As a corporation formed under the *Business Corporation Act* (British Columbia), the Issuer is required to provide its shareholders with audited financial statements annually unless waived by the shareholders.

As a shareholder of the Issuer, you will have a right to receive notice of the annual general meeting of the Issuer's shareholders.

Where required pursuant to applicable laws, the Issuer may file with the securities regulatory authorities or deliver to the securities regulatory authorities, audited annual financial statements of the Issuer, as well as a notice that accompanies the financial statements describing how the proceeds raised under the Offering have been used and such other information for a non-reporting issuer that distributes securities using the Offering Memorandum Exemption required by applicable securities laws.

## **10.2 Sources of Information about the Issuer**

Information about the Issuer's incorporation, amendments to the Issuer's Articles, directors, officers, annual corporate filings and other corporate information can be obtained from the Corporate Registry of British Columbia by contacting the registry at <https://www.corporateonline.gov.bc.ca/>.

## **Item 11. Resale Restrictions**

### **11.1 General Statement**

With respect to trades in all Provinces and Territories of Canada other than Manitoba, 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.

Furthermore, pursuant to the Issuer's Articles, for so long as the Issuer is not a public company, no Share may be sold, transferred or otherwise disposed of without the consent of the Issuer's directors. Any sale, transfer or other disposition of the Shares is subject to the restrictions and other requirements in the Issuer's Shareholders' Agreement and the Voting Trust Agreement. For a description of the material terms of the Shareholders' Agreement and the Voting Trust Agreement, see Item 2.7 "Material Agreements".

### **11.2 Restricted Period**

With respect to trades in all Provinces and Territories of Canada other than Manitoba, unless permitted under securities legislation, you cannot trade the securities before the date that is four months and a day after the date the Issuer becomes a reporting issuer in any Province or Territory of Canada.

## **Item 12. 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.

### **12.1 60 Day Cancellation Right**

You can cancel your agreement to purchase these securities. To do so, you must send a notice to the Issuer by midnight on the 60<sup>th</sup> day after you sign the agreement to buy the securities.

### **12.2 Statutory Rights of Action in the Event of a Misrepresentation**

#### **For Investors Resident in British Columbia**

The *Securities Act* (British Columbia) (the "**B.C. Act**") provides investors resident in British Columbia (each, a "**B.C. Purchaser**") with, in addition to any other right they may have at law, rights of rescission or damages, or both, where an offering memorandum, together with any amendments thereto, contains a misrepresentation.

In particular, section 132.1 of the B.C. Act provides that if this Offering Memorandum, together with any amendments hereto, contains a misrepresentation, and it was a misrepresentation at the time of purchase of the Shares, a B.C. Purchaser to whom this Offering Memorandum was delivered and who purchases the Shares offered hereunder will be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has, subject as hereinafter provided, a right of action against the Issuer, every director of the Issuer at the date of the Offering

Memorandum and every person who signed the Offering Memorandum for damages, which liability if found or admitted will be joint and several, and a right of rescission against the Issuer, provided that if the B.C. Purchaser elects to exercise a right of rescission against the Issuer, the B.C. Purchaser has no right of action for damages against the Issuer, and provided that:

- (a) an action to enforce such right or rights must not be commenced: (i) in the case of an action for rescission, more than 180 days after the date of the transaction that gave rise to the cause of action; or (ii) in the case of an action other than for rescission, more than the earlier of: (A) 180 days after the B.C. Purchaser first had knowledge of the facts giving rise to the cause of action; or (B) 3 years after the date of the transaction that gave rise to the cause of action;
- (b) no person will be liable if they, or it proves that the B.C. Purchaser had knowledge of the misrepresentation;
- (c) in the case of an action for damages, no person will be liable for all or any part of the damages that it proves does not represent the depreciation in value of the Shares resulting from the misrepresentation; and
- (d) in no case will the amount recoverable in any action exceed the price at which the Shares were offered under the Offering Memorandum.

#### **For Investors Resident in Ontario**

The *Securities Act* (Ontario) (the “**Ontario Act**”) provides investors resident in Ontario (each an “**Ontario Purchaser**”) with, in addition to any other right they may have at law, rights of rescission or damages where an Offering Memorandum, together with any amendments thereto contains a misrepresentation.

In particular, section 130.1 of the Ontario Act provides that if this Offering Memorandum contains a misrepresentation, an Ontario Purchaser who purchases the Shares offered by this Offering Memorandum during the period of distribution has a right of action for damages against the Issuer or, alternatively, may elect to exercise a right of rescission against the Issuer, without regard to whether the Ontario Purchaser relied on the misrepresentation, provided that if the Ontario Purchaser exercises its right of rescission, it will not have a right of action for damages against the Issuer, and provided that:

- (a) no action will be commenced to enforce these rights more than: (i) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or (ii) in the case of any action, other than an action for rescission, the earlier of: (A) 180 days after the Ontario Purchaser first had knowledge of the fact giving rise to the cause of action, or (B) three years after the date of the transaction that gave rise to the cause of action;
- (b) the Issuer will not be liable if it proves that the Ontario Purchaser purchased the Shares with knowledge of the misrepresentation;
- (c) in an action for damages, the Issuer will not be liable for all or any portion of the damages that the Issuer proves do not represent the depreciation in value of the Shares as a result of the misrepresentation relied upon; and
- (d) in no case will the amount recoverable exceed the price at which the Shares were offered.

#### **For Investors Resident in Alberta**

The *Securities Act* (Alberta) (the “**Alberta Act**”) provides investors resident in the Province of Alberta (each an “**Alberta Purchaser**”) with, in addition to any other right they may have at law, rights of rescission or damages, where an offering memorandum, together with any amendments thereto, contains a misrepresentation.

In particular, section 204 of the Alberta Act provides that in the event that this Offering Memorandum, together with any amendments hereto, is delivered to an Alberta Purchaser and contains a misrepresentation, and it was a misrepresentation at the time of purchase of the Shares, an Alberta Purchaser to whom this Offering Memorandum was delivered and who purchases the Shares offered hereunder (without regard to whether the purchaser relied upon such misrepresentation) has, subject as hereinafter provided, a right of action against the Issuer, every director of the

Issuer at the date of the Offering Memorandum and every person or company who signed the Offering Memorandum for damages, which liability if found or admitted will be joint and several, or alternatively, a right of action against the Issuer for rescission, provided that if the Alberta Purchaser elects to exercise a right of rescission against the Issuer, the Alberta Purchaser has no right of action for damages against the Issuer or other above named person, and provided that:

- (a) an action is commenced to enforce such right: (i) in the case of an action for rescission, within 180 days after the date the transaction that gave rise to the cause of action; or (ii) in the case of any action, other than an action for rescission, within the earlier of: (A) 180 days from the date that the Alberta Purchaser first had knowledge of the facts giving rise to the cause of action; or (B) three years from the date of the transaction that gave rise to the cause of action;
- (b) no person will be liable if he, she or it proves that the Alberta Purchaser had knowledge of the misrepresentation;
- (c) in the case of an action for damages, no person will be liable for all or any part of the damages that it proves does not represent the depreciation in value of the Shares as a result of the misrepresentation; and
- (d) in no case will the amount recoverable in any action exceed the price at which the Shares were sold to the Alberta Purchaser.

### **12.3 Contractual Rights of Action in the Event of a Misrepresentation**

For investors resident in a jurisdiction where the securities legislation does not provide a comparable statutory right of action in the event of a misrepresentation in this Offering Memorandum as indicated above, if there is a misrepresentation in this Offering Memorandum or any information or documents incorporated or deemed to be incorporated by reference into this Offering Memorandum, then, you have a contractual right to sue the Issuer:

- (a) for rescission (to cancel your agreement to buy these securities); or
- (b) for damages.

This contractual right to sue is available to an investor whether or not the investor relied on the misrepresentation. As part of this contractual right to sue, in an action for damages, the amount an investor may recover:

- (a) must not exceed the price that the investor paid for the investor's securities;
- (b) does not include all or any part of the damages that the Issuer proves does not represent the depreciation in value of the securities resulting from the misrepresentation; and
- (c) is in addition to, and does not detract from, any other right of the investor.

The Issuer has a defence if it proves that the investor knew of the misrepresentation when the investor purchased the securities.

If the investor intends to rely on the rights described in (a) or (b) at the top of this Item 12.3, you must do so within strict time limitations. These rights are enforceable by an investor by delivering a notice to the Issuer:

- (a) in the case of an action for rescission, within 180 days after the investor signs the agreement to purchase the security; or
- (b) in the case of an action for damages, before the earlier of:
  - (i) 180 days after the investor first has knowledge of the facts giving rise to the cause of action; or
  - (ii) three years after the date the investor signs the agreement to purchase the security.



**Item 13. Financial Statements**

*Audited Financial Statements*

**addy (1249 GRANVILLE ST) Corp.**  
**AUDITED FINANCIAL STATEMENTS**  
**for the Period Ended December 31, 2020**

Financial Statements of

**addy (1249 GRANVILLE ST) Corp.**

And Independent Auditors' Report thereon

Period from the date of formation on December 8, 2020 to  
December 31, 2020



KPMG LLP  
PO Box 10426 777 Dunsmuir Street  
Vancouver BC V7Y 1K3  
Canada  
Telephone (604) 691-3000  
Fax (604) 691-3031

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of addy (1249 GRANVILLE ST) Corp.

### ***Opinion***

We have audited the financial statements of addy (1249 GRANVILLE ST) Corp. (the Entity), which comprise:

- the statement of financial position as at December 31, 2020
- the statement of comprehensive income for the period from the date of formation on December 8, 2020 to December 31, 2020
- the statement of changes in equity for the period from the date of formation on December 8, 2020 to December 31, 2020
- the statement of cash flows for the period from the date of formation on December 8, 2020 to December 31, 2020
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2020, and its financial performance and its cash flows for the period from the date of formation on December 8, 2020 to December 31, 2020 in accordance with International Financial Reporting Standards (IFRS).

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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



### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

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

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



addy (1249 GRANVILLE ST) Corp.  
Page 3

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*KPMG LLP*

Chartered Professional Accountants

Vancouver, Canada  
January 15, 2021

## **addy (1249 GRANVILLE ST) Corp.**

### Statement of Financial Position

December 31, 2020

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#### Assets

##### Current assets:

Share capital subscription receivable	\$	1
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#### Shareholder's Equity

Share capital (note 5)	\$	1
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See accompanying notes to financial statements.

Approved on behalf of the Board:

*Michael Stephenson*

Director

## **addy (1249 GRANVILLE ST) Corp.**

### Statement of Comprehensive Income

Period from the date of formation on December 8, 2020 to December 31, 2020

Revenue	\$	-
Expense		-
Net income		-
Other comprehensive income		-
Total comprehensive income for the period	\$	-

See accompanying notes to financial statements.



## addy (1249 GRANVILLE ST) Corp.

### Statement of Changes in Equity

Period from the date of formation on December 8, 2020 to December 31, 2020

	Share capital		Total
Balance at December 8, 2020	\$	-	\$ -
Issuance of common share (note 5)		1	1
Balance at December 31, 2020	\$	1	\$ 1

See accompanying notes to financial statements.

## **addy (1249 GRANVILLE ST) Corp.**

### Statement of Cash Flows

Period from the date of formation on December 8, 2020 to December 31, 2020

Net change in cash	\$	-
Cash, beginning of period		-
Cash, end of period	\$	-

See accompanying notes to financial statements.

## **addy (1249 GRANVILLE ST) Corp.**

### Notes to Financial Statements

Period from the date of formation on December 8, 2020 to December 31, 2020

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#### **1. Nature of the business:**

addy (1249 GRANVILLE ST) Corp. (the "Entity") was incorporated under the British Columbia Business Corporations Act on December 8, 2020 in British Columbia, Canada registered at 352 - 3381 Cambie Street, Vancouver B.C., V5Z 4R3. The Entity was established to purchase an interest in a Vancouver real estate project.

#### **2. Basis of preparation:**

##### **(a) Statement of compliance:**

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

These financial statements were authorized for issue by the Directors on January 15, 2021.

##### **(b) Basis of measurement:**

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

##### **(c) Functional and presentation currencies:**

These financial statements are presented in Canadian dollars, which is also the functional currency of the Entity.

##### **(d) Use of estimates and judgments:**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are made prospectively.

No significant areas requiring management estimate or management judgment were noted by management in the preparation of these financial statements.

#### **3. Significant accounting policies:**

The accounting policies set out below have been applied in the preparation of these financial statements. These policies have been applied consistently in the period unless otherwise stated.

##### **(a) Share capital:**

Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12 *Income taxes*.

## addy (1249 GRANVILLE ST) Corp.

### Notes to Financial Statements

Period from the date of formation on December 8, 2020 to December 31, 2020

#### 4. Financial risk management:

##### *Risk management framework:*

The overall responsibility for the establishment and oversight of the Entity's risk management policies resides with the Board of Directors. The Entity's risk management policies are established to identify, analyze and manage the risks faced by the Entity and to implement appropriate procedures to monitor risks and adherence to established controls. Risk management policies and systems are reviewed periodically in response to the Entity's activities and to ensure applicability.

#### 5. Share capital:

	Common shares
Number of shares:	
In issue at beginning of period	-
Issued but not paid	1
In issue at end of period	1

##### (a) Common shares:

The Entity is authorized to issue an unlimited number of common shares without par value. Holders of common shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Entity.

##### (b) Issue of common shares:

During the period from the date of formation on December 8, 2020 to December 31, 2020, one common share was issued at a price of \$1.

**Item 14. Date and Certificate**

Dated MARCH 31, 2021

**This offering memorandum does not contain a misrepresentation.**

On behalf of addy (1249 GRANVILLE ST) Corp.:

*Michael Stephenson*

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Michael Stephenson  
President and Chief Executive Officer

*Stephen Jagger*

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Stephen Jagger  
Chief Marketing Officer and Acting Chief Financial  
Officer

On behalf of addy Technology Corp. and as Promoter:

*Michael Stephenson*

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[Director – Michael Stephenson]

*Stephen Jagger*

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[Director – Stephen Jagger]

## APPENDIX A

### TO OFFERING MEMORANDUM DATED MARCH 31, 2021

Capitalized and other terms used in this Appendix A which are not defined in this Appendix A have the meanings given to them in the Offering Memorandum dated MARCH 31, 2021 to which this Appendix A and is attached. Certain information included in this Appendix A constitutes “future-oriented financial information” or “financial outlooks” within the meaning of applicable Canadian securities laws. Such information reflects current expectations with respect to current events and is not a guarantee of future performance. Subscribers should not place undue reliance on such future-oriented financial information and financial outlooks. Future-oriented financial information and financial outlooks, as with forward-looking information generally, are, without limitation, based on the assumptions and subject to the risks set out in Item 9 of the Offering Memorandum. The Partnership’s actual financial position and results of operations may differ materially from current expectations and, as a result, the Partnership’s revenue and expenses may differ materially from the revenue and expenses profiles provided herein. Such information is presented for illustrative purposes only and may not be an indication of the Partnership’s actual financial position or results of operations. See Item 9 “Risk Factors” generally and Item 9.2 “Issuer Risks - risks that are specific to this Issuer – Projections are Estimates Only”.

The Issuer uses the terms Internal Rate of Return (“**IRR**”) and Return on Investment (“**ROI**”), Cash Flow Forecast and Profit as defined herein. Such measures are not defined under IFRS nor should any of these measures be viewed as an alternative to net income, cash flow from operating activities or other measures of financial performance calculated in.

## **Projected Cash Flow and Profit**

### **Cash Flow**

The Property is expected to generate rental income during the course of the proposed buy-and-hold plan. Operating expenses will also be incurred by the Partnership to manage and maintain the apartment units during the buy-and-hold program. Operating profit is the difference between rental income and operating expense. Expenses incurred after operating profit include capital/leasing, debt service (including principal) for mortgage, and other expenses not related to the operation of the Property.

Operating profit will first be used to pay down the Term Loan which is described under Item 8 “Other Material Facts” and then will be distributed to holders of Units of the Partnership expected on an annual basis as described under Item 2.2(d).

**The General Partner has discretion on distributions timing, but not less than annually, and the amount.**

Table 1 below reflects expected cash flow during the expected term of the project and includes payment to service the loan taken out to help fund the purchase.

It should be noted that variability in number of apartment units that are leased and renewed, and in the increases or decreases to rental income generated over the life of the project will impact Subscriber IRR.

### **Projected Partnership Profit**

It is projected that the sale price of the Property at year-five will be \$25,978,000 and generate cash proceeds of \$12,354,000 (Selling Price - Principal Debt - Selling Costs & Windup Costs) after repaying the outstanding loan and paying for all expenses, as covered in Table 1 below.

These cash proceeds will be distributed to the Partnership’s Unit holders on a pro rata basis and represent a profit of \$3,481,000 (Selling Price + Net Cash Available for Distribution) on total equity of \$9,087,000 (of which the Issuer has contributed up to a maximum of \$600,000) over the 5-year period.

Projected Partnership profit represents a 6.74% Internal Rate of Return (“**IRR**”) to holders of Units in the Partnership, where IRR is a financial measure of the average annual return of an investment over its investment lifetime. This is equivalent to a 38.3% Return on Investment (“**ROI**”) to holders of Units in the Partnership, where ROI is a financial measure of the amount of return on an investment relative to the investment’s cost.

### **Shares of the Issuer**

**The Class A Units of the Issuer are not redeemable for an estimated period of five years and therefore the Subscriber as a holder of Shares in the Issuer will have no right to demand to redeem the Shares it holds as a Subscriber.**



APPENDIX A

Table 1

Cash Flow Forecast	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Revenue</b>						
Rental - Residential	\$ 1,044,000	\$ 1,051,308	\$ 1,072,334	\$ 1,093,781	\$ 1,115,656	
Rental - Retail	\$ 71,409	\$ 71,409	\$ 71,409	\$ 71,409	\$ 71,409	
Recoveries	\$ 34,176	\$ 34,518	\$ 34,863	\$ 35,212	\$ 35,564	
Other Revenue	\$ 27,560	\$ 27,753	\$ 28,308	\$ 29,016	\$ 29,741	
Vacancy (% of Residential Rental)	\$ (25,000)	\$ (26,977)	\$ (27,516)	\$ (28,070)	\$ (28,635)	
<b>Total Revenue</b>	<b>\$ 1,152,145</b>	<b>\$ 1,158,011</b>	<b>\$ 1,179,398</b>	<b>\$ 1,201,348</b>	<b>\$ 1,223,735</b>	
<b>Rental Expenses</b>						
Insurance	\$ 22,000	\$ 22,550	\$ 23,114	\$ 23,692	\$ 24,284	
Property Management fees	\$ 40,325	\$ 40,530	\$ 41,279	\$ 42,047	\$ 42,831	
Property Taxes	\$ 56,185	\$ 58,713	\$ 61,355	\$ 64,116	\$ 67,002	
Caretaker/Janitorial	\$ 49,000	\$ 50,225	\$ 51,481	\$ 52,768	\$ 54,087	
Elevator Maintenance & Repair	\$ 3,200	\$ 3,280	\$ 3,362	\$ 3,446	\$ 3,532	
Repairs & Maintenance	\$ 82,000	\$ 84,050	\$ 86,151	\$ 88,305	\$ 90,513	
Gas/Utilities	\$ 33,500	\$ 34,338	\$ 35,196	\$ 36,076	\$ 36,978	
G&A Leasing	\$ 18,000	\$ 18,450	\$ 18,911	\$ 19,384	\$ 19,869	
Fire Alarm Monitoring	\$ 2,419	\$ 2,479	\$ 2,541	\$ 2,605	\$ 2,670	
Garbage	\$ 8,500	\$ 8,713	\$ 8,930	\$ 9,154	\$ 9,382	
Comm Recoverable Costs	\$ 34,000	\$ 34,349	\$ 34,683	\$ 35,020	\$ 35,381	
Licenses	\$ 1,500	\$ 1,538	\$ 1,576	\$ 1,615	\$ 1,656	
<b>Total Rental Expenses</b>	<b>\$ 350,629</b>	<b>\$ 359,215</b>	<b>\$ 368,579</b>	<b>\$ 378,228</b>	<b>\$ 388,185</b>	
<b>Net Operating Income</b>	<b>\$ 801,516</b>	<b>\$ 798,796</b>	<b>\$ 810,819</b>	<b>\$ 823,120</b>	<b>\$ 835,550</b>	
<b>Finance Costs (Costs)</b>						
Mortgage Interest	\$ (336,088)	\$ (327,983)	\$ (319,693)	\$ (311,215)	\$ (302,544)	
<b>Net Other Income (Expenses)</b>						
General and administrative (Fund level)	\$ (12,500)	\$ (12,813)	\$ (13,133)	\$ (13,461)	\$ (13,798)	
Annual asset management fee	\$ (31,807)	\$ (31,807)	\$ (31,807)	\$ (31,807)	\$ (31,807)	
<b>Net Income and Comprehensive Income</b>	<b>\$ 421,121</b>	<b>\$ 426,194</b>	<b>\$ 446,186</b>	<b>\$ 466,637</b>	<b>\$ 487,401</b>	
<b>Less: Other Cash Outflows</b>						
Mortgage Principal Payments	\$ (356,542)	\$ (364,647)	\$ (372,937)	\$ (381,415)	\$ (390,086)	
Capital Expenditures	\$ (33,500)	\$ (33,500)	\$ (33,500)	\$ (33,500)	\$ (33,500)	
Other	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Estimated Net Cash Available for Distributions</b>	<b>\$ 31,079</b>	<b>\$ 28,047</b>	<b>\$ 39,749</b>	<b>\$ 51,722</b>	<b>\$ 63,815</b>	
(1) Equity Invested	\$ (9,087,612)					
(2) Selling Price	\$ 25,978,811					
Principal Debt	\$ (13,234,373)					
(3) Selling Costs & Windup Costs	\$ (389,682)					
<b>Total Cashflow</b>	<b>\$ (9,087,612)</b>	<b>\$ 31,079</b>	<b>\$ 28,047</b>	<b>\$ 39,749</b>	<b>\$ 51,722</b>	<b>\$ 12,418,571</b>
<b>ROI</b>	<b>38.3%</b>					
<b>IRR</b>	<b>6.74%</b>					

- (1) Investment amount required for the Property in addition to the Term Loan.
- (2) Sales proceeds estimate is based on the expected annual rental income that the Property will generate after it is sold.
- (3) Selling Costs & Windup Costs based on 1.5% of the Selling Price of \$25,978,811.

### **PURE Lex GP LTD. General Partner Profit Split**

Profit, if any, from the Net Cash Available for Distribution and from the Sale of the Property will be distributed to the Issuer and in turn to subscribers to this Offering subject to the following calculation which applies to the PURE Lex GP LTD. Profit Split:

- a) Profit Share Split: 80% to holders of Class A Units and 20% to the PURE Lex GP LTD.

### **Before Profit Split**

Based on a maximum offering, the Issuer is entitled to 6.60% of the Partnership's projected Net Cash Available for Distribution and 6.60% of the Sale of the Property which equates to \$829,866 total in the five-year horizon before the Profit Split, as covered in Table 2.

**Table 2**

<b>Before Profit Share IRR Projection</b>		<b>Year 0</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
(1) Issuer's Initial Investment in Partnership	\$	(600,000)					
Issuer's Share of Partnership Cashflow Available for Distribution	\$		2,052	\$ 1,852	\$ 2,624	\$ 3,415	\$ 4,213
Issuer's Share of Property Sell							\$ 815,710
<b>Cash Available for Distribution</b>	<b>\$</b>	<b>(600,000)</b>	<b>\$ 2,052</b>	<b>\$ 1,852</b>	<b>\$ 2,624</b>	<b>\$ 3,415</b>	<b>\$ 819,923</b>
<b>ROI</b>							<b>38.3%</b>
<b>IRR</b>							<b>6.74%</b>

- (1) Issuer's investment in Partnership of \$600,000 represents a 6.60% share of Total Equity of \$9,087,000 and accordingly, Issuer is entitled to 6.60% of the Partnership's projected Net Cash Available for Distribution and from the Sale of the Property which equates to \$829,866 total in the five-year horizon before the Profit Split.

## After Profit Split & Return of Equity

The Issuer is entitled to a total net cash available for distribution of \$183,893 after the initial \$600,000 equity is returned and the Profit Split of 80% to holders of Class A Units and 20% to the PURE Lex GP LTD. has occurred, as covered in Table 3. This equates to an IRR of 5.52%, which is a 30.6% ROI, as covered in Table 4. The calculation does not reflect any costs incurred by the Issuer which are reflected in “Table 5 - Projected Subscriber IRR”.

**Table 3**

Cash Available for Distribution	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5				
Cash Available for Distribution	\$	2,052	\$	1,852	\$	2,624	\$	3,415	\$	819,923
Return of Initial Equity									\$	(600,000)
Cash Available for Distribution	\$	2,052	\$	1,852	\$	2,624	\$	3,415	\$	219,923
(1) Profit Split 80/20 with General Partner	\$	(410)	\$	(370)	\$	(525)	\$	(683)	\$	(43,985)
Total Net Cash Available for Distribution	\$	1,642	\$	1,481	\$	2,100	\$	2,732	\$	175,938

(1) Profit Split is calculated after the return of initial equity in year-five.

**Table 4**

After Profit Share IRR Projection	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Issuer's Initial Investment in Partnership	\$ (600,000)					
Return of Initial Equity						\$ 600,000
Total Net Cash Available for Distribution		\$ 1,642	\$ 1,481	\$ 2,100	\$ 2,732	\$ 175,938
Cash Available for Distribution to addy	\$ (600,000)	\$ 1,642	\$ 1,481	\$ 2,100	\$ 2,732	\$ 775,938

<b>ROI</b>	<b>30.6%</b>
<b>IRR</b>	<b>5.52%</b>

## Projected Subscriber IRR

The Issuer will incur initial setup costs, including incorporation of the Issuer, initial stub audit by KPMG, and subsequent audit period of four years totalling \$49,914 accounted for in this Offering resulting in a projected IRR of 5.52%, which is a ROI of 30.6% to subscribers to this offering as reflected in Table 5 below.

**Table 5**

Subscriber IRR Projection	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Cash Available for Distribution to addy	\$ (600,000)	\$ 1,642	\$ 1,481	\$ 2,100	\$ 2,732	\$ 775,938
(1) Initial Setup Costs + Subsequent Costs	\$ -					
<b>Funds Available for Distribution to Issuer Shareholders</b>	<b>\$ (600,000)</b>	<b>\$ 1,642</b>	<b>\$ 1,481</b>	<b>\$ 2,100</b>	<b>\$ 2,732</b>	<b>\$ 775,938</b>

<b>ROI</b>	<b>30.6%</b>
<b>IRR</b>	<b>5.52%</b>

- (1) The Issuer will incur initial setup costs, including incorporation of the Issuer, initial stub audit by KPMG, and subsequent audit period of four years totalling \$49,914 which is subsidized by addy TechCo, an affiliate of the Issuer.

## Expected Return

The information presented below represents expected results of a \$600,000 maximum offering and may not reflect actual results. The expected return (IRR and ROI) based on your investment amount can fluctuate up or down based on many factors. Please review the entirety of this Offering Memorandum and understand the risks stated in “Item 9 – Risks Factors”. **You are not liable beyond your investment amount.**

addy Member Expected Cashflow and Return										
addy Member Investment	% Ownership	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Profit	IRR	ROI
\$ 100	0.017%	\$ (100.00)	\$ 0.27	\$ 0.25	\$ 0.35	\$ 0.46	\$ 129.32	\$ 30.65	5.52%	30.6%
\$ 200	0.033%	\$ (200.00)	\$ 0.55	\$ 0.49	\$ 0.70	\$ 0.91	\$ 258.65	\$ 61.30	5.52%	30.6%
\$ 300	0.050%	\$ (300.00)	\$ 0.82	\$ 0.74	\$ 1.05	\$ 1.37	\$ 387.97	\$ 91.95	5.52%	30.6%
\$ 400	0.067%	\$ (400.00)	\$ 1.09	\$ 0.99	\$ 1.40	\$ 1.82	\$ 517.29	\$ 122.60	5.52%	30.6%
\$ 500	0.083%	\$ (500.00)	\$ 1.37	\$ 1.23	\$ 1.75	\$ 2.28	\$ 646.62	\$ 153.24	5.52%	30.6%
\$ 600	0.100%	\$ (600.00)	\$ 1.64	\$ 1.48	\$ 2.10	\$ 2.73	\$ 775.94	\$ 183.89	5.52%	30.6%
\$ 700	0.117%	\$ (700.00)	\$ 1.92	\$ 1.73	\$ 2.45	\$ 3.19	\$ 905.26	\$ 214.54	5.52%	30.6%
\$ 800	0.133%	\$ (800.00)	\$ 2.19	\$ 1.98	\$ 2.80	\$ 3.64	\$ 1,034.58	\$ 245.19	5.52%	30.6%
\$ 900	0.150%	\$ (900.00)	\$ 2.46	\$ 2.22	\$ 3.15	\$ 4.10	\$ 1,163.91	\$ 275.84	5.52%	30.6%
\$ 1,000	0.167%	\$ (1,000.00)	\$ 2.74	\$ 2.47	\$ 3.50	\$ 4.55	\$ 1,293.23	\$ 306.49	5.52%	30.6%
\$ 1,100	0.183%	\$ (1,100.00)	\$ 3.01	\$ 2.72	\$ 3.85	\$ 5.01	\$ 1,422.55	\$ 337.14	5.52%	30.6%
\$ 1,200	0.200%	\$ (1,200.00)	\$ 3.28	\$ 2.96	\$ 4.20	\$ 5.46	\$ 1,551.88	\$ 367.79	5.52%	30.6%
\$ 1,300	0.217%	\$ (1,300.00)	\$ 3.56	\$ 3.21	\$ 4.55	\$ 5.92	\$ 1,681.20	\$ 398.43	5.52%	30.6%
\$ 1,400	0.233%	\$ (1,400.00)	\$ 3.83	\$ 3.46	\$ 4.90	\$ 6.37	\$ 1,810.52	\$ 429.08	5.52%	30.6%
\$ 1,500	0.250%	\$ (1,500.00)	\$ 4.10	\$ 3.70	\$ 5.25	\$ 6.83	\$ 1,939.85	\$ 459.73	5.52%	30.6%