

WARMAN
PLAZA 

A LIMITED PARTNERSHIP INVESTMENT SYNDICATED BY

LEMARCHANT PROPERTIES LIMITED

AND MILLENNIUM III CAPITAL CORPORATION

MEMBERS OF THE MILLENNIUM III GROUP OF COMPANIES



520 Central Street West, Warman SK

OFFERING MEMORANDUM

2612 KOYL AVENUE, SASKATOON, SASKATCHEWAN S7L 5X9

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info@millennium3.ca

June 2017



THIS PROJECT IS STRUCTURED SO THAT INVESTORS HEREIN MAY TAKE ADVANTAGE OF CERTAIN PROVISIONS OF THE INCOME TAX ACT (CANADA) TO SHELTER INCOME FROM TAX. IT IS NOT, HOWEVER A TAX SHELTER, AS DEFINED IN SECTION 237.1 OF THE ACT AND, ACCORDINGLY, REGISTRATION PROVISIONS THEREOF DO NOT HERETO APPLY.

WARMAN PLAZA



The Property

WARMAN PLAZA



The Property

WARMAN PLAZA



The Property

WARMAN PLAZA



Neighbourhood Photographs

WARMAN PLAZA



Neighbourhood Photographs

WARMAN PLAZA



Neighbourhood Photographs

WARMAN PLAZA



Neighbourhood Photographs

WARMAN PLAZA



Neighbourhood Photographs

OFFERING MEMORANDUM

Date: June 30, 2017

The Issuer

Name: LeMarchant Properties Limited Partnership
Head Office: Address: c/o Millennium III Capital Corporation
2612 Koyl Avenue
Saskatoon, SK S7L 5X9
Phone Number: (306) 955-4174
E-mail Address: info@millennium3.ca
Fax Number: (306) 955-4175
Currently listed or quoted: These securities do not trade on any exchange or market.
Reporting issuer: No.
SEDAR filer: No.

The Offering

Securities offered: Limited Partnership Units (the "Units" or "Securities")
Price per security: \$24,700 (the "Subscription Price")
Minimum offering: There is no minimum. You may be the only purchaser. Funds available under the offering may not be sufficient to accomplish our proposed objectives.
Maximum offering: 204 Units - \$5,038,800
Minimum subscription amount: 1 Unit - \$24,700
Payment Terms: The Subscription Price is payable in its entirety on closing. See, however, Item 5.4, "Equity Loans".
Proposed closing date(s): October 31, 2017 or such date or dates as determined by the General Partner.
Income Tax consequences: There are important tax consequences to these Securities. See Item 6, "Income Tax Consequences and RRSP/TFSA Eligibility".
Selling agent: No. See, however, Item 5.3, "Subscription Procedure" and see Item 7, "Compensation Paid to Sellers and Finders/Underwriter Conflicts".

RESALE RESTRICTIONS:

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

PURCHASER'S RIGHTS:

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

No securities regulatory authority has assessed the merits of these Securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. This is a risky investment. See Item 8, "Risk Factors".

LeMarchant Properties Limited Partnership is a related issuer of M3 Securities Corporation as a result of LeMarchant Properties Limited Partnership and M3 Securities Corporation being "related issuers" or "connected issuers" to the same third parties. See Item 7, "Commissions Paid to Sellers and Finders/Underwriting Conflicts".

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The following information is annexed to and forms part of this Offering Memorandum:

ANNEX I: PARTNERSHIP AGREEMENT

ANNEX II: PROPERTY PLANS AND PHOTOS

ANNEX III: FORM OF SUBSCRIPTION AGREEMENT

FORWARD LOOKING STATEMENTS

Certain statements contained in this Offering Memorandum constitute forward-looking statements. When used in this document, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "seek", "propose", "estimate", "expect", and similar expressions are intended to identify forward-looking statements. Such statements reflect the Partnership's current views with respect to future events and are subject to certain risks, uncertainties and assumptions (known and unknown), including, without limitation, those described in this Offering Memorandum under "Business of LeMarchant Properties Limited Partnership" and "Risk Factors". Many factors could cause the Partnership's actual results, performance or achievements to vary from those described in this Offering Memorandum. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this Offering Memorandum as intended, planned, anticipated, sought, proposed, believed, estimated or expected. The Partnership does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by law.

MARKETING MATERIALS

Any documents of the type referred to in National Instrument 45-106 – *Prospectus Exemptions* to be incorporated by reference in an Offering Memorandum, including any marketing materials that are effective after the date of this Offering Memorandum and before the termination of the Offering, are deemed to be incorporated by reference in this Offering Memorandum. The Partnership reserves the right to modify these marketing materials in a nonmaterial way without re-delivering or without making reasonably available the said marketing materials to a prospective purchaser. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Partnership at 2612 Koyl Avenue, Saskatoon, Saskatchewan S7L 5X9.

GLOSSARY AND EXPLANATORY NOTES

LeMarchant Properties Limited Partnership has been organized by Millennium III Capital Corporation to acquire an interest in and operate five multi-tenant, retail buildings – **Warman Plaza** – located in the City of Warman, Saskatchewan, and to provide qualified investors the opportunity to participate in the ownership of **Warman Plaza** in a tax advantageous manner.

In this Offering Memorandum:

“**Business**” means the business of the Partnership, to acquire, develop, manage and operate the Property, or interest therein, as described in this Offering Memorandum.

“**Cash Flow Deficiency Loans**” means loans that will be made to the Partnership by the Project Promoter during the Commitment Period pursuant to the Services Agreement. See Item 2.7, “Material Agreements”.

“**Closing Date**” means the date or dates, as selected by the General Partner, on which subscriptions are accepted and Units are issued hereunder, the first of which Closing Dates is expected to occur on or prior to October 31, 2017 and, in any event, not later than December 30, 2017, as more particularly described in Item 5.5, “Conditions of Closing”.

“**Commitment Period**” means the period ending December 31, 2022.

“**Fiscal Period**” means a fiscal year of the Partnership, which fiscal years end December 31.

“**Fortress Properties**” or “**Property Manager**” means Fortress Properties Inc., a body corporate pursuant to the laws of Saskatchewan, and extra-provincially registered in Alberta.

“**Future Oriented Financial Information**” or “**FOFI**” means the information concerning the Issuer and the Business set forth in Item 13 of this Offering Memorandum.

“**General Partner**” means LeMarchant Properties Limited, a body corporate pursuant to the laws of Saskatchewan, in its capacity as general partner of the Partnership.

“**Issuer**”, “**Partnership**”, “**us**” and “**we**” all mean LeMarchant Properties Limited Partnership.

“**Material Agreements**” or “**Material Contracts**” means the Partnership Agreement, Agreement for Sale, Services Agreement, Property Management Agreement and Co-Ownership Agreement described in Item 2.7 of this Offering Memorandum.

“**Net Cash Receipts**” means, for any Fiscal Period of the Partnership, all revenues and monies received by the Partnership in that Fiscal Period from or relating to the operation of the Business, including extraordinary receipts such as capital contributions of Limited Partners, mortgage or other loan advances, or the proceeds of any sale, exchange, insurance claim, expropriation or other disposition of all or any part of the Property, or interest therein, or other assets of the Partnership, after deducting therefrom all expenditures of the Partnership for that Fiscal Period (excepting non-cash expenses such as depreciation, amortization and capital cost allowance) which expenditures may include, without limiting the generality of the foregoing, all operating

expenses, extraordinary expenses, debt service payments (including principal and interest) and capital expenditures; and after making such allowances and reserves as the General Partner considers reasonably necessary for the proper operation of the Property and Business and anticipated cash shortages in future years. A “**Cash Surplus**” exists and the Partnership is said to have “**Surplus Cash**” when the Partnership has positive Net Cash Receipts. If Net Cash Receipts are negative, the Partnership has a “**Cash Flow Deficiency**”.

“**Offering**” means the offering and distribution of Units to Canadian residents in the described jurisdictions pursuant to this Offering Memorandum, “minimum offering” means the distribution of Units for gross proceeds of \$0 and “maximum offering” means the distribution of Units for gross proceeds of up to \$5,038,800, which Units are to be issued on and subject to the terms and conditions described in Item 5, “Securities Offered”.

“**Project**” includes, but is not limited to, the Property, or interest therein. A reference herein to the Project is meant to refer, collectively, to the Property, or an interest therein, the business and structure of the Partnership pursuant to the Limited Partnership Agreement, and the services and commitments provided to the Partnership pursuant to the other Material Agreements.

“**Promoter**”, “**Project Promoter**” or “**Millennium**” means Millennium III Capital Corporation, a body corporate pursuant to the laws of Saskatchewan, and extra-provincially registered in Alberta.

“**Property**” or “**Warman Plaza**” means the collective land, buildings and related facilities located at 520 Central Street West, Warman, Saskatchewan, as described in this Offering Memorandum.

“**Proportionate Interest**” or “**Proportionate Share**” means the respective interests of the Partnership or the Project Promoter in the Project in the event the maximum offering is not achieved. The Partnership’s Proportionate Interest shall be the ratio that the number of Units subscribed for under the Offering bears to the total number of Units offered (204 Units) under the Offering. The Project Promoter’s Proportionate Interest shall be the ratio that the number of Units unsubscribed for under the Offering bears to the total number of Units offered (204 Units) under the Offering.

“**Subscriber**”, “**investor**”, “**Limited Partner**”, “**you**” and “**they**” all mean persons or companies who subscribe for Units and who, on such subscriptions being accepted, are admitted as limited partners in the Partnership.

“**Units**” means the limited partnership units of the Partnership.

ITEM 1 SOURCE AND USE OF FUNDS

The following tables summarize the sources and uses of funds for the Project.

Table 1 - Net Proceeds and Available Funds		Assuming minimum offering	Assuming maximum offering
A	Amount to be raised by this Offering ¹	\$0	\$5,038,800
B	Selling commissions and fees ²	Nil	Nil
C	Estimated offering costs (eg., legal, accounting, audit) ²	Nil	Nil
D	Available Funds: $D=A-(B+C)$	\$0	\$5,038,800
E	Additional sources of funding required ³	\$0	\$6,286,260
F	Current working capital (or working capital deficiency) of Issuer as at date of Offering Memorandum	\$0	\$0
G	Total: $G=(D+E)-F$	\$0	\$11,325,060
Notes: (1) See Item 5, "Securities Offered". There is no minimum offering threshold. All funds received from subscribers will be utilized for the business objectives of the Partnership. (2) Offering costs, including all organizational expenses of the Issuer and the General Partner, all legal, accounting and printing costs and all regulatory authority filing and/or registration fees in connection with the Offering, together with the fees or commissions, if any, that may be paid in connection with the Offering are estimated at \$510,000. However, all such Offering costs are the responsibility of and will be paid for by the Project Promoter as part of the services that the Project Promoter provides, and for which it is compensated, in proportion to the Issuer's Proportionate Share and pursuant to the Services Agreement. See Item 2.7, "Material Agreements/Summary of Services Agreement" and see Item 7, "Compensation Paid to Sellers and Finders/Underwriters Conflicts". (3) Additional sources of funding required consist of mortgage financing of not less than \$6,286,260, which is expected to include a first mortgage in the amount of \$5,708,943, and a second mortgage in the amount of \$577,317. If the Offering is not fully subscribed by December 30, 2017, then the Partnership shall use the proceeds raised under the Offering to purchase a Proportionate Interest in the Project, which also includes assuming its Proportional Share of the obligations of the mortgage financing related for the Project. See Item 2.7, "Material Agreements/Summary of Co-Ownership Agreement" and Item 4.1, "Capitalization".			

Table 2 - Use of Available Funds	Assuming minimum offering	Assuming maximum offering
Purchase of Property: ^{1,2,3}		
-Land	\$0	\$1,559,988
-Buildings	0	5,733,216
-Existing Pavement and Site Work	0	624,036
Services: ^{1,2,4}		
-Partnership Syndication and Financing Costs	\$0	\$1,147,500
-Management Takeover, Interior Refurbishing and Lease Enhancement Services	0	1,705,440
-Building Exterior and Site Refurbishing Services	0	350,880
Contingency Reserve ¹	\$0	\$204,000
Total	\$0	\$11,325,060
Notes:		
<p>(1) The Partnership may not achieve the maximum offering by December 30, 2017 and may not have enough funds in the Offering to fully invest in the Project. If the Offering is not fully subscribed, the Partnership shall apply the proceeds raised from the Offering and its Proportionate Share of the mortgage financing to purchase a Proportionate Interest in the Project from the Project Promoter, wherein the Partnership shall then receive a Proportionate Interest in the Property, be charged a Proportionate Share of the Services Costs and contribute its Proportionate Share to the Contingency Reserve. See Item 2.7 "Material Agreements", Item 4.1, "Capitalization", and Item 8, "Risk Factors".</p> <p>(2) The Property, or interest therein, will be acquired and all Services will be performed on a fixed-price basis pursuant to agreements between the Partnership and Project Promoter pursuant to the Partnership's Proportionate Interest. See Item 2.7, "Material Agreements".</p> <p>(3) The purchase price of the Property from Millennium is \$7,917,240, a price that exceeds the purchase price paid by Millennium in the amount of \$117,240. Millennium purchased the Property in April, 2017 at a purchase price of \$7,800,000 and shall sell the Property to the Partnership pursuant to the Agreement for Sale. Mr. Everett J. Kearley and Mr. John A.W. Kearley are the shareholders, directors and officers of Millennium. See also Item 2.7, "Material Agreements/Summary of Agreement for Sale", Item 3.1, "Compensation and Securities Held" and Item 8, "Risk Factors".</p> <p>(4) Millennium will receive fees up to \$3,203,820 for services provided to the Partnership under the Services Agreement. Mr. Everett J. Kearley and Mr. John A.W. Kearley are the shareholders, directors and officers of Millennium. See also Item 2.7, "Material Agreements/Summary of Services Agreement", Item 3.1, "Compensation and Securities Held" and Item 8, "Risk Factors".</p>		

ITEM 2 BUSINESS OF LEMARCHANT PROPERTIES LIMITED PARTNERSHIP

2.1 Structure

The Partnership was formed under the laws of the Province of Saskatchewan pursuant to a Limited Partnership Agreement originally made January 01, 2007 between LeMarchant Properties Limited, as general partner, and FLP Investments Limited, as Founding Limited Partner, and was constituted a limited partnership under the laws of Saskatchewan on January 03, 2007 when a Declaration of Limited Partnership was registered in respect of the Partnership pursuant to *The Business Names Registration Act* (Saskatchewan) and *The Partnership Act* (Saskatchewan). The limited partnership agreement was amended and restated as of June 28, 2017 to reflect and confirm the objectives of the Partnership to that of acquiring and operating **Warman Plaza**, or an interest therein. This amended and restated agreement (the “**Partnership Agreement**”) together with *The Business Names Registration Act* (Saskatchewan) and *The Partnership Act* and other relevant legislation in Saskatchewan governs the Partnership.

Subscribers to this Offering will become limited partners in the Partnership (the “Limited Partners”) and will be issued Units in the Partnership. As described in the Partnership Agreement, each Unit represents an equal interest in the assets and business of the Partnership; entitles the holder to share, pro rata, in the distribution of the Net Cash Receipts and in the income (or losses) of the Partnership; to vote - one vote per Unit - on certain matters that affect the Partnership; and to share in the proceeds of liquidation if and when the Project, or its Proportionate Interest therein, is sold and/or the Partnership is dissolved. These rights are set out in more detail in the Partnership Agreement, which is attached as ANNEX I to this Offering Memorandum. See also Item 2.7, “Material Agreements/Summary of Partnership Agreement”.

The general partner of the Partnership is LeMarchant Properties Limited. LeMarchant Properties Limited was incorporated under the *Canada Business Corporations Act* and extra-provincially registered to carry on business in Saskatchewan under *The Business Corporations Act* (Saskatchewan) on December 11, 2006 and December 14, 2006, respectively. The registered office of the General Partner is located at 2612 Koyl Avenue, Saskatoon, Saskatchewan. For mailing and contact purposes, communications with the General Partner and Partnership should be addressed c/o Millennium III Capital Corporation, 2612 Koyl Avenue, Saskatoon, Saskatchewan, S7L 5X9.

2.2 The Business

General Nature of the Business

The Partnership’s sole business is to acquire outright, or an interest therein, and operate five multi-tenant, commercial buildings named **Warman Plaza**. The civic location and legal description of the Property is as follows:

520 Central Street West, Warman, Saskatchewan

Surface Parcel # 145342199	Surface Parcel # 120901452
Block A	Block H
Plan 102204964	Plan 78S35814
Extension 3	Extension 6
As described on Certificate of Title 80S46182, description 3	As described on Certificate of Title 92S23257, description 6

The Partnership will not acquire or operate any other properties, and will not be involved in any other business. Other than maximizing revenue from the Property, and building equity therein for the benefit of its Limited Partners, the operation of **Warman Plaza** will be the Partnership's sole business.

The location of the Property, the structural condition of the buildings, and long-term trends in the Saskatchewan economy combine to make **Warman Plaza**, in the opinion of management, an excellent investment opportunity. See Item 8, "Risk Factors".

Location

Warman Plaza is located at 520 Central Street West, Warman, Saskatchewan. Central Street West is the main access connecting the City of Warman to Highway 11. Warman is located 15 kilometers north of Saskatoon's newest industrial neighbourhood, and has long been considered a bedroom community to Saskatoon. Warman was granted city status in 2012 and has since been named the fastest growing municipality in Canada, with population growth of 55.1% from 2011 to 2016 (Global News, February 8, 2017). This growth was in addition to the 48% increase from 2006-2011 (Statistics Canada, 2017). Please refer to Property Plans and Photos ANNEX II.

Saskatoon, the closest major center to Warman, is the hub of private capital in Saskatchewan. A low business tax rate and young workforce have encouraged investment, so much so that the Canadian Federation of Independent Business has stated that Saskatoon deserves recognition as the entrepreneurial capital of Canada (Business In Focus, August 2013 Issue). These key factors have led to significant economic movement beyond the traditional resource and agriculture sectors towards innovation and biotechnology. The result is an economy The Conference Board of Canada refers to as one of the most diversified in the country.

The Millennium III Group of Companies has long believed in the potential of Saskatchewan. Although the province was underrated for much of the last quarter-century, Saskatchewan led the nation in economic growth per capita from 2004 to 2014. Although global commodity price declines affected growth more recently, the province is expected to post positive results for 2016 and beyond. Much of this can be attributed to the ongoing development of the province's world-class natural resource reserves and a focus on economic diversification.

Northern Saskatchewan holds what are currently considered to be the largest high-grade uranium deposits in the world, which supply approximately 22% of the world's primary market (Government of Saskatchewan Economic Overview Brochure (GSEOB), August 19, 2016). Industry leaders Cameco and Areva Resources Canada have been major operators in this area for many years, and the Fraser Institute ranks Saskatchewan as the most attractive jurisdiction in the

world for mining investment (Fraser Institutes Annual Survey of Mining Companies, February 28, 2017).

The central belt of the province is home to the largest potash industry in the world, as well as 45% of known global reserves (GSEOB, August 19, 2016). Potash Corporation of Saskatchewan and the Mosaic Group have long focused on this resource, investing billions into the development and expansion of large mining operations. More recently, K+S Group opened the province's first new potash mine in over 45 years and global mining giant BHP Billiton also plans to enter this marketplace, requiring multi-billion dollar capital expenditures and long-term commitments to the province.

Southern Saskatchewan contains large and attainable resources of both conventional oil and natural gas. The province is the second largest oil-producing jurisdiction in Canada and ranks as number six in North America (GSEOB, August 19, 2016).

Not all of Saskatchewan's resources are below ground, however. The province exports over a billion dollars of forestry products annually, and has more than a century of commitment to agricultural development. Saskatchewan's production of durum wheat, lentils, peas, and flaxseed each comprise more than a third of the global export market, in addition to the numerous other crops that are grown in the province (GSEOB, August 19, 2016). Beyond traditional agriculture, the agri-food sector continues to grow, making Saskatchewan Canada's largest exporter of agri-food products.

In recent years, the province has encouraged innovative pursuits as a means of diversifying the economy. The development of Canadian Light Source, Canada's largest science research initiative in the last 30 years, has attracted scientists from around the globe, fostering significant tertiary development. A unique, government-led carbon capture project also has drawn much international attention and has shown promising results in decreasing the long-term environmental impacts of coal-fired power generation projects.

At Millennium III, we believe in the continued and sustainable growth of our home province, and we see commercial real estate as the opportunity to invest in its future.

Description of the Property

Warman Plaza contains a total of 51,394 square feet of leasable space over five buildings that are currently demised into fourteen tenant bays. Please refer to the site plan in Property Plans and Photos ANNEX II for the building layout. Buildings 1 through 3 were constructed in the 1980's, with buildings 4 and 5 being constructed in 2003 and 2008, respectively.

Building 1 is a combination masonry/steel building, with a concrete cast-in-place grade beam and pile foundation. The interior slab is a concrete slab on grade and the exterior walls consist of painted concrete masonry unit (CMU) block, with a brick façade and glazing along the storefront. The roof is comprised of open web steel joists and a metal deck, which is protected by a ballasted roofing system.

Building 2 consists of two steel pre-engineered buildings that have been connected. The west building has a cast-in-place grade beam, pile foundation, and concrete slab. The east building

has a concrete cast-in-place slab on a pile foundation. The exterior walls are a combination of metal cladding, stucco, and brick façade. The roof is comprised of steel pre-engineered building frames with cold form roof purlins and a metal roof.

Building 3 is a combination masonry/steel building, with a concrete cast-in-place grade beam and pile foundation. The interior slab is a concrete slab on grade and the exterior walls consist of painted CMU block, with a brick façade and glazing along the storefront and metal cladding on the north wall. The roof is comprised of steel pre-engineered building frames with cold form roof purlins and a metal roof.

Building 4 is a wood framed building, with a concrete cast-in-place grade beam and pile foundation. The interior slab is a concrete slab on grade and the exterior walls are a combination stucco and brick façade, with glazing along the storefronts. The roof is comprised of wood trusses and a wooden deck, protected by a ballasted roofing system.

Building 5 is a pre-engineered steel building with a concrete cast-in-place grade beam and pile foundation. The interior slab is a concrete slab on grade and the exterior walls are a combination metal cladding, stucco and brick façade, with glazing along the storefronts. The roof is comprised of steel pre-engineered building frames with cold form roof purlins and a standing seam metal roof.

The floor finishes in the buildings vary with preferences and styles of the tenants. The retail and office interiors are all standard, with painted drywall and acoustic tile ceilings with flush-mounted or hanging light fixtures. The only exceptions would be the bar and warehouse areas, which have open ceilings, and the dance studio has drywall on the ceiling.

The buildings are all equipped with three-phase, 120/208-volt power service, with buildings 2, 3, and 4 having 400 amp service and buildings 1 and 5 having 1200 amp and 600 amp service, respectively. All buildings have separate natural gas services running to each of the tenant spaces. The mechanical systems were inspected and are reported to be in fair to good condition, with a recommendation to replace equipment as needed. All the buildings are currently zoned Shopping Centre Commercial District, allowing for a variety of different uses.

The site measures 147,581 square feet, resulting in site coverage of approximately 34.8%. The parking lot, which contains 221 parking spaces, is accessed by entrances off 1st Avenue and 2nd Avenue North.

Please refer to Property Plans and Photos in ANNEX II, and in the front cover pages of this Offering Memorandum.

Leases

The buildings presently are divided into 14 rental units with a total of 51,394 square feet of leasable space. As of June 28, 2017, 98.3% of the leasable space in the buildings was rented. The following table summarizes the terms of the Property's existing leases for 2018, including name of tenant, square footage, rental rate per square foot, net annual rental, and the expiry date of the lease (and, in the case of presently vacant space or space where the leases come up for renewal before the end of 2018, the projected net annual rental for such space). All rentals are

absolute net to the Partnership, as landlord, with the tenants being additionally responsible for all taxes, utilities, insurance and other occupancy costs, including administrative charges that will cover the management fees paid to Fortress Properties pursuant to the Property Management Agreement. See Item 2.7, “Material Agreements/Summary of Property Management Agreement”.

Bay	Tenant	Size (Sq. Ft.)	Rate (\$Sq. Ft. Per Annum)	Annual Absolute Net Rent	Expiry Date of Existing Leases/ Additional Renewal Options
1A	MARIA GLORIA SIMOES o/a DE AMORE BOUTIQUE FORMAL ATTIRE	2,650	\$14.00	\$37,100.00	30-Jun-21/ 1 x 5yrs
1B	HIGHLAND FOOD SERVICES GROUP INC. o/a WAGON WHEEL FAMILY RESTAURANT	3,400	\$17.33	\$58,922.00	28-Feb-19/ 1 x 5yrs
1C	THE BARGAIN! SHOP HOLDINGS INC. o/a DOLLARAMA	10,305	12.50	128,813.00	31-Jan-19/ 2 x 5yrs
2A/2B	101195996 SASKATCHEWAN LTD. o/a TOSH RESTAURANT & LOUNGE	4,473	15.00	67,095.00	30-Sep-21/ 2 x 5yrs
2C	101024308 SASKATCHEWAN LTD. o/a LITTLE CAESARS PIZZA	1,542	18.00	27,748.00	31-Jan-25/ 2 x 5yrs
3A	WARMAN DANCE CLUB INC.	2,500	8.30	20,750.00	31-Mar-19/ 1 x 3yrs
3B	LEAH HARGRAVE o/a TOO NO END THRIFT STORE	1,560	15.00	23,400.00	31-Oct-18/ 1 x 5yrs
3C	C ME INVESTMENTS LTD. o/a CHOPSTICKS ASUAB CUISINE	1,354	13.00	17,602.00	30-Sep-24/ 1 x 5yrs
3D	NEW TENANT	890	15.00	13,350.00	Currently Negotiating
3E	ANGELA CRAIG o/a BODACIOUS BUSTLINES BRAS AND LINGERIE	1,450	15.00	21,750.00	31-Jul-21/ 1 x 5yrs

3G	NANCY HEPPNER, MEMBER OF THE LEGISLATIVE ASSEMBLY FOR THE CONSTITUENCY OF MARTENSVILLE	490	21.00	10,290.00	30-Nov-20/ 1 x 4yrs
4A/4B	ALEXANDRA BLOCK o/a PALM SALON & SPA INC.	2,400	12.00	28,800.00	18-Mar-18/ 1 x 5yrs
4C	KEVIN TAEKEMA o/a WORK N PLAY (Note 1)	2,600	16.42	42,692.00	31-Jul-21/ 1 x 5yrs
5	LOBLAW PROPERTIES WEST INC. o/a SUPER VALU GROCERY (Note 2)	15,780	9.00	142,020.00	31-May-20/ 2 x 5yrs
SIGNAGE				3,000.00	
TOTALS /AVERAGE		51,394	\$12.46	\$643,332.00	
Note 1: This tenant may give three months' notice to terminate the lease any time after September 30, 2018.					
Note 2: If the sub tenant ceases active business operations for a period of six months after the landlord has been notified by this tenant, this tenant may give one month's notice for termination of the lease.					

2.3 Development of the Business

Companies associated with the Project Promoter have been actively involved in Saskatoon's commercial real estate market for over 30 years and expanded their operations into Alberta in 2005. During this time, the Project Promoter and associated companies have successfully acquired or developed 82 real estate projects, and currently oversee 57 of these projects, most of which have been syndicated through limited partnerships in a manner similar to this Project. See Item 3.2, "Management Experience".

The Partnership was established in January 03, 2007 and the Partnership Agreement was subsequently amended and restated as of June 28, 2017 as described above in Item 2.1. The Partnership was established for the purpose of facilitating the within offering and raising sufficient capital to carry on the business purposes outlined above under Item 2.1, "Structure" and Item 2.2, "The Business". The Partnership has not carried on any prior business activities other than what is described in this Offering Memorandum. Prior to the date of this Offering Memorandum, the Project Promoter and the General Partner, on behalf of the Partnership, entered into the Agreement for Sale and Services Agreement and Fortress Properties entered into the Property Management Agreement with the Partnership, all as described below in Item 2.7, "Material Agreements".

2.4 Long-term Objectives

The primary long-term objective of the Issuer is to purchase the Property, or interest therein, and offer investors the opportunity to invest in a commercial real estate project that is operated by a

professional and experienced promoter with a view of generating income, capital appreciation and other returns on investments for the Subscriber.

A Subscriber's return on investment in respect of Units purchased hereunder consists of the following four basic components (see also, Item 13, "Future Oriented Financial Information"):

- **Surplus Cash** is paid out to Partners within six months following the completion of each Fiscal Period in which Surplus Cash is available. The FOFI projects that Surplus Cash will be available for distribution to Limited Partners beginning six months after the Partnership's 2018 fiscal year-end, with approximately \$1,832 distributed per Unit over the 2019 to 2022 Fiscal Periods. Distributions are expected to be made within six months of the end of the fiscal year to which they relate.

- **Tax Considerations** – Unlike a corporation, a limited partnership is not a taxable entity. Rather, as discussed in more detail in Item 6, "Income Tax Consequences and RRSP/TFSA Eligibility", income or loss of the Partnership is allocated amongst the partners and will be taxed in the hands of the Subscribers/Limited Partners. The taxable income or loss of the Partnership in any Fiscal Period may vary significantly from the Net Cash Receipts of the Partnership. In particular, non-cash expenses that may be claimed for tax purposes, including especially capital cost allowance claimed on the Property (excluding the land component of the Property) and the amortization of costs paid by the Partnership pursuant to the Services Agreement, may result in the Partnership having positive Net Cash Receipts while at the same time having losses for income tax purposes. In this regard, capital cost allowance and the amortization of costs paid pursuant to the Services Agreement are estimated to be, on a per Unit basis, \$12,530 in 2017, \$1,843 in 2018 and smaller amounts in subsequent years for a total (before accounting for other income of the Partnership) of approximately \$20,193 by 2021.

- **Mortgage Principal Reduction** –Subscribers/Limited Partners will be building equity in the Project through the payment of principal on the mortgage financing for the Project. Once this mortgage financing is paid off, the Limited Partners may continue to operate the Project as income-producing properties indefinitely, or, by Extra-ordinary Resolution, decide to take their equity out by selling or refinancing the Project (subject to the Co-Ownership Agreement, if applicable).

- **Capital Appreciation** – In addition to the distribution of Surplus Cash, tax considerations, and mortgage reduction described above, the Property value is expected to increase as a product of future rental rate increases.

In addition to the financial investment considerations described above, the Project has been structured to mitigate many of the risks typically associated with real estate ownership. See Item 8, "Risk Factors". In this regard, the Project Promoter is of the opinion that prospective Subscribers should consider the following factors:

- **Limited Liability for Investors** – The limited partnership vehicle provides investors with limited liability. An investor's liability is limited to his initial Subscription Price. Mortgage lenders and other creditors of the Partnership have no recourse against investors/Limited Partners beyond their initial investment and the Partnership has no right to require additional capital contributions – i.e. cash calls – from investors.

• **Management Commitment** – The Project Promoter is demonstrably committed to the Project:

- the Project Promoter arranges for, or provides, all mortgage financing for the Project;
- the Project Promoter agrees to provide, until December 31, 2022, loans, to a maximum of \$600,000 if the Offering is fully subscribed, to the Partnership in the event that the Partnership experiences a Cash Flow Deficiency. These Cash Flow Deficiency Loans are interest free until January 01, 2023 at which time they become payable on demand and bear interest at prime plus 2%. These Cash Flow Deficiency Loans will be repaid out of Surplus Cash of the Partnership when surpluses are available, and the Project Promoters' only recourse for recovery of these loans is against the Partnership's assets and cash flow. There is no recourse against individual investors;
- the Project Promoter will facilitate the closure of this Offering by no later than December 30, 2017. See Item 5.5, "Conditions of Closing";
- the Project Promoter is responsible for all lease-up costs in 2017 and 2018 – including the cost of refurbishing rental premises – but excluding commissions, if any, payable to third party registered real estate brokers.

• **Experienced Management** – Experienced, professional rental and property management is provided by Fortress Properties until December 31, 2022 and will continue thereafter in certain events specified in the Property Management Agreement; and thereafter, will be subject to annual review and renewal. In addition to the 37 commercial properties Fortress currently manages in Saskatchewan, that shall include **Warman Plaza**, it also manages 25 major commercial properties in Alberta. See Item 3.2, "Management Experience".

• **Other Services** – The Project Promoter will pay all costs associated with the organization and establishment of the General Partner and the Partnership and all costs of this Offering; provide funds to the Partnership on a timely basis to permit payment of all of the Partnership's obligations under the Material Agreements prior to the time that mortgage funds are advanced and/or this Offering closes; arrange for and pay all costs associated with the personal Equity Loans to be made to qualified investors; and arrange for and pay all other costs associated with the takeover of the Project on behalf of the Partnership, including negotiating and resolving any conflicts with the existing tenants and the integration of rental and management records into a property management system for the Partnership.

2.5 Short-term Objectives

The short term objectives of the Partnership can be summarized as follows:

What we must do and how we will do it.	Target completion date or number of months to complete	Our cost to complete
Interior cleanup and refurbishment of premises upon their leases being renewed or the	Ongoing	\$811,920.00 (based on anticipated

premises being vacant.		costs and assuming Offering fully subscribed)
Refurbishment of the exterior of the buildings, repair and remark the parking areas, and landscaping the front of the Property.	December, 2018	\$350,880.00 (based on anticipated costs and assuming Offering fully subscribed)

2.6 Insufficient Funds

Funds available as a result of the Offering may not be sufficient to accomplish all the Partnership's objectives, primarily being able to solely purchase the Property. If the Offering is not fully subscribed, the Partnership will purchase a Proportionate Interest in the Project, with the Project Promoter retaining the balance of the Project and carrying the costs associated therein (including those under the Services Agreement), with the Project Promoter having a right to sell its Proportionate Interest in the Property to another party. See Item 1, "Source and Use of Funds" and Item 2.7, "Material Agreements".

In the event the Partnership experiences a Cash Flow Deficiency, the Project Promoter agrees to loan to the Partnership up to \$600,000.00, or if the Offering is not fully subscribed then the Proportionate Share therein. Any Cash Flow Deficiency loans are interest free until January 1, 2023 at which time they become payable on demand and bear interest at prime plus 2%. See Item 2.7, "Material Agreements/Summary of Services Agreement".

2.7 Material Agreements

Overview

Material Agreements relating to the Partnership include the following:

- Limited Partnership Agreement originally made as of January 01, 2007 between LeMarchant Properties Limited, as general partner, and FLP Investments Limited, as founding limited partner, as amended and restated June 28, 2017 (the "**Partnership Agreement**");
- Agreement for Sale Agreement made as of June 28, 2017 between the Partnership and Millennium (the "**Agreement for Sale**");
- Services Agreement made as of June 28, 2017 between the Partnership and Millennium (the "**Services Agreement**");
- Property Management Agreement made as of June 28, 2017 between the General Partner and Fortress Properties (the "**Property Management Agreement**"); and
- Co-Ownership Agreement between the Partnership and Millennium to be entered into on the Closing Date in the event the Offering is not fully subscribed (the "**Co-Ownership Agreement**").

Each of these Material Agreements is summarized below. **These summaries are not intended to be complete, and are qualified by the express terms and conditions of the respective Material Agreements.** For that purpose, the Partnership Agreement is attached as ANNEX I to this Offering Memorandum. The Material Agreements (other than the Co-Ownership Agreement) may be viewed by prospective investors at the offices of the Project Promoter – 2612 Koyl Avenue, Saskatoon, Saskatchewan – at any time during normal business hours prior to the Closing Date.

Summary of Partnership Agreement

- **Business of the Partnership** – The sole business of the Partnership shall be to acquire, manage, and operate the Property, or interest therein (the "Business").
- **The General Partner and Management of the Partnership** – The General Partner of the Partnership is LeMarchant Properties Limited. The General Partner is owned and controlled by the Kearley Family. The General Partner has exclusive authority to direct and manage the affairs of the Partnership with power to manage and operate the Business. Some of these management functions have been delegated to the Project Promoter pursuant to the Services Agreement and to the Property Manager pursuant to the Property Management Agreement. In exercising its powers and duties, the General Partner shall act honestly, in good faith and in the best interests of the Partnership and must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Although the General Partner has exclusive authority to manage the Business of the Partnership, certain actions by the Partnership require prior approval by an Extra-ordinary Resolution (as defined in Section 1.01 of the Partnership Agreement) of the Limited Partners. Subject to the Co-Ownership Agreement, if applicable, matters requiring Extra-ordinary Resolution include (subject to the expressed provisions of the Partnership Agreement) the following:
 - a decision to carry on any business or enter into any partnership, joint venture, syndicate or other form of organization to carry on any business other than the Business described above, other than that contemplated in the Co-Ownership Agreement;
 - a decision to remove and replace LeMarchant Properties Limited as general partner;
 - any significant amendment to the Partnership Agreement; and
 - a decision to dissolve the Partnership.

The sale of the Property, or its Proportionate Interest therein, requires the prior approval by a Special Resolution (as defined in Section 1.01 of the Partnership Agreement) of the Limited Partners (subject to the Co-Ownership Agreement, if applicable).

The General Partner has contributed \$1 to the capital of the Partnership and is entitled to receive 0.01% of the income of the Partnership. The General Partner is also entitled to reimbursement for all expenses incurred on behalf of the Partnership and to have its \$1 capital contribution returned to it upon dissolution of the Partnership. Otherwise, subject to Section 6.08 of the Partnership Agreement, the General Partner does not share in the assets or income of the Partnership. See also Item 3.1, "Compensation and Securities Held".

- **Partnership Assets and Funds** - The Partnership Agreement authorizes the General Partner to hold the Partnership's property including, without limitation, the Property, or interest therein, in the name of the Partnership or the name of the General Partner, but in trust for the Limited Partners and additionally authorizes the General Partner to invest funds not immediately required for the Business of the Partnership in Qualified Investments (as defined in Section 1.01 of the Partnership Agreement). A Qualified Investment is defined to include deposit accounts at, or debt obligations or other securities of or guaranteed by, a bank or certain other financial institutions and/or a security of or guaranteed by the Government of Canada or any province or territory of Canada, as more specifically defined in Section 1.01 of the Partnership Agreement.

The Partnership Agreement also provides that, generally, the funds and assets of the Partnership shall not be commingled with the funds or assets of any other person. As a limited exception to this, Section 4.07 of the Partnership Agreement authorizes the General Partner to deposit funds forming part of the Contingency Reserve (see below, "Contingency Reserve") or other funds of the Partnership not required for the immediate use of the Partnership and authorizes the General Partner to deposit or invest such funds in Qualified Investments. In accordance with these provisions of the Partnership Agreement, it is expected that the Contingency Reserve will be and other Surplus Cash may be held by the General Partner in Qualified Investments, pending the application of such funds towards Partnership operating expenses and/or transferring funds to the Project Promoter for the purpose of distribution to Limited Partners.

Additionally, the Property Manager will from time to time hold rental revenues and other funds such as tenant security deposits on behalf of the Partnership. All funds so held by the Project Promoter and/or the Property Manager are held in trust for the Partnership.

- **Limited Partners and Units** – Subscribers to this Offering will become parties to the Partnership Agreement as Limited Partners and will be issued Units in the Partnership. These Units represent the interest of the Limited Partners in the assets and Business of the Limited Partnership. All Units are equal to all other Units and, generally, the rights and interests of the Limited Partners in the assets and business of the Partnership are distributed pro rata amongst the Limited Partners according to the respective number of Units held. This pro rata distribution is generally referred to in the Partnership Agreement as a Limited Partner's Sharing Ratio. The Sharing Ratio of a Subscriber/Limited Partner means, at any time, the ratio that the number of Units held by that Limited Partner bears to the aggregate number of Units outstanding at that time held by all Limited Partners. Pursuant to the Partnership Agreement and/or pursuant to *The Partnership Act* (Saskatchewan):
 - each Limited Partner, in effect, beneficially owns the assets of the Partnership in proportion to his Sharing Ratio;
 - subject to limited exceptions for income tax purposes (see Item 6, "Income Tax Consequences and RRSP/TFSA Eligibility") all income or loss (other than the General Partner's nominal share of 0.01% of income) is allocated exclusively to, and all Surplus Cash of the Partnership is distributed exclusively amongst, the Limited Partners in accordance with their respective Sharing Ratios;

- all returns of capital of the Partnership, including any appreciation in the net value of the Property or other assets, and including, for example, the net proceeds realized by the Partnership from the sale of the Property (other than the General Partner's nominal \$1 contribution) are returned exclusively to the Limited Partners in accordance with their respective Sharing Ratios;
 - Limited Partners are generally not entitled to participate in the management or control of the Partnership. Pursuant to *The Partnership Act*, a Limited Partner who does participate in management or control of the Partnership risks losing his limited liability. However, Limited Partners are entitled to attend meetings of the Partnership, receive financial information and statements about the Partnership (see Item 9, "Reporting Obligations") and to one vote per Unit on all matters which, pursuant to the Partnership Agreement, require or permit a vote of Limited Partners.
- **Income, Losses and Net Cash Receipts of the Partnership** – The Fiscal Periods of the Partnership end on December 31 of each year. All income or loss of the Partnership in each Fiscal Period (other than the General Partner's share of 0.01% of the income and other than certain income resulting from a recapture of capital cost allowance which may be allocated as provided in Section 4.04 of the Partnership Agreement) is allocated amongst the Limited Partners who were Limited Partners as at the end of that Fiscal Period in accordance with their respective Sharing Ratios as at the end of such Fiscal Period. Surplus Cash of the Partnership for any Fiscal Period will be distributed within 180 days following the end of the Fiscal Period amongst those persons who were Limited Partners and in accordance with such Limited Partner's Sharing Ratios as at the end of the relevant Fiscal Period.
 - **Contingency Reserve** - Each Limited Partner's Subscription Price of \$24,700 per Unit includes \$1,000 to establish a Contingency Reserve for the Partnership. Pursuant to Section 4.08 of the Partnership Agreement, during the Commitment Period the General Partner may draw upon funds from the Contingency Reserve to prevent or mitigate a Cash Flow Deficiency, but during or at the end of the Commitment Period, or so soon thereafter as permitted by law, if the General Partner determines that all or any part of the Contingency Reserve is not likely to be required to prevent or mitigate a Cash Flow Deficiency, funds in the Contingency Reserve shall be distributed, as a partial return of capital, to Limited Partners in accordance with their respective Sharing Ratios.
 - **Power of Attorney** – Pursuant to Section 10.01 of the Partnership Agreement and pursuant to the Subscription Agreements signed by each Subscriber (see ANNEX III) each Subscriber/Limited Partner appoints the General Partner, with power of substitution, as his attorney for the purposes of signing certain documents and doing certain other things as described in Section 10.01 of the Partnership Agreement.
 - **Reorganization Transaction** – In order to provide potential liquidity to Limited Partners, Section 12.10 of the Partnership Agreement authorizes the General Partner to call a meeting of the Partnership, at any time following the expiration of the Commitment Period, for the purpose of considering and, if thought fit, approving by Extra-ordinary Resolution, a transaction (a "**Reorganization Transaction**") pursuant to which the General Partner may be authorized to sell and transfer the Property, or interest therein, and all or substantially all of the other assets of the Partnership or, as attorney and agent for each Limited Partner, to sell

and transfer all Units of the Partnership and all of the interests of the respective Limited Partners in the Partnership, on a tax deferred basis, to a mutual fund corporation or trust or to another publicly traded investment vehicle such as a corporation or limited partnership (a “**Public Entity**”) in exchange for shares, limited partnership units and/or other securities of such Public Entity and to thereupon or as soon as reasonably possible thereafter distribute the shares, limited partnership units, or other securities so received to the Limited Partners in proportion to their respective Sharing Ratios. Implementation of a Reorganization Transaction will be subject to: completion of a definitive transfer agreement or like agreements between the General Partner on behalf of the Partnership (and/or as applicable as attorney and agent for the Limited Partners) and the Public Entity to whom the Property or Units are to be transferred; obtaining any necessary regulatory approvals; and approval by Extra-ordinary Resolution of the Limited Partners.

- **Liquidity Event** – In order to provide potential liquidity to Limited Partners, Section 12.11 of the Partnership Agreement requires that within fifteen (15) years from the end of the Commitment Period the General Partner shall at a meeting of the Partnership initiate discussions with the Limited Partners to assess the interest regarding the potential sale of the Property in order to provide liquidity to the Limited Partners at that time. Approval for the sale of the Property shall be by Special Resolution (as defined in Section 1.01 of the Partnership Agreement).

Summary of Agreement for Sale

The Partnership has entered into an Agreement for Sale as of June 28, 2017 with Millennium to acquire the Property, at a purchase price of \$7,917,240. \$1,559,988 of this Purchase Price is to be allocated to the land component of the Property, \$5,733,216 to the commercial buildings, and \$624,036 to existing pavement and site work.

Millennium acquired 520 Central Street West on or about April 01, 2017, at an aggregate purchase price to Millennium of \$7,800,000; at which time title to the Property was registered in the name of the General Partner. However, the General Partner will hold the Property in trust, beneficially for Millennium, until December 30, 2017, (or such date as may be mutually agreed to by Millennium and the General Partner) (the “**Adjustment Date**”). Prior to this Adjustment Date, Millennium will be entitled to all rents and revenues from the Property and be responsible for all expenses in respect of the Property. The beneficial interest of Millennium in the Property will then revert to the General Partner, on behalf of the Partnership, as of the Adjustment Date, as and from which date the Partnership will be entitled to all rents and revenues from, and be responsible for all expenses in respect of, the Property.

Notwithstanding the above, if the Partnership is unable to pay the full purchase price to Millennium under the Agreement for Sale, the Partnership has the option to purchase a partial interest in the Property. In that event, the Partnership and Millennium shall enter into the Co-Ownership Agreement on or about the Adjustment Date and the General Partner shall hold legal title of the Property in trust for the Partnership and Millennium as per their respective Proportionate Interests.

The General Partner and Millennium are owned and controlled by the Kearley family.

Summary of Services Agreement

Pursuant to the Services Agreement, the Project Promoter provides virtually all services reasonably necessary for the acquisition, financing and initial operations (i.e. 2017 and 2018) of the Property (collectively the "Partnership Syndication and Financing Costs"); provides all services related to the acquisition of the Property from its previous owner(s) and its sale to the Partnership, arranges for interior refurbishing of the buildings, and provides services related to the lease enhancement of the Project (collectively the "Management Takeover, Interior Refurbishing and Lease Enhancement Services"); as well as providing certain "building exterior and site refurbishing services". These services, and the fees to be paid by the Partnership to the Project Promoter for the provision of these services (the "**Service Costs**"), are summarized in the table below, assuming the maximum offering is achieved:

● Partnership Syndication and Financing Costs	Service Costs	
	Total	Per Unit
- Partnership syndication and distribution services: The Project Promoter has and will be responsible for organizing and structuring the Partnership, preparing all Material Agreements, this Offering Memorandum and all other documents relative to this Offering and for ensuring that this Offering is carried out in accordance with applicable securities legislation and other laws. Additionally, the Project Promoter will pay all costs associated with the Offering including printing costs, regulatory authority filing fees, and the fees and commissions of any dealers or other agents retained in respect of the Offering.	\$510,000	\$2,500
- Mortgage Placement Services: The Project Promoter arranges for, or itself provides, mortgage financing for the Project in a total amount, as of December 30, 2017, of not less than \$6,286,260; which is expected to include first mortgage financing of \$5,708,943 and second mortgage financing, to be provided by the Project Promoter itself, or a related company, of \$577,317. See Item 4.1, "Capitalization".		
- First Mortgage Placement	\$71,400	\$350
- Second Mortgage Placement	\$10,200	\$50
- Interim Financing Services: The Project Promoter will lend to, or advance on behalf of, the Partnership, on an interest-free basis, all monies necessary for the Partnership to fund its obligations pursuant to the Material Agreements pending closing of this Offering and pending the advance of funds under the Partnership's mortgage financing. These advances include, for example, the payment of all deposits and cash to close the acquisition of	\$163,200	\$800

the Property pursuant to the Agreement for Sale and commitment fees, mortgage brokerage fees and like expenses in connection with the mortgage financing for the Partnership.		
- Cash Flow Shortfall Coverage: After closing of this Offering and continuing until December 31, 2022, if the Partnership experiences a Cash Flow Deficiency, the Project Promoter will lend to the Partnership such monies, up to a maximum of \$600,000 (or an amount representing the Partnership's Proportionate Share if the Offering is not fully subscribed), as may be necessary to cure such Cash Flow Deficiency. These Cash Flow Deficiency Loans will be interest-free until January 01, 2023, at which time they begin to accrue interest at prime plus 2%. These loans are repayable only from Surplus Cash of the Partnership or, after January 01, 2023, on demand. Despite the demand nature of these Cash Flow Deficiency Loans, the Project Promoters' sole recourse to recover the loans is to the cash flow and assets of the Partnership. The Project Promoter has no recourse against Limited Partners.	\$153,000	\$750
- Closing Facilitation: The Project Promoter will facilitate the successful closing of this Offering. See Item 5.5, "Conditions of Closing"	\$142,800	\$700
- Clerical Services: The Project Promoter will arrange for Equity Loans of up to \$19,200 per Unit to be made by a Canadian chartered bank or credit union to qualified Subscribers to partially fund such Subscriber's subscription for Units. See Item 5.4, "Equity Loans".	\$20,400	\$100
- Legal and Accounting: The Project Promoter will pay all legal and accounting fees of the Partnership in respect of the above Partnership Syndication and Financing Costs.	\$76,500	\$375
Total Partnership Syndication and Financing Costs:	\$1,147,500	\$5,625
• Management Takeover, Interior Refurbishing and Lease Enhancement Services		
- Property Management Takeover: The Project Promoter will acquire and compile all rental and management information relevant to the Property, and analyze and evaluate all leases in effect at the time the Property is taken over. It also will negotiate lease extensions and/or renewals with all existing tenants, arrange new leases where required and negotiate and resolve any conflicts with existing tenants.	\$693,600	\$3,400

- Interior Refurbishing and Lease Enhancement Services: The Project Promoter will diligently negotiate leases and endeavour to lease all premises in Warman Plaza that are or may become vacant during 2017 and 2018, and will cleanup and refurbish all other premises upon their leases being renewed or the premises becoming vacant in 2017 and/or 2018 (provided this service does not include items of a capital nature which may be negotiated with tenants as part of an individual lease package).	\$811,920	\$3,980
- Legal and Accounting: The Project Promoter will pay all legal and accounting fees incurred in connection with the Partnership's acquisition of the Property and/or in connection with the provision of the above management takeover, interior refurbishing and lease enhancement services.	\$199,920	\$980
Total Management Takeover, Interior Refurbishing and Lease Enhancement Services:	\$1,705,440	\$8,360
• Building Exterior and Site Refurbishing Services: The Project Promoter will refurbish the exterior of the buildings as well as repair and re-mark the parking areas, all in accordance with plans and specifications agreed upon between the General Partner and Project Promoter. See Annex II, "Property Plans and Photos" and see the Project Photos included in the cover page of this Offering Memorandum.	\$350,880	\$1,720
TOTAL, ALL SERVICES	\$3,203,820	\$15,705

These Service Costs are payable to Millennium on December 30, 2017. It is expected that these Service Costs will then be deductible over a period of five years including \$2,556,120 (\$12,530 per Unit) in the Fiscal Period ending December 31, 2017, \$234,600 (\$1,150 per Unit) in 2018, and \$137,700 (\$675 per Unit) in each of 2019, 2020 and 2021.

If the Offering is not fully subscribed, the Partnership shall use the proceeds raised to purchase its Proportionate Interest in the Project and Millennium shall only charge out to the Partnership its Proportionate Share of the Service Costs. Also, Millennium shall only provide Cash Flow Deficiency Loans equal to the Partnership's Proportionate Interest multiplied by \$600,000. If the Offering is not fully subscribed, under the Agreement for Sale and the Co-Ownership Agreement, Millennium has the right to sell its Proportionate Interest in the Property to other parties and will charge out the balance of the Service Costs to the new purchaser(s) at or around that time.

The Services Agreement also contains provisions pursuant to which the Project Promoter expressly acknowledges and agrees that all funds from time to time held by it or its associated or affiliated companies for the Partnership are deemed to be held in trust for the Partnership, are to

be deposited or invested by the Project Promoter or its associated or affiliated companies only in Qualified Investments, and are to be repaid to the Partnership or its order upon demand by the General Partner. The Services Agreement further provides that if Millennium or an associated or affiliated company defaults in so repaying such funds to the Partnership, and/or if the Property Manager should default in remitting funds to the Partnership in accordance with its obligations under the Property Management Agreement, the full amount that ought to have been paid by the Project Promoter or Property Manager to the Partnership may be setoff against any amounts that may then otherwise be owing by the Partnership to Millennium, including, without limiting the generality of the foregoing, against any amounts that are then outstanding under the Second Mortgage or any Cash Flow Deficiency Loans. See also “Summary of Partnership Agreement – Partnership Assets and Funds”.

The General Partner and Millennium are owned and controlled by the Kearley family.

Summary of Property Management Agreement

Pursuant to the Property Management Agreement, Fortress Properties has been appointed to manage the Property. The Property Manager's appointment ends December 31, 2022, but such appointment will thereafter be automatically renewed on an annual basis, subject to the Agreement, unless notice of termination is given at least 90 days prior to the end of the relevant Fiscal Period.

The Property Manager is authorized, generally, to do all things as are reasonably necessary or desirable for the proper management and operation of the Property with a view to maximizing the net revenue and income. More specifically, subject to the detailed terms of the Agreement, the Property Manager's duties include collecting all rents, negotiating new leases and/or renewal of existing leases for premises that become vacant, administering and enforcing all leases, arranging for and coordinating the supply of all operational services, utilities, insurance and other matters relative to the Property, administering the payment of all rental expenses, keeping proper books of account, and fully accounting and reporting with respect to the operation of the Property.

The Property Manager is paid a fee equal to 5% of the gross rents payable in respect of the Property and also is entitled to be reimbursed for out-of-pocket expenses incurred in managing the Property. These fees and reimbursement of expenses are paid from the occupancy costs payable by tenants of the Property under their respective leases, and the management fee is only payable to the Property Manager to the extent that it is recoverable from the respective tenants under their leases. Accordingly, the management fee payable to the Property Manager does not affect the absolute net rentals as detailed above in Item 2.2, “The Business/Leases”.

Additionally, the Property Manager will be entitled to a fee equal to 4% of the net rent payable over the term of any new lease or renewal lease entered into during the term of the Property Manager's appointment. This fee, however, will not be paid in respect of new leases or renewal leases entered into in 2017 or 2018. Also, this fee will be reduced by the amount, if any, of any fees or commissions payable to any third party real estate broker or dealer in respect of such new or renewal leases.

The General Partner and Fortress Properties are owned and controlled by the Kearley family.

Summary of Co-Ownership Agreement

If the Offering is not fully subscribed, and then no later than December 30, 2017, pursuant to the Agreement for Sale the Partnership may purchase a Proportionate Interest in the Property. In that event, the Partnership and Millennium shall enter into the Co-Ownership Agreement at the Closing Date which shall govern the parties' rights and obligations relating to the Property as co-owners. The following is a summary of the proposed Co-Ownership Agreement, however, it is subject to change prior to the Closing Date.

Under the Co-Ownership Agreement each owner shall have a specified undivided beneficial interest in the Property based on their Proportionate Interest, with legal title held by the General Partner. All income and expenses arising from the Property shall be allocated to the Partnership and Millennium as per their respective Proportionate Interests.

The General Partner shall make all management decisions relating to the Property under the Co-Ownership Agreement. The Limited Partners have no control or management of the Property or the Partnership's interest therein. However, certain fundamental decisions relating to the Property, including, but not limited to, the sale of the Property, requires 2/3 majority direct approval of the stakeholders of the co-owners, specifically the Limited Partners of the Partnership and the shareholders of Millennium (or its successor owner). The weight of a stakeholder's vote on fundamental matters relating to the Property is determined by each stakeholder's percentage interest in their co-owner multiplied by their respective co-owner's Proportionate Interest.

Millennium has the right under the Co-Ownership Agreement to sell its Proportionate Interest in the Property to another party without the approval of the Partnership and assign the Co-Ownership Agreement to the new purchaser, or the parties shall enter into a new agreement on the generally same terms. It is the intention of the parties that Millennium will sell its Proportionate Interest in the Property to another limited partnership similarly structured to the Partnership.

The General Partner and Millennium are owned and controlled by the Kearley family.

ITEM 3 DIRECTORS, MANAGEMENT, PROMOTER AND PRINCIPAL HOLDERS

3.1 Compensation and Securities Held

The following table sets forth: the name and municipality of principal residence of; the position (and date of obtaining position) with the Partnership (or the General Partner, LeMarchant Properties Limited) held by each director, officer, and promoter of the Partnership.

Name and municipality of principal residence	Position and date position obtained	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 maximum offering
Everett J. Kearley Saskatoon, SK ¹	Controlling shareholder, Director and Chairman of General Partner Since December, 2006, December 2006 and January, 2016, respectively	Nil	Nil ^{2,3}
John Kearley Saskatoon, SK ¹	Shareholder, Director and President of General Partner Since December, 2006, August, 2012 and January, 2016, respectively	Nil	Nil ³
Daniel H. Bollinger Moose Jaw, SK	Director of the General Partner Since June, 2017	\$10,000	Nil
Millennium III Capital Corporation Saskatoon, SK ¹	Promoter Since June, 2017	Nil	Nil
Mike Laliberte Saskatoon, SK	Vice President of General Partner Since June, 2017	Nil	Nil ³
Allan Lebiszcak Saskatoon, SK	Secretary-Treasurer of General Partner Since June, 2017	Nil	Nil ³
Kenneth Nicholson Saskatoon, SK	Vice President of General Partner Since June, 2017	Nil	Nil ³
FLP Investments Limited Saskatoon, SK ^{1,2}	Founding Limited Partner	Nil	Nil

Notes:

- (1) Mr. Everett J. Kearley, together with his spouse Marlo Winter Kearley, daughter Sheilagh Lepine and son John Kearley (collectively the “Kearley Family”) own or control, directly or indirectly and individually and/or collectively, all of the outstanding shares of each of the General Partner, Millennium, and Fortress Properties. Everett Kearley and John Kearley are directors of Millennium and FLP Investments Limited (“FLP”) and Everett Kearley, John Kearley and Marlo Kearley are directors of Fortress Properties. Everett Kearley and John Kearley are officers of Millennium and FLP and Everett Kearley, John Kearley and Marlo Kearley are officers of Fortress Properties. See also Item 3.2 below, “Management Experience”.
- (2) Mr. Everett J. Kearley is also the sole shareholder of FLP. On the formation of the Issuer, FLP was issued, and currently holds, one unit of the Issuer representing 100% of the outstanding securities of the Issuer as at the date of this Offering Memorandum. However, this founding unit will be cancelled upon closing of the Offering.
- (3) It is anticipated that officers and senior employees will purchase up to 7.5% of the issued Units under the Offering.

Except for Daniel Bollinger, the above mentioned directors and officers of the General Partner receive no direct compensation from the Partnership or the General Partner for serving in such capacities. However, as noted in the table above, members of the Kearley Family own or control the General Partner, the Project Promoter and the Property Manager, all of which companies receive compensation from the Partnership pursuant to one or more of the Material Agreements, all as more particularly described in Item 2.7 “Material Agreements”. In particular, assuming the maximum offering is achieved, the purchase price to be paid for the Property by the Partnership to Millennium pursuant to the Agreement for Sale exceeds the purchase price paid by Millennium to the original Vendor to acquire the Property by \$117,240 and Millennium will also receive fees of \$3,203,820 payable by the Partnership under the Services Agreement, for a total of \$3,321,060, all of which is payable in 2017. Also, Millennium, or a related company, is expected to be the mortgagee under the Partnership’s \$577,317 second mortgage and will receive interest thereunder at 5% per annum. Fortress Properties will receive management fees from the Partnership pursuant to the Property Management Agreement as summarized in Item 2.7, “Material Agreements/Summary of Property Management Agreement”.

Pursuant to the Partnership Agreement, the General Partner, in return for a \$1 contribution to the Partnership upon its formation, is entitled to receive 0.01% of the annual income of the Partnership and upon dissolution of the Partnership is entitled to receive a return of this \$1 capital contribution. Additionally, pursuant to Section 6.07 of the Partnership Agreement, the General Partner is entitled to reimbursement for all expenses incurred on behalf of the Partnership and, pursuant to Section 6.08 of the Partnership Agreement, after December 31, 2020, the General Partner (or the Project Promoter or its associated companies) is entitled to receive an annual administrative fee.

3.2 Management Experience

The following table discloses the principal occupation of each of the directors and officers of the General Partner over the past five years. Additional information about some of these individuals, and companies with whom they are associated, is set forth following the table.

Name	Principal Occupation and Related Experience, also see above
Everett J. Kearley	Chairman of Millennium III Capital Corporation, and Chairman of Fortress Properties Inc.
John Kearley	President of Millennium III Capital Corporation
Daniel Bollinger	Director of Financial Services, SaskWater
Mike Laliberte	Vice President of Operations, Fortress Properties Inc.
Allan Lebiszcak	Vice President of Accounting Services, Millennium III Capital Corporation
Kenneth Nicholson	Vice President of Investor Services, Millennium III Capital Corporation

Everett J. Kearley is a professional engineer with over 35 years of experience in the development, design, construction, and management of a wide variety of buildings and other projects in Saskatchewan, Alberta and eastern Canada. In 1981 he founded the Millennium III Group of Companies, and he is presently the Chairman, a director, and, with other members of the Kearley Family, the controlling shareholder of Millennium III Capital Corporation and an associated company, Fortress Properties, which are incorporated under *The Business*

Corporations Act (Saskatchewan) and are extra-provincially registered under the *Business Corporations Act* (Alberta). During the past 30 plus years, the Millennium III Group of Companies, or predecessor companies associated with Mr. Kearley, have been actively involved in the acquisition, development, and management of over 50 major properties in Saskatchewan and Alberta (see below). Until 2004, the Millennium III Group of Companies and Fortress Properties focused on properties in and around Saskatoon, Saskatchewan. Since then, however, the new business operations of the Millennium III Group of Companies have expanded to Alberta, with the acquisition and syndication of 25 major commercial properties in Camrose, Edmonton, Fort Saskatchewan, Sherwood Park, Leduc and Lloydminster, Alberta.

John A.W. Kearley is the President of Millennium III Capital Corporation and President of M3 Securities Corporation. He has been involved with the Millennium III Group of Companies since its inception and has provided management services since 1994. Currently, Mr. Kearley is responsible for the overall operations of the Millennium III Group of Companies, while heading the acquisition and product development team. In addition, he oversees major construction projects for the group and acts as liaison to Fortress Properties.

Daniel Bollinger, CPA, CMA, obtained his CMA designation in 2000 after graduating from Saskatchewan Polytechnic (formerly SIAST) in 1996 with a Diploma in Accounting. Mr. Bollinger has a well-rounded accounting skill set as a result of working in a variety of industries throughout his career including three years of experience in public practice as a staff accountant performing financial statement reviews and audits; two years of experience as the Controller of a publicly traded company; five years of experience in the property management industry as the chief accountant; and ten years of experience in the public sector in his current role as the Director, Financial Services for SaskWater.

Mike Laliberte has been involved in commercial real estate construction, sales, and management since 1978. He oversees the property management portfolio of Fortress Properties, enabling Millennium III to benefit from his extensive knowledge of the Western Canadian real estate market.

Allan Lebiszcak, CPA, CMA, has been an employee of Millennium III Group of Companies, or under contract with Fortress Properties or other property management companies associated with Mr. Everett Kearley, since 1993. He is presently serving as Vice President of Accounting Services for Millennium III Capital Corporation. Mr. Lebiszcak graduated from the University of Saskatchewan in 1989 with a Bachelor of Commerce degree, majoring in accounting and computer science. From 1989 to 1993 he worked with different chartered accountancy firms in Saskatoon and Edmonton. Mr. Lebiszcak is also the Secretary-Treasurer of the General Partner.

Kenneth Nicholson has been with Millennium III Group of Companies since 1992 and is responsible for all aspects of investor relations including management of unit ownership, annual reports to investors, annual meetings of the partnerships, and capital distributions.

The above management group, in some form or another, has been actively involved in the acquisition and management of over 50 current real estate projects as summarized below, most of which were syndicated through limited partnerships in a manner similar to **Warman Plaza**.

Project Name**Address****Owner****Alberta Commercial**

(unless otherwise noted, all Alberta properties are located in Edmonton)

The Brunel Building	8009 - 39 Street (Leduc)	Bonfoy Properties Limited
Plaza 104	9825 - 9839 - 104 Street (Fort Saskatchewan)	Carson Properties Limited
Plaza 55	5524 - 5552 Calgary Trail	Cormack Properties Limited
The Bessemer Building	8306 - 113 Street (Fort Saskatchewan)	Dorrill Properties Limited
Delton Industrial Centre	8542 - 8662 - 126 Avenue	Drake Properties Limited
Summit Centre	7435 - 7457 Roper Road	Easton Properties Limited
Capilano Industrial Centre	4630 - 4732 - 91 Avenue	Eastport Properties Limited
Leduc Gateway Group	5205 & 5213 50 Avenue 4922 51 Avenue (Leduc)	Gambier Properties Limited
Plaza 100	16703 - 100 Street	Glover Properties Limited
Centre Plaza	162 - 200 Kaska Road (Sherwood Park)	Gower Properties Limited
Southwood Shopping Centre	9203 - 34 Avenue	Green Point Properties Limited
Leduc Towne Centre	50 Avenue & 50 Street (Leduc)	Hardy Properties Limited
Plaza 44	4402/4410 - 52 Avenue (Lloydminster)	Hayman Properties Limited
High Park Corner	14925 - 111 Avenue	Holloway Properties Limited
Strathcona Distribution Centre	4115 - 4143 - 101 Street	Mackinson Properties Limited
Fort Road Centre	13411 - 13443 Fort Road	Markland Properties Limited
Centre 137	13560 - 13594 Fort Road	Medley Properties Limited
Klondike Centre	11082 - 156 Street	Milbanke Properties Limited
Clareview Shopping Centre	3504 - 3540 - 137 Avenue	Montagu Properties Limited
Riverpointe Plaza	9902 - 93 Street (Fort Saskatchewan)	Rendell Properties Limited
Greenbay Business Park	17506 - 17552 - 105 Avenue	Saunders Properties Limited
Mirror Lake Plaza	5422 - 5610 - 48 Avenue (Camrose)	Shuldham Properties Limited
Weststreet Building	10703 - 10721 - 181 Street	Simpson Properties Limited
Belle Rive Plaza	8304 - 8336 - 160 Avenue	Tanfield Properties Limited

Saskatchewan Commercial

(unless otherwise noted, all Saskatchewan properties are located in Saskatoon)

The Industrial Group II	659 - 51 st Street E 2924 Miners Avenue	Amherst Properties Limited
The Asquith Building	733 - 1 st Avenue N	Asquith Properties Limited
Eastwood Centre II	3501 - 8 th Street E	Bannerman Properties Limited
Eastwood Centre I	3521 - 8 th Street E	Campbell Properties Limited
The Cavendish Building	2610 Koyl Avenue	Cavendish Properties Limited

Lakeview Square	1945 McKercher Drive	Devonport Properties Limited
The C.A. Dunning Mall	3414 - 8 th Street E	Dunning Properties Limited
Heritage Square	600 - 606 - 22 nd Street W	Gilbert Properties Limited
The Forest Centre	415 - 115 th Street E	Grey Properties Limited
The Industrial Group III	510 – 44 th Street E	Kirke Properties Limited
	418/502 0 47 th Street E	
The Newcastle Building	501 - 23 rd Street W	Newcastle Properties Limited
South Millar Centre	2210 Millar Avenue	Palmerston Properties Limited
The W.J. Patterson Mall	1005 Broadway Avenue	Patterson Landco Limited
The Shoquist Building	410 - 420 Duchess Street	Peel Properties Limited
Mount Royal Mall	1601 - 29 th Street W	Pelham Properties Limited
The Mercantile Group II	727 - 22 nd Street W	Pepperrell Properties Limited
	2409 - 22 nd Street W	
The P.F. Little Mall	1715 Boychuk Drive	P.F. Little Properties Limited
Trafalgar Square	405 Circle Drive E	Poole Properties Limited
West Venture Mall	2305 - 22 nd Street W	Portland Properties Limited
Fairlight Plaza	3322 Fairlight Drive	Rockingham Properties Limited
Martensville Shopping Centre	#7 Centennial Drive (Martensville)	Rosebery Properties Limited
	501 - 45 th Street W	
Wellington Place	301/401/501 Pakwa Place	Smallwood Properties Limited
Portal Business Park - Phase III		Spencer Properties Limited
The Landing	2345/2365 Avenue C N	Temple Properties Limited
Midtown Medical Centre	39 - 23 rd Street E	Waldegrave Properties Limited
The Airport Business Mall	2155 Airport Drive	Walpole Properties Limited
Millar Landing	2830/2834 Millar Avenue	Walwyn Properties Limited
Primrose Plaza	234 Primrose Drive	Warren Properties Limited
Portal Business Park - Phase II	301/401 - 45 th Street W	Wells Properties Limited
Mall 33	511 - 33 rd Street W	Wentworth Properties Limited
825 North	825 - 48 th Street E	Whitbourne Properties Limited
The Industrial Group	817 - 829 - 46 th Street W	Wilmington Properties Limited
	1902 & 2001 Alberta Avenue	
Cleveland Centre	2901 Cleveland Avenue	Winter Properties Limited

ITEM 4 CAPITAL STRUCTURE

4.1 Capitalization

The following table describes the capital structure of the Partnership as at June 30, 2017 and what it will be on the conclusion of this Offering:

Security Name	Authorized Number	Price Per Security	Number/Amount outstanding as of June 30, 2017	Number/Amount outstanding after minimum Offering	Number/Amount outstanding after maximum Offering
General Partner's Contribution ¹	-		\$1	\$1	\$1
Limited Partnership Units ¹	Unlimited	\$24,700	One Unit / \$1	One Unit/\$1	204 Units / \$5,038,800
First Mortgage ^{2,3}	-		\$0	\$0	\$5,708,943
Second Mortgage ^{2,3}	-		-	-	\$577,317
Retained Earnings/Deficit	-		-	-	-
TOTAL			\$2	\$2	\$11,325,061

Notes:

- (1) See Item 2.7, "Material Agreements/Summary of Partnership Agreement"
- (2) Subject to Note 3 below, pursuant to the Services Agreement, the Project Promoter will arrange mortgage financing totalling \$6,286,260 as at December 30, 2017. This includes first mortgage financing in the original principal amount of \$5,708,943 as of December 30, 2017 (the "First Mortgage"), together with second mortgage financing of \$577,317 (the "Second Mortgage") that will be provided by Millennium or a related company. The First Mortgage is expected to be repayable in monthly instalments of \$36,404.98 including principal and interest, with an interest rate of 3.25% compounded semi-annually and amortized over 17 years. Pursuant to the Agreement for Sale, Millennium is responsible for these principal and interest payments until the Adjustment Date – which is anticipated to be December 30, 2017. See Item 2.7, "Material Agreements/Summary of Agreement for Sale". The Second Mortgage will bear interest at 5%, compounded annually, and will be payable as to interest only on December 31, annually, commencing in 2018. It is the intention of the General Partner to reduce the amortization periods under the Partnership's mortgage financing over time as the financing is paid down with the objective of paying out all mortgage financing by 2031. Based on the operation of similar projects and properties, the business model of the Project Promoter and General Partner is to reduce the amortization periods of the mortgage financing over time and then payout the mortgage so that the anticipated net rental revenues of the Property would be approximately \$5,000 per Unit at that time.
- (3) The First Mortgage was arranged by the Project Promoter pursuant to the Services Agreement for the General Partner as legal title holder of the Property and on behalf on the Project Promoter as beneficial owner of the Property. If the Offering is not fully subscribed, the Partnership shall pay the proceeds raised in the Offering to the Project Promoter and assume its Proportionate Share of the First Mortgage and receive its Proportionate Share of the indebtedness under the Second Mortgage in return for a Proportionate Interest in the Property. In that event, the Project Promoter shall retain its Proportionate Interest in the Project and shall pay its Proportionate Share of the principal and interest payments under the First Mortgage. See Item 2.7, "Material Agreements".

4.2 Prior Sales

The Partnership has not previously issued any Units or other securities except for a single Unit issued to FLP Investments Limited effective upon the founding of the Partnership in January 01, 2007. This founding Unit was issued at a consideration of \$1 and will be returned to the Partnership at a price of \$1, and cancelled, upon closing of the Offering.

ITEM 5 SECURITIES OFFERED

5.1 Terms of Securities

Subscribers to this Offering will become Limited Partners in the Partnership and will be issued Units in the Partnership. As described in the Partnership Agreement, each of the 204 Units offered pursuant to this Offering Memorandum represents an equal interest in the assets and business of the Partnership; entitles the holder to share, pro rata, in the distribution of Net Cash Receipts and in the income (or losses) of the Partnership; to vote - 1 vote per Unit - on certain matters that affect the Partnership; and to share pro rata in the proceeds of liquidation if and when the Project and/or interest therein is sold and/or the Partnership is dissolved. These rights and obligations attaching to the Units are set out in more detail in the Partnership Agreement which is attached as ANNEX I to this Offering Memorandum, and which is summarized in Item 2.7, “Material Agreements/Summary of Partnership Agreement”.

5.2 Who May Subscribe For Units

The Units are being offered for sale by the Partnership, as principal, in, and to residents of all jurisdictions of Canada (other than Quebec) in reliance on the “offering memorandum” exemption in Part 2.9 of National Instrument 45-106 – *Prospectus Exemptions* (“**NI 45-106**” or the “**Instrument**”), which has been adopted by the securities regulatory authorities in all provinces and territories of Canada, and which exempts certain distributions of securities carried out in compliance with the Instrument from the prospectus requirements that may otherwise apply pursuant to applicable securities legislation. In accordance with NI 45-106, and in the circumstances of this Offering, a Subscriber for Units must purchase the Units as principal and, if a resident of Alberta, Manitoba, Northwest Territories, New Brunswick, Nova Scotia, Nunavut, Prince Edward Island, Ontario, Saskatchewan or Yukon, the Subscriber must be an “eligible investor” as defined in the Instrument. This requirement that Subscribers be “eligible investors” does not apply to purchasers resident in British Columbia or Newfoundland and Labrador.

The Instrument contains a detailed definition of the term “eligible investor”. Generally, in the circumstances of this Offering, an “eligible investor” includes any individual:

- (a) whose net assets, alone or with a spouse, exceed \$400,000;

OR

- (b) whose net income before taxes exceeded \$75,000 in each of the two most recent calendar years and who reasonably expects to exceed that income level in the current calendar year;

OR

- (c) whose net income before taxes combined with that of a spouse exceeded \$125,000 in each of the two most recent calendar years and who reasonably expects to exceed that income level in the current calendar year;

OR

- (d) who is a close personal friend or close business associate of one or more of Mr. Everett J. Kearley, Mr. John Kearley, Mr. Daniel Bollinger, Mr. Mike Laliberte, Mr. Allan Lebiszczak, or Mr. Kenneth Nicholson;

Prospective Subscribers resident in Alberta, Manitoba, Northwest Territories, New Brunswick, Nova Scotia, Nunavut, Prince Edward Island, Ontario, Saskatchewan or Yukon who are not individuals - e.g. corporations, partnerships, trusts, etc. - are urged to contact the Issuer and/or consult with their own professional advisors to determine and confirm that they are “eligible investors” as defined by the Instrument.

Prospective individual Subscribers resident in Alberta, Saskatchewan, Ontario, New Brunswick and Nova Scotia may be limited in how much they can invest in the Offering. NI 45-106 imposes investment limits on individuals resident in these jurisdictions on all securities acquired using the offering memorandum exemption in NI 45-106, with such investment limits being as follows:

- (a) in the case of an eligible investor, the acquisition cost of all securities acquired by that purchaser under the offering memorandum exemption in the preceding 12 months cannot exceed \$30,000; and
- (b) in the case of an eligible investor who receives advice from a portfolio manager, investment dealer or exempt market dealer that the investment above \$30,000 is suitable, the acquisition cost of all securities acquired by the purchaser under the offering memorandum exemption in the preceding 12 months cannot exceed \$100,000.

The Partnership may offer and sell Units in the above jurisdictions and Quebec in reliance on other exemptions from the prospectus requirements of the securities legislation in such jurisdictions. **Notwithstanding the foregoing, this Offering Memorandum is not intended as an offer to sell, nor a solicitation of an offer to purchase, any of the Securities described herein in any jurisdiction and/or to any person in contravention of applicable securities legislation or other laws.**

5.3 Subscription Procedure

To subscribe for Units under this Offering through the offering memorandum exemption a Subscriber must, prior to the Closing Date, complete, initial, sign and deliver to the General Partner on behalf of the Partnership the following:

- (a) a Subscription Agreement in the form attached as ANNEX III to this Offering Memorandum;
- (b) an Offering Memorandum Risk Acknowledgement in the form attached as Part II of Exhibit 2 to the Subscription Agreement;

- (c) an Offering Memorandum Exemption Representation Letter in the form attached as Part I of Exhibit 2 to the Subscription Agreement;
- (d) if you are an individual and a resident of Alberta, Saskatchewan, Ontario, New Brunswick or Nova Scotia, a *Classification of Investors Under the Offering Memorandum Exemption* in the form attached as Schedule 1 to the Offering Memorandum Risk Acknowledgement, to confirm that the Subscriber is an “eligible investor” as defined in NI 45-106;
- (e) if you are an individual and a resident of Alberta, Saskatchewan, Ontario, New Brunswick or Nova Scotia, an *Investment Limits for Investors Under the Offering Memorandum Exemption* in the form attached hereto as Schedule 2 to the Offering Memorandum Risk Acknowledgement to confirm that the individual Subscriber has not exceeded their prescribed investment limit;
- (f) if you are an eligible investor because you are an “accredited investor”, as that term means in NI 45-106, an Accredited Investor Exemption Representation Letter and Accredited Investor Risk Acknowledgement in the forms attached as Exhibit 1 to the Subscription Agreement;
- (g) such additional or alternative acknowledgements, declarations, certificates and other forms and filings as may be requested by the Partnership and/or as may reasonably be necessary or desirable pursuant to the securities legislation of any jurisdiction to permit the distribution and sale of the Units subscribed for to be made in reliance on a statutory exemption from the registration and prospectus requirements of any applicable securities legislation and/or to confirm the status of the Subscriber as a person to whom the Units subscribed for may be issued in reliance on such statutory exemption from the registration and prospectus requirements of any applicable securities legislation; and
- (h) either:
 - (i) payment of the Subscription Price of \$24,700 per Unit by certified cheque, bank draft or solicitor’s trust cheque payable to LeMarchant Properties Limited;
 - or
 - (ii) where the Subscriber has qualified for an Equity Loan as described below in Item 5.4, “Equity Loans”, the Subscriber must pay for that portion of the Subscription Price (minimum \$5,500 per Unit) that is not being financed by the Equity Loan by way of a certified cheque, bank draft or solicitor’s trust cheque payable to LeMarchant Properties Limited. Additionally, in such case, the Bank must have confirmed approval of the Equity Loan and the Bank must have agreed to advance the Equity Loan to the Partnership on behalf of the Subscriber. The maximum Equity Loan per Subscriber is \$19,200 per Unit.

Subscription funds will be held in trust by the General Partner on behalf of the Partnership until this Offering is closed and the conditions of closing described in Item 5.5 below have been met and, without limiting the generality of the foregoing, all such subscription funds will be held in trust for at least two days after receipt of such funds and applicable subscription documents pending the exercise of the Subscriber's cancellation rights as described in Item 11 "Purchasers' Rights".

5.4 Equity Loans

The Project Promoter has made arrangements for a Canadian chartered bank or credit union, (the "Bank") to lend qualified Subscribers up to \$19,200 (the "Equity Loan") of the \$24,700 Subscription Price per Unit. Subscribers desiring to borrow some or all of this Equity Loan must complete a loan application and provide personal financial information as may be requested by the Project Promoter or by the Bank in order for the Bank to assess whether a particular Subscriber qualifies for an Equity Loan. The Project Promoter will arrange for the processing and delivery of all documentation in connection with the application and granting of such Equity Loans. However, the loan itself will be made directly between the Bank and the respective Subscribers and any particular Equity Loan is subject to the individual Subscriber meeting the lending requirements of the Bank. The Project Promoter has no obligation to itself make an Equity Loan to a Subscriber, nor to guarantee an Equity Loan made by the Bank to a Subscriber. A Subscriber who delivers a Subscription Agreement and indicates a desire to have a portion of his Subscription Price financed through an Equity Loan, will not be bound by the Subscription unless and until the Bank has confirmed its approval of the Equity Loan for that Subscriber.

In the absence of special arrangements that may be made between a particular Subscriber and the Bank, Equity Loans will bear interest at the Bank's prime rate plus 2%, payable monthly, and with the following schedule of principal repayments per Unit:

June 30, 2018	\$5,000
June 30, 2019	\$5,000
June 30, 2020	\$5,000
June 30, 2021	\$4,200

For the convenience of Subscribers, regular monthly interest payments on the Equity Loans will be made to the Bank by the Project Promoter on the borrowing Subscriber's behalf, with the Subscriber then required to reimburse the Project Promoter for such interest payments prior to each calendar year-end. Funds for these monthly interest payments will be provided by the Project Promoter from its own sources.

5.5 Conditions of Closing

The Units are offered for sale by the Partnership, as principal, and will be issued if, as and when Subscriptions are accepted by the General Partner on behalf of the Partnership (each date on which Subscriptions are accepted and Units issued being referred to as a "Closing Date"). The Issuer reserves the right, in the sole discretion of the General Partner, to reject any Subscription for any reason and/or to terminate this Offering at any time. The Issuer anticipates that the Offering will close on or prior to October 31, 2017, and in any event not later than December 30,

2017, provided that, subject to the exceptions noted below, the following are conditions of closing this Offering:

1. All Material Agreements shall have been signed by the respective parties (including the Co-Ownership Agreement, if applicable).

Provided that condition 1 above has been satisfied, an initial closing may be held and subscription monies released to the Issuer. In such case, one or more subsequent closings would then be held on or prior to December 30, 2017.

Should all conditions of closing not be achieved on or before December 30, 2017, this Offering will not close and all monies raised under this Offering will be returned to investors within 60 days of the date that this Offering was to close. Additionally, if for any other reason a Subscription is rejected, all monies paid on account of such unaccepted subscription will be promptly returned to the relevant subscriber. There will be no deductions from and no interest paid on these refunds.

ITEM 6 INCOME TAX CONSEQUENCES AND RRSP/TFSA ELIGIBILITY

This commentary is of a general nature only and is not intended to be tax advice to any particular investor. Prospective investors should consult with their own income tax advisors with respect to their particular circumstances.

In the opinion of McDougall Gauley LLP, general counsel for the Limited Partnership and the General Partner, the following is a fair summary of Canadian federal income tax considerations that may be considered material to the acquisition, holding and disposition of Units in the Partnership. The income tax consequences applicable to any particular Subscriber will not necessarily be the same as those that are expected to apply to Subscribers generally, as variations may occur depending on individual circumstances. The comments in this Item 6 are restricted to the case of Subscribers who are residents of Canada for purposes of the *Income Tax Act* (the “Tax Act”) and are based on the current provisions of the Tax Act and all amendments thereto which have been announced by the Minister of Finance prior to the date hereof. These comments also assume: that each Subscriber holds the Units acquired under this Offering as capital property and not in the course of a business or an adventure in the nature of a trade and that no Limited Partner finances any part of his subscription price for Units with financing that is deemed to be limited recourse financing as defined in the Tax Act.

Except as expressly mentioned, this summary does not take into account any possible change in law whether by legislation, government or judicial action or Department of Finance Release, does not consider any possible change in assessing policy by Canada Revenue Agency, Taxation, and does not take into account the income tax legislation of any Province.

Eligibility of Units for Registered Retirement Savings Plans or Tax Free Savings Accounts

– The Units are not “qualified investments” for trusts governed by Registered Retirement Savings Plans (RRSP) or Tax Free Savings Accounts (TFSA), as defined by the Tax Act.

Taxation of Partnership Income or Loss – The Partnership is not itself a taxable entity. However, the income (or loss) of the Partnership will be computed for each fiscal year of the Partnership as if the Partnership were a separate person resident in Canada and such income (or loss) will be allocated amongst the Limited Partners and, if applicable, General Partner in accordance with the Partnership Agreement. In that regard, the Partnership Agreement generally provides that 99.99% of all income, or 100% of all losses, incurred by the Partnership in each fiscal year will be allocated amongst the Limited Partners who were limited partners as at the last day of the relevant fiscal year (regardless of the time when a Limited Partner becomes a limited partner) in proportion to their respective Sharing Ratios as at such date. 0.01% of the income, if any, in any fiscal year shall be allocated to the General Partner. Income or losses – including ordinary income from operations, net realizable capital gains and allowable capital losses – are allocated amongst the Limited Partners as aforesaid in the form claimed or incurred by the Partnership and the source of income or loss is identified on the "Statement of Partnership Income", Canada Revenue Agency form T5013 that the General Partner is required to provide to each Limited Partner following each fiscal year of the Partnership. The income (or loss) allocated to a Limited Partner must be included (or may be deducted) in calculating the taxable income of that Limited Partner and when reporting such taxable income in the personal income tax return of the Limited Partner.

Investors should be aware that the income or loss of the Partnership allocated to them for income tax purposes may vary from the accounting income or loss recorded on the Partnership's financial statements and that income or loss allocated for either tax or accounting purposes may vary considerably from the Net Cash Receipts actually distributed to them by the Partnership.

Disposition of Units – On the disposition of Units, including for example a sale of Units or a deemed disposition on the dissolution of the Partnership, a Limited Partner will realize a capital gain (or capital loss) to the extent that his proceeds of disposition, net of costs of disposition, exceed (or are less than) the adjusted cost base of a Limited Partner's Units. It is anticipated that the adjusted cost base of a Limited Partner's Units at any particular time will generally be equal to the Subscription Price for his Units, increased by the Limited Partner's share of any Partnership income for fiscal periods ending before the particular time, and reduced by (i) the Limited Partner's share of any Partnership losses for such fiscal periods and (ii) the Limited Partner's share of the value of any property and money distributed as capital by the Partnership during such fiscal periods.

One-half of any capital gain realized by a Limited Partner on the disposition or deemed disposition of a Unit will be required to be included as a taxable capital gain in computing an individual Limited Partner's taxable income. One-half of any capital loss realized by a Limited Partner on the disposition or deemed disposition may normally be deducted against taxable capital gains for the year, any of the three preceding years, or any subsequent year, subject to the provisions of the Tax Act in that regard.

The Units do not qualify for any capital gains exemption.

Interest Expenses on Funds Borrowed to Acquire Units – Reasonable interest expense incurred by an investor on funds borrowed to acquire Units – such as interest expenses on Equity Loans arranged by the Project Promoter on behalf of qualified Subscribers pursuant to the Services Agreement – are generally expected to be deductible in the year the interest is paid or

payable, depending on the method the Subscriber regularly follows, provided that the Subscriber continues to own, throughout the period during which the interest accrues, the Units acquired with the borrowed funds. Certain provisions in the Tax Act extend the deductibility of interest in certain circumstances where Units have been disposed of. However, certain legislative amendments proposed by the Department of Finance may restrict the ability to deduct interest expenses in certain situations (see the following discussion under the heading “Proposed Loss Limitation Rule”).

Exceptions – Pursuant to the Tax Act or the Partnership Agreement, the tax consequences to Limited Partners may be expected to vary from those described above in the following circumstances:

- (i) **At Risk Rules** – As described above under "Taxation of Partnership Income or Loss", losses allocated to Limited Partners in any fiscal year may generally be deducted in determining the taxable income of the individual Limited Partner for that year. Also, as described above under "Disposition of Units", the aggregate of all losses allocated to a Limited Partner, net of the aggregate of all income allocated to that Limited Partner, will generally reduce the adjusted cost base of the Limited Partner's Unit. The Issuer and its Limited Partners will, however, be subject to the so called "at risk rules" of the Tax Act, pursuant to which no losses may be allocated to or claimed by Limited Partners in calculating their personal taxable income if and to the extent that such losses exceed, in the aggregate, the Limited Partner's "at risk amount". The Tax Act contains a detailed definition of "at risk amount" but, in the circumstances applicable to the Issuer, it is anticipated that an individual Limited Partner's "at risk amount" will generally equal the adjusted cost base of his Units. Accordingly, if and when the aggregate losses (net of aggregate income) allocated to a Limited Partner exceed his aggregate subscription price of \$24,700 per Unit, the Partnership will not be able to allocate to and the Limited Partner will not be able to write-off his share of losses subsequently incurred by the Partnership unless and until the Partnership subsequently generates and allocates income to the Limited Partner. Losses that cannot be claimed due to these "at risk rules" can, however, be used to shelter income allocated to a Limited Partner in subsequent years.
- (ii) **Alternative Minimum Tax** – Under the Tax Act, an alternative minimum tax ("AMT") is payable by an individual, other than certain trusts, equal to the amount by which the AMT exceeds the income tax otherwise payable. In calculating the AMT, certain deductions and credits otherwise available are disallowed, such as certain partnership losses and financing costs relating to the acquisition on partnership interests, and certain amounts not otherwise taxable are included in income, such as a portion of capital gains which are otherwise normally not included in the calculation of taxable income. In computing adjusted taxable income for AMT purposes, a \$40,000 exemption is provided. The federal rate of AMT is a flat 15%. Whether and to what extent the tax liability of a particular investor will be increased by the AMT will depend upon the amount of the investor's income, the sources from which it is derived and the nature and amounts of any deductions that the investor may claim. Any additional tax payable for a year from the application of the AMT provisions is

recoverable to the extent that tax otherwise determined exceeds the AMT for any of the following seven tax years.

- (iii) **Recapture of Capital Cost Allowance** – As discussed above, generally, 99.99% of all income and 100% of all losses of the Partnership in each year is allocated amongst the Limited Partners in accordance with their respective Sharing Ratios. This includes capital cost allowance claimed by the Partnership and, in the absence of special provisions in the Partnership Agreement, would generally include any recapture of capital cost allowance that may be included in the Partnership's income as a result of the sale or other disposition or deemed disposition of the Property or any other capital assets of the Partnership. If and where the membership of the Partnership or the relative number of Units held by Limited Partners changes as a result of the issuance of new Units over and above the 204 Units offered pursuant to this Offering Memorandum, inequities could arise between Limited Partners who get the benefit of claiming capital cost allowance and the Limited Partners who may have to include recaptured capital cost allowance in calculating their taxable income. To offset these potential inequities the Partnership Agreement provides that a notional capital cost allowance account will be established on the books of the Partnership for each Limited Partner in which account each Limited Partner's respective share of capital cost allowance claimed by the Limited Partnership in any fiscal year will be recorded. If a Limited Partner transfers his Units, these notional capital cost allowance accounts will, in effect, be transferred to the purchaser of the Units. Any recapture of capital cost allowance subsequently realized by the Partnership will be allocated to those persons who are Limited Partners at the time of the disposition or deemed disposition that gives rise to the recapture, with each such Limited Partner's share of such recapture determined by multiplying the total recapture incurred by the Partnership by a fraction, the numerator of which is the balance in the respective Limited Partner's notional capital cost allowance account and the denominator of which is the aggregate of the balances in the notional capital cost allowance accounts of all Limited Partners.
- (iv) **Tax Shelter Rules** – The Tax Act contains complicated provisions pursuant to which a property (which may include an interest in a partnership) is considered a tax shelter if statements or representations have been made, or are proposed to be made, regarding tax deductions that a hypothetical purchaser would be expected to incur or to have allocated to the purchaser as a result of acquiring the property where it can reasonably be considered that, at the end of any taxation year that ends within four years after the day on which the purchaser acquires the property, (a) the total amount of such deductions represented to be deductible in respect of the property, including an allocation of a partnership loss, and expected to be incurred by or allocated to the purchaser in the year or any preceding year; (b) would equal or exceed the purchaser's net cost in the property at the end of that year.

The hypothetical purchaser's net cost at the end of a particular year is the purchaser's cost at the end of that year less the total of all prescribed benefits that it is expected that the purchaser (or a person not at arm's length with the purchaser) will receive or enjoy in respect of the property. "Prescribed benefit" is

a concept defined in the Regulations under the Tax Act and, essentially, is an amount in relation to a tax shelter that may reasonably be expected, having regard to statements or representations made in respect of the tax shelter, to be received by or made available to a person who acquires an interest in the tax shelter (or another person not at arm's length from the purchaser) and which has the effect of reducing the impact of any loss that the purchaser may sustain by acquiring, holding, or disposing of the tax shelter. If a property is found to be a tax shelter, the property is also a tax shelter investment for the purposes of the Tax Act. Consequences of a property being classified as a tax shelter include the fact that an investor in a tax shelter cannot deduct any amount in respect of the tax shelter unless the tax shelter is, in effect, registered under the Tax Act and a tax-shelter identification number obtained. The Partnership, the Project and this Offering have been structured so that investors may take advantage of provisions of the Tax Act to shelter or defer income from taxes, but it is not intended as a tax shelter as defined in the Tax Act and absolutely no representation is made by the Partnership, the General Partner or the Project Promoter that the deductions expected to be available to Subscribers investing in Units will equal or exceed their costs in the property less any prescribed benefits. Accordingly, no tax-shelter identification number has been applied for or received. There can be, however, no absolute assurance that Canada Revenue Agency, Taxation would not take a different view and, if the Project were determined to be a tax shelter, the tax implications to Subscribers would be materially and adversely different than those otherwise contemplated in this Offering Memorandum.

- (v) **Proposed Loss Limitation Rule** – In October 2003, the Department of Finance (the “Department”) released for public consultation a package of legislative proposals regarding the deductibility, for income tax purposes, of interest and other expenses. The proposal, commonly referred to as the Proposed Loss Limitation Rule (the “2003 Proposal”), responded to certain court decisions that the Department believed departed significantly from what had been the accepted understanding of the law in this area.

In computing income from a business or property, a taxpayer can deduct many kinds of expenses, provided that they are incurred for the purpose of earning income. In this context, “income” had been understood by the Department to be a net amount comparable to “profit”, and to exclude capital gains. The Department believes the above-mentioned court decisions took a different view; that is, income was read as the equivalent of gross revenue and the distinction between income and capital gain was blurred. The 2003 Proposal was intended to restore the Department's view of the law on these points.

An extended period of public consultation on the 2003 Proposal ended in August 2004. Many commentators expressed concerns with the 2003 Proposal: in particular, that it codified an objective “reasonable expectation of profit” test that might inadvertently limit the deductibility of a wide variety of ordinary commercial expenses. In the Federal Budget of February 23, 2005 the Government publicly announced (the “2005 Announcement”) that the Department has now sought to respond by developing “a more modest legislative initiative”

that would respond to these concerns while still achieving the Government's objectives. This 2005 Announcement stated that the Department will "at an early opportunity" release this alternative proposal for comment. This release will be combined with a Canada Revenue Agency publication that addresses, in the context of this alternative proposal, "certain administrative questions relating to deductibility".

At the present time, the Partnership expects that it will realize a cumulative profit over the period of time that it operates the Business and the Property, or interest therein, such that the 2003 Proposal or a "more modest legislative initiative" as appears to be contemplated by the 2005 Announcement, would not adversely affect the Partnership or the Limited Partners therein. However, as there is uncertainty as to the particulars of the amendments that may be made to the Tax Act in light of the 2005 Announcement, no views or assurances of any kind as to deductibility of interest or other expenses can be provided at this time. Accordingly, there is a risk that the tax treatment of Limited Partners may be materially and adversely different than otherwise contemplated in this Offering Memorandum.

The provisions of the Tax Act are complicated and will vary depending on the individual circumstances of each investor/Limited Partner. Accordingly, Subscribers are urged to consult their own personal tax advisors with respect to their specific circumstances and, in particular but without limiting the generality of the foregoing, with respect to "at risk rules", "alternative minimum tax", "recapture of capital cost allowance", "tax shelter rules" and the "Proposed Loss Limitation Rule".

ITEM 7 COMPENSATION PAID TO SELLERS AND FINDERS/UNDERWRITER CONFLICTS

The Partnership will not itself pay any commissions, corporate finance fees or finder's fees in connection with this Offering. The Project Promoter may, however, enter into agreements or arrangements with registered dealers or, subject to applicable securities legislation, with others and may pay commissions or referral fees on terms to be negotiated between the Project Promoter and such registered dealers or others. However, any commissions or fees so payable shall be the responsibility of the Project Promoter pursuant to the Services Agreement. More generally, the Project Promoter and/or companies related to the Project Promoter are parties to and will receive compensation under the Material Agreements with the Issuer. See Item 2.7, "Material Agreements", Item 3.1, "Compensation and Securities Held" and Paragraph 8 of Item 8, "Risk Factors".

LeMarchant Properties Limited Partnership is a related issuer of M3 Securities Corporation as a result of LeMarchant Properties Limited and M3 Securities Corporation being related or connected issuers to the same parties. M3 Securities Corporation is a registered exempt market dealer in the Provinces of British Columbia, Alberta, Saskatchewan and Manitoba. M3 Securities Corporation may be selling Units to investors, and under National Instrument 33-105 *Underwriting Conflicts* must disclose the relationship between the Partnership and M3 Securities Corporation.

The basis on which the Partnership and M3 Securities Corporation are related is from the cross ownership of John Kearley and Everett Kearley in the General Partner, the Promoter and M3 Securities Corporation. M3 Securities Corporation is one of several registered dealers who will be marketing and/or selling Units of the Partnership. The effect of the issue of the Units on M3 Securities Corporation will be from the payment of sales commissions to M3 Securities Corporation's dealing representatives from the Promoter. The effect of the issue of Units will not be applied to the benefit of M3 Securities Corporation.

ITEM 8 RISK FACTORS

Prospective Subscribers should consider the following risks before they decide to buy Securities under this Offering:

1. The Securities are speculative in nature. An investment is appropriate only for investors who are prepared to have their money invested for a long period of time and have the capacity to absorb a loss of some or all of their investment.
2. There is no public market for the Securities nor is one expected to develop. Therefore investors may find it difficult to sell their Securities.
3. There are restrictions on the resale of the Securities. See Item 10, "Resale Restrictions".
4. In the event the Partnership fails to raise the maximum amount under the Offering, there may be insufficient funds to complete some or all of the objectives sought to be accomplished by the Partnership. If so, the Partnership shall use the proceeds raised under the Offering to purchase its Proportionate Interest in the Property from the Project Promoter and enter into the Co-Ownership Agreement.
5. There are risks in co-owning property. If the Offering is not fully subscribed, the Partnership shall purchase its Proportionate Interest in the Property and shall be a co-owner with the Project Promoter pursuant to the Co-Ownership Agreement. In that event, decisions relating to the Property will be subject to the Co-Ownership Agreement and the rights and mandates of the other co-owner(s). See Item 2.7, "Material Agreements/Summary of Co-Ownership Agreement".
6. The Issuer may not achieve a level of profitability to permit payments of income to Security holders. Investors should not count on any returns from these Securities.
7. The price for the Securities was arrived at arbitrarily and may not bear relationship to the actual value of the Securities.
8. The Future Oriented Financial Information included in this Offering Memorandum was prepared by management of the General Partner under the direction of, and was approved by, a director of the General Partner, Everett Kearley, effective June 28, 2017, based upon available information about the Project as it exists and upon reasonable and well informed estimates of future rental revenues, costs and assessments. This FOFI is presented as a projection using assumptions that reflect the Issuer's planned course of action for the periods

covered by the FOFI given management's judgment as to the most probable set of economic conditions, together with one or more hypotheses that are assumptions which are consistent with the purpose of the information but are not necessarily the most probable in management's judgment. These assumptions and hypotheses, which are set out in the Notes to the FOFI, form an integral part of the FOFI. Apart from the FOFI, this Offering Memorandum contains other forward-looking statements and opinions of the General Partner and Project Promoter that involve risks and uncertainties. These forward-looking statements and opinions relate to, amongst other things, the economic outlook for Saskatchewan in general and other factors that may impact on the revenue generating potential of the Property and/or the financial condition and financial results of the Partnership. The FOFI and the assumptions and hypotheses contained therein, together with other forward-looking statements and opinions in this Offering Memorandum, are considered reasonable and achievable individually and in relation to one another but are inherently subject to uncertainty and variation depending upon evolving events whether material or not. There is no representation that the projected results or other forward-looking statements contained in this Offering Memorandum will be realized in full or in part. All Material Agreements involve non-arm's length transactions with related parties with inherent conflicts of interest.

9. Assuming the Offering is fully subscribed, the purchase price to be paid for the Property by the Partnership to Millennium pursuant to the Agreement for Sale exceeds the purchase price paid by Millennium to acquire the Property up to \$117,240 and Millennium will also receive fees up to \$3,203,820 payable by the Partnership under the Services Agreement, for up to a total of \$3,321,060, all of which is payable in 2017, subject to the maximum offering being met. Also, Millennium, or a related company, is expected to be the mortgagee under the Partnership's second mortgage of up to \$577,317 and receive interest thereunder at 5% per annum and Fortress Properties will receive management fees from the Partnership pursuant to the Property Management Agreement. Additionally, the General Partner is entitled to reimbursement for all expenses incurred on behalf of the Partnership and, after the first three full years from the Closing Date, the General Partner (or the Project Promoter or its associated companies) is entitled to receive an annual administrative fee as set by the General Partner on an annual basis based on the degree of management functions and duties preformed. See Item 2.7, "Material Agreements" and Item 3.1, "Compensation and Securities Held". More generally, prospective Subscribers should appreciate that they will be relying, significantly, on the good faith and expertise of management of the General Partner and the good faith, expertise and financial condition of the Project Promoter and the Property Manager for the success of the Project and their investment in the Securities. Members of the Kearley Family own and/or control, directly or indirectly, all of the outstanding shares of each of the General Partner, Millennium and Fortress Properties; and one or more members of the Kearley Family, together with Mr. Allan Lebiszcak, Mr. Daniel Bollinger, Mr. Mike Laliberte and Mr. Kenneth Nicholson, are the only directors and/or officers of the General Partner, Millennium, and Fortress Properties. See Item 3, "Directors, Management, Promoter and Principal Holders". Accordingly, conflicts of interest may exist or arise with respect to the ongoing administration and enforcement of Material Agreements to which the Partnership as represented by the General Partner, on the one hand, and Millennium and/or Fortress Properties, on the other hand, are or will be a party. Further, the Project Promoter and the directors and/or officers of the General Partner have direct or indirect interests in numerous

other properties in Saskatchewan and Alberta, which may be considered competitors of the Partnership.

10. Funds not spent towards refurbishment of the Property may convert to a service fee payable to the Project Promoter under the Services Agreement. Limited Partners are relying on management's experience and expertise in making decisions relating to the refurbishment of the Property that will best benefit the leasing potential and capital appreciation of the Property.
11. There are risks involved with commingling of funds. The Project Promoter, or one or more companies associated with the Project Promoter, may from time to time hold funds belonging to the Partnership in trust for the Partnership pending such funds being applied towards Partnership expenses and/or distribution to Limited Partners. Additionally, in the ordinary course of performing its property management functions, the Property Manager, or one or more companies associated or affiliated with the Property Manager, will hold rental revenues collected by the Property Manager from tenants of the Property, as well as tenant security deposits and a working capital float, on behalf of the Partnership pending the application of such rental revenues to operating expenses and/or pending paying over these net rental revenues to the Partnership.

Funds so held by the Project Promoter and/or Property Manager and/or their associated or affiliated companies on behalf of the Partnership are held in trust for the Partnership and may only be held in Qualified Investments, but may be commingled with funds held by the Project Promoter and/or Property Manager and/or such associated or affiliated companies on behalf of other projects/partnerships promoted and/or managed by the Project Promoter and/or Property Manager and/or such associated or affiliated companies. See Item 2.7, "Material Agreements/Summary of Partnership Agreement/Partnership Assets and Funds". There is a risk that in the event of the insolvency of the Project Promoter, Property Manager or such associated or affiliated companies, funds held by them on behalf the Partnership could become subject to the legal claims of judgement or other creditors thereby causing the Project Promoter and/or Property Manager and/or such associated or affiliated companies to default in their obligations to repay such funds to the Partnership.

More generally, neither the financial statements nor other information pertaining to the financial condition of either the Project Promoter, the Property Manager or any of their associated or affiliated companies is included in this Offering Memorandum. Prospective Subscribers should appreciate that they will be relying on the good faith and ongoing financial condition and solvency of the Project Promoter and Property Manager with respect to these ongoing financial obligations to the Partnership and that a breach or other default in the performance of these obligations could have a material, adverse effect on the Partnership and the Subscribers' investment in the Securities.

12. Pursuant to *The Partnership Act* (Saskatchewan), limited partners who take part in the management and control of a limited partnership may lose the limited liability that is otherwise provided by that Act. Accordingly, pursuant to the Partnership Agreement, no Limited Partner is permitted, as such, to take part in the control or management of the Partnership. Although Limited Partners may vote on certain matters affecting the

Partnership, generally, exclusive authority and responsibility for controlling and managing the Partnership rests with the General Partner and those persons, including the Project Promoter and Property Manager, retained by the General Partner on behalf of the Partnership. Accordingly, Subscribers should appreciate they will be relying on the good faith, expertise, and ability of the General Partner, Project Promoter, and Property Manager for the success of the Project.

13. The acquisition, financing, and ownership of the Project has been structured to be tax advantageous to investors by creating, in the early years of the Partnership, losses that investors can deduct in calculating their personal taxable income. The structure and amount of the projected tax deductions discussed in this Offering Memorandum are consistent with deductions that Canada Revenue Agency has allowed in previous years with respect to similar projects in which the Project Promoter or its associated or affiliated companies have been involved. However, no advance ruling has been sought or obtained from the Canada Revenue Agency in respect of the Project and there is no assurance that Canada Revenue Agency's administrative procedures or that income tax laws will not change in the future. Such changes, if any, could result in a material change in the income tax consequences of holding or disposing of the Securities.
14. Only 204 Units are offered for sale under this Offering and Subscribers/Limited Partners are not liable to make additional contributions to the Partnership beyond their initial Subscription Price. It is not anticipated that additional Units will be offered in the foreseeable future, or ever. However, the Partnership Agreement does authorize the General Partner, in certain circumstances, to create and issue additional Units at a price and otherwise on terms and conditions determined by the General Partner. In such case, such Units would first be offered for sale to then existing Limited Partners but any such new Units not purchased by existing Limited Partners may be offered for sale to others. Depending on the price at which such new Units are offered for sale, the issuance of such new Units could result in a dilution of the partnership interests Subscribers acquire under this Offering. Pursuant to the Partnership Agreement, in creating and issuing new Units the General Partner must comply with all applicable securities legislation and must act honestly, to the best of its ability, in good faith and in the best interests of the Limited Partners and the Partnership.
15. The Partnership is subject to the normal risks associated with the ownership and operation of commercial real estate, including: fluctuations in interest rates, rental rates, and vacancy rates; the ability to obtain and maintain tenants for rental premises; strength of the local and regional economy; and other factors wholly or partially beyond the control of management. Although the Project Promoter has taken a number of steps to mitigate these risks through available limited cash flow loans and other commitments, and by providing to the Partnership experienced property management (see Item 2.3, "Development of the Business") the profitability of the Partnership will be affected – positively or negatively – by this risk factor.
16. The Securities are not eligible investments for RRSP's or TFSA's.

ITEM 9 REPORTING OBLIGATIONS

The General Partner will prepare or cause to be prepared annual audited financial statements of the Partnership, together with a report of the Partnership's auditor thereon, in compliance with International Financial Reporting Standards as at the end of each Fiscal Period, and will distribute such financial statements to each Limited Partner within ninety days of the end of each Fiscal Period and together with such additional information as may reasonably be necessary to permit Limited Partners to report their respective share of income or losses of the Partnership for income tax purposes.

Copies of the audited financial statements shall be filed or delivered to the securities regulatory authorities in Alberta, Saskatchewan, Ontario and New Brunswick within 120 days from the end of the Fiscal Period provided there are Limited Partners resident in those jurisdictions.

The Partnership shall also provide the Limited Partners resident in Alberta, Saskatchewan, Ontario, Nova Scotia, New Brunswick and Quebec a notice from the Partnership disclosing in reasonable detail the use of the aggregate gross proceeds raised from this Offering in the prescribed form from NI 45-106 as required under applicable securities laws.

The Partnership shall provide to Limited Partners resident in New Brunswick, Nova Scotia and Ontario notice within 10 days of a discontinuance of the Partnership's business, a change in the Partnership's industry or a change of control of the Partnership.

The Partnership shall follow the above reporting obligations provided these obligations are required under applicable securities laws.

ITEM 10 RESALE RESTRICTIONS

10.1 General

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

10.2 Restricted Period

Unless permitted under securities legislation, or unless you are a resident of Manitoba and then subject to the restrictions discussed below, you cannot trade the Securities before the date that is four months and a day after the date that the Partnership becomes a reporting issuer in any province or territory of Canada.

10.3 Manitoba Resale Restrictions

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

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

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

10.4 Other

In addition to the foregoing, the transfer of Securities is subject to administrative requirements as set out in Section 7.07 of the Partnership Agreement attached as ANNEX I to this Offering Memorandum.

ITEM 11 PURCHASERS' RIGHTS

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

1. Two Day Cancellation Right

You can cancel your agreement to purchase these Securities. To do so, you must send a notice to us by midnight on the 2nd business day after you sign the agreement to buy the Securities.

2. Statutory Rights of Action in the Event of a Misrepresentation

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

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

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

- (a) the Partnership to cancel your agreement to buy these securities, or
- (b) for damages against the Partnership, the selling security holder on whose behalf the distribution is made, every person who was a director of the

General Partner at the date of this Offering Memorandum and every other person who signed this Offering Memorandum.

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

- (a) the Partnership to cancel your agreement to buy these securities, or
- (b) for damages against the Partnership, every promoter of the Partnership, every person who was a director of the General Partner at the date of this Offering Memorandum and every other person who signed this Offering Memorandum, every person whose consent has been filed in respect of the Offering Memorandum, but only with respect to reports, opinions or statements made by them, and every person or company that sells these securities on behalf of the Partnership.

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

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

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

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

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

- (a) sue for damages against the Partnership and a selling security holder on whose behalf the distribution is made; or
- (b) sue the Partnership or the selling security holder on whose behalf the distribution is made to cancel your agreement to buy these securities.

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

- (a) rescind the agreement to buy the securities; or

- (b) apply to have the price paid revised; or
- (c) damages from the Partnership or holder of the securities, as the case may be, or against the officers and directors of the Issuer, or against any expert whose opinion, containing a misrepresentation, appeared in this Offering Memorandum with his consent.

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

If you intend to rely on the rights described above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the Securities. In British Columbia, Alberta, Prince Edward Island, Newfoundland and Labrador, Ontario, the Northwest Territories, Nunavut or Yukon, you must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three years after the date you purchased the Securities. In Saskatchewan and New Brunswick, you must commence your action for damages within the earlier of one year after you first had knowledge of the facts giving rise to the cause of action and six years after the date you purchased the Securities. In Manitoba, you must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and two years after the date you purchased the Securities. In Nova Scotia, you must commence your action for damages within 120 days after the date payment was made for the Securities (or after the date on which initial payment was made for the Securities where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment). In Quebec, you must commence any action for rescission or for revision of the price, three years from the date of the transaction. For an action for damages, you must commence your action within 5 years from the date of filing the Offering Memorandum with the Autorité des marchés financiers. Provided however that Subsection 236(3) of the *Securities Act* (Quebec) overrides the above limitation periods and limits the right of action to six months from the publication of any press release announcing that authorization has been granted by the court to bring an action regarding misrepresentation.

ITEM 12 FINANCIAL STATEMENTS

LeMarchant Properties Limited Partnership has not commenced active operations as at the date of this Offering Memorandum and, accordingly, its financial statements are not included herein. The financial statements of the General Partner, LeMarchant Properties Limited are included, starting on the following page.

TWIGG & COMPANY
CHARTERED ACCOUNTANTS

J.S. TWIGG B.Comm., C.A.

L.B. SAFINUK B. Comm., C.A.

M. LINGARD B. Comm., C.A.

650 REGENCY CENTER
333 - 25th STREET EAST
SASKATOON, SK. S7K 0L4

TELEPHONE (306) 244-0808

FACSIMILE (306) 244-0004

LeMarchant Properties Limited

Audited Financial Statements

for the year ended December 31, 2016

TWIGG & COMPANY

CHARTERED ACCOUNTANTS

J.S. TWIGG B.Comm., C.A.
 L.D. SAFINUK B.Comm., C.A.
 M. LINGARD B.Comm., C.A.

650 REGENCY CENTER
 333 - 25th STREET EAST
 SASKATOON, SK. S7K 0L4

To the Shareholders of LeMarchant Properties Limited

We have audited the accompanying financial statements of LeMarchant Properties Limited, which comprise the statements of financial position as at December 31, 2016 and the statements of operations and comprehensive income, changes in shareholders' equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of LeMarchant Properties Limited, as at December 31, 2016 and its results of operations and cash flows for the year then ended in accordance with International Financial Reporting Standards.

SASKATOON, SASKATCHEWAN
 June 28, 2017

Twigg & Company
 CHARTERED ACCOUNTANTS

LeMARCHANT PROPERTIES LIMITED

STATEMENTS OF FINANCIAL POSITION
(IN CANADIAN DOLLARS)

ASSETS

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
Current		
Cash	\$ 1	\$ 1
	1	1

LIABILITIES

Current

Due to Millennium III Capital Corporation (Note 5)	\$ 800	\$ 800
	800	800

SHAREHOLDERS' EQUITY

Share capital (Note 6)	1	1
Deficit	(800)	(800)
	(799)	(799)
	\$ 1	\$ 1

See accompanying notes

APPROVED BY THE BOARD:


"E.J. Kearley"

Director


"J. Kearley"

Director

LeMARCHANT PROPERTIES LIMITED

STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(IN CANADIAN DOLLARS)

	Year ended December 31, 2016	Year ended December 31, 2015
Revenue	\$ -	\$ -
Expenses	-	-
Net income and comprehensive income for the year	-	-
Earnings per share - basic and diluted	\$ -	\$ -
Weighted average number of shares outstanding - basic and diluted	100	100

LeMERCHANT PROPERTIES LIMITED

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(IN CANADIAN DOLLARS)

	Number of shares	Share Capital	Deficit	Total
Balance at January 1, 2015	100	1	(800)	(799)
Net income and comprehensive income for the year	-	-	-	-
Balance, December 31, 2015	100 \$	1 \$	(800) \$	(799)
Net income and comprehensive income for the year	-	-	-	-
Balance, December 31, 2016	100 \$	1 \$	(800) \$	(799)

LeMARCHANT PROPERTIES LIMITED

STATEMENTS OF CASH FLOWS

(IN CANADIAN DOLLARS)

	Year ended December 31, 2016	Year ended December 31, 2015
Cash flows from (used in) operating activities		
Net income and comprehensive income for the year	\$ -	\$ -
Changes in non-cash working capital items:		
Accounts receivable	-	-
Accounts payable	-	-
	-	-
Cash flows from (used in) investing activities		
Purchase of share capital	-	-
	-	-
Cash flows from (used in) financing activities		
Advances from (to) Millennium III Capital Corporation	-	-
	-	-
Increase (decrease) in cash and cash equivalents	-	-
Cash, beginning of year	1	1
Cash, end of year	\$ 1	\$ 1
Cash and equivalents is comprised of:		
Cash	\$ 1	\$ 1
	\$ 1	\$ 1
Supplemental cash flow disclosure:		
Interest paid	NIL	NIL
Income tax paid	NIL	NIL

LeMARCHANT PROPERTIES LIMITED

Notes to the Financial Statements

December 31, 2016

1. CORPORATE INFORMATION AND NATURE OF OPERATIONS

LeMarchant Properties Limited ("the Company") was incorporated under the *Canada Business Corporations Act* on December 11, 2006.

The objective of the Company is to operate as the general partner of a limited partnership known as LeMarchant Properties Limited Partnership. The sole business of this partnership is to acquire all, or an interest therein, and operate five modern multi-tenant commercial buildings known as Warman Plaza located at 520 Central Street West, Warman, Saskatchewan.

The registered office of the Company is 2612 Koyl Avenue, Saskatoon, Saskatchewan, S7L 5X9.

2. BASIS OF PRESENTATION AND GOING CONCERN

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 approved by the Board of Directors on June 28, 2017.

B) Basis of Presentation

The preparation of financial statements in compliance with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and the related underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These financial statements are prepared on the historical cost basis. The Company's presentation and functional currency is Canadian dollars.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue Recognition

Interest income is recognized using the effective interest method.

b) Cash and equivalents

Cash equivalents consist of highly liquid investments which are readily convertible into cash and subject to an insignificant risk of change in value. Interest from cash is recorded on an accrual basis. The Company has designated cash as fair value through profit and loss. All gains are recognized in income in the period in which they arise.

LeMARCHANT PROPERTIES LIMITED

Notes to the Financial Statements

December 31, 2016

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Income taxes

Income tax expense represents current tax and deferred tax. The Company records current tax based on the taxable profits for the period which is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred income taxes are accounted for using the liability method. The liability method requires that income taxes reflect the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred income tax assets and liabilities are determined for each temporary difference based on currently enacted or substantially enacted tax rates that are expected to be in effect when the underlying items of income or expense are expected to be realized. The effect of a change in tax rates or tax legislation is recognized in the period of substantive enactment. Deferred tax assets, such as non-capital loss carry forwards, are recognized to the extent it is probable that taxable profit will be available against which the asset can be utilized.

The determination of income taxes requires the use of judgment and estimates. If certain judgments or estimates prove to be inaccurate, or if certain tax rates or laws change, the Company's results of operations and financial position could be materially impacted.

d) Share capital

The Company records proceeds from share issuances net of issue costs.

e) Basic and diluted earnings per share

Basic earnings per share are computed by dividing the income for the period by the weighted average number of common shares outstanding during the period. Diluted earnings per share reflect the potential dilution that could occur if potentially dilutive securities were exercised or converted to Common Shares. The dilutive effect of options and warrants and their equivalent is computed by application of the treasury stock method and the effect of convertible securities by the "if converted" method. Fully diluted amounts are not presented when the effect of the computations are anti-dilutive due to the losses incurred.

f) Financial instruments

All financial assets are initially recorded at fair value and classified into one of four categories: held to maturity, available for sale, loans and receivable or at fair value through profit or loss ("FVTPL"). All financial liabilities are initially recorded at fair value and classified as either FVTPL or other financial liabilities.

LeMARCHANT PROPERTIES LIMITED

Notes to the Financial Statements

December 31, 2016

4. NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods beginning after January 1, 2016 or later periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

IFRS 9 Financial Instruments

IFRS 9 is to be applied retrospectively and is effective for annual periods beginning on or after January 1, 2018, with earlier application permitted. Management has not yet determined the potential impact that the adoption of IFRS 9 will have on the Company's financial statements.

IFRS 15, Revenue Recognition

IFRS 15, Revenue Recognition: provides for a single, comprehensive revenue recognition model for all contracts with customers. It contains a single principles based five step approach that an entity will apply to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. It also contains new disclosure requirements. IFRS 15 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. Management has not yet considered the potential impact of the adoption of IFRS 15.

5. DUE TO MILLENNIUM III CAPITAL CORPORATION

The majority shareholder of LeMarchant Properties Limited is also the majority shareholder of Millennium III Capital Corporation ("Millennium III"). This balance is non-interest bearing without fixed terms of repayment.

6. SHARE CAPITAL

(a) Authorized:

The Company is authorized to issue:

- An unlimited number of voting common shares
- An unlimited number of non-voting first preferred shares
- An unlimited number of non-voting second preferred shares

(b) Issued and outstanding:

See the Statements of Changes in Shareholders' Equity.

LeMARCHANT PROPERTIES LIMITED

Notes to the Financial Statements

December 31, 2016

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial assets and financial liabilities are measured on an ongoing basis at fair value or amortized cost. The disclosures in the notes to these financial statements describe how the categories of financial instruments are measured and how income and expenses, including fair value gains and losses, are recognized.

Financial instruments recognized at fair value on the statement of financial position must classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The fair value hierarchy levels are as follows:

- Level 1: Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques based on inputs that are other than Level 1 quoted prices that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices).
- Level 3: Valuation techniques with unobservable market inputs (involves assumptions and estimates by management).

As at December 31, 2016 the classification of the financial instruments, as well as their carrying values and fair values, with comparative figures for December 31, 2015, are shown in the table below:

Classification	December 31, 2016		December 31, 2015	
	Fair value	Carrying value	Fair value	Carrying value
<i>Financial assets</i>				
Cash and equivalents	1	1	1	1
Accounts receivable	-	-	-	-
<i>Financial liabilities</i>				
Accounts payable	-	-	-	-

The fair values of the Company's financial instruments measured at December 31, 2016 approximate their carrying value and constitute Level 1 measurements for its cash and equivalents within the fair value hierarchy.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. The Company monitors its cash flows generated from operations and balances this with anticipated committed and contemplated outflows.

LeMARCHANT PROPERTIES LIMITED**Notes to the Financial Statements****December 31, 2016**

8. MANAGEMENT OF CAPITAL

The Company considers the items included in equity as capital.

The Company's objective in managing capital is to maintain adequate levels of funding to safeguard its ability to continue as a going concern. In order to achieve these objectives, the Company may adjust its capital in light of changes in its business plans and results as well as overall economic conditions.

TWIGG & COMPANY
CHARTERED ACCOUNTANTS

J.S. TWIGG B.Comm., C.A.

L.D. SAFINUK B. Comm., C.A.

M. LINGARD B. Comm., C.A.

650 REGENCY CENTER
333 - 25th STREET EAST
SASKATOON, SK. S7K 0L4

TELEPHONE (306) 244-0808
FACSIMILE (306) 244-0004

LeMarchant Properties Limited

Interim Financial Statements

for the three months ended March 31, 2017

TWIGG & COMPANY
CHARTERED ACCOUNTANTS

J.S. TWIGG *B.Comm., C.A.*

L.D. SAFINUK *B. Comm., C.A.*

M. LINGARD *B. Comm., C.A.*

650 REGENCY CENTER
333 - 25th STREET EAST
SASKATOON, SK. S7K 0L4

NOTICE TO READER

**To the Shareholders of
LeMarchant Properties Limited**

On the basis of information provided by management, we have compiled the statements of financial position of LeMarchant Properties Limited as at March 31, 2017 and the statements of operations and comprehensive income, changes in shareholders' equity and cash flows for the three months then ended.

We have not performed an audit or a review engagement in respect of these statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

SASKATOON, SASKATCHEWAN
June 28, 2017

Twigg & Company
CHARTERED ACCOUNTANTS

LeMARCHANT PROPERTIES LIMITED

STATEMENTS OF FINANCIAL POSITION
(IN CANADIAN DOLLARS)

ASSETS	(Unaudited)		(Unaudited)	
	<u>March 31, 2017</u>		<u>March 31, 2016</u>	
Current				
Cash	\$	1	\$	1
		1		1
LIABILITIES				
Current				
Due to Millennium III Capital Corporation (Note 4)	\$	800	\$	800
		800		800
SHAREHOLDERS' EQUITY				
Share capital (Note 5)		1		1
Deficit		(800)		(800)
		(799)		(799)
	\$	1	\$	1

See accompanying notes

APPROVED BY THE BOARD

"E.J. Kearley"

Director

"J. Kearley"

Director

LeMERCHANT PROPERTIES LIMITED

STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(IN CANADIAN DOLLARS)

	<i>(Unaudited)</i>	
	Three months ended	Three months ended
	March 31, 2017	March 31, 2016
Revenue	\$ -	\$ -
Expenses	-	-
Net income and comprehensive income for the period	-	-
Earnings per share - basic and diluted	\$ -	\$ -
Weighted average number of shares outstanding - basic and diluted	100	100

LeMARCHANT PROPERTIES LIMITED

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(IN CANADIAN DOLLARS)

	Number of shares	Share Capital	Deficit	Total
Balance at January 1, 2016	100	1	(800)	(799)
Net income and comprehensive income for the period	-	-	-	-
Balance, March 31, 2016	100 \$	1 \$	(800) \$	(799)
Net income and comprehensive income for the period	-	-	-	-
Balance, December 31, 2016	100 \$	1 \$	(800) \$	(799)
Net income and comprehensive income for the period	-	-	-	-
Balance, March 31, 2017	100	1	(800)	(799)

LeMARCHANT PROPERTIES LIMITED

STATEMENTS OF CASH FLOWS

(IN CANADIAN DOLLARS)

		(Unaudited) Three months ended March 31, 2017	(Unaudited) Three months ended March 31, 2016
Cash flows from (used in) operating activities			
Net income and comprehensive income for the period	\$	-	\$ -
Changes in non-cash working capital items:			
Accounts receivable		-	-
Accounts payable		-	-
		-	-
Cash flows from (used in) investing activities			
Purchase of share capital		-	-
		-	-
Cash flows from (used in) financing activities			
Advances from (to) Millennium III Capital Corporation		-	-
		-	-
Increase (decrease) in cash and cash equivalents			
		-	-
Cash, beginning of period		1	1
Cash, end of period	\$	1	\$ 1
Cash and equivalents is comprised of:			
Cash	\$	1	\$ 1
	\$	1	\$ 1
Supplemental cash flow disclosure:			
Interest paid		NIL	NIL
Income tax paid		NIL	NIL

LeMARCHANT PROPERTIES LIMITED

Notes to the Interim Financial Statements

Three months ended March 31, 2017

1. CORPORATE INFORMATION AND NATURE OF OPERATIONS

LeMarchant Properties Limited ("the Company") was incorporated under the *Canada Business Corporations Act* on December 11, 2006.

The objective of the Company is to operate as the general partner of a limited partnership known as LeMarchant Properties Limited Partnership. The sole business of this partnership is to acquire all, or an interest therein, and operate five modern multi-tenant commercial buildings known as Warman Plaza located at 520 Central Street West, Warman, Saskatchewan.

The registered office of the Company is 2612 Koyl Avenue, Saskatoon, Saskatchewan, S7L 5X9.

2. BASIS OF PRESENTATION AND GOING CONCERN

A) Statement of compliance

These interim statements are unaudited and have been prepared in accordance with International Accounting Standards ("IAS") 34, *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB").

These financial statements were approved by the Board of Directors on June 28, 2017.

B) Basis of Presentation

The preparation of financial statements in compliance with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and the related underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These interim financial statements are prepared on the historical cost basis. The Company's presentation and functional currency is Canadian dollars.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue Recognition

Interest income is recognized using the effective interest method.

b) Cash and equivalents

Cash equivalents consist of highly liquid investments which are readily convertible into cash and subject to an insignificant risk of change in value. Interest from cash is recorded on an accrual basis. The Company has designated cash as fair value through profit and loss. All gains are recognized in income in the period in which they arise.

LeMARCHANT PROPERTIES LIMITED

Notes to the Interim Financial Statements

Three months ended March 31, 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Income taxes

Income tax expense represents current tax and deferred tax. The Company records current tax based on the taxable profits for the period which is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred income taxes are accounted for using the liability method. The liability method requires that income taxes reflect the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred income tax assets and liabilities are determined for each temporary difference based on currently enacted or substantially enacted tax rates that are expected to be in effect when the underlying items of income or expense are expected to be realized. The effect of a change in tax rates or tax legislation is recognized in the period of substantive enactment. Deferred tax assets, such as non-capital loss carry forwards, are recognized to the extent it is probable that taxable profit will be available against which the asset can be utilized.

The determination of income taxes requires the use of judgment and estimates. If certain judgments or estimates prove to be inaccurate, or if certain tax rates or laws change, the Company's results of operations and financial position could be materially impacted.

d) Share capital

The Company records proceeds from share issuances net of issue costs.

e) Basic and diluted earnings per share

Basic earnings per share are computed by dividing the income for the period by the weighted average number of common shares outstanding during the period. Diluted earnings per share reflect the potential dilution that could occur if potentially dilutive securities were exercised or converted to Common Shares. The dilutive effect of options and warrants and their equivalent is computed by application of the treasury stock method and the effect of convertible securities by the "if converted" method. Fully diluted amounts are not presented when the effect of the computations are anti-dilutive due to the losses incurred.

f) Financial instruments

All financial assets are initially recorded at fair value and classified into one of four categories: held to maturity, available for sale, loans and receivable or at fair value through profit or loss ("FVTPL"). All financial liabilities are initially recorded at fair value and classified as either FVTPL or other financial liabilities.

LeMARCHANT PROPERTIES LIMITED

Notes to the Interim Financial Statements

Three months ended March 31, 2017

4. DUE TO MILLENNIUM III CAPITAL CORPORATION

The majority shareholder of LeMarchant Properties Limited is also the majority shareholder of Millennium III Capital Corporation ("Millennium III"). This balance is non-interest bearing without fixed terms of repayment.

5. SHARE CAPITAL

(a) Authorized:

The Company is authorized to issue:

- An unlimited number of voting common shares
- An unlimited number of non-voting first preferred shares
- An unlimited number of non-voting second preferred shares

(b) Issued and outstanding:

See the Statements of Changes in Shareholders' Equity.

6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial assets and financial liabilities are measured on an ongoing basis at fair value or amortized cost. The disclosures in the notes to these financial statements describe how the categories of financial instruments are measured and how income and expenses, including fair value gains and losses, are recognized.

Financial instruments recognized at fair value on the statement of financial position must classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The fair value hierarchy levels are as follows:

- Level 1: Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques based on inputs that are other than Level 1 quoted prices that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices).
- Level 3: Valuation techniques with unobservable market inputs (involves assumptions and estimates by management).

LeMARCHANT PROPERTIES LIMITED

Notes to the Interim Financial Statements

Three months ended March 31, 2017

6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

As at March 31, 2017 the classification of the financial instruments, as well as their carrying values and fair values, with comparative figures for March 31, 2016, are shown in the table below:

Classification	March 31, 2017		March 31, 2016	
	Fair value	Carrying value	Fair value	Carrying value
<i>Financial assets</i>				
Cash and equivalents	1	1	1	1
Accounts receivable	-	-	-	-
<i>Financial liabilities</i>				
Accounts payable	-	-	-	-

The fair values of the Company's financial instruments measured at March 31, 2017 approximate their carrying value and constitute Level 1 measurements for its cash and equivalents within the fair value hierarchy.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. The Company monitors its cash flows generated from operations and balances this with anticipated committed and contemplated outflows.

7. MANAGEMENT OF CAPITAL

The Company considers the items included in equity as capital.

The Company's objective in managing capital is to maintain adequate levels of funding to safeguard its ability to continue as a going concern. In order to achieve these objectives, the Company may adjust its capital in light of changes in its business plans and results as well as overall economic conditions.

-Unaudited see Notice to reader-

ITEM 13 FUTURE ORIENTED FINANCIAL INFORMATION

The accompanying Future Oriented Financial Information (“FOFI”) of LeMarchant Properties Limited Partnership, consisting of the balance sheet as at December 31, 2017 to December 31, 2022 and the statements of income and partners’ equity and cash flows for the six years then ending, has been prepared by management under the direction of, and has been approved by, a director of the General Partner using assumptions, including hypotheses, set out in the notes that form part of such FOFI, with an effective date of June 28, 2017.

This FOFI has been prepared by management for inclusion in this Offering Memorandum to assist prospective investors in evaluating a potential investment in the securities that are offered for sale pursuant to this Offering Memorandum and may not be appropriate for other purposes.

In the opinion of management, the assumptions in this FOFI are reasonable in the circumstances, the hypothesis included amongst the assumptions are consistent with the purpose of the FOFI, information in the FOFI can be reasonably estimated for the time period covered by the FOFI, and the accounting policies used in the preparation of the FOFI are consistent with the accounting policies that the Partnership expects to use to prepare its historical financial statement for the periods covered by the FOFI.

Since this FOFI is based upon assumptions regarding future events, actual events will vary from the information presented even if the hypotheses occur, and the variations may be material. See also Item 8, “Risk Factors” and see especially Risk Factor number 8 regarding Future Oriented Financial Information.

Neither the Partnership, the General Partner or the Project Promoter undertakes any obligation to update or revise this FOFI, whether as a result of new information, future events or otherwise, unless required by applicable laws.

LEMARCHANT PROPERTIES LIMITED PARTNERSHIP
PROJECTED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017 TO DECEMBER 31, 2022

	Dec 31, 2017	Dec 31, 2018	Dec 31, 2019	Dec 31, 2020	Dec 31, 2021	Dec 31, 2022
ASSETS:						
Cash:						
+ Contingency reserve (Note 4(f))	\$ 204,000	174,000	140,000	125,000	85,000	55,000
Due from related parties: (Note 5(a))						
+ Current year's cash surplus (Note 4(g))	0	101,189	101,635	103,425	67,507	78,787
+ Project reserve	49,980	0	0	0	0	0
+ Security deposits held	28,989	28,989	28,989	28,989	28,989	28,989
	<u>78,969</u>	<u>130,178</u>	<u>130,624</u>	<u>132,414</u>	<u>96,496</u>	<u>107,776</u>
Total current assets	282,969	304,178	270,624	257,414	181,496	162,776
Investment property (Note 3(b) and 5(b))	<u>7,917,240</u>	<u>7,637,988</u>	<u>7,371,904</u>	<u>7,118,300</u>	<u>6,876,531</u>	<u>6,645,987</u>
TOTAL ASSETS	\$ 8,200,209	7,942,166	7,642,528	7,375,714	7,058,027	6,808,763
LIABILITIES AND PARTNERS' EQUITY:						
Deferred revenue	\$ 28,989	28,989	28,989	28,989	28,989	28,989
Current portion of long-term debt	<u>293,659</u>	<u>324,741</u>	<u>332,949</u>	<u>400,961</u>	<u>402,986</u>	<u>411,825</u>
Total current liabilities	322,648	353,730	361,938	429,950	431,975	440,814
Mortgages payable (Note 3(c)(ii))						
+ 1st mortgage	5,452,601	5,187,860	4,914,911	4,573,950	4,230,964	3,879,139
+ 2nd mortgage	<u>540,000</u>	<u>480,000</u>	<u>420,000</u>	<u>360,000</u>	<u>300,000</u>	<u>240,000</u>
Total liabilities	6,315,249	6,021,590	5,696,849	5,363,900	4,962,939	4,559,953
Partners' equity	<u>1,884,960</u>	<u>1,920,576</u>	<u>1,945,679</u>	<u>2,011,814</u>	<u>2,095,088</u>	<u>2,248,810</u>
TOTAL LIABILITIES AND PARTNERS' EQUITY	\$ 8,200,209	7,942,166	7,642,528	7,375,714	7,058,027	6,808,763

LEMARCHANT PROPERTIES LIMITED PARTNERSHIP
PROJECTED STATEMENT OF INCOME AND PARTNERS' EQUITY
FOR THE YEARS ENDING DECEMBER 31, 2017 TO DECEMBER 31, 2022

	2017	2018	2019	2020	2021	2022
REVENUES: (Note 4(a) to 4(d))						
Gross rental revenues	\$ 0	839,692	862,598	886,145	923,320	962,211
Less: Occupancy costs	0	228,527	233,098	237,760	242,515	247,365
NET RENTAL REVENUES	<u>0</u>	<u>611,165</u>	<u>629,500</u>	<u>648,385</u>	<u>680,805</u>	<u>714,846</u>
OTHER EXPENSES:						
Accounting, legal and audit	0	10,000	10,200	10,400	10,600	10,800
Depreciation expense (Note 5(b))	0	279,252	266,084	253,604	241,769	230,544
Interest on long-term debt	0	209,384	199,119	187,911	174,639	182,086
Leasing charges	0	25,733	26,505	27,300	28,665	30,099
Financial services	0	0	0	0	36,933	38,488
Miscellaneous expense	0	1,200	1,300	1,400	1,500	1,600
Repairs and maintenance	300,900	49,980	0	0	0	0
TOTAL OTHER EXPENSES	<u>300,900</u>	<u>575,549</u>	<u>503,208</u>	<u>480,615</u>	<u>494,106</u>	<u>493,617</u>
NET INCOME (LOSS) FOR THE YEAR	(300,900)	35,616	126,292	167,770	186,699	221,229
CAPITAL CONTRIBUTIONS DURING THE YEAR (Note 3(c)(i))	5,038,800	0	0	0	0	0
UNIT OFFERING COSTS (Note 3(c))	(2,852,940)	0	0	0	0	0
CAPITAL DISTRIBUTIONS DURING THE YEAR (Note 4(g))	0	0	(101,189)	(101,635)	(103,425)	(67,507)
PARTNERS' CAPITAL, BEGINNING OF YEAR	<u>0</u>	<u>1,884,960</u>	<u>1,920,576</u>	<u>1,945,679</u>	<u>2,011,814</u>	<u>2,095,088</u>
PARTNERS' CAPITAL, END OF YEAR	<u>\$ 1,884,960</u>	<u>1,920,576</u>	<u>1,945,679</u>	<u>2,011,814</u>	<u>2,095,088</u>	<u>2,248,810</u>

LEMARCHANT PROPERTIES LIMITED PARTNERSHIP
PROJECTED STATEMENT OF CASH FLOW
FOR THE YEARS ENDING DECEMBER 31, 2017 TO DECEMBER 31, 2022

	2017	2018	2019	2020	2021	2022
CASH PROVIDED BY (USED IN):						
Operating Activities:						
Net income (loss) for the year	\$ (300,900)	35,616	126,292	167,770	186,699	221,229
Item not affecting cash:						
Depreciation expense	<u>0</u>	<u>279,252</u>	<u>266,084</u>	<u>253,604</u>	<u>241,769</u>	<u>230,544</u>
	(300,900)	314,868	392,376	421,374	428,468	451,773
Changes in non-cash working capital:						
Deferred revenue	<u>28,989</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Provided By (Used In) Operating Activities	<u>(271,911)</u>	<u>314,868</u>	<u>392,376</u>	<u>421,374</u>	<u>428,468</u>	<u>451,773</u>
Investing Activities:						
Purchase of investment property	<u>(7,917,240)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Used In Investing Activities	<u>(7,917,240)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Financing Activities:						
Advances from related parties	0	0	0	0	35,918	0
Advances to related parties	(78,969)	(51,209)	(446)	(1,790)	0	(11,280)
Increase in long-term debt	6,286,260	0	0	0	0	0
Repayment of long-term debt	0	(293,659)	(324,741)	(332,949)	(400,961)	(402,986)
Capital contributions	5,038,800	0	0	0	0	0
Unit offering costs	(2,852,940)	0	0	0	0	0
Capital distributions	<u>0</u>	<u>0</u>	<u>(101,189)</u>	<u>(101,635)</u>	<u>(103,425)</u>	<u>(67,507)</u>
Cash Provided By (Used In) Financing Activities	<u>8,393,151</u>	<u>(344,868)</u>	<u>(426,376)</u>	<u>(436,374)</u>	<u>(468,468)</u>	<u>(481,773)</u>
Change In Cash During The Year	<u>204,000</u>	<u>(30,000)</u>	<u>(34,000)</u>	<u>(15,000)</u>	<u>(40,000)</u>	<u>(30,000)</u>
Cash, Beginning Of Year	<u>0</u>	<u>204,000</u>	<u>174,000</u>	<u>140,000</u>	<u>125,000</u>	<u>85,000</u>
Cash, End Of Year	<u>\$ 204,000</u>	<u>174,000</u>	<u>140,000</u>	<u>125,000</u>	<u>85,000</u>	<u>55,000</u>

NOTES TO FUTURE ORIENTED FINANCIAL INFORMATION**FOR THE YEARS ENDING DECEMBER 31, 2017 TO DECEMBER 31, 2022****1. LEMARCHANT PROPERTIES LIMITED PARTNERSHIP**

LeMarchant Properties Limited Partnership (the “Partnership”) is a limited partnership formed under the laws of Saskatchewan pursuant to a limited partnership agreement between LeMarchant Properties Limited, as general partner (the “General Partner”) and FLP Investments Limited as founding limited partner, originally made as of January 01, 2007 and as amended and restated as of June 28, 2017 (the “Partnership Agreement”). Pursuant to this Partnership Agreement, the sole business of the Partnership (the “Business”) is to acquire, or acquire an interest therein, and operate five modern, multi-tenant, commercial buildings, known as Warman Plaza (collectively, the “Property” or “Project”). Pursuant to an Agreement for Sale between the Partnership and Millennium III Capital Corporation (“Millennium”) dated June 28, 2017 (the “Agreement for Sale”) the Partnership will acquire beneficial ownership, or an interest therein, of the Project on or about December 30, 2017. Also effective June 28, 2017 the Partnership entered into a Services Agreement (the “Services Agreement”) with Millennium (the “Project Promoter”) and the General Partner entered into a Property Management Agreement (the “Management Agreement”) with Fortress Properties Inc. (“Fortress Properties” or the “Property Manager”). The Partnership also may enter into a Co-Ownership Agreement with Millennium on or about December 31, 2017, in the event the Partnership purchases a partial interest in the Project.

As at the original date of this Future Oriented Financial Information (“FOFI”) – June 2017 – the Partnership had not commenced active business operations.

The FOFI is based upon hypotheses and assumptions and there is a significant risk that actual results will vary, perhaps materially, from the results projected. Material risk factors include increased vacancy rates, inability to retain tenants, overages on refurbishment costs and failure to renegotiate the first mortgage on the listed terms.

2. FUTURE ORIENTED FINANCIAL INFORMATION

The FOFI, consisting of a projected statement of financial position as at December 31, 2017 to December 31, 2022, projected statement of income and partners’ equity and projected statement of cash flow for the six years then ending, has been prepared by management of the General Partner for inclusion in an Offering Memorandum, pursuant to which the Partnership will offer for sale 204 Limited Partnership Units for gross proceeds of \$5,038,800.00 (\$24,700.00 per Unit) and to assist prospective investors in evaluating a potential investment in the Units under such Offering Memorandum. This FOFI may not be appropriate for any other purposes. This FOFI has been prepared by management using assumptions formulated in June 2017 that reflect its planned course of action for the periods presented given management’s judgment as to the most probable set of economic conditions together with hypotheses that are consistent with the Partnership’s intended course of action and represent plausible circumstances.

Actual results achieved for this period will vary from the projected results and the variations may be material.

LEMARCHANT PROPERTIES LIMITED PARTNERSHIP

NOTES TO FUTURE ORIENTED FINANCIAL INFORMATION

FOR THE YEARS ENDING DECEMBER 31, 2017 TO DECEMBER 31, 2022

Neither the Partnership, the General Partner nor the Project Promoter are responsible for updating this FOFI.

3. SIGNIFICANT HYPOTHESES

The FOFI has been prepared on the basis of the following hypotheses:

- (a) That the offering of 204 Limited Partnership Units by the Partnership is fully subscribed and the Partnership purchases the full beneficial interest of the Project.
- (b) That the Partnership will acquire beneficial ownership of the Property effective December 30, 2017 at a cost, pursuant to the Agreement for Sale, of \$7,917,240.00, which will be allocated between the land, buildings, and existing pavement and site work as follows:

(i) Land -	\$ 1,559,988.00
(ii) Buildings -	\$ 5,733,216.00
(iii) Existing Pavement and Site Work -	<u>\$ 624,036.00</u>
TOTAL	\$ 7,917,240.00
- (c) The total Project costs of \$11,325,060.00, consisting of capital costs of \$7,917,240.00 as described in paragraph (b) above, together with unit offering costs consisting of all fees payable by the Partnership pursuant to the Services Agreement of \$2,852,940.00, plus \$350,880.00 for building exterior and site refurbishing services and a further \$204,000.00 for the establishment of a contingency reserve. The total Project costs will be financed through a combination of equity and debt financing obtained on or prior to December 30, 2017, as follows:
 - (i) the Partnership will receive \$5,038,800.00 through the issuance of 204 Units at \$24,700.00 per Unit pursuant to the Offering; and
 - (ii) the Partnership will receive \$6,286,260.00 in mortgage financing arranged by the Project Promoter pursuant to the Services Agreement. Such mortgage financing is projected to include:
 - a first mortgage of \$5,708,943.00, repayable in monthly instalments of \$36,405.00, including principal and interest calculated at 3.25% compounded semi-annually, amortized over 17 years, due April 01, 2022,
 - a second mortgage of \$577,317.00, with interest payable at 5.0% compounded annually, due December 31, 2027,
 - an increase in the first mortgage payment on January 01, 2021 to \$41,217.00, including principal and interest, with the amortization reduced by 2 years to 12 years,

NOTES TO FUTURE ORIENTED FINANCIAL INFORMATION

FOR THE YEARS ENDING DECEMBER 31, 2017 TO DECEMBER 31, 2022

- a renewal of the first mortgage on April 01, 2022, repayable in monthly instalments of \$42,776.00, including principal and interest calculated at 4.00% compounded semi-annually, with an amortization of 10 years and 8 months, due April 01, 2027,
- Lump sum payments on the second mortgage of \$37,317.00 on December 31, 2018 and \$60,000.00 on December 31 annually thereafter.

4. SIGNIFICANT OTHER ASSUMPTIONS

In addition to the hypotheses outlined in Note 3 above, the FOFI is based on the following other assumptions:

- (a) That the Partnership will not acquire beneficial ownership of the Property until December 30, 2017, such that it will not receive any material rental revenues in 2017. Net rental revenues for 2018 are based upon leases in place for the Property as of June 14, 2017 and projected renewals of existing leases coming due before the end of 2017, as follows:

Unit No.	Sq.Feet	Rent per Sq. Foot	Net Rent
1A	2,650 sq. ft.	\$14.00 per sq. ft	\$37,100.00
1B	3,400 sq. ft.	\$17.33 per sq. ft	\$58,922.00
1C	10,305 sq. ft.	\$12.50 per sq. ft	\$128,813.00
2A/2B	4,473 sq. ft.	\$15.00 per sq. ft	\$67,095.00
2C	1,541.55 sq. ft.	\$18.00 per sq. ft	\$27,748.00
3A	2,500 sq. ft.	\$8.30 per sq. ft	\$20,750.00
3B	1,560 sq. ft.	\$15.00 per sq. ft	\$23,400.00
3C	1,354 sq. ft.	\$13.00 per sq. ft	\$17,602.00
3D	890 sq. ft.	\$15.00 per sq. ft	\$13,350.00
3E	1,450 sq. ft.	\$15.00 per sq. ft	\$21,750.00
3G	490 sq. ft.	\$21.00 per sq. ft	\$10,290.00
4A/4B	2,400 sq. ft.	\$12.00 per sq. ft	\$28,800.00
4C	2,600 sq. ft.	\$16.42 per sq. ft	\$42,692.00
5	15,780 sq. ft.	\$9.00 per sq. ft	\$142,020.00
Signage			<u>\$ 3,000.00</u>
Net Rental Revenues Before Revenue Reduction Factor			\$643,332.00
Revenue Reduction – Vacancy and Unallocated Occupancy Costs			<u>\$32,167.00</u>
Net Rental Revenues Projected for 2018			<u>\$611,165.00</u>

- (b) Net rental revenues (before application of the net revenue reduction factor) are projected to increase by 3% in 2019 and 2020 and by 5% in 2021 and 2022.
- (c) A net revenue reduction factor is projected for vacancies and unallocated occupancy costs as follows:

LEMARCHANT PROPERTIES LIMITED PARTNERSHIP

NOTES TO FUTURE ORIENTED FINANCIAL INFORMATION

FOR THE YEARS ENDING DECEMBER 31, 2017 TO DECEMBER 31, 2022

- (i) 2017 - 5% of net rent as calculated in Note 4(a) above;
 - (ii) 2018 - 5% of net rent as calculated pursuant to Note 4(a) and (b) above;
 - (iii) 2019 - 5% of net rent as calculated pursuant to Note 4(a) and (b) above;
 - (iv) 2020 - 5% of net rent as calculated pursuant to Note 4(a) and (b) above;
 - (v) 2021 - 5% of net rent as calculated pursuant to Note 4(a) and (b) above.
- (d) Gross rental revenues consist of net rental revenues as described in Notes 4(a), (b) and (c) above, plus occupancy costs. Occupancy costs typically include building insurance, property taxes, repair and maintenance, utilities and management fees payable to Fortress Properties by the Partnership pursuant to the Management Agreement. These occupancy costs, as incurred by the Partnership, as landlord, are recoverable from the tenants on a proportionate share basis in addition to the tenants' net rental payments described above. Occupancy costs are estimated at \$228,527.00 for 2018 and are projected to increase at 2% per year thereafter. All occupancy costs are recoverable from the tenants except those allocated to any vacant space.
- (e) The Partnership's cost of the land, buildings and existing pavement and site work pursuant to the Agreement for Sale are capitalized for accounting purposes as described in Note 3(b) and are then depreciated for accounting purposes as calculated in Note 5(b) below.

For income tax purposes, it is projected that the unit offering costs under the Services Agreement, including the \$350,880.00 in fees for building exterior and site refurbishing services under the Services Agreement, will be deductible over five years as follows:

(i)	2017	\$ 2,556,120.00	\$ 12,530.00 / Unit
(ii)	2018	\$ 234,600.00	\$ 1,150.00 / Unit
(iii)	2019	\$ 137,700.00	\$ 675.00 / Unit
(iv)	2020	\$ 137,700.00	\$ 675.00 / Unit
(v)	2021	\$ 137,700.00	\$ 675.00 / Unit

It is also projected that capital cost allowance on the buildings and existing pavement and site work will be deductible on a declining balance basis at a rate of 4% and 8%, respectively, provided that capital cost allowance will not be claimed to create or increase a loss for income tax purposes in any year.

- (f) The Subscription Price for the 204 Units to be distributed pursuant to the Offering includes \$1,000.00 per Unit to establish a contingency reserve of \$204,000.00 (the "Contingency Reserve"). This Contingency Reserve will be used by the Partnership if required to fund operating shortfalls and prevent or mitigate a Cash Flow Deficiency of the Partnership; but may be refunded in whole or in part at any time if, in the judgment of the General Partner, the Contingency Reserve is

NOTES TO FUTURE ORIENTED FINANCIAL INFORMATION

FOR THE YEARS ENDING DECEMBER 31, 2017 TO DECEMBER 31, 2022

not required to fund operating shortfalls. It is projected that this Contingency Reserve will be refunded as part of the Projected Capital Distributions described in Note 4(g) below.

- (g) Capital distributions are projected to be made to Partners beginning in the year 2019 and then continuing over the balance of the period of the FOFI. The Projected Capital Distributions in each of these years are based on the Partnership's Projected Net Income (or Loss) from operations in the preceding year after adding back non-cash expenses (i.e. depreciation) and deducting principal payments on long-term debt in that previous year, and then repaying a portion of the Contingency Reserve, all as described in the following table:

Projected Capital Distributions					
	2018	2019	2020	2021	2022
Net income from operations	\$35,616	126,292	167,770	186,699	221,229
Add back non-cash expenses (depreciation)	279,252	266,084	253,604	241,769	230,544
Less repayment of long-term debt	(293,659)	(324,741)	(332,949)	(400,961)	(402,986)
Plus allocation from contingency reserve	30,000	34,000	15,000	40,000	30,000
Plus allocation from project reserve ⁽¹⁾	49,980				
Capital distribution to limited partners ⁽²⁾					
- Total	101,189	101,635	103,425	67,507	78,787
- Per Unit	496	498	507	331	386
Notes:					
(1) Projected operating expenses in 2018 include \$49,980 in Building Exterior and Site Refurbishing Services provided pursuant to the Services Agreement and paid for by the Partnership from funds raised pursuant to the Offering.					
(2) Pursuant to Section 4.05 of the Partnership Agreement, Net Cash Receipts, if any, for each Fiscal Period are distributed to Limited Partners within 180 days after each Fiscal Period. Thus, for example, the projected capital distribution of \$101,189 relative to 2018 would be made in the first 180 days of 2019.					

5. ACCOUNTING POLICIES

The FOFI has been prepared in accordance with the accounting policies expected to be used in presenting historical financial statements for the future periods, as follows:

LEMARCHANT PROPERTIES LIMITED PARTNERSHIP

NOTES TO FUTURE ORIENTED FINANCIAL INFORMATION

FOR THE YEARS ENDING DECEMBER 31, 2017 TO DECEMBER 31, 2022

(a) Basis of presentation

This FOFI does not include all of the assets, liabilities, revenues and expenses of the partners, but only those relating to the Business carried on as LeMarchant Properties Limited Partnership. No provision has been made for salaries to the partners or for interest on the capital accounts of partners as, pursuant to the Partnership Agreement, no such salaries or interest is payable.

Amounts due from related parties consist of funds held on behalf of the Partnership by Fortress Properties pursuant to the Management Agreement and/or by the Project Promoter for distribution to Limited Partners. Such funds include:

- i) rental revenues collected net of expenses paid by the Property Manager on behalf of the Partnership pursuant to the Management Agreement,
- ii) security deposits paid by the tenants of the buildings, and
- iii) funds designated to be distributed to Limited Partners.

(b) Investment property

Investment property is recorded at cost.

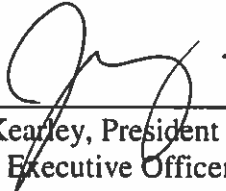
Depreciation is recorded, assuming no salvage value, using the diminishing balance method at the following annual rates:

Buildings	4%
Existing pavement and site work	8%

(c) Income taxes

No provision has been made in this FOFI for income taxes which may be payable or recoverable by the Partners by virtue of their participation in this Partnership.

ITEM 14 DATE AND CERTIFICATE**DATED June 30, 2017****This Offering Memorandum does not contain a misrepresentation.****LEMARCHANT PROPERTIES LIMITED, as
General Partner and on behalf of LEMARCHANT
PROPERTIES LIMITED PARTNERSHIP**

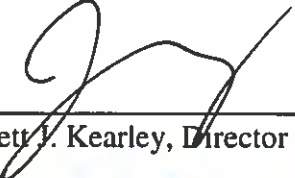
Per: 

John Kearley, President
(Chief Executive Officer)

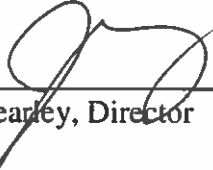
Per: 

Allan Lebiszczyk, Secretary-Treasurer
(Chief Financial Officer)

**ON BEHALF OF THE BOARD OF DIRECTORS
OF LEMARCHANT PROPERTIES LIMITED**

Per: 

Everett J. Kearley, Director

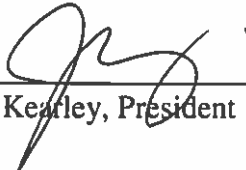
Per: 

John Kearley, Director

Per: 

Daniel Bollinger, Director

**BY THE PROMOTER OF LEMARCHANT
PROPERTIES LIMITED PARTNERSHIP****Millennium III Capital Corporation**

Per: 

John Kearley, President

ANNEX I

LEMARCHANT PROPERTIES LIMITED PARTNERSHIP

THIS AGREEMENT originally made as of the 1st day of January, 2007, and as amended and restated as of the 28th day of June, 2017.

B E T W E E N:

LEMARCHANT PROPERTIES LIMITED, a business corporation
incorporated under the laws of Saskatchewan,

(the “General Partner”)

OF THE FIRST PART

- and -

FLP INVESTMENTS LIMITED, a business corporation incorporated under the
laws of Saskatchewan,

(the “Founding Limited Partner”)

OF THE SECOND PART

- and -

EACH PARTY WHO FROM TIME TO TIME IS ADMITTED AS A LIMITED
PARTNER IN THE LIMITED PARTNERSHIP PURSUANT TO THIS
AGREEMENT

OF THE THIRD PART

LIMITED PARTNERSHIP AGREEMENT

WHEREAS the General Partner and Founding Limited Partner have agreed to
form a partnership for the purpose of acquiring and operating the Property and deriving income
therefrom;

AND WHEREAS the Partners wish to set forth in this Agreement certain
provisions respecting the formation, structure, capitalization and operation of the Partnership;

NOW THEREFORE, in consideration of the premises and mutual covenants
herein contained, the parties agree as follows:

ARTICLE 1.00 - INTERPRETATION

1.01 Definitions

In addition to the words and phrases defined elsewhere herein, for the purposes of this Agreement, unless the context indicates otherwise, the following terms shall have the following meanings:

- (a) “Agreement” means this limited partnership agreement as it may from time to time be supplemented or amended by one or more agreements entered into pursuant to the applicable provisions hereof and includes any schedules hereto, and the expressions “herein”, “hereto”, “hereof”, “hereby”, “hereunder” and similar expressions refer to this Agreement as so defined and not to any particular article, section or other subdivision hereof;
- (b) “Business” means the business of the Partnership as described in Section 2.03 hereof;
- (c) “Business Day” means any day other than a Saturday, Sunday or a statutory or civic holiday in Saskatoon, Saskatchewan;
- (d) “*Business Names Registration Act*” means *The Business Names Registration Act* (Saskatchewan), as amended and in force from time to time;
- (e) “Capital Contributions” means the aggregate cash amount contributed to the capital of the Partnership by the General Partner and by the Limited Partners in respect of Units issued to such Limited Partners;
- (f) “Cash Flow Deficiency” means where the Partnership has negative Net Cash Receipts;
- (g) “Cash Flow Deficiency Loans” means loans that may be required to be made by the Project Sponsor to the Partnership during the Commitment Period pursuant to the Services Agreement;
- (h) “Certificate” or “Declaration” means the declaration filed pursuant to the *Partnership Act* and the *Business Names Registration Act* pursuant to which, *inter alia*, the Partnership is created as a limited partnership, as the same may be amended from time to time;
- (i) “Commitment Period” means the period ending December 31, 2022, during which the Project Sponsor may be required, pursuant to the Services Agreement, to provide Cash Flow Deficiency Loans to the Partnership;
- (j) “Co-Ownership Agreement” means a Co-Ownership Agreement between the General Partner, on behalf of the Partnership, and the Project Sponsor to be entered into in the event that the offering of the 204 Units as referenced in Section

3.05 hereof is not fully subscribed and the Partnership purchases a partial interest in the Property, as may be amended and supplemented from time to time;

- (k) “Extra-Ordinary Resolution” means a resolution passed by at least seventy-five (75%) percent of the votes cast at a duly constituted meeting of Limited Partners, or alternatively a written resolution in one or more counterparts, a copy of which shall have been delivered to each Limited Partner, and signed by Limited Partners representing, in aggregate, at least seventy-five (75%) percent of the outstanding Units in good standing;
- (l) “Fiscal Period” has the meaning given such term in Section 2.04 hereof;
- (m) “General Partner” means the Party of the First Part, or if it ceases to be the General Partner, any successor general partner appointed in the manner provided in this Agreement;
- (n) “*Income Tax Act*” means the *Income Tax Act* (Canada), as amended and in force from time to time;
- (o) “Limited Partner” means any person who is from time to time admitted and remaining as a limited partner in the Partnership in accordance with this Agreement;
- (p) “Limited Recourse Financing” means borrowing or other indebtedness for which recourse is or is deemed to be limited within the meaning of the Tax Act;
- (q) “Maintenance Reserve” or “Contingency Reserve” has the meaning given such phrase in Section 4.08 hereof;
- (r) “Manager” means the person appointed from time to time by the General Partner as manager of the Property pursuant to the Management Agreement;
- (s) “Management Agreement” means a Property Management Agreement made between the General Partner and Fortress Properties Inc., dated June 28, 2017, pursuant to which the Manager is appointed to provide ongoing rental and property management for the Property. Management Agreement further means such other agreement that may hereafter be entered into in substitution or replacement for the Management Agreement, or either of the foregoing as they may from time to time be renewed or amended;
- (t) “Material Contracts” means, collectively, the Management Agreement, the Purchase Agreement, the Services Agreement and, if applicable, the Co-Ownership Agreement;
- (u) “Mortgage” means the mortgage or mortgages of the Property to be arranged by the Project Sponsor for the Partnership or any interest herein pursuant to the Services Agreement, the proceeds of which are necessary or desirable to fund the Partnership's acquisition of the Property pursuant to the Purchase Agreement

and/or the obligations of the Partnership pursuant to the Services Agreement. Also, "Mortgage" means such other mortgage of the Property as the General Partner, acting in accordance with this Agreement, may grant from time to time on behalf of the Partnership, whether in substitution or renewal of the foregoing or otherwise, and further for the purposes of this Agreement includes any other security affecting or encumbering any of the assets of the Partnership that may be granted by the General Partner to collaterally secure such Mortgages;

- (v) "Net Cash Receipts" means, for any Fiscal Period of the Partnership, all revenues and monies received by the Partnership in that Fiscal Period from or relating to the operation of the Business, including extraordinary receipts such as Capital Contributions of Partners, mortgage or other loan advances, or the proceeds of any sale, exchange, insurance claim, expropriation or other disposition of all or any part of the Property or other assets of the Partnership, after deducting therefrom all expenditures of the Partnership for that Fiscal Period (excepting non-cash expenses such as depreciation, amortization and capital cost allowance) which expenditures may include, without limiting the generality of the foregoing, all operating expenses, extraordinary expenses, debt service payments (including principal and interest payments) and capital expenditures, and after making such allowances and reserves as the General Partner considers reasonably necessary for the proper operation of the Property and Business and anticipated cash shortages in future years;
- (w) "Ordinary Resolution" means a resolution passed by more than fifty (50%) percent of the votes cast at a duly constituted meeting of Limited Partners, or alternatively a written resolution in one or more counterparts, a copy of which shall have been delivered to each Limited Partner, and signed by Limited Partners representing, in aggregate, more than fifty (50%) percent of the outstanding Units in good standing;
- (x) "Partner" means the General Partner or any Limited Partner;
- (y) "Partnership" or "Limited Partnership" means the partnership formed under this Agreement and constituted as a limited partnership under the laws of Saskatchewan upon the filing of the Declaration;
- (z) "*Partnership Act*" means *The Partnership Act* (Saskatchewan), as amended and in force from time to time;
- (aa) "Prime Rate" means the rate of interest expressed as an annual rate which the Royal Bank of Canada quotes from time to time as the reference rate of interest (commonly known as prime) for the purpose of determining the rate of interest that it charges to its commercial customers in Canada for loans in Canadian funds;
- (bb) "Project" means, collectively, the Property, the business and structure of the Partnership pursuant to this Agreement and the services and commitments provided to the Partnership pursuant to the Material Agreements;

- (cc) “Project Sponsor” means Millennium III Capital Corporation;
- (dd) “Property” means the lands and premises, or an interest therein, purchased or to be purchased for or on behalf of the Limited Partnership pursuant to the Purchase Agreement, together with such alterations, improvements and renovations as may from time to time be made thereto, as more particularly described in paragraph 2.03 hereof;
- (ee) “Purchase Agreement” means, the Agreement for Sale made as of June 28, 2017, between the Project Sponsor and the General Partner on behalf of the Partnership pursuant to which the General Partner agrees to purchase the Property on behalf of the Partnership;
- (ff) “Qualified Investment” means deposit accounts at or debt obligations or other securities of or guaranteed by a bank (to which the *Bank Act* (Canada) applies), trust corporation, loan corporation or insurance company (licensed pursuant to, as applicable, *The Trust and Loan Corporations Act, 1997* (Saskatchewan), *The Saskatchewan Insurance Act* (Saskatchewan) or *The Credit Union Act, 1998* (Saskatchewan) (or similar legislation of Canada or any other province or territory of Canada), and/or a security of or guaranteed by the Government of Canada or any province or territory of Canada;
- (gg) “Reorganization Transaction” has the meaning given that term in Section 12.10;
- (hh) “*Securities Act*” means the *Securities Act, 1998* (Saskatchewan), as amended and in force from time to time;
- (ii) “Securities Legislation” means the *Securities Act* and, where applicable, the securities legislation of any other jurisdiction having jurisdiction over the Partnership or over the trading or distribution of securities of the Partnership and includes all rules, regulations, orders of Security Regulatory Authorities and other instruments in force from time to time under such legislation;
- (jj) “Securities Regulatory Authority” means the Saskatchewan Financial and Consumer Affairs Authority and, where applicable, the regulatory authorities responsible for the administration of applicable Securities Legislation in any other jurisdiction;
- (kk) “Services Agreement” means an agreement made as of June 28, 2017 between the General Partner on behalf of the Partnership, and the Project Sponsor, pursuant to which the Project Sponsor agrees to provide certain services and commitments in connection with the financing and operations of the Partnership;
- (ll) “Sharing Ratio” means, at any time, the ratio that the number of Units held by a Limited Partner bears to the aggregate number of Units outstanding at that time held by all Limited Partners;

- (mm) “Special Resolution” means a resolution passed by at least sixty-six and two-thirds (66⅔%) percent of the votes cast at a duly constituted meeting of Limited Partners, or alternatively a written resolution in one or more counterparts, a copy of which shall have been delivered to each Limited Partner, and signed by Limited Partners representing, in aggregate, at least sixty-six and two-thirds (66⅔%) percent of the outstanding Units in good standing;
- (nn) “Subscriber” means a person who subscribes for Units in the Partnership, and who upon acceptance of such subscription by the General Partner and upon registration of an amendment to the Declaration is admitted as a Limited Partner in the Partnership;
- (oo) “Subscribers Loan” means a loan, arranged by the Project Sponsor pursuant to the Services Agreement, and made to a Subscriber by a bank, credit union or other financial institution to assist in the Subscriber's purchase of Units;
- (pp) “Transfer” means a voluntary sale or transfer of Units, in whole or in part, by a Limited Partner;
- (qq) “Transmission” means an involuntary transfer of Units, in whole or in part, by a Limited Partner resulting from the death, insolvency, or bankruptcy of a Limited Partner or otherwise by operation of law;
- (rr) “Unit” means an interest in the Partnership as described in Section 3.04 hereof;
- (ss) “Unit Certificate” means a certificate issued by the General Partner in the name of a Limited Partner pursuant to Section 3.06 hereof, to evidence such Limited Partner's ownership of Units;
- (tt) “Unanimous Resolution” means a resolution passed by one hundred (100%) percent of the votes cast at a duly constituted meeting of Limited Partners, or alternatively a written resolution in one or more counterparts signed by all Limited Partners holding Units in good standing.

1.02 **Interpretation**

In this Agreement, except as otherwise expressly provided:

- (a) any term used to denote an entity, or to denote a relationship between two or more entities, including without limitation, “associate”, “company”, “individual”, “person”, “affiliate”, “controlled” or “subsidiary”, has the meaning given such term by the *Securities Act*;
- (b) the division of this Agreement into articles and sections and the use of headings is for convenience of reference only and shall not modify or affect the interpretation or construction of this Agreement or any of its provisions. References herein to articles, sections, subsections, paragraphs, clauses or other subdivisions shall

refer, unless otherwise expressly stated, to articles, sections, subsections, paragraphs, clauses or other subdivisions of this Agreement;

- (c) all words and personal pronouns relating thereto shall be read and construed as the number and gender of the party or parties required and the verb shall be read and construed as agreeing with the required word and pronoun and grammatical variations of any defined term shall have like meaning;
- (d) when calculating the period of time within which or following which any act is done or step taken pursuant to this Agreement, the date which is the reference date in calculating such period shall be excluded. If the last day of such period is not a Business Day, the period in question shall end on the next succeeding Business Day;
- (e) all references to currency herein are references to Canadian currency;
- (f) any accounting terms that are not specifically defined shall be construed in accordance with International Financial Reporting Standards as prescribed by the Handbook of the CPA Canada Handbook;
- (g) any reference to a statute shall include and shall be deemed to be a reference to such statute and to the regulations made pursuant thereto including, if applicable, bylaws, with all amendments made thereto and in force from time to time, and to any statute or regulation that may be passed which has the effect of supplementing or superseding the statute so referred to or the regulations made pursuant thereto;
- (h) any reference to any entity shall include and shall be deemed to be a reference to any entity that is a successor to such entity.

ARTICLE 2.00 - THE PARTNERSHIP

2.01 Formation and Term

The Partnership was formed pursuant to this Agreement made under the laws of the Province of Saskatchewan on the 1st day of January, 2007 and was constituted as a limited partnership under the laws of the Province of Saskatchewan upon the filing of the Declaration pursuant to the *Partnership Act* and the *Business Names Registration Act* on the 3rd day of January, 2007. The Partnership shall continue until dissolved in accordance with this Agreement.

2.02 Name of Partnership

The Partnership shall carry on business under the name and style of LeMarchant Properties Limited Partnership or such other name or names as the General Partner may determine from time to time.

2.03 **Business**

The sole business of the Partnership shall be to acquire, outright or an interest in, and develop, manage and operate the commercial properties civically described as 520 Central Street West, Warman, Saskatchewan, and in part legally described as:

Surface Parcel # 145342199	Surface Parcel # 120901452
Block A	Block H
Plan 102204964	Plan 78S35814
Extension 3	Extension 6
As described on Certificate of	As described on Certificate of Title
Title 80S46182, description 3	92S23257, description 6

(collectively, the “Property”).

Once such Property is acquired by the General Partner on behalf of the Partnership, such Property shall not be sold, transferred or otherwise disposed of, except in accordance with this Agreement and the Co-Ownership Agreement, if applicable, and the Partnership shall carry on no business other than that of ownership, development, management and operation of the Property, or interest therein, to derive rental income therefrom with a view to making a profit. However, the Partnership shall have the power to do any and every act and thing necessary, proper, convenient or incidental to the Business as aforesaid.

2.04 **Fiscal Period**

The first Fiscal Period of the Partnership shall end on December 31 in the year the Partnership was formed, and on December 31 in each subsequent year during the term of the Partnership, or such other date as the General Partner may determine and Canada Revenue Agency may permit during the term of the Partnership and thereafter on the anniversary of such alternate date.

2.05 **Declaration**

As soon as practicable following the execution of this Agreement by the General Partner and Founding Limited Partner, and from time to time thereafter, all Partners shall execute and the General Partner shall cause to be registered the Declaration and such amendments to the Declaration and other documents and instruments as are or may be required pursuant to the *Partnership Act* and the *Business Names Registration Act* and any other applicable legislation, to form, register and maintain in good standing the Partnership as a limited partnership duly qualified to carry on business in Saskatchewan.

2.06 **Place of Business**

The principal place of business shall be the Property and the head office of the Partnership and the General Partner shall be located at 2612 Koyl Avenue, Saskatoon, Saskatchewan, S7L 5X9 or such other place of business as determined by the General Partner from time to time. Notice of any change in the head office of the Partnership or General Partner shall be delivered to the Limited Partners.

ARTICLE 3.00 - CAPITAL CONTRIBUTIONS AND UNITS

3.01 Capital

The capital of the Partnership shall consist of the aggregate Capital Contributions of the Partners, less any capital properly returned to Partners in accordance with the *Partnership Act* and this Agreement.

3.02 Capital Contribution by General Partner

The General Partner contributed One (\$1.00) Dollar to the capital of the Partnership upon its formation and shall be entitled to 0.01% of the income of the Partnership and to a return of such Capital Contribution upon dissolution of the Partnership as provided in Section 12.06 hereof (such entitlements being hereafter referred to as the "General Partner's Share"). Except for such General Partner's Share, and subject to Section 6.07 and 6.08 hereof, and except to the extent that the General Partner may additionally hold Units as a Limited Partner, the General Partner shall have no right to share in the income, distributions of Net Cash Receipts or capital of the Partnership.

3.03 Capital Contributions of Founding Limited Partner

The Founding Limited Partner contributed One (\$1.00) Dollar to the capital of the Partnership upon its formation and has been issued 1 Unit (the "Founding Unit"). Such Founding Unit shall be surrendered by the Founding Limited Partner for cancellation forthwith upon the admission of any new Limited Partner to the Partnership pursuant to paragraph 3.05 hereof, at which time the original Capital Contribution of the Founding Limited Partner shall be returned. Thereafter, the Founding Limited Partner shall have no right or interest in the Partnership except to the extent that they may acquire Units pursuant to Section 3.05 or Section 7.07 hereof.

3.04 Units Generally

In addition to the Capital Contributions of the General Partner and Founding Limited Partner as set forth in Sections 3.02 and 3.03 hereof, the Partnership may raise capital through the issuance and sale of Units in accordance with Section 3.05 hereof. Subject to Section 3.05 hereof, the Partnership is authorized to issue an unlimited number of Units and, except as specifically provided to the contrary herein, each issued and outstanding Unit shall have the rights, privileges, restrictions and conditions described below:

- (a) regardless of the price at which a Unit may be issued, each Unit shall represent a beneficial interest in all the assets and undertakings of the Partnership (other than the General Partner's Share) equal to each other Unit, with no Unit having any preference or right over any other Unit;
- (b) each Unit shall entitle the holder thereof to one vote in respect of each Unit held at all meetings of Partners and/or on all written resolutions of the Partnership, subject, however, to the provisions of Section 8.02 and Section 9.08 hereof;

- (c) each Unit shall entitle the holder to share in the income, losses, distribution of Net Cash Receipts and returns of capital of the Partnership as provided in Articles 4.00 and 12.00 hereof; and
- (d) in the event of dissolution of the Partnership, the holders of the Units shall be entitled to share, receive and have allocated to them all capital and other monies and properties available for distribution in accordance with Article 12.00 hereof.

3.05 **Sale and Issue of Units**

The General Partner shall initially be authorized to issue up to 204 Units at a subscription price (i.e. Capital Contribution) of \$24,700 per Unit, and otherwise on such terms and conditions as the General Partner may (subject to this Section 3.05) in its sole discretion determine.

In addition to such 204 Units authorized as aforesaid, additional Units ("Additional Units") may be issued from time to time after the Commitment Period where, in the opinion of the General Partner, additional capital is necessary or desirable to fund additional capital improvements or expenditures or in order to prevent or cure a Cash Flow Deficiency which cannot otherwise be prevented or cured by a Cash Flow Deficiency Loan or other borrowing by the Partnership. Subject to this Section 3.05, the General Partner shall have complete discretion in determining the number of Additional Units to be issued; the time or times and price at which such Additional Units are to be issued; the persons to whom such Additional Units are to be issued; and any other terms and conditions relative to the issuance and sale of such Additional Units.

Notwithstanding the foregoing provisions of this Section 3.05:

- (a) no Unit shall be issued to any person, and no person shall be admitted as a Limited Partner in the Partnership unless such person has the status and capacity set forth in Section 7.04 hereof and executes a counterpart of this Agreement or otherwise agrees in a manner satisfactory to the General Partner to be bound by this Agreement;
- (b) no Additional Units shall be issued except in accordance with the following procedures:
 - (i) the General Partner shall provide written notice (the "Offer") to all persons who are then Limited Partners (the "Existing Limited Partners"), advising the Existing Limited Partners of the total number of Additional Units that the General Partner intends to offer for sale (the "Offered Units") and the price and any other material terms and conditions on which such Offered Units are being offered for sale. Such Offer shall be deemed to be an offer to issue and sell to the Existing Limited Partners, collectively, the Offered Units at the price per Unit and otherwise on the terms and conditions set forth in the Offer;

- (ii) each Existing Limited Partner shall have thirty (30) days from the date the Offer is delivered (or such greater period of time as may be specified in the Offer) to accept the Offer by delivering to the General Partner written notice (the "Acceptance") specifying the maximum number of Offered Units that the respective Existing Limited Partner is prepared to purchase. Subject to clause (b)(iii), by delivering such Acceptance an Existing Limited Partner shall, and shall be deemed to, agree to purchase the number of Units specified in their Acceptance. An Existing Limited Partner who fails to deliver an Acceptance within thirty (30) days of the date the Offer was delivered (or within such greater period of time as may have been specified in the Offer) shall be deemed to have rejected the Offer;
 - (iii) where Acceptances are delivered for greater than the aggregate number of Offered Units, the number of Offered Units allocated to the respective Existing Limited Partners who delivered Acceptances shall be reduced to that number which results in the total number of Additional Units being issued equalling the number of Offered Units. Where such reduction is made, each Existing Limited Partner who delivered an Acceptance shall initially be allocated at least that number of Offered Units as are necessary to ensure that their Sharing Ratio after the issuance of the Offered Units is not less than their Sharing Ratio immediately prior to such issuance (subject to the maximum number of Offered Units that the Existing Limited Partner specified in their Acceptance they are willing to purchase) and any Offered Units remaining unallocated after such initial allocation shall be allocated amongst the Existing Limited Partners who delivered an Acceptance as the General Partner in its discretion determines (subject always to the limitation that no Existing Limited Partner shall be allocated or issued a greater number of Units than the maximum number specified in their respective Acceptances);
 - (iv) any Offered Units not subscribed for or agreed to be purchased by Existing Limited Partners in accordance with the foregoing procedures, may then be offered for sale by the General Partner to such persons, other than Existing Limited Partners, as the General Partner determines, at a price per Unit and otherwise on terms and conditions no more favourable than those offered to the Existing Limited Partners pursuant to the Offer. Where any Offered Units are not subscribed for within one year of the initial Offer, such Offered Units shall not thereafter be offered for sale unless and until the process described in clauses (b)(i), (ii) and (iii) is repeated;
- (c) in selling Units of the Partnership, the General Partner shall comply with applicable Securities Legislation and shall prepare and cause to be filed and obtained receipts for such prospectuses, offering memorandums, reports and other documents as may be required by applicable Securities Legislation; and
- (d) in determining the number, price, persons to whom and other terms and conditions of such issuance and sale of Units, the General Partner shall act

honestly, to the best of its ability, in good faith and in the best interests of the Limited Partners and the Limited Partnership.

Where in accordance with the aforementioned conditions a Unit or Units are sold to a person, the General Partner shall (i) prepare and file, and the other Partners including the Subscriber at the request of the General Partner shall execute, such amendment to the Declaration as may be necessary or desirable pursuant to the *Partnership Act* and the *Business Names Registration Act*; and (ii) record the particulars of such issuance and sale in the Register.

Upon the registration of the amendment to the Declaration, the Subscriber, unless they are already a Limited Partner, shall be admitted to the Partnership as a Limited Partner and shall be bound by and entitled to all benefits and burdens of this Agreement and the rights, privileges, restrictions and conditions attaching to the Units so purchased.

3.06 **Unit Certificates**

For the sole purpose of evidencing ownership of Units, and then subject to the rights and obligations of this Agreement, each Limited Partner is entitled to obtain from the General Partner a certificate indicating the number of Units (a "Unit Certificate") held by such Limited Partner and the name in which such Units are recorded in the Register, provided that where any Subscriber's Loan remains outstanding, the General Partner may withhold such Unit Certificate from a Limited Partner until the Subscriber's Loan has been paid in full, or, if requested by the lender of such Subscriber's Loan, deliver such Unit Certificate to the lender. Unit Certificates shall be in a form approved by the General Partner from time to time and shall not be valid unless signed by the General Partner. A Limited Partner who has a Unit Certificate representing a portion or all of their Units lost, apparently destroyed, defaced or wrongfully taken, may request a new, replacement Unit Certificate and, subject to the foregoing, the General Partner shall deliver a new, replacement Unit Certificate upon such request, provided the requesting Limited Partner shall first deliver to the General Partner such assurances or indemnities as may reasonably be requested by the General Partner to protect the Partners and the Partnership from any loss, cost or damage that may be suffered or incurred by complying with their request to issue a new Unit Certificate.

3.07 **Receipt by Limited Partners**

The receipt of any money, securities and other property from the Partnership by a person in whose name any Units are recorded, or if such Units are recorded in the names of one or more persons, the receipt thereof by any one person in that regard, shall be sufficient and proper discharge for that amount of money, securities and other property payable, issuable or deliverable in respect of such Units and from all liability of the General Partner and of the Partnership to see to the application thereof.

ARTICLE 4.00 - FINANCIAL MATTERS

4.01 **Additional Financing**

Any financing required by the Partnership beyond the Capital Contributions now or hereafter agreed to be made by Limited Partners and Subscribers, and/or beyond the Cash

Flow Deficiency Loans, if any, that may be made by the Project Sponsor pursuant to the Services Agreement, shall be arranged by the General Partner with the Partnership's banker or other financial institution or person as the General Partner in its sole discretion may determine. In this regard, the General Partner is authorized to borrow funds in its own name or in the name of the Partnership for the purpose of financing the Business and operations of the Partnership and/or distributions to Partners but not for any other purpose, and may grant security for such borrowing in the form of mortgages or other charges or security interests in or against the Property and operations of the Partnership, in priority to the interest therein of the Limited Partners hereunder.

4.02 **Capital Cost Allowance Accounts**

There shall be established for each Partner on the books of account of the Partnership a notional capital cost allowance account in which that Partner's share of capital cost allowance claimed by the Partnership in each Fiscal Period in respect of the Property, or interest therein, or other depreciable capital property of the Partnership shall be recorded. The sole purpose of the capital cost allowance accounts is to assist in the determination of how recapture is to be allocated amongst the Partners pursuant to Section 4.04 hereof.

4.03 **Allocation of Income and Losses**

Subject to Sections 4.04, 6.07, 6.08 and 8.02 hereof, the net income or loss of the Partnership for each Fiscal Period, including capital cost allowance claimed by the Partnership, shall, for accounting and tax purposes, be allocated as at the end of the Fiscal Period as follows:

- (a) the General Partner's Share shall be allocated to the General Partner; and
- (b) all other income or loss, including capital cost allowance, shall be allocated between the Limited Partners who are recorded in the Register as Partners as at such Fiscal Period end (regardless of when they became Partners) in proportion to their respective Sharing Ratios.

4.04 **Recapture of Capital Cost Allowance**

Notwithstanding Section 4.03 hereof, in the event of the disposition, or deemed disposition pursuant to the *Income Tax Act*, of the Property, or interest therein, or of any other capital assets of the Partnership, the recapture of any capital cost allowance previously claimed by the Partnership or Partners, shall be allocated to those persons who are Limited Partners at the time of such disposition or deemed disposition, with each such Limited Partner's share of such recapture determined by multiplying the total recapture incurred by the Partnership by a fraction, the numerator of which is the balance in the respective Limited Partner's notional capital cost allowance account and the denominator of which is the aggregate of the balances in the notional capital cost allowance accounts of all Limited Partners.

4.05 **Distribution of Net Cash Receipts**

Net Cash Receipts, when positive, for each Fiscal Period shall be paid and distributed by the General Partner on behalf of the Partnership within 180 days after each Fiscal Period end to those Limited Partners who are recorded in the Register of Partners as at such

Fiscal Period end (regardless of when they became Partners) in proportion to their respective Sharing Ratios.

4.06 **Determination of Income, Losses and Net Cash Receipts**

Income and losses, together with Net Cash Receipts, of the Partnership shall be determined by the General Partner or by accountants appointed by the General Partner, in accordance with International Financial Reporting Standards consistently applied, and such determination shall be binding upon the Partners.

4.07 **Commingling of Funds**

The funds and assets of the Partnership shall not be commingled with the funds or assets of any other person, provided:

- (a) the Maintenance Reserve or other funds of the Partnership not required for the immediate use of the Partnership may, from time to time be deposited or invested by the General Partner in Qualified Investments;
- (b) the General Partner shall transfer Net Cash Receipts to the Project Promoter's distribution account for the purpose of distributing these funds to the Limited Partners; and
- (c) nothing herein contained shall prohibit the Manager from collecting, holding and applying rental revenues from the Property on behalf of the Partnership in accordance with the terms of the Management Agreement or from depositing or investing such funds in deposit accounts or other Qualified Investments with other funds of, or under the control or direction of, the Manager (and/or by one or more companies associated or affiliated with the Manager);

provided that, all funds held by the Manager (or any company associated or affiliated with the Manager) shall be accounted for and remitted to or to the order of the General Partner in accordance with the provisions of the Management Agreement.

4.08 **Initial Maintenance Reserve**

In the raising of capital for the Partnership the General Partner may enter into agreements with Subscribers to set apart for a fixed or determinable period of time a portion of such Subscriber's Capital Contribution as reserves for the operation of the Business in future years, in light of anticipated or unanticipated future cash shortages (the "Maintenance Reserve" or the "Contingency Reserve"). In such case, the General Partner shall have the right to draw upon funds from the Maintenance Reserve to prevent or mitigate a Cash Flow Deficiency, but at the end of such fixed or determinable period, or over the course of such fixed or determinable period if the General Partner determines that all or any part of the Maintenance Reserve is not likely to be required to prevent or mitigate a Cash Flow Deficiency, or so soon after the expiry of such fixed or determinable period as is permitted by law, funds remaining in the Maintenance Reserve shall be distributed, as a partial return of capital, to those Limited Partners who contributed to the Maintenance Reserve pro rata to their respective contributions.

4.09 **Restrictions on Distributions and Return of Capital**

No Partner shall be entitled to withdraw any part of their Capital Contribution or to receive any distribution of Net Cash Receipts except as provided by this Agreement and except as permitted by law. All Partners shall look solely to the assets of the Partnership for the return of their respective Capital Contributions or any other distributions. If assets remaining after payment or discharge, or provision for payment or discharge, of the debts and liabilities of the Partnership are insufficient to return the Capital Contributions or to make any other distribution to the Partners, no Partner shall have any recourse against the personal assets of any other Partner for that purpose, except in respect of the obligations of the General Partner pursuant to Section 7.03.

4.10 **Capital Cost Allowance**

Except where the Limited Partners by Unanimous Resolution direct otherwise, the General Partner shall cause the Partnership to claim the maximum amount allowable in each Fiscal Period for income tax purposes in respect of capital cost allowance.

4.11 **Adjustments**

If any Partner receives a distribution of Net Cash Receipts or otherwise receives monies from the Partnership which exceed their entitlement hereunder, then that Partner shall forthwith repay to the Partnership such excess amount upon demand by the General Partner and, in the absence of such repayment, the Partnership shall be entitled to deduct such excess amount from any subsequent distribution from the Partnership to such Partner. Further, where any Limited Partner is indebted to the Partnership for any reason, the General Partner, on behalf of the Partnership, shall be entitled to deduct such indebtedness in whole or in part from any distribution such Partner would otherwise be entitled to hereunder.

4.12 **Individuality of Limited Partners**

No Limited Partner shall be responsible for any of the losses of any other Limited Partner, and subject to Section 8.02, no Limited Partner shall share in the income or allocation of expenses attributable to the Units of any other Limited Partner.

ARTICLE 5.00 - ACCOUNTING AND REPORTING

5.01 **Books and Records**

The General Partner shall keep and maintain, or cause to be kept and maintained, on behalf of the Partnership:

- (a) full, complete and accurate books of account and records of the Business of the Partnership and shall enter and record therein fully and accurately all transactions and other matters related to the business and affairs of the Partnership; and

- (b) a registry listing the name and address of all Limited Partners and their respective number of Units, together with the particulars of the issue, Transfer and Transmission of Units from time to time (the “Register”).

At the expense of the requesting Limited Partner, a Limited Partner shall be entitled to inspect and examine and make copies of or take extracts from all such books and Register at all reasonable times upon reasonable notice to the General Partner.

5.02 **Annual Financial Statements and Income Tax Information**

The General Partner shall prepare or cause to be prepared annual financial statements of the Partnership as at the end of each Fiscal Period, and shall distribute to each Limited Partner, within ninety (90) days of the end of each Fiscal Period, such financial statements together with, if applicable, the report of the Partnership's accountant or auditor thereon, and together with such additional information as may reasonably be necessary to permit Limited Partners to report their respective share of income or losses of the Partnership for income tax purposes.

5.03 **Compliance with Securities Legislation and Undertakings**

In addition to the books, records and financial statements referred to in Section 5.01 and 5.02 hereof, the General Partner shall maintain, distribute to Limited Partners and file with applicable Securities Regulatory Authorities such additional financial information and other documents or instruments, if any, as may be necessary pursuant to the provisions of applicable Securities Legislation or pursuant to any undertakings or agreements that may be made by the General Partner or by the Partnership with any Securities Regulatory Authority.

5.04 **Accounting Principles and Audit**

The financial statements of the Partnership shall be audited and prepared in accordance with International Financial Reporting Standards, consistently applied, by qualified accountants retained by the General Partner for that purpose. Notwithstanding the above, provided only as permitted by applicable Securities Legislation, the Limited Partners may by Ordinary Resolution remove the audit requirement of the financial statements and the Partnership shall provide unaudited financial statements relying on Accounting Standards for Private Enterprises. In that situation, the Limited Partners may reinstate the audit requirement for financial statements by an Ordinary Resolution.

ARTICLE 6.00 - THE GENERAL PARTNER

6.01 **Number of General Partners**

The Partnership shall have one general partner, who initially shall be the Party of the First Part.

6.02 **Status and Capacity**

The General Partner represents and warrants to and covenants with each Limited Partner that the General Partner:

- (a) is and will continue to be a valid and subsisting corporation in good standing under the laws of Canada and Saskatchewan and shall be and remain registered throughout the term of the Partnership entitled to carry on business in the Province of Saskatchewan;
- (b) has and will continue to have the capacity and qualifications to act as the General Partner and to perform its obligations under this Agreement without conflicting with its constating documents or being in default under any agreement by which it is bound;
- (c) is not a “non-Canadian” within the meaning of the *Investment Canada Act*;
- (d) is not a “non-resident” within the meaning of the *Income Tax Act*;
- (e) may acquire and hold Units and be and have all rights and powers of a Limited Partner in respect of such Units;
- (f) subject to Section 4.07 hereof, will not commingle its funds or assets with the funds or assets of any other person.

6.03 **Powers and Authority of General Partner**

Subject to the *Partnership Act*, the Co-Ownership Agreement if applicable, and to those limitations expressly set forth in this Agreement, the General Partner shall have exclusive authority to direct and manage the affairs of the Partnership, with full power and authority to administer, manage, control and operate the Business of the Partnership and to do any act, take any proceedings, make any decisions and execute and deliver any instrument, deed, agreement or document necessary for or incidental to carrying on the Business of the Partnership for and on behalf of the Partnership. No person dealing with the Partnership shall be required to inquire into the authority of the General Partner to do any act, take any proceedings, make any decision or execute and deliver any instrument, deed, agreement or document for or on behalf of or in the name of the Partnership. Without limiting the generality of the foregoing, and in addition to any other powers and authority granted the General Partner hereunder, the General Partner shall have the full and exclusive power and authority on behalf of the Partnership:

- (a) to retain property managers to manage the Project;
- (b) to act as the registrar and transfer agent;
- (c) to retain accountants and, subject to Section 5.04, auditors of the Partnership;
- (d) to engage such professional advisers as the General Partner considers advisable in order to perform its powers and duties hereunder, and, without limiting the

generality of the foregoing, but subject to Section 6.08, to engage a person or company to perform and/or manage any of the administrative, reporting, accounting and other record-keeping functions of the General Partner hereunder;

- (e) to open and operate in its own name or in the name of the Partnership bank accounts in order to deposit and to distribute funds with respect to the Partnership;
- (f) to execute and carry out all other agreements which require execution by or on behalf of the Partnership;
- (g) to pay all taxes, fees and other expenses relating to the orderly maintenance and management of the Property, or interest therein;
- (h) to commence or to defend on behalf of the Partnership any and all actions and other proceedings pertaining to the Partnership or the Property, or its interest therein;
- (i) to determine the amount and type of insurance coverage to be maintained in order to protect the Property, the Business and the Partnership from all usual perils of the type covered in comparable properties and businesses and in order to comply with the requirements of the lenders of funds to the Partnership and to place or insure the placement and maintenance of such insurance;
- (j) subject to Section 4.07 and subsection 6.03(k), to hold the Partnership properties including, without limitation, the Property, or interest therein, and all chattels therein in the name of the Partnership or in the name of the General Partner, but in trust for the Limited Partners;
- (k) to invest funds not immediately required for the Business of the Partnership in Qualified Investments;
- (l) to file any returns and maintain such records as are required by any governmental, regulatory or like authority with respect to the Partnership; and
- (m) to do anything that is in furtherance of or incidental to the Business of the Partnership, and to make for and on behalf of the Partnership and for and on behalf of each Partner, in respect of such Partner's interest in the Partnership, any and all filings, elections, determinations or designations under the *Income Tax Act* or any other taxation or other legislation or similar laws of Canada or of any province or jurisdiction thereof, and execute any and all deeds, documents and instruments and do all acts as may be necessary or desirable to carry out the intent and purpose of this Agreement.

6.04 **Material Contracts**

Before issuing any Units pursuant to Section 3.05 hereof (other than the Founding Unit) all parties to the Material Contracts, including the General Partner on behalf of the Partnership, shall have executed and delivered the Material Contracts, as applicable.

6.05 **Restrictions on Powers and Authority of General Partner**

The Partnership shall not, and the General Partner shall not cause the Partnership to, take any of the following actions except with the approval of the Limited Partners as specified below:

- (a) as approved by the Limited Partners granted by Special Resolution and subject to Section 9.08 and the Co-Ownership Agreement, as applicable, sell, transfer or otherwise dispose of the Property, or interest therein, provided that for greater certainty the granting of a mortgage or other security on the Property shall not constitute a disposition for the purposes of this section and a disposition consisting of the foreclosure or sale of the Property by a mortgagee or other realization of security shall not require approval of the Limited Partners hereunder. Further, in the event that any mortgagee commences or threatens to commence foreclosure or like proceedings and the General Partner, acting reasonably, is of the opinion that there is no reasonable defence to such proceedings, or if the debts of the Partnership which form charges against the Property equal or exceed the fair market value of the Property, the General Partner may, upon notice to the Limited Partners, quit claim and/or transfer the Property to the mortgagee for the purpose of settling any foreclosure or like proceedings or threatened foreclosure or like proceedings in or towards the satisfaction of claims by that mortgagee against the Partnership, unless within thirty (30) days of the General Partner delivering to each Limited Partner a notice of its intent to so quit claim and/or transfer the Property, the Limited Partners by Ordinary Resolution direct the General Partner to defend the proceedings and provide to the General Partner sufficient funds for that purpose;
- (b) as approved by the Limited Partners granted by Extra-Ordinary Resolution carry on any business other than the Business of the Partnership as described in Section 2.03; or
- (c) as approved by the Limited Partners granted by Extra-Ordinary Resolution enter into any partnership, joint venture, syndicate or other form of organization to carry on any business other than the Partnership Business as described in Section 2.03, other than the co-ownership of the Property as set out in the Co-Ownership Agreement, if applicable.

6.06 **Duties**

The General Partner shall perform all its duties and exercise all its power and authority hereunder as such duties, power and authority are contemplated by this Agreement to be performed. The General Partner in exercising its powers and discharging its duties under this Agreement shall act honestly, in good faith and in the best interests of the Partnership and shall exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

6.07 **Reimbursement of General Partner**

The Partnership shall reimburse the General Partner for all expenses reasonably and properly incurred by the General Partner in conducting the Partnership Business and in exercising and fulfilling its duties pursuant to this Agreement, including administrative overhead and the cost of such professional, technical, administrative and other services and advice as the General Partner shall consider necessary.

6.08 **Administrative Fee**

For each Fiscal Year of the Partnership after December 31, 2020, and in consideration of the General Partner continuing to perform, and/or arranging to have the Project Sponsor or an associate or affiliate of the General Partner perform, the managerial functions and duties contemplated by Section 6.03 hereof, and in particular, the administrative, reporting, accounting and other record keeping functions described in Sub-Section 6.03(d) hereof, the General Partner shall be entitled to receive from the Partnership (or, if applicable, arrange for payment to the Project Sponsor or to such associates or affiliates of the General Partner as may perform such services on behalf of the Partnership) an annual fee (the "Administrative Fee"). This Administrative Fee shall be set on an annual basis by the General Partner based on the degree of management functions and duties performed. Such Administrative Fee shall be paid within 90 days following the end of the Fiscal Year to which it relates and any amounts not paid within such 90 day period shall bear interest at the Prime Rate plus 2% per annum until paid in full.

6.09 **Liability to Partnership**

Neither the General Partner nor its officers, directors, partners, agents or employees shall be liable, responsible or accountable in damages or otherwise to the Partnership for any action taken or failure to act on behalf of the Partnership within the scope of the authority conferred on the General Partner by this Agreement or by law, provided such persons have acted honestly, in good faith and in a manner consistent with the best interests of the Partnership and provided such action or omission does not constitute fraud, bad faith, gross negligence, wilful misconduct or breach of fiduciary duty.

6.10 **Indemnification by Partnership**

The Partnership shall indemnify and hold harmless the General Partner, its officers, directors, partners, agents and employees from and against any and all losses (other than loss of profits), expenses, claims or liabilities incurred by any of them arising out of any claims based upon any acts performed or omitted to be performed by them in connection with the Business of the Partnership, including costs, expenses and solicitors fees expended in the settlement or defence of any such claim, provided that such persons have acted honestly, in good faith and in a manner consistent with the best interests of the Partnership and provided such act or omission does not constitute fraud, bad faith, gross negligence or wilful misconduct by or breach of fiduciary duty of such person or entity and, provided further, that any such indemnification shall be recoverable only from the assets of the Partnership and not from the Limited Partners personally.

6.11 **Maintenance of Limited Liability**

The General Partner will conduct the business and affairs of the Partnership in such a manner that the liability of Limited Partners will be limited to the extent set forth in Section 7.02.

6.12 **Unlimited Liability of General Partner**

The General Partner shall have unlimited liability for the debts, liabilities and obligations of the Partnership.

6.13 **Resignation of General Partner**

The General Partner shall not resign as general partner of the Partnership prior to the expiration of the Commitment Period and shall not thereafter resign except on not less than one year written notice to the Limited Partners of its intention to resign. In such case, the General Partner's resignation shall be effective, and subject to Section 12.04 the General Partner shall cease to be the general partner, upon the earlier of:

- (a) the date specified in the notice of resignation; and
- (b) the date on which a new General Partner, selected by Ordinary Resolution of the Limited Partners, is admitted to the Partnership.

6.14 **Bankruptcy or Dissolution**

The General Partner shall cease to be qualified to act as general partner of the Partnership upon:

- (a) the General Partner becoming bankrupt or insolvent (except in the case of a bankruptcy or insolvency caused by the bankruptcy or insolvency of the Partnership itself); or
- (b) in the event of the appointment of a trustee or a permanent receiver or receiver-manager of the affairs of the General Partner,

and in the event the General Partner becomes disqualified as a result of any of the foregoing, the General Partner shall be removed as general partner effective upon the appointment of a new general partner by the Limited Partners by Ordinary Resolution, which appointment shall be made within one hundred and eighty (180) days following the occurrence of the event giving rise to the disqualification of the General Partner, and the General Partner agrees to provide notice to the Limited Partners of the occurrence of any of the foregoing events forthwith upon the occurrence of the event.

6.15 **Removal of General Partner**

Except in the event of the General Partner's resignation or disqualification as contemplated by Sections 6.13 and/or 6.14 hereof, the General Partner may only be removed as

the general partner of the Partnership for cause and pursuant to an Extra-Ordinary Resolution of the Limited Partners, provided such Extra-Ordinary Resolution shall only be effective if it includes provision for the appointment of a substitute general partner and further provided that during the Commitment Period or during such further period as the Project Sponsor, or any associate or affiliate of the Project Sponsor, is a guarantor or co-covenantor of any Mortgage or other indebtedness or obligation of the Partnership, or is owed any money by the Partnership, whether pursuant to a Mortgage, Cash Flow Deficiency Loan or otherwise, then subject to the Partnership first obtaining the release of such Project Sponsor (and/or of any associates or affiliates of the Project Sponsor), from such guarantees or co-covenants and/or paying all monies owing to such Project Sponsor (and/or its applicable associates or affiliates). Notwithstanding the above, if the Partnership owns an interest in the Property as a co-owner, any Extra-Ordinary Resolution of the Limited Partners passed to remove the General Partner as contemplated in this section is subject to a veto by the co-owners of the Property under the Co-Ownership Agreement, if applicable. In the event the veto of the Extra-Ordinary Resolution to remove the General Partner is exercised by the said co-owners, the General Partner shall continue on as the general partner of the Partnership.

6.16 **Transfer of Management**

On the admission of a new general partner (the “New General Partner”) to the Partnership on the resignation, disqualification or removal of the General Partner (the “Outgoing General Partner”) pursuant to Section 6.13, 6.14 or 6.15 hereof, the Outgoing General Partner will do all things and take all steps to transfer title to the Partnership's property, administration, management, control and operation of the Business of the Partnership and the books, records and accounts of the Partnership to the New General Partner and will execute and deliver all deeds, certificates, declarations and other documents necessary or desirable to effect such transfer.

6.17 **Release and Indemnification**

In the event of a change of the General Partner, the Partnership and the Limited Partners shall release and the Partnership shall indemnify and hold harmless the Outgoing General Partner from all actions, claims, costs, demands, losses, damages and expenses with respect to events which arise in relation to the Partnership after the effective date of removal or resignation of the Outgoing General Partner. The indemnification herein shall be made from the assets of the Partnership and no Limited Partner shall be personally liable to the Outgoing General Partner.

6.18 **New General Partner**

A New General Partner appointed hereunder shall sign a counterpart hereof and thereupon shall be bound by all the provisions hereof and shall have the power and authority and shall assume the obligations, duties and liabilities of the General Partner hereunder as and from the date the New General Partner becomes a party to this Agreement.

6.19 **Becoming a Limited Partner**

If after the resignation, disqualification or removal of the General Partner, the Outgoing General Partner holds Units, the Outgoing General Partner shall be a Limited Partner

and shall continue to be bound by and entitled to the benefits of this Agreement as a Limited Partner and the New General Partner shall prepare and file, and all Partners shall execute and deliver, such amendments to the Declaration as may be necessary or desirable pursuant to the *Partnership Act* and the *Business Names Registration Act* in respect of such change of status.

ARTICLE 7.00 - LIMITED PARTNERS

7.01 Number of Limited Partners

There is no limit as to the number of Limited Partners that the Partnership may have, provided that, except with the consent of the General Partner, a Unit may not be divided or split into fractions and the Partnership will not accept any subscriptions for or record any Transfer or Transmission of any interest in the Partnership of less than a whole Unit.

7.02 Limited Liability

Subject to the provisions of the *Partnership Act* and other applicable legislation, the liability of a Limited Partner for the debts, liabilities and obligations of the Partnership shall be limited to their Capital Contribution and their share of any undistributed Net Cash Receipts. No Limited Partner owes to any other Limited Partner or to the General Partner any fiduciary or other duty of good faith which might otherwise be imposed upon them as a Partner by the common law pertaining to partnerships or by any statute relating thereto.

7.03 Indemnity

The General Partner shall indemnify and hold harmless each Limited Partner for any costs, damages, liabilities, expenses or losses suffered or incurred by a Limited Partner if their liability is not limited in the manner provided in Section 7.02 provided such costs, damages, liabilities, expenses or losses arise out of an act or omission of the General Partner.

7.04 Status and Capacity of Limited Partners

Each Limited Partner represents and warrants to each other Limited Partner and to the General Partner that:

- (a) they are not a “non-resident” within the meaning of the *Income Tax Act*;
- (b) they are not a “non-Canadian” within the meaning of the *Investment Canada Act*;
- (c) they have not and will not finance any part of their subscription price for Units with Limited Recourse Financing;
- (d) they are not an investment fund, private equity or an institutional investor;
- (e) they are the legal and beneficial owner of their Units and do not own the Units for the benefit of any other person;

- (f) if an individual, they have attained the age of majority and have full power and capacity to execute and be bound by this Agreement; and
- (g) if a corporation or body corporate, partnership, unincorporated association or other entity, it is legally competent to execute this Agreement and to take all actions required pursuant hereto, and it further certifies that all necessary approvals of directors, shareholders, partners, members or otherwise have been given.

Each Limited Partner shall notify the General Partner immediately if any of the representations and warranties set out above becomes untrue at any time.

7.05 **Restrictions on Limited Partners**

No Limited Partner, in its capacity as a limited partner, shall:

- (a) take part in the control or management of the Business of the Partnership;
- (b) execute any document which binds or purports to bind the Partnership, the General Partner or any other Limited Partner as such;
- (c) hold himself out as having the power or authority to bind the Partnership, the General Partner, or any other Partner as such;
- (d) have any authority in the operation of the Business of the Partnership to undertake any obligation or responsibility on behalf of the Partnership;
- (e) by virtue of this Agreement alone or the Co-Ownership Agreement, if applicable, have or be deemed to have any interest in the Property, other than the beneficial interest described herein, and no Limited Partner shall register or cause to be registered a caveat or other interest against the Property in any land registry or in any other public office for the registration or recording of interests in respect of its beneficial interest in the Property hereunder; or
- (f) bring any action for partition or sale in connection with the Property or other assets of the Partnership, whether real or personal, or register or permit any lien or charge in respect of the Units of such Limited Partner to be filed or registered or remain undischarged against the Property in respect of such Limited Partner's interest in the Partnership.

The Limited Partners shall comply with the provisions of the *Partnership Act* in force from time to time and shall not take any action which will jeopardize or eliminate the status of the Limited Partnership as a limited partnership.

7.06 **Rights of Inspection**

All books of the Partnership, together with the Register, shall be available and open for inspection by any Limited Partner, or their agents, at reasonable times and on reasonable

notice to the General Partner and, additionally, on reasonable notice to the General Partner, the General Partner shall provide access to the Property for inspection and examination of any Limited Partner. The costs incurred by the General Partner to provide access to the books for a Limited Partner(s) shall be paid by the Limited Partner(s) asking for the access.

7.07 **Assignment of Limited Partners Interest**

No Limited Partner (the "Transferor") shall sell, transfer, assign, mortgage, hypothecate or otherwise dispose of their interest in the Partnership in whole or in part to any other person (the "Transferee"), except as security for a loan for the purpose of assisting in the purchase of Units or except pursuant to a Transfer or Transmission of Units in accordance with the following terms and conditions:

- (a) except in the case of a Transmission, the Transferor shall deliver to the General Partner the Unit Certificate, if any, issued to the Transferor in respect of the Unit(s) being transferred and the Transferor and the Transferee shall execute and deliver to the General Partner a transfer form or agreement in form and substance satisfactory to the General Partner;
- (b) in the case of a Transmission of Units, the Transferee shall deliver to the General Partner evidence satisfactory to the General Partner that such Transferee has a valid entitlement to the Units of the Transferor;
- (c) no Transfer or Transmission may be made to a Transferee unless they have the status and capacity as set forth in Section 7.04 hereof and they execute a counterpart of this Agreement or otherwise agrees in a manner satisfactory to the General Partner to be bound by this Agreement;
- (d) any outstanding liabilities of the Transferor to the Partnership shall have been paid, or arrangements made satisfactory to the General Partner for the assumption of such liabilities by the Transferee;
- (e) if the Transferor's purchase of the Units being transferred was financed in whole or in part by a Subscriber's Loan which remains outstanding, such Subscriber's Loan shall be paid by the Transferor prior to the Transfer, or arrangements satisfactory to the General Partner and the lender of the Subscriber's Loan shall be made for the assumption of such Subscriber's Loan by the Transferee;
- (f) the Transferee shall pay to the Partnership a transfer fee, if any as may be required by the General Partner, such fee not to exceed industry norms, but which may include the legal fees and disbursements charged by the solicitors for the Partnership for the filing of the amendment to the Declaration required pursuant to the *Partnership Act* and the *Business Names Registration Act* as described below;
- (g) the General Partner in its sole and absolute discretion shall have consented to the Transfer or Transmission; and
- (h) such other requirements as may reasonably be required by the General Partner.

Notwithstanding the above, the General Partner may waive any restrictions on the sale, transfer, assignment, mortgage or hypothecation of Units including any or all of the aforementioned terms and conditions, in whole or in part, where the General Partner considers it to be in the best interest of the Partnership to do so.

7.08 **Registration of Transfer and Transmission**

Upon the conditions in Section 7.07 being met (or waived by the General Partner) the General Partner shall:

- (a) prepare and file, and the other Partners including the Transferor and Transferee, at the request of the General Partner, shall execute, such amendment to this Agreement and/or to the Declaration as the General Partner may consider necessary or desirable or as may be required pursuant to the *Partnership Act* and the *Business Names Registration Act*;
- (b) record the particulars of such Transfer or Transmission in the Register; and
- (c) cancel the certificates representing the Units being transferred or transmitted and issue a new Unit Certificate in respect thereof in the name of the Transferee, subject, however, to the provisions of Section 3.06.

7.09 **Admission of Transferee to Limited Partnership**

Upon the registration of the amendment to the Declaration, the Transferee, unless they are already a Limited Partner, shall be admitted to the Partnership as a Limited Partner and shall be bound by and entitled to all benefits and burdens of this Agreement, and the rights, privileges, restrictions and conditions attaching to the Units so Transferred or Transmitted including, without limiting the generality of the foregoing, assuming the balance in the notional capital cost allowance account of the Transferor insofar as such balance pertains to the Units Transferred or Transmitted; and the Transferor, except to the extent that they continue to hold other Units, shall be released from all future benefits and burdens of this Agreement and the rights, privileges, restrictions and conditions attaching to the Units Transferred or Transmitted, except as expressly provided by this Agreement to the contrary, and the Transferor, unless they continue to hold other Units, shall thereupon cease to be a Limited Partner.

7.10 **Not Bound to See to Trust or Equity**

Except where specific provision has been made therefor in this Agreement, the General Partner shall not, nor shall the Limited Partners, be bound to see to the execution of any trust, express, implied or constructive, or any charge, pledge or equity to which any of the Units or any interest therein are subject, or to ascertain or inquire whether any Transfer or Transmission of any such Units or interest therein by any Limited Partner or their personal representatives is authorized by such trust, charge, pledge or equity, or to recognize any person having any interest therein, except for the person or persons recorded as such Limited Partner.

7.11 **No Consent of Limited Partners**

In no event shall the consent of any Limited Partner (other than the Transferor and Transferee in the case of a Transfer, subject however to the provisions of Article 8.00 hereof) be necessary to effect a Transfer or Transmission of the Units or in respect of the issue and sale of Units pursuant to Section 3.05 hereof.

7.12 **Non-Solicitation**

A Limited Partner shall not solicit or communicate with any of the other Limited Partners of the Partnership on any personal business or private matter without the prior consent of the General Partner.

ARTICLE 8.00 - DEFAULTING LIMITED PARTNER

8.01 **Power of Sale**

In the event that:

- (a) the representations and warranties of a Limited Partner as set forth in Section 7.04 hereof should prove to be untrue at the time they were made, or if any such representations and warranties subsequently become untrue;
- (b) a Limited Partner fails to pay when due any sum owing to the Partnership; or
- (c) a Limited Partner fails to pay their Subscriber's Loan, if any, and the Partnership, or the General Partner, or any person affiliated with the General Partner pays such Subscriber's Loan on behalf of such Limited Partner in whole or in part, whether or not such person was legally obligated to make such payment, or if such person becomes legally obligated to pay such Subscriber's Loan whether or not such person actually pays such Subscriber's Loan,

such Limited Partner (hereinafter referred to as the "Defaulting Limited Partner") shall be deemed to be in default of a fundamental term of this Agreement and the General Partner shall have the right to sell the Unit or Units of the Defaulting Limited Partner upon not less than thirty (30) days notice in writing (the "Default Notice") to the Defaulting Limited Partner unless by the time specified in the Default Notice the default is remedied. In such event, the General Partner may, without any further notice, demand or formality, sell all or any of the Units of the Defaulting Limited Partner, on such terms and conditions as the General Partner deems reasonable, at either a public or private sale, and the General Partner may itself purchase the Units. The proceeds of the sale of Units of a Defaulting Limited Partner shall be applied first, in the case of a monetary default towards curing such default; second to pay any other monies that may be owing by the Defaulting Limited Partner to the Partnership regardless of whether such indebtedness was related to the default giving rise to the sale or not; third to the Partnership and/or the General Partner to reimburse the Partnership or General Partner for any costs associated with the sale, including solicitor's and collection fees, if any; and fourth, with the remaining balance, if any, paid to the Defaulting Limited Partner.

The terms and conditions set forth in Sections 7.07, 7.08, 7.09, 7.10 and 7.11 hereof shall apply, mutatis mutandis, to such sale of the Unit or Units of a Defaulting Limited Partner, provided, for greater certainty, that in no event shall the consent of the Defaulting Limited Partner to such sale be required.

8.02 **Suspension of Voting Rights and Reallocation of Losses for Tax Purposes**

Where a Limited Partner becomes a Defaulting Limited Partner, and thereafter until such time as the default is remedied or the Units of the Defaulting Limited Partner are sold pursuant to Section 8.01:

- (a) the right of the Defaulting Limited Partner to vote on any matter requiring or permitting a vote of Limited Partners shall be suspended; and
- (b) if the default is unremedied as at the end of any Fiscal Period of the Partnership, any losses or capital cost allowance of the Partnership for that Fiscal Period that would otherwise be allocated for accounting and tax purposes to the Defaulting Limited Partner, may be reallocated by the General Partner to the other Limited Partners, in accordance with the respective Sharing Ratios of such other Limited Partners determined without reference to the Units of the Defaulting Limited Partner.

ARTICLE 9.00 - PARTNERSHIP MEETINGS

9.01 **Meetings of Partners**

Annual meetings of the Partners shall be called by the General Partner within six months of the end of the Partnership's preceding Fiscal Period:

- (a) in each year during the Commitment Period; and
- (b) in each year after the Commitment Period, if thought necessary or desirable by the General Partners, or if at least one Limited Partner has requested in writing prior to March 31 of that year that the General Partner call an annual meeting for that year.

Additionally, the General Partner may at any time call a meeting of Partners and shall call a meeting if requested in writing to do so by Limited Partners holding, in aggregate, not less than twenty-five (25%) percent of the outstanding Units in good standing. If the General Partner fails to call a meeting when required to do so in accordance with the foregoing provisions of this Section 9.01, then any Limited Partner may call the meeting, by providing notice in accordance with Section 9.02 hereof; provided that if the General Partner and/or one or more Limited Partner(s) purport to call a meeting, the notice given in accordance with this Agreement which calls the meeting for the earliest time will govern and the other notices will be considered invalid.

9.02 **Notice**

Any notice of any meetings of Partners will be mailed or otherwise delivered to each Partner and to the auditor (if any) of the Partnership not less than ten (10) days nor more than thirty (30) days prior to the date of meeting. Such notice shall include:

- (a) the time of meeting;
- (b) the place of meeting;
- (c) sufficient information to enable each Limited Partner to make a reasoned judgment on each matter to be considered at the meeting, but it shall not be necessary to deliver the text of any Ordinary, Special, Extra-Ordinary or Unanimous Resolution proposed for the meeting; and
- (d) where the meeting is being called by a Partner other than the General Partner, the name(s) of the Partner(s) calling the meeting and the reason for such meeting.

Any Limited Partner may waive notice of any meeting in writing at any time before, during or after such meeting.

9.03 **Place of Meeting**

All meetings will be held at such location in Canada and at such reasonable time as is selected by the person convening the meeting.

9.04 **Attendance**

All Limited Partners including Defaulting Limited Partners and the General Partner, Project Sponsor, Manager and, if applicable, auditor of the Partnership and co-owners under the Co-Ownership Agreement and any other person authorized by the General Partner, or their respective directors, officers, agents or representatives, are entitled to attend and speak at meetings, but only Limited Partners, excluding Defaulting Limited Partners, are entitled to vote, and each such Limited Partner shall have one vote for each Unit registered in the name of such Limited Partner.

9.05 **Quorum**

A quorum for a meeting of Partners shall consist of one or more Limited Partners present in person or by proxy and owning or representing at least 50% of all outstanding Units. If such quorum is not present within thirty minutes after the time fixed for the meeting, the meeting may be adjourned to be held not earlier than seven (7) days and not later than twenty-one (21) days thereafter. At least three (3) Business Days notice of the adjourned meeting shall be given to the Limited Partners, either in writing or verbally, but such notice of the adjourned meeting need not set forth the matters to be considered unless they are different from those for which the original meeting was called. At an adjourned meeting those Limited Partners present in person or represented by proxy shall constitute a quorum. An adjourned meeting shall be held at the city or town in Saskatchewan specified in the written or verbal notice of the adjourned

meeting but, for greater certainty, an adjourned meeting need not be held at the same place or address as scheduled for the original meeting.

9.06 **Chairman**

A representative of the General Partner shall be the chairman of meetings of Partners unless those Limited Partners present in person or represented by proxy at the meeting shall choose, by Ordinary Resolution, some other person present to be chairman. If the General Partner or their representative is not present at any such meeting, those Limited Partners present in person or represented by proxy shall appoint a chairman of the meeting by Ordinary Resolution. The chairman of the meeting shall not, as such, be entitled to vote at the meeting other than in respect of Units registered in the name of the chairman or in respect of which the chairman holds a valid proxy.

9.07 **Voting Rights**

Except as otherwise specified in this Agreement, all questions shall be decided by an Ordinary Resolution. The General Partner shall not be entitled to any voting rights in their capacity as General Partner at any meeting of the Partners but, if the General Partner is the holder of any Units, or the duly appointed representative or proxy of a holder of Units, it will be entitled to vote in respect of such Units.

9.08 **Co-Ownership Voting**

If the Partnership purchases only a partial interest in the Property, the Partnership shall enter into the Co-Ownership Agreement as proposed with the Project Sponsor and its assigns. The Co-Ownership Agreement would allow the Limited Partners to vote directly the Partnership's interest on certain fundamental issues relating to the Property, akin to those in Section 6.05(a). Each Limited Partner's vote on fundamental issues under the Co-Ownership Agreement shall be determined by that Limited Partner's Sharing Ratio being multiplied by the Partnership's proportionate interest in the Property.

9.09 **Proxy**

A Limited Partner may attend any meeting of the Partnership personally or may be represented by proxy. Votes at meetings of Partners may be cast personally or by proxy. The instrument appointing a proxy shall be signed by the appointer or their duly authorized attorney in writing, or, if the appointer is a corporation, under its seal or by an officer or attorney thereof duly authorized, and such proxy shall cease to be valid one year from its date. Any person may be appointed a proxy, whether or not they are a Partner. Additionally, the General Partner may secure the consent of any Limited Partner in writing in respect of any matter which is proposed for a meeting or which requires the consent of the Limited Partners pursuant to this Agreement, and such consent may be used in the same manner as a proxy is used for the purpose of a vote at a meeting of the Limited Partners.

9.10 **Validity of Proxies**

No proxy or written consent shall be voted at any meeting unless it shall either have been placed on file with the General Partner or delivered to the chairman of the meeting prior to the time at which such meeting shall commence. The determination by the chairman of the meeting of the validity of any proxy or written consent shall be final and binding on all Partners. A proxy or consent purporting to be executed by a Limited Partner shall be presumed valid unless challenged at or prior to its exercise and the burden of proving invalidity shall rest upon the challenger.

9.11 **Revocation of Proxy**

A vote cast in accordance with the terms of any instrument of proxy or written consent shall be valid notwithstanding the previous death, incapacity, insolvency, bankruptcy or insanity of the Limited Partner giving the proxy or consent, or the revocation of the proxy or consent, provided that no written notice of death, incapacity, insolvency, bankruptcy, insanity or revocation shall have been received at the place of meeting prior to the time fixed for holding of the meeting.

9.12 **Conduct of Meeting**

To the extent that the rules and procedures for the conduct of meetings of Partners are not prescribed in this Agreement, such rules and procedures shall be determined by the chairman.

9.13 **Effect of Resolutions**

An Ordinary Resolution, Special Resolution, Extra-Ordinary Resolution or a Unanimous Resolution as required by this Agreement and passed at a meeting of Partners or in accordance with Section 9.14 shall be binding on all Partners and their respective heirs, executors, administrators, successors and assigns.

9.14 **Written Resolutions**

Any matter which may be decided at a Partnership meeting by Ordinary Resolution, Special Resolution, Extra-Ordinary Resolution or Unanimous Resolution, as the case may be, may be decided without a formal meeting by an Ordinary Resolution, Special Resolution, Extra-Ordinary Resolution or Unanimous Resolution in writing.

ARTICLE 10.00 - POWER OF ATTORNEY

10.01 **Power of Attorney**

Each Limited Partner hereby irrevocably makes, constitutes and appoints the General Partner to act, with full power of substitution, as their true and lawful attorney and agent, to act on their behalf with full power and authority, in their name, place and stead and for their use and benefit to:

- (a) execute, swear to and record in the appropriate public offices any and all of the following:
 - (i) the Declaration and any amendments to the Declaration required under the *Partnership Act* and the *Business Names Registration Act* and such other instruments as are necessary to form, qualify or continue and keep in good standing the Partnership as a limited partnership in Saskatchewan;
 - (ii) this Agreement and all documents and agreements necessary to reflect any amendment to this Agreement; and
 - (iii) all conveyances and other instruments necessary to reflect the dissolution and termination of the Partnership, including cancellation of the Declaration and the execution of any elections under the *Income Tax Act*, or other legislation;
- (b) execute and file with any governmental body or instrumentality thereof of the Government of Canada or any province any documents necessary to be filed in connection with the business, property, assets and undertaking of the Partnership;
- (c) execute and deliver such conveyances, transfers and other instruments on behalf of a Limited Partner as may be necessary or desirable to effect a Transfer or Transmission of Units made by a Limited Partner (or by the General Partner on behalf of a Defaulting Limited Partner in those circumstances where Section 8.01 hereof is applicable);
- (d) execute, swear to, acknowledge, deliver, file and/or record in appropriate public offices, all instruments and other documents necessary to effect and implement a Reorganization Transaction approved in accordance with this Agreement and in accordance with the Extra-Ordinary Resolution by which such approval was granted;
- (e) execute and deliver such documents on behalf of and in the name of the Partnership and the Limited Partners as may be necessary to give effect to the Business of the Partnership as described in Section 2.03 hereof;
- (f) execute and deliver such other documents on behalf of and in the name of the Limited Partners and/or the Partnership as may be required to give effect to the provisions of this Agreement; or
- (g) execute and deliver the Co-Ownership Agreement, and any amendments thereto, on behalf of and in the name of the Limited Partners and/or the Partnership, if necessary.

To evidence the foregoing, each Limited Partner has or shall in executing a subscription or transfer form for the purchase of Units, execute a power of attorney substantially in the form noted above. The power of attorney granted herein is irrevocable and is a power coupled with an interest and will survive the death, disability, mental and physical incapacity and

insolvency of a Limited Partner and will extend to and be binding upon the heirs, executors, administrators, successors and assigns of the Limited Partner and may be exercised by the General Partner on behalf of each Limited Partner by listing all of the Limited Partners executing any instrument with a single signature as attorney and agent for all of them. Each Limited Partner agrees to be bound by any representations and actions and hereby waives any and all defenses which may be available to contest, mitigate or disaffirm the action of the General Partner taken in good faith and acting legally under such power of attorney.

ARTICLE 11.00 - AMENDMENT TO AGREEMENT

11.01 Amendments

This Agreement may be amended in writing on the initiative of the General Partner with the approval of the Limited Partners given by Extra-Ordinary Resolution. Additionally, the General Partner may, without prior notice to or consent from any Limited Partner, amend any provision of this Agreement from time to time:

- (a) for the purpose of adding to this Agreement any further covenants, restrictions, elections or provisions which, in the opinion of counsel to the Partnership, are necessary for the protection of the Limited Partners;
- (b) to evidence or confirm the admission to or removal from the Partnership of any person who, in accordance with the terms of this Agreement, acquires or disposes of Units;
- (c) to cure an ambiguity or to correct or supplement any provisions contained herein which, in the opinion of counsel to the Limited Partners, may be defective or inconsistent with any other provision contained herein, and with respect to which, in the opinion of such counsel, the cure, correction or supplemental provision does not and will not adversely affect the interests of the Limited Partners; or
- (d) to make such other provisions in regard to matters or questions arising under the Agreement which, in the opinion of counsel to the Partnership, do not and will not adversely affect the interests of the Limited Partners.

The Limited Partners will be notified of full details of such amendments to this Agreement as soon as reasonably possible after the effective date of the amendment.

ARTICLE 12.00 - DISSOLUTION AND TERMINATION

12.01 Events of Dissolution

The Partnership shall be dissolved and its affairs wound up if:

- (a) the Limited Partners resolve by Extra-Ordinary Resolution to dissolve the Partnership;
- (b) the Property is sold, transferred or otherwise disposed of;

- (c) the General Partner gives notice of its intention to resign pursuant to Section 6.13, becomes disqualified as contemplated by Section 6.14, or is removed by the Limited Partners pursuant to Section 6.15, and the Limited Partners fail to appoint and admit a substitute general partner within the time limits set forth in Sections 6.13, 6.14 or 6.15 hereof, as the case may be;
- (d) the Limited Partners have approved a Reorganization Transaction in accordance with Section 12.10, in which case the General Partner shall thereupon take such steps as may be required to implement such Reorganization Transaction in accordance with the provisions of the Extra-Ordinary Resolution approving such Reorganization Transaction and upon or as soon as reasonably possible after such implementation the Partnership shall be dissolved; or
- (e) the Partnership becomes insolvent or bankrupt,

(each or any of the foregoing being hereinafter referred to as an “Event of Dissolution”).

12.02 **Termination**

The Partnership shall terminate, following an Event of Dissolution, when all of its assets have been disposed of and the net proceeds thereof (after payment of, or due provision for the payment of, all debts, liabilities and obligations of the Partnership to creditors) have been distributed as provided in this Article. The General Partner, or such other person as may be acting as receiver of the Partnership, shall have authority to execute and register an amendment to or cancellation of the Declaration as well as any other documents required to give effect to the dissolution and termination of the Partnership.

12.03 **Continuity**

The Partnership shall not be dissolved or terminated by the amendment of this Agreement, the amendment of the Declaration, the admission of a New General Partner or Limited Partner, or the resignation, removal, death, incompetency, bankruptcy, insolvency, dissolution, liquidation, winding up or receivership of the General Partner or any Limited Partner or the issue, Transfer or Transmission of any Unit, except as specifically provided in this Agreement.

12.04 **Receiver**

The General Partner shall serve as the receiver of the Partnership during the period of its liquidation and winding up, provided that if the General Partner is unable or unwilling to act in such capacity, the Limited Partners shall appoint an appropriate person to act as the receiver of the Partnership by Ordinary Resolution (the General Partner, or such other receiver, as applicable, being hereinafter sometimes referred to as the “Receiver”). For greater certainty, where the dissolution of the Partnership results from the Limited Partners failing to appoint a substitute general partner where the General Partner (the “Outgoing General Partner”) is removed or resigns, the Outgoing General Partner shall have full power and authority to continue to act as general partner for the purpose of liquidating and winding up the Partnership.

12.05 **Liquidation of Assets**

As soon as practicable after an Event of Dissolution, the Receiver shall proceed diligently to wind up the affairs of the Partnership, and all assets of the Partnership shall be liquidated as promptly as is reasonably possible. During the course of such liquidation, the Receiver shall act honestly, in good faith and in the manner of a prudent receiver and shall operate the properties and undertakings of the Partnership and in so doing shall be vested with all the powers and authorities of the General Partner in relation to the business and affairs of the Partnership under the terms of this Agreement. The Receiver shall be paid its reasonable fees and disbursements in carrying out its duties.

12.06 **Distributions on Dissolution**

The net proceeds from the liquidation of the assets of the Partnership shall be distributed by the Receiver in the following order of priority:

- (a) to pay off any Mortgages or other secured debts of the Partnership;
- (b) to pay the expenses of liquidation, including the fees and disbursements of the Receiver, and all other debts and liabilities of the Partnership to its creditors;
- (c) to provide for such reserves as the Receiver may deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the Partnership;
- (d) the balance, if any:
 - (i) to the General Partner to return its Capital Contribution; and
 - (ii) to the Limited Partners in accordance with their respective Sharing Ratios.

12.07 **Distributions in Specie**

In lieu of the liquidation and distribution of assets pursuant to Sections 12.05 and 12.06 hereof, the Limited Partners by Unanimous Resolution may approve the distribution of all assets of the Partnership in kind or in specie in which event each Limited Partner, subject to the provisions contained herein, shall be entitled to receive an individual interest in each and every asset of the Partnership and shall assume and be responsible for each and every liability of the Partnership, in proportion to their respective Sharing Ratios at the date of dissolution.

12.08 **Partition of Assets**

Except as specifically provided in Section 12.07 hereof, in no event and under no circumstances shall a Partner be entitled, whether during the existence of the Partnership or after the commencement of the dissolution of the Partnership, to compel a partition, judicial or otherwise, of any of the assets of the Partnership or to have any of the assets of the Partnership distributed to the Partners in kind, in specie, or in any manner other than the distribution of monies from the proceeds of liquidation as provided in Section 12.06 hereof.

12.09 **Return of Capital**

Except as provided in this Agreement, no Partner shall have the right to demand or receive a return of their Capital Contribution in a form other than cash or at any time or in any circumstance except as expressly provided in this Agreement and permitted by the *Partnership Act*. Notwithstanding the foregoing, however, nothing herein is to be construed so as to prohibit such a return of capital in a form other than cash or, subject to the *Partnership Act*, at such other times or in such other circumstances as the General Partner, in its discretion may determine. Except with respect to the General Partner's Share, and except as may otherwise be expressly provided for in this Agreement, any returns of capital shall be distributed amongst the Limited Partners in accordance with their respective Sharing Ratios.

12.10 **Reorganization Transaction**

Notwithstanding any other provision of this Agreement, the General Partner may call a meeting of the Partnership, at any time following the expiration of the Commitment Period, for the purpose of considering and, if thought fit, approving by Extra-Ordinary Resolution a proposed transaction (a "Reorganization Transaction") pursuant to which the General Partner may be authorized to sell and transfer the Property, or its interest therein, and all or substantially all of the other assets of the Partnership or, as attorney and agent for each Limited Partner, to sell and transfer all Units of the Partnership and all of the interests of the respective Limited Partners in the Partnership, on a tax deferred basis, to a mutual fund corporation or trust or to another publicly traded investment vehicle, such as a corporation, limited partnership or real estate investment trust (a "Public Entity") in exchange for shares, limited partnership units, trust units and/or other securities of such Public Entity and to thereupon or as soon as reasonably possible thereafter distribute the shares, limited partnership units, trust units or other securities so received to the Limited Partners in proportion to their respective Sharing Ratios. Implementation of a Reorganization Transaction shall be subject to the following:

- (a) completion of a definitive transfer agreement or like agreements between the General Partner on behalf of the Partnership (and/or as applicable as attorney and agent for the Limited Partners) and the Public Entity to whom the Property and assets (or as the case may be Units) are to be transferred;
- (b) obtaining any necessary regulatory approvals; and
- (c) approval by Extra-Ordinary Resolution.

If a Reorganization Transaction is approved in accordance with the foregoing provisions of this Section 12.10, the General Partner shall use its best efforts, and is hereby authorized, on behalf and at the expense of the Partnership and on behalf of each Limited Partner, to execute and deliver all agreements, documents and other instruments, and to do or cause to be done such other acts and things, as the General Partner in its discretion considers to be reasonably necessary or desirable to implement and complete such Reorganization Transaction in accordance with the Extra-Ordinary Resolution authorizing the transaction.

12.11 Liquidity Event

Notwithstanding any other provision of this Agreement, within fifteen (15) years from the end of the Commitment Period the General Partner shall at a meeting of the Partnership initiate discussions with the Limited Partners to assess the interest regarding the potential sale of the Property in order to provide liquidity to the Limited Partners at that time. If the Limited Partners approve initiating the potential sale of the Property, the General Partner shall canvass the market conditions for the sale of the Property and prepare a report setting out the fair market value of the Property based on licensed third party real estate appraisals. The General Partner will circulate the report to the Limited Partners 90 days from the initial meeting. At that time the Limited Partners may approve by Special Resolution the offering of the Property for sale on the approved terms and any subsequent accepted counteroffers.

ARTICLE 13.00 - NOTICES**13.01 Notice**

Any notice, communication, payment or demand required or permitted to be given or made hereunder will be sufficiently given or made for all purposes if delivered personally to the party or to an officer of the party to whom it is directed or if sent by ordinary first class mail within Canada, postage prepaid, or if sent by telecopier, facsimile or other form of electronic transmission, addressed as follows:

To the General Partner:

c/o Millennium III Capital Corporation
2612 Koyl Avenue
Saskatoon, Saskatchewan
S7L 5X9
Fax No. 955-4175

To a Limited Partner:

At the address of the Limited Partner as set forth in the Register.

13.02 Deemed Receipt

Except as provided in Section 13.03, a document personally delivered will be deemed to be received on the day of delivery, a document sent by mail will be deemed to be received on the third Business Day after mailing and a document sent by telecopier, facsimile or other form of electronic transmission will be deemed to be received on the day of transmission unless such day is not a Business Day in which case it shall be deemed to be received on the first Business Day following the day of transmission.

13.03 Mail Disruption

In the event of any disruption, strike or interruption in the Canadian postal service after mailing or before receipt or deemed receipt of a document, that document shall be delivered

only by personal delivery or by telecopier, facsimile or other form of electronic transmission.

13.04 **Change of Address**

The General Partner may change its address by giving written notice of such change to the Limited Partners in accordance with this Article, and a Limited Partner may change their address by giving written notice of such change to the General Partner in accordance with this Article.

ARTICLE 14.00 - GENERAL

14.01 **Competing Interests**

Each Limited Partner is entitled, without the consent of the other Limited Partners or the General Partner, to carry on any business of the same nature and competing with that of the Partnership, and is not liable to account to the other Partners or the Partnership therefor. Without limiting the generality of the foregoing, it is expressly acknowledged and agreed that the Project Sponsor and/or persons associated or affiliated with the Project Sponsor are or may become party with the Limited Partnership in respect of the Material Contracts and may be or become mortgagees of the Partnership or otherwise enter into agreements from time to time with the Partnership, and each Partner and the Partnership hereby acknowledges that the Project Sponsor and such associates and/or affiliates are hereby permitted to enter into such agreements with the Partnership and to earn and/or realize a profit from such Material Contracts without liability to account to the Partnership or to any Limited Partner in respect thereto.

14.02 **Severability**

If any Article, Section or any portion of any Section of this Agreement is determined to be unenforceable or invalid by arbitration or by the decision of any Court of competent jurisdiction which is not appealed or appealable, for any reason whatsoever, that unenforceability or invalidity shall not affect the enforceability or validity of the remaining portions of this Agreement and such unenforceable or invalid Article, Section or portion thereof shall be severed from the remainder of this Agreement.

14.03 **Governing Law**

This Agreement and its application and interpretation shall be governed and construed in accordance with the laws of the Province of Saskatchewan and each Partner hereby irrevocably attorns to the non-exclusive jurisdiction of the Courts of the Province of Saskatchewan.

14.04 **Further Acts**

The parties hereto agree to execute and deliver such further and other documents and perform and cause to be performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part hereof.

14.05 **Counterparts**

This Agreement may be executed in counterparts. All counterparts shall constitute one and the same agreement. Counterparts may be in original, facsimiled or electronic form.

14.06 **Waiver**

No failure or delay on the part of any party exercising any right or privilege hereunder and no indulgence or forbearance by any party in respect of the strict application of the provisions hereof shall operate as a waiver unless made in writing. Any written waiver shall not preclude the further or other exercise by the party giving such waiver of any right, power or privilege hereunder or extend to or apply to any subsequent default of the same or any other nature.

14.07 **Time**

Time shall be of the essence hereof and no extension or variation of this Agreement shall operate as a waiver of this provision.

14.08 **Binding Effect**

Each and all of the covenants, terms, provisions and agreements herein contained shall be binding upon and enure to the benefit of the Partners, their respective heirs, executors, administrators, committees and legal personal representatives, and to the extent permitted by this Agreement, the respective successors and assigns.

14.09 **Revocation of Prior Agreements**

This Agreement is in substitution for all prior agreements of the parties in respect of the subject matter hereof and the provisions of the same are hereby revoked. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF this Agreement is executed as of the date first above written.



LEMARCHANT PROPERTIES LIMITED

Per: 
John Kearley, President



FLP INVESTMENTS LIMITED

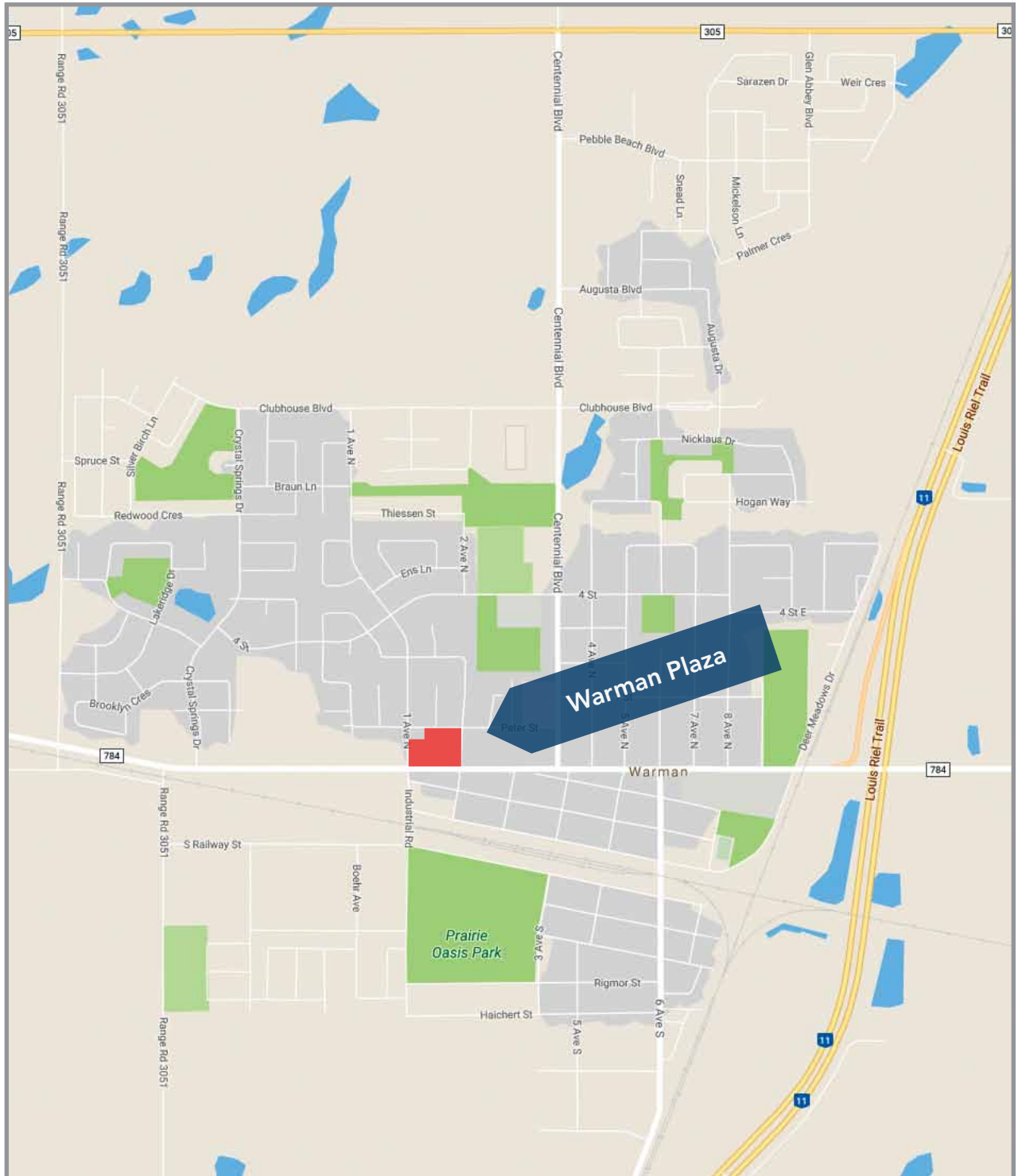
Per: 
John Kearley, President

ANNEX II TO OFFERING MEMORANDUM

LEMARCHANT PROPERTIES LIMITED PARTNERSHIP

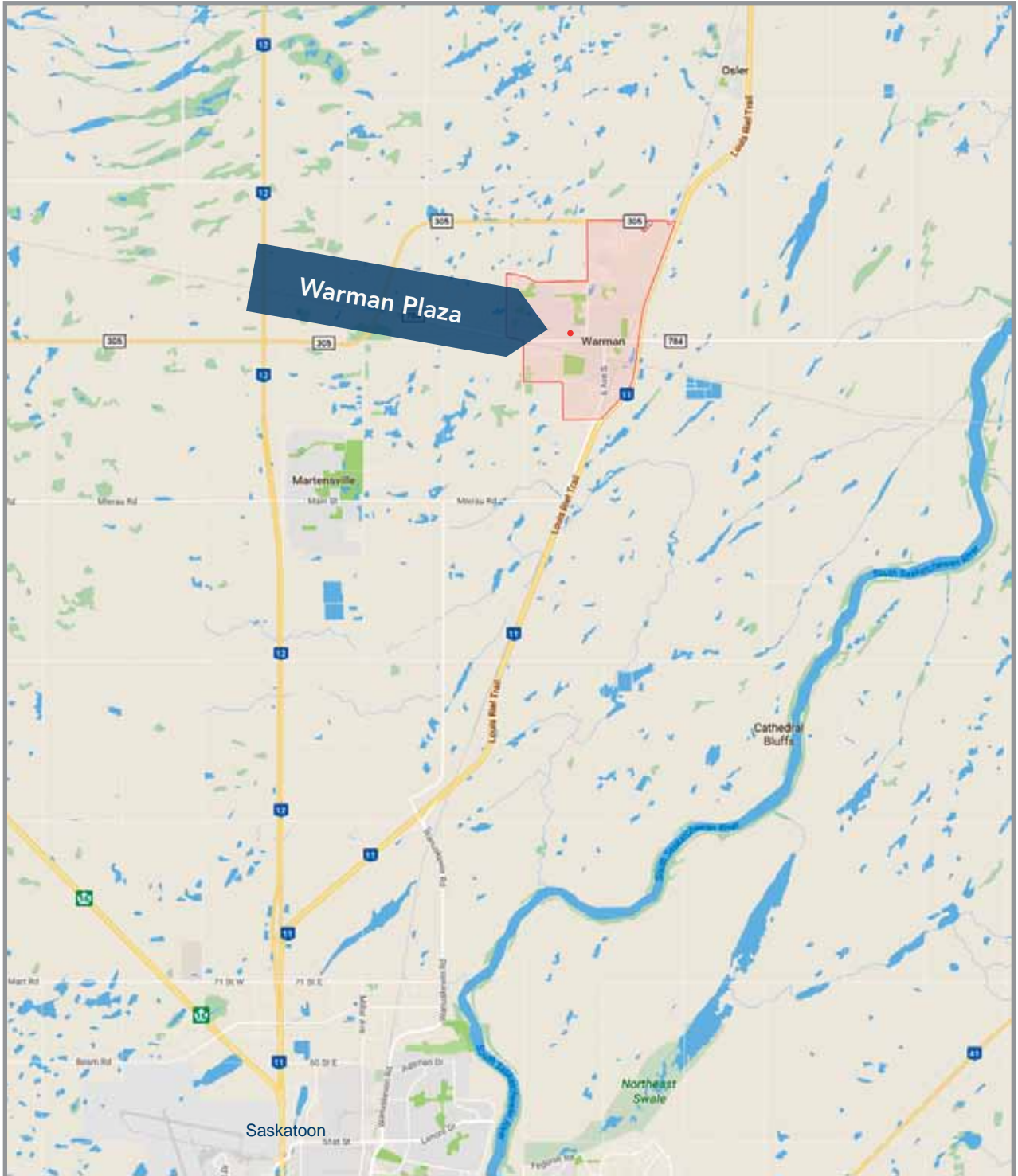
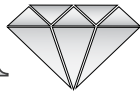
PROPERTY PLANS AND PHOTOS

WARMAN PLAZA



Location Map

WARMAN PLAZA



Area Map

WARMAN PLAZA



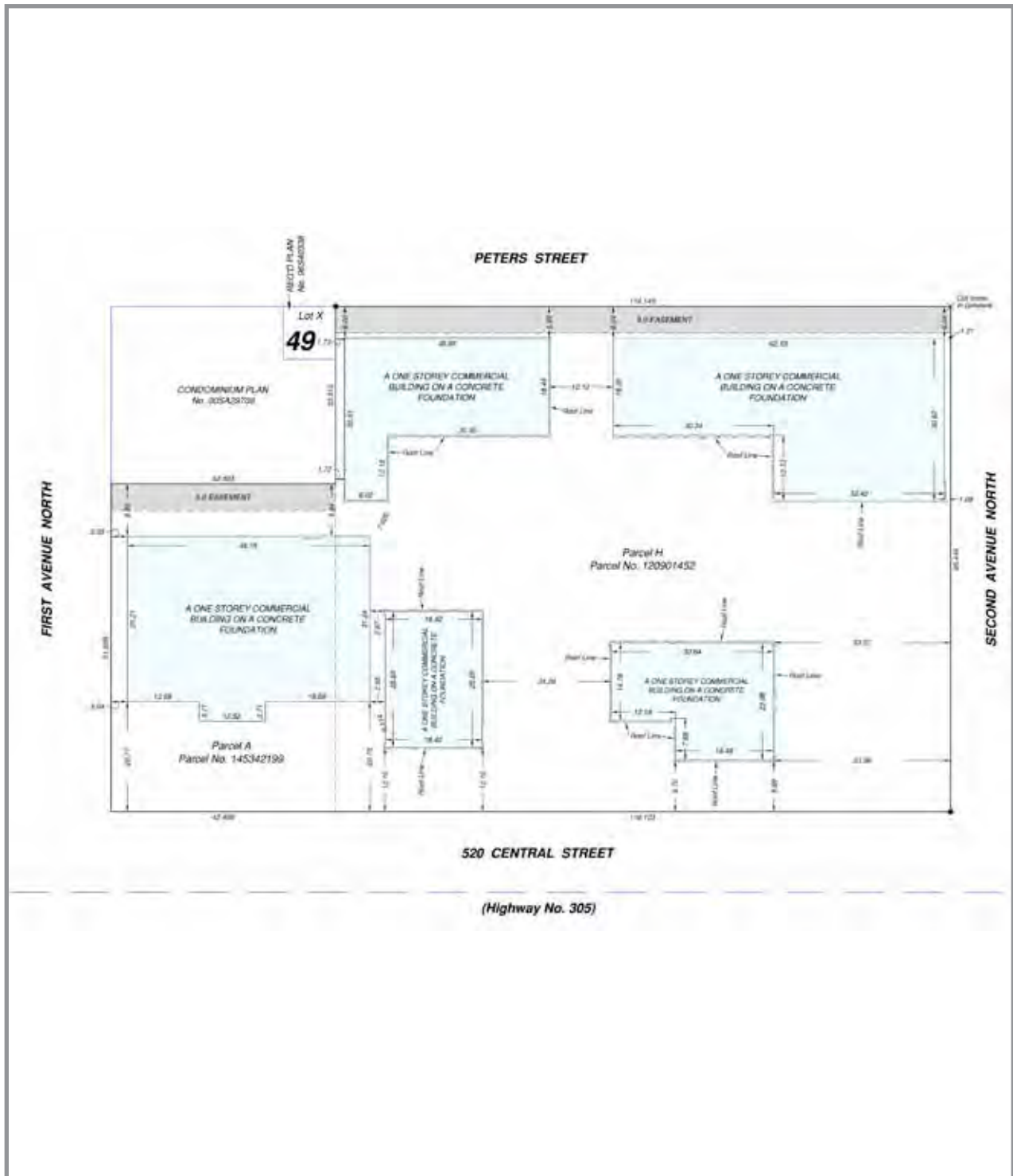
Zoning Map

WARMAN PLAZA



Site Plan

WARMAN PLAZA



Real Property Report

SASKATCHEWAN LAND SURVEYORS REAL PROPERTY REPORT

Client : Millennium III

Registered

S.R.P.R.# : S17112

Owner : LEMARCHANT PROPERTIES LIMITED

Municipal

Registered Easements

Address : 520 Central Street

J 102956665, T04066261
104666263

Legal Land Description

: Parcel Number: 145342199 Title Number: 149340214 Search Date: 30 Apr 2017 09:25:33
Parcel A, Plan No. 102204864 Extension 3
As described on Certificate of Title 80S46182, description 3:
Parcel Number: 120901452 Title Number: 149340225 Search Date: 30 Apr 2017 09:19:34
Parcel H, Plan No. 76S35814 Extension 6
As described on Certificate of Title 92S33257, description 6:

ORIGINAL

in the CITY OF WARMAN, in the Province of Saskatchewan, according to a plan of record in the Land Surveys Directory.

NOTE : measurements are in METRES and decimals thereof.
: property corners found or established are shown thus: ●

: this document is protected by copyright and no person may copy, reproduce, distribute or alter it, in whole or in part, without the written permission of Darren P. Palkau, S.L.S.
: this document is for the protection of the mortgagee only, and the information provided is for the sole use of Millennium III
: the measurements shown are from property boundaries to the main external permanent building walls only, at the date of survey, and are not to be used in the establishment of property boundaries.

The survey represented by this plan was performed on the 27th day of April A.D. 2017, in accordance with Bylaw XIII of the Saskatchewan Land Surveyors' Act, and shows the above ground location of visible permanent structures relative to the boundaries of the subject property.

There are NO encroachments of visible permanent structures from the subject property onto adjacent properties, and there are NO visible encroachments onto the subject property from adjacent properties.

Dated at Saskatoon in the Province of Saskatchewan, this 2nd day of May, A.D. 2017.



Meridian
Surveys Ltd.

100 - 310 Worman Lane
Saskatoon, Sask. S7T 0J1
Phone (306) 934-1818


Saskatchewan Land Surveyor



This document is only valid if it bears the original signature and seal of the Saskatchewan Land Surveyor.

COPYRIGHT © 2017
gms/mg

WARMAN PLAZA



de Amore Boutique Formal Attire



de Amore Boutique Formal Attire

WARMAN PLAZA



The Wagon Wheel Family Restaurant



The Wagon Wheel Family Restaurant

WARMAN PLAZA



Dollarama



Dollarama

WARMAN PLAZA



Tosh Restaurant & Lounge



Tosh Restaurant & Lounge

WARMAN PLAZA



Little Caesars Pizza



Little Caesars Pizza

WARMAN PLAZA



Warman Dance Club



Too No End Thrift Store

WARMAN PLAZA

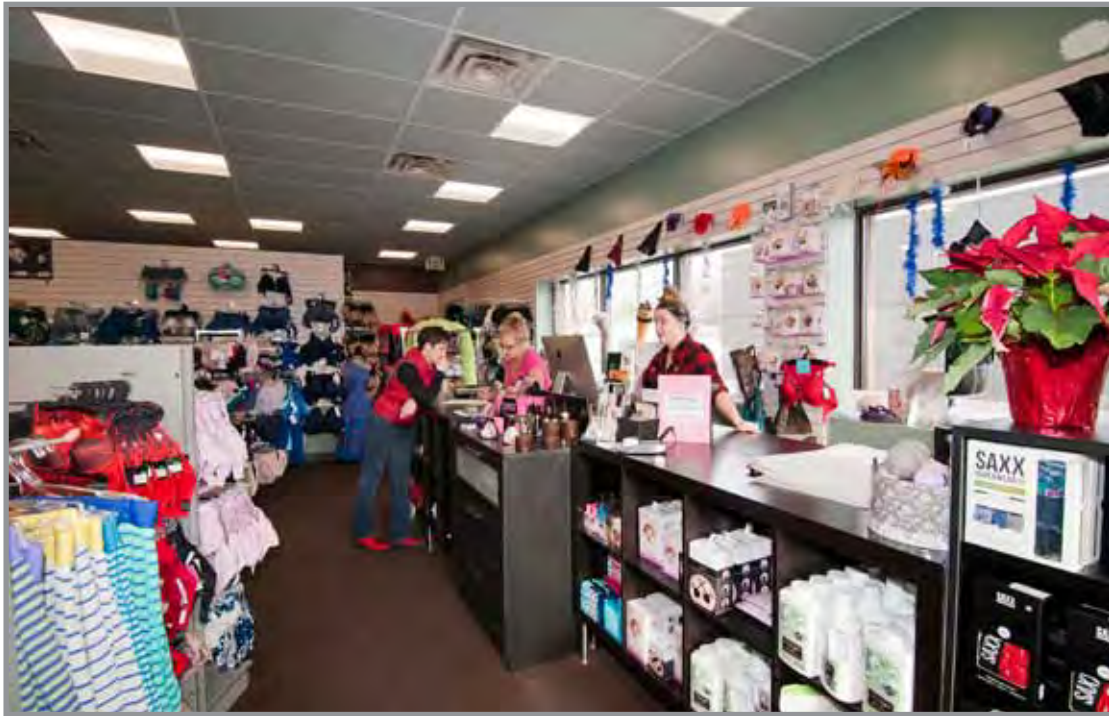


Chopsticks Asian Cuisine



Bodacious Bustlines Bras and Lingerie

WARMAN PLAZA



Bodacious Bustlines Bras and Lingerie



MLA Nancy Heppner

WARMAN PLAZA



Palm Salon & Spa



Palm Salon & Spa

WARMAN PLAZA



Work n Play Clothing



Work n Play Clothing

WARMAN PLAZA



Super Valu Grocery



Super Valu Grocery

WARMAN PLAZA



Super Valu Grocery



Super Valu Grocery

ANNEX III TO OFFERING MEMORANDUM

LEMARCHANT PROPERTIES LIMITED PARTNERSHIP

FORM OF SUBSCRIPTION AGREEMENT

SUBSCRIPTION AGREEMENT FOR UNITS

TO: LeMarchant Properties Limited Partnership (the “Partnership”)
AND TO: LeMarchant Properties Limited (the “General Partner”)
AND TO: Millennium III Capital Corporation (the “Promoter”)

The undersigned (hereinafter referred to as the “**Subscriber**”) hereby irrevocably subscribes for and agrees to purchase the number of limited partnership units (the “**Units**”) of the Partnership set forth below, representing a subscription price of \$24,700 per Unit, upon and subject to the terms and conditions set forth in “Terms and Conditions of Subscription for Units of LeMarchant Properties Limited Partnership” attached hereto (the “**Terms and Conditions**”) and on the terms and conditions set forth in the limited partnership agreement with respect to the Partnership dated January 01, 2007, as amended, restated or supplemented from time to time (the “**Partnership Agreement**”). This page plus the Terms and Conditions and the Exhibits attached thereto are collectively referred to as the “**Subscription Agreement**”. Terms denoted in the Subscription Agreement with initial capital letters and not otherwise defined have the meanings ascribed thereto in the Partnership Agreement, unless the context otherwise requires.

Date: _____

 (Name of Subscriber - please print)

 (Name of Joint Subscriber - please print)

By: _____
 (Authorized Signature)

By: _____
 (Authorized Signature)

 (Official Capacity or Title if Subscriber is a Corporation - please print)

 (Please print name of individual whose signature appears above if different than the name of the Subscriber printed above.)

 (Subscriber’s Address)

 (Email Address)

 (Telephone Number)

 (Social Insurance Number)

 (Social Insurance Number)

 (CRA Business Number)

Price per Unit: \$24,700

Number of Units: _____

Aggregate Subscription Amount: \$ _____

State whether the subscriber is a registrant under applicable securities laws:

☐ YES ☐ NO

Witness Information:

 (Name of Witness - Given name, Surname - please print)

 (Signature of Witness)

Qualification for Securities Exemptions: Please initial beside the following exemption you are relying on and complete the relevant missing information. By executing this Subscription Agreement you represent and warrant that the initialed statements apply to you:

- _____ (a) I am an “accredited investor”. I am subscribing for Units under section 2.3 [Accredited investor] of NI 45-106, and reside in a Province or Territory of Canada. **COMPLETE EXHIBIT 1.**
- _____ (b) I am an “eligible investor”. I am subscribing for Units under section 2.9 [Offering memorandum] of NI 45-106, and reside in a Province or Territory of Canada (except Quebec). **COMPLETE EXHIBIT 2 AS APPLICABLE.**
- _____ (c) I am an “eligible investor” because I am an “accredited investor”. I am subscribing for Units under section 2.9 [Offering memorandum] of NI 45-106 and reside in a Province or Territory of Canada (except Quebec). **COMPLETE EXHIBIT 1 AND EXHIBIT 2 AS APPLICABLE.**

The Subscriber must sign two copies of Part II of Exhibit 1 and/or Part II of Exhibit 2, as applicable. Each of the Subscriber and the Partnership must receive a copy signed by the Subscriber.

FOR DEALING REPRESENTATIVE TO COMPLETE

By submitting this completed Subscription Agreement to the General Partner, the dealing representative hereby acknowledges and confirms that it has fulfilled all relevant “know-your-client”, suitability and anti-money laundering obligations under applicable securities legislation or other laws. It also confirms that it (i) has taken reasonable steps to verify that the Subscriber qualifies for the prospectus exemption indicated by the Subscriber under the heading “Qualification for Securities Exemption” above, (ii) will retain, for a minimum of eight (8) years, all necessary documents to demonstrate such verification, and (iii) will provide copies of such documentation to the General Partner upon request.

Name of Dealer (Firm Name)

Name and ID No. of Dealing Representative

Dealer Transaction Number

Signature of Dealing Representative

Telephone Number of Dealing Representative

Email Address of Dealing Representative

ACCEPTANCE: The General Partner hereby accepts the above subscription on the terms and conditions contained in this Subscription Agreement on behalf of the Partnership this _____ day of _____, 20_____.

LEMARCHANT PROPERTIES LIMITED
as General Partner on behalf of
LEMARCHANT PROPERTIES LIMITED PARTNERSHIP

Per: _____

This is the second page of an agreement comprised of 10 pages, not including Exhibits 1 or 2.

Please make sure that your subscription includes:

1. One (1) signed copy of this Subscription Agreement.
2. A certified cheque or a bank draft in an amount equal to the Aggregate Subscription Amount payable to “LeMarchant Properties Limited”.
3. A completed and signed copy of:
 - (a) **Exhibit 1 (Part I and Part II)**, if you initialed beside (a) on the face page of this Subscription Agreement under the heading “Qualification for Securities Exemptions”;
 - (b) **Exhibit 2 (Part I and Part II)**, if you initialed beside (b) on the face page of this Subscription Agreement under the heading “Qualification for Securities Exemptions” and:
 - (i) **Schedule I and Schedule II of Part II of Exhibit 2** if you are an individual resident of Alberta, Saskatchewan, Ontario, New Brunswick or Nova Scotia;
 - (c) **Exhibit 1 (Part I) and Exhibit 2 (Part I and Part II)**, if you initialed beside (c) on the face page of this Subscription Agreement under the heading “Qualification for Securities Exemptions” and:
 - (i) **Schedule I and Schedule II of Part II of Exhibit 2** if you are an individual resident of Alberta, Saskatchewan, Ontario, New Brunswick or Nova Scotia;

Please deliver your subscription to:

LEMARCHANT PROPERTIES LIMITED PARTNERSHIP
c/o Millennium III Capital Corporation
2612 Koyl Avenue
Saskatoon SK S7L 5X9
Fax:(306) 955-4175
E-mail: info@millennium3.ca

**TERMS AND CONDITIONS OF SUBSCRIPTION FOR UNITS OF
LEMARCHANT PROPERTIES LIMITED PARTNERSHIP**

1. Interpretation.

- (a) In this Subscription Agreement, unless stated otherwise or defined on the cover page or in Section 1(b) of this Subscription Agreement, capitalized terms used herein that are defined in the Partnership Agreement have the meanings ascribed to such terms in the Partnership Agreement;
- (b) In this Subscription Agreement:
 - (i) “**Accredited Investor Risk Acknowledgement**” means the Accredited Investor Risk Acknowledgement (Form 45-106F9) attached hereto as Part II of Exhibit 1;
 - (ii) “**Aggregate Subscription Amount**” means the total amount listed under Aggregate Subscription Price on the face page;
 - (iii) “**Business Day**” means a day which is not a Saturday, Sunday or statutory holiday in the City of Saskatoon, Saskatchewan;
 - (iv) “**Cancellation Right**” means the right of the Subscriber who is subscribing under section 2.9 [Offering memorandum] of NI 45-106 to cancel this Subscription Agreement by sending notice of cancellation by midnight on the 2nd business day after the Subscriber executes this Subscription Agreement;
 - (v) “**Closing**” means the completion of the subscription for any Units pursuant to this Subscription Agreement;
 - (vi) “**Closing Date**” means the date of the Closing which is expected to occur on October 31, 2017, or such time or times as the General Partner may determine, but shall be no later than December 30, 2017;
 - (vii) “**Closing Time**” means the time on the applicable Closing Date that the Closing occurs;
 - (viii) “**General Partner**” means LeMarchant Properties Limited in its capacity as general partner of the Partnership;
 - (ix) “**NI 45-106**” means National Instrument 45-106 – *Prospectus Exemptions* of the Canadian Securities Administrators;
 - (x) “**Offering**” means the offering of Units under this Subscription Agreement;
 - (xi) “**Offering Memorandum**” means the Offering Memorandum of the Partnership relating to the sale of Units, as may be amended or supplemented from time to time;
 - (xii) “**Offering Memorandum Risk Acknowledgement**” means the Offering Memorandum Risk Acknowledgement (Form 45-106F4) attached hereto as Part II of Exhibit 2;
 - (xiii) “**Promoter**” means Millennium III Capital Corporation;
 - (xiv) “**Securities Laws**” means, as applicable, the securities laws, regulations, rules, rulings and orders in the Selling Jurisdictions in Canada, the applicable policy statements issued by the securities regulators in the Selling Jurisdictions in Canada and the regulations, rules, rulings and orders of any stock exchange;
 - (xv) “**Selling Jurisdictions**” means all the provinces and territories of Canada and such other jurisdictions as the Partnership may agree to from time to time, as applicable; and
 - (xvi) “**Tax Act**” means the *Income Tax Act* (Canada), together with any and all regulations promulgated thereunder, as amended from time to time.

2. Acknowledgements of the Subscriber. The Subscriber acknowledges that:

- (a) this subscription is subject to rejection or acceptance by the Partnership in whole or in part, and is effective only upon acceptance by the General Partner on behalf of the Partnership;
- (b) the Units subscribed for by it hereunder form part of a larger issuance and sale of Units by the Partnership for aggregate maximum gross proceeds of up to \$5,038,800;
- (c) the Subscriber acknowledges that the Offering is not subject to any minimum offering level and that the Subscriber may be the only subscriber under the Offering;
- (d) the General Partner reserves the right to close the Offering in multiple tranches and the Partnership is entitled to use the subscription proceeds as soon as any Closing has occurred provided the conditions to Closing set out in the Offering Memorandum are met;
- (e) there is no government or other insurance covering the Units;
- (f) the Promoter will pay commissions and certain fees in respect of administrative matters in connection with the Offering realized on the Units sold directly by registered dealers, financial advisors, sales persons, wholesalers, brokers, intermediaries or other eligible persons;
- (g) the Partnership may provide information in respect of the Subscriber’s investment to the advisor and dealer listed on page 2 of this Subscription Agreement;

- (h) there are restrictions on the Subscriber's ability to resell the Units and it is the responsibility of the Subscriber to find out what those restrictions are and to comply with them before selling the Units;
- (i) the Partnership has advised the Subscriber that the Partnership is relying on an exemption from the requirements to provide the Subscriber with a prospectus and, as a consequence of acquiring Units pursuant to this exemption, certain protections, rights and remedies provided by Securities Laws, including statutory rights of rescission or damages, may not be available to the Subscriber (other than the rights set forth in the Offering Memorandum applicable to Subscribers who subscribe for Units under the offering memorandum exemption in Section 2.9 of NI 45-106);
- (j) no prospectus has been filed by the Partnership with any securities commission or similar regulatory authority in the Selling Jurisdictions and the issuance is exempt from the prospectus requirements available under the provisions of Securities Laws and as a result:
 - (i) the Subscriber is restricted from using most of the civil remedies available under Securities Laws (other than remedies available in connection with the Offering Memorandum delivered to Subscribers who subscribe for Units under the offering memorandum exemption in Section 2.9 of NI 45-106);
 - (ii) the Subscriber may not receive information that would otherwise be required to be provided to it under Securities Laws (other than the information set forth in the Offering Memorandum applicable to Subscribers who subscribe for Units under the offering memorandum exemption in Section 2.9 of NI 45-106); and
 - (iii) the General Partner and Partnership are relieved from certain obligations that would otherwise apply under Securities Laws;
- (k) the Subscriber is solely responsible for obtaining such legal advice as it considers appropriate in connection with the execution, delivery and performance of this Subscription Agreement and ownership of the Units;
- (l) participation in the Partnership is subject to acceptance of the Subscription Agreement by the General Partner and to certain other considerations set forth in the Partnership Agreement and that acceptance of this Subscription Agreement shall be effective upon the General Partner, as attorney for the Subscriber, registering or cause to be registered such declarations, or amendments thereto, as may be necessary to so register the Subscriber as a limited partner in accordance with *The Business Names Registration Act* (Saskatchewan) and *The Partnership Act* (Saskatchewan); and
- (m) the Subscriber has been furnished with and has carefully reviewed and fully understands the Partnership Agreement and that it will become a party to the Partnership Agreement at the Closing Time and upon the General Partner's acceptance of this Subscription Agreement and the corresponding registration of the amendment to the declaration for the Partnership.

3. **Representations, Warranties and Covenants of the Subscriber.** By executing this Subscription Agreement, the Subscriber represents, warrants and covenants to the General Partner and the Partnership (and acknowledges that the General Partner and the Partnership and their counsel are relying thereon) that:

- (a) if the Subscriber is an individual, the Subscriber is of the full age of majority in the jurisdiction in which this Subscription Agreement is executed and is legally competent to execute and deliver this Subscription Agreement, the Partnership Agreement and all other agreements, instruments and other documents contemplated hereby and thereby and that it will perform all of its obligations, undertake all actions required of the Subscriber hereunder and thereunder;
- (b) if the Subscriber is not an individual: (i) it has been duly incorporated, formed or created and is valid and subsisting under the laws of the jurisdiction of its incorporation, formation, or creation; (ii) has the requisite power, authority, legal capacity and competence to execute and deliver this Subscription Agreement, the Partnership Agreement and all other agreements, instruments and other documents contemplated hereby and thereby and to perform all of its obligations, and to undertake all actions required of the Subscriber; and (iii) all necessary approvals of its directors, partners, shareholders, trustees or otherwise with respect to such matters that have been given or obtained;
- (c) this Subscription Agreement and the Partnership Agreement have been duly and validly authorized, executed and delivered by, and constitute a legal, valid, binding and enforceable obligation of the Subscriber;
- (d) the execution, delivery and performance by the Subscriber of this Subscription Agreement and the Partnership Agreement and the completion of the transactions contemplated herein and therein do not and will not result in a violation of any law, regulation, order or ruling applicable to the Subscriber, and do not and will not constitute a breach of or default under any of the Subscriber's constating documents (if the Subscriber is not an individual) or any agreement to which the Subscriber is a party or by which it is bound;
- (e) the Subscriber:
 - (i) has such knowledge in financial and business affairs as to be capable of evaluating the merits and risks of its investment in the Units;
 - (ii) is capable of assessing the proposed investment in the Units as a result of the Subscriber's own experience or as a result of advice received from a person registered under the Securities Laws;
 - (iii) is aware of the characteristics of the Units and the risks relating to an investment therein; and
 - (iv) is able to bear the economic risk of loss of its investment in the Units;
- (f) it understands that no securities commission, stock exchange, governmental agency, regulatory body or similar authority in Canada or elsewhere has made any finding or determination or expressed any opinion with respect to the merits of investing in the Units;
- (g) it confirms that neither the General Partner, the Partnership, the Promoter nor any of their respective representative directors, employees, officers or affiliates, have made any representations (written or oral) to the Subscriber:
 - (i) regarding the future value of the Units;

- (ii) that any person will resell or repurchase the Units;
 - (iii) that any person will refund the purchase price of the Units; or
 - (iv) that the Units will be listed and posted for trading on a stock exchange or that application has been made to list and post the Units for trading on a stock exchange;
- (h) the Subscriber has been advised to consult its own legal, tax and financial advisors with respect to the suitability of the Units as an investment for the Subscriber and the resale restrictions and “hold periods” to which the Units are subject under Securities Laws, it has been independently advised as to the meanings of all terms contained herein relevant to it for purposes of the representations, warranties, undertakings and covenants contained in this Subscription Agreement, and has not relied upon any statements made by or purporting to have been made on behalf of the Partnership or the General Partner in deciding to subscribe for Units hereunder;
- (i) it has not become aware of, and it has not entered into this Subscription Agreement as a result of: (i) any advertisement in printed media of general and regular paid circulation (or other printed public media), radio, television or telecommunications or other form of advertisement (including electronic display such as the internet) with respect to the Partnership, the Offering or the distribution of the Units; or (ii) any general solicitation or general advertising;
- (j) except in the case of a Subscriber who is subscribing under the offering memorandum exemption in section 2.9 of NI 45-106 and the PowerPoint presentation, the Subscriber has not received, requested and does not have any need to receive any offering memorandum or any other document describing the business and affairs of the Partnership which has been prepared for delivery to and review by prospective subscribers in order to assist it in making an investment decision in respect of the Units;
- (k) in the case of a Subscriber who is subscribing under the offering memorandum exemption in section 2.9 of NI 45-106, the Subscriber has received, reviewed and fully understands the Offering Memorandum and has had an opportunity to ask and have answered any and all questions which it wished to raise with respect to the business and affairs of the Partnership, the nature of its activities, the proposed use of proceeds, the Units, the Partnership Agreement and this Subscription Agreement;
- (l) except in the case of a Subscriber who is subscribing under the offering memorandum exemption in Section 2.9 of NI 45-106, the Subscriber acknowledges that certain protections, rights and remedies provided by an offering memorandum and other Securities Laws, including statutory rights of rescission or damages, may not be available to the Subscriber;
- (m) the Subscriber confirms that it is, or is deemed to be, purchasing the Units as principal for its own account, not for the benefit of any other person, and for investment purposes only and not with a view to the resale or distribution of all or any of the Units, it is resident in the jurisdiction set out as the “Subscriber’s Address” on the face page hereof, and it fully complies with one or more of the criteria set forth below:
- (i) **it is resident of a province of Canada**, it is an “accredited investor”, as such term is defined in NI 45-106 or, where applicable, section 73.3(1) of the *Securities Act* (Ontario), it was not created and is not used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of “accredited investor” in NI 45-106, and has duly completed and executed Exhibit 1 (and particularly, if the Subscriber is an individual who has initialed category (j), (k) or (l) of the definition of “accredited investor” in Part I of Exhibit 1, he or she has duly completed and executed two (2) copies of the Accredited Investor Risk Acknowledgement, one copy for each of the Partnership and the Subscriber); or
 - (ii) **it is resident of a province of Canada other than Quebec**, it has received or been provided with a copy of the Offering Memorandum and has duly completed and executed Exhibit 2, as applicable, including two (2) copies of the Offering Memorandum Risk Acknowledgement (one copy for each of the Partnership and the Subscriber), and:
 - A. if the Subscriber is an individual and resident in Alberta, Saskatchewan, Ontario, New Brunswick or Nova Scotia, the Subscriber
 - (1) is an “eligible investor” as such term is defined in NI 45-106 and the acquisition cost of all securities acquired by the Subscriber under section 2.9 [Offering memorandum] of NI 45-106 in the preceding 12 months (including the Units to be acquired hereunder) does not exceed \$30,000;
 - (2) is an “eligible investor” as such term is defined in NI 45-106, has received advice from a portfolio manager, investment dealer or exempt market dealer that the investment is suitable and the acquisition cost of all securities acquired by the Subscriber under section 2.9 [Offering memorandum] of NI 45-106 in the preceding 12 months (including the Units to be acquired hereunder) does not exceed \$100,000;
 - (3) is an “accredited investor” as such term is defined in NI 45-106 or, where applicable, section 73.3(1) of the *Securities Act* (Ontario) and the Subscriber has duly completed and executed Exhibit 1; or
 - (4) is a family, friend or business associate as such term is used in section 2.5 [Family, friends and business associates] of NI 45-106;
 - B. if the Subscriber is resident in Manitoba, Northwest Territories, Nunavut, Prince Edward Island or Yukon, the Subscriber is an “eligible investor” as such term is defined in NI 45-106;
 - C. it was not created, and is not used, solely to purchase or hold securities in reliance on the exemption from the prospectus requirement set out in section 2.9 [Offering memorandum] of NI 45-106;
- (n) **if it is a resident of any jurisdiction referred to in the preceding paragraph 3(m)** but not purchasing thereunder, it is purchasing pursuant to an exemption from prospectus requirements available to it under Securities Laws and shall deliver to the Partnership such further particulars of the exemption(s) and the Subscriber’s qualifications thereunder as the Partnership or its counsel may request;

- (o) it understands and acknowledges that: (i) there is no market for the Units and there is no assurance that a market will develop in the future and confirms that no representation has been made to it by or on behalf of the General Partner or the Partnership with respect thereto; (ii) it is aware of the characteristics of the Units; (iii) it is aware of the risks relating to an investment therein; and (iv) the Partnership is not a “reporting issuer” under Securities Laws, and as a result of the Partnership not being a reporting issuer the Units will be subject to an indefinite “hold period” or “restricted period” under Securities Laws of 4 months and a day from the later of the Closing Date and the date the Partnership becomes a reporting issuer under Securities Laws, during which time the Subscriber may not trade the Units without filing a prospectus or being able to rely on one of the limited exemptions from the requirement to file a prospectus under Securities Laws, and that the Subscriber is solely responsible for (and neither the Partnership, General Partner nor the Promoter are in any way responsible for) the Subscriber’s compliance with applicable resale restrictions. **The Subscriber further acknowledges that the Partnership may never become a reporting issuer, and therefore, the hold period or restricted period may never expire and that it has been advised to consult legal counsel in the jurisdiction in which it resides or is deemed to reside for full particulars of resale restrictions and hold periods to which the Units are subject under Securities Laws;**
 - (p) it understands that the transfer of the Units is restricted pursuant to both the Partnership Agreement and Securities Laws and that any certificates representing the Units will bear a legend, or legends, indicating that the resale of such securities is restricted;
 - (q) it will not resell any of the Units, except in accordance with Securities Laws and the Partnership Agreement;
 - (r) it has relied solely upon the information in the Offering Memorandum (as applicable) and publicly available information relating to the Partnership and not upon any verbal or written representation as to fact or otherwise made by or on behalf of the Partnership and acknowledges that the Partnership’s counsel acts as counsel to the Partnership and not as counsel to the Subscriber;
 - (s) it is not a “non-Canadian” within the meaning of the *Investment Canada Act* (Canada), as amended, replaced, restated or re-enacted from time to time;
 - (t) it is not a “non-resident” within the meaning of the Tax Act;
 - (u) it understands that it and/or either the General Partner or the Partnership may be required to provide securities regulatory authorities or stock exchanges with information concerning the identities of the purchasers of the Units and, if required by Securities Laws or by any securities regulatory authority or stock exchange, the Subscriber will execute, deliver, file and otherwise assist the General Partner and the Partnership in filing such reports, undertakings and other documents with respect to the issue of the Units as may be required;
 - (v) it will ensure that its status as described above in sections 3(s) and (t) will not be modified and he or she will not transfer his or her Units in whole or in part to any person who would be unable to make such representations and warranties without the express written consent of the General Partner; and
 - (w) the Subscriber has not and will not finance any part of the Aggregate Subscription Amount with borrowing or other indebtedness for which recourse is or is deemed to be limited within the meaning of the Tax Act, it being acknowledged that, for this purpose, limited recourse indebtedness includes, without limitation:
 - (i) indebtedness in respect of which bona fide written arrangements were not made at the time the indebtedness was incurred for repayment of all principal and interest within a reasonable period not exceeding 10 years;
 - (ii) indebtedness on which interest is not payable, at least annually, at a rate equal to or greater than the lesser of the rate prescribed under the Tax Act at the time the indebtedness arose and the prescribed rate that is applicable from time to time during the term of the indebtedness; and
 - (iii) indebtedness in respect of which such interest is not paid by the debtor within 60 days of the end of the debtor’s tax year.
4. **Timeliness of Representations, etc.** The Subscriber agrees that the representations, warranties and covenants of the Subscriber herein (including the Exhibits attached hereto) will be true and correct both as of the execution of this Subscription Agreement and as of the Closing Time, and will survive the completion of the distribution of the Units and any subsequent disposition by the Subscriber of the Units.
5. **Indemnity.** The Subscriber acknowledges that each of the General Partner, the Partnership and the Promoter are relying upon the representations, warranties and covenants of the Subscriber set forth herein in determining the eligibility (from a securities law perspective) of the Subscriber to purchase Units under the Offering, and hereby agrees to indemnify each of the General Partner, the Partnership and the Promoter against all losses, claims, costs, expenses, damages or liabilities that either of them may suffer or incur as a result of or in connection with its reliance on such representations, warranties and covenants. The Subscriber undertakes to immediately notify the Partnership and the General Partner at 2612 Koyn Avenue, Saskatoon, Saskatchewan S7L 5X9, Fax: (306) 955-4175, E-mail: info@millennium3.ca, of any change in any statement or other information relating to the Subscriber set forth herein.
6. **Partnership Agreement.** The Subscriber acknowledges and agrees that it has read and understands the terms and provisions of the Partnership Agreement, that it has been independently advised as to the terms and provisions of the Partnership Agreement, and irrevocably acknowledges and agrees that, if this subscription is accepted, as of the Closing Time, it shall become a party to the Partnership Agreement and a limited partner upon amendment of the Partnership’s declaration to add the Subscriber as a limited partner, and shall be fully bound by, and subject to, all of the covenants, terms and conditions and other provisions of the Partnership Agreement.
7. **Deliveries by Subscriber prior to Closing.** The Subscriber agrees to deliver to the General Partner, or as the General Partner may direct, not later than 10:00 a.m. (Saskatoon time) on the business day preceding the applicable Closing Date, (or one business day before any applicable Closing Date of which the Subscriber receives notice):
- (a) one copy of this duly completed and executed Subscription Agreement;
 - (b) a certified cheque or bank draft made payable to “LeMarchant Properties Limited” in an amount equal to the Aggregate Subscription Amount, or such other party as the General Partner may direct;

- (c) if subscribing for Units under the “Accredited Investor” exemption pursuant to section 2.3 of NI 45-106, a duly completed and executed Exhibit 1 (and particularly, if the Subscriber is an individual who has initialed category (j), (k) or (l) of the definition of “accredited investor” in Part I of Exhibit 1, he or she has duly completed and executed two (2) copies of the Accredited Investor Risk Acknowledgement, one copy for each of the Partnership and the Subscriber);
 - (d) if subscribing for Units under the “Offering Memorandum” exemption pursuant to section 2.9 of NI 45-106, a duly completed and executed Exhibit 2 (including two (2) copies of the Offering Memorandum Risk Acknowledgement, one copy for each of the Partnership and the Subscriber); and
 - (e) such other documents as may be requested by the General Partner.
8. **Partial Acceptance or Rejection of Subscription.** The General Partner may, in its absolute discretion, accept or reject the Subscriber’s subscription for Units as set forth in this Subscription Agreement, in whole or in part, and the General Partner reserves the right to sell to the Subscriber less than the amount of Units subscribed for under this Subscription Agreement. If this Subscription Agreement is rejected in whole, any certified cheque(s), bank draft(s) or wire(s) delivered by the Subscriber to the General Partner on account of the subscription price for the Units subscribed for will be promptly returned to the Subscriber without interest. If this Subscription Agreement is accepted only in part, a cheque representing the amount by which the payment delivered by the Subscriber to the General Partner exceeds the subscription price of the number of Units sold to the Subscriber pursuant to a partial acceptance of this Subscription Agreement, will be promptly delivered to the Subscriber without interest.
9. **Time and Place of Closing.** The sale of the Units will be completed at the offices of the General Partner in Saskatoon, Saskatchewan at the Closing Time. The General Partner reserves the right to close the Offering in multiple tranches, in one or more Closings.
10. **Money Laundering.** The Subscriber represents and warrants that the funds representing the Aggregate Subscription Amount which will be advanced by the Subscriber to the Partnership hereunder will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) (the “PCMLTFA”) and the Subscriber acknowledges that the Partnership may in the future be required by law to disclose the Subscriber’s name and other information relating to this Subscription Agreement and the Subscriber’s subscription hereunder, on a confidential basis, pursuant to the PCMLTFA. To the best of the Subscriber’s knowledge: (a) none of the subscription funds to be provided by the Subscriber: (i) have been or will be derived from or related to any activity that is deemed criminal under the laws of Canada, the United States of America, or any other jurisdiction; or (ii) are being tendered on behalf of a person or entity who has not been identified to the Subscriber; and (b) it shall promptly notify the General Partner and the Partnership if the Subscriber discovers that any of such representations ceases to be true, and to provide the General Partner and the Partnership with appropriate information in connection therewith.
11. **Expenses.** The Subscriber acknowledges and agrees that all costs incurred by the Subscriber (including any fees and disbursements of any counsel retained by the Subscriber) relating to the sale of the Units to the Subscriber shall be borne by the Subscriber.
12. **Governing Law.** The contract arising out of acceptance of this Subscription Agreement by the General Partner, on behalf of the Partnership, shall be governed by and construed in accordance with the laws of the Province of Saskatchewan and the federal laws of Canada applicable therein. The parties irrevocably attorn to the exclusive jurisdiction of the courts of the Province of Saskatchewan.
13. **Time of Essence.** Time shall be of the essence of this Subscription Agreement.
14. **Entire Agreement.** This Subscription Agreement represents the entire agreement of the parties hereto relating to the subject matter hereof, and there are no representations, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein.
15. **Facsimile Copies.** The General Partner and the Partnership shall be entitled to rely on delivery of a facsimile or electronic copy of executed subscriptions, and acceptance by the General Partner, on behalf of the Partnership, of such facsimile subscriptions shall be legally effective to create a valid and binding agreement between the Subscriber and the General Partner, on behalf of the Partnership, in accordance with the terms hereof.
16. **Severability.** The invalidity, illegality or unenforceability of any provision of this Subscription Agreement shall not affect the validity, legality or enforceability of any other provision hereof.
17. **Survival.** The covenants, representations and warranties contained in this Subscription Agreement shall survive the closing of the transactions contemplated hereby, and shall be binding upon and enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.
18. **Interpretation.** The headings used in this Subscription Agreement have been inserted for convenience of reference only and shall not affect the meaning or interpretation of this Subscription Agreement or any provision hereof. In this Subscription Agreement, unless otherwise indicated, all references to money amounts are in Canadian dollars.
19. **Amendment.** Except as otherwise provided herein, this Subscription Agreement may only be amended by the parties hereto in writing.
20. **Assignment.** Neither party may assign all or part of its interest in or to this Subscription Agreement without the consent of the other party in writing.
21. **Power of Attorney.** The Subscriber hereby grants to the General Partner and the Partnership, its successors and assigns, a power of attorney constituting the General Partner as their true and lawful attorney to act on their behalf, with full power and authority in their name, place and stead, to execute, under seal or otherwise, swear to, acknowledge, deliver, make, or file or record, when, as and where required:
- (a) execute, swear to and record in the appropriate public offices any and all of the following:
 - (i) the declaration and any amendments to the declaration required under *The Business Names Registration Act* (Saskatchewan) and *The Partnership Act* (Saskatchewan) and such other instruments as are necessary to form, qualify or continue and keep in good standing the Partnership as a limited partnership in Saskatchewan and other jurisdictions;
 - (ii) the Partnership Agreement and all documents and agreements necessary to reflect any amendments to the Partnership Agreement; and

- (iii) all conveyances and other instruments necessary to reflect the dissolution and termination of the Partnership, including cancellation of the declaration for the Partnership and the execution of any elections under the Tax Act, or other legislation;
- (b) execute and file with any governmental body or instrumentality thereof of the Government of Canada or any Province any documents necessary to be filed in connection with the business, property, assets and undertaking of the Partnership;
- (c) execute and deliver such conveyances, transfers and other instruments on behalf of the Subscriber as may be necessary or desirable to effect a transfer or transmission of the Units made by the Subscriber (or by the General Partner in the event that the Subscriber becomes a defaulting limited partner in those circumstances where section 8.01 of the Partnership Agreement is applicable);
- (d) execute, swear to, acknowledge, deliver, file and/or record in appropriate public offices all instruments and other documents necessary to effect and implement a reorganization transaction approved in accordance with section 12.10 of the Partnership Agreement and in accordance with the Extra-ordinary Resolution by which such approval was granted;
- (e) execute and deliver such documents on behalf of and in the name of the Partnership and the limited partners as may be necessary to give effect to the business and purposes of the Partnership as described in the Partnership Agreement;
- (f) execute and deliver the Co-Ownership Agreement, and any amendments thereto, as described in the Partnership Agreement, on behalf of and in the name of the Partnership and the limited partners, if necessary; and
- (g) execute and deliver such other documents on behalf of and in the name of the limited partners and/or the Partnership as may be required to give effect to the provisions of the Partnership Agreement.

The power of attorney granted hereby is irrevocable and is a power coupled with an interest and will survive the Subscriber's death, disability, incapacity, insanity and insolvency and will extend to and be binding upon the Subscriber's heirs, executors, administrators, successors and assigns and may be exercised by the General Partner on behalf of each limited partner by listing all of the limited partners executing any instrument with a single signature as attorney and agent for all of them. The Subscriber agrees to be bound by any representations and actions and hereby waives any and all defences which may be available to contest, mitigate or disaffirm the actions of the General Partner taken in good faith and acting legally under such power of attorney.

22. **Equity Loan.** By execution of this Subscription Agreement, the Subscriber acknowledges that arrangements have been or will be made by or on behalf of the Partnership to have a bank, credit union, trust company or other financial institution as the Partnership may designate (herein referred to as the "**Bank**") lend to qualifying subscribers the sum of up to Nineteen Thousand Two Hundred (\$19,200) Dollars per Unit purchased by such subscribers (such loan being herein referred to as the "**Equity Loan**"). In that regard, if the Subscriber desires to borrow the Equity Loan, or any part of the said Equity Loan, from the Bank, the Subscriber:

- (a) agrees to deliver to the Partnership such application forms and financial and personal information as may reasonably be requested by the Partnership or by the Bank to permit the Bank's consideration of making the Equity Loan to the Subscriber;
- (b) agrees that all advances by the Bank on the Equity Loan shall be made directly to the General Partner on behalf of the Partnership and the Subscriber shall execute and deliver such authorizations, orders or other instruments as may reasonably be requested to enable the Equity Loan to be so advanced to the Partnership; and
- (c) acknowledges that if the Equity Loan is made by the Bank, the Subscriber shall be the debtor in respect of such Equity Loan and solely responsible for the repayment of the Equity Loan including all principal and interest. Neither the Partnership, the General Partner nor the Promoter shall be under any obligation to guarantee or pay any part of such Equity Loan nor otherwise accept or incur any liability in respect thereof. The Subscriber acknowledges that it is not entitled to demand or request that either the Partnership, the General Partner or the Promoter pay any part of such Equity Loan on the Subscriber's behalf or incur any obligation, guarantee or liability in respect of such Equity Loan and the Subscriber shall indemnify and save harmless the Partnership, the General Partner and the Promoter against any losses, costs or expense suffered or incurred by them, or any of them, arising from any failure by the Subscriber to repay any part of such Equity Loan in accordance with the terms and conditions thereof.

23. **Language.** The parties hereto expressly request and require that this document be drawn up in English. Les parties aux présentes conviennent et exigent que cette entente et tous les documents qui s'y rattachent soient rédigés en anglais.

PRIVACY NOTICE AND USE OF INFORMATION

Use of Information

The Subscriber acknowledges being notified by the Partnership of:

- (a) the delivery to applicable securities regulators of certain personal information pertaining to the Subscriber, including the Subscriber's full name, residential address and telephone number, email address, the number of Units purchased by the Subscriber, the total purchase price paid for such Units, the prospectus exemption relied on by the Partnership and the date of distribution of the Units;
- (b) such information is being collected for the purposes of the administration and enforcement of the securities legislation of the local jurisdiction;
- (c) the Subscriber may contact the following public official with respect to questions about the indirect collection of such information at the following address and telephone number:

Alberta Securities Commission
Suite 600, 250 – 5th Street SW
Calgary, Alberta T2P 0R4
Telephone: (403) 297-6454
Toll free in Canada: 1-877-355-0585
Facsimile: (403) 297-2082

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Inquiries: (604) 899-6854
Toll free in Canada: 1-800-373-6393
Facsimile: (604) 899-6581
Email: inquiries@bcsc.bc.ca

The Manitoba Securities Commission
500 – 400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5
Telephone: (204) 945-2548
Toll free in Manitoba 1-800-655-5244
Facsimile: (204) 945-0330

Financial and Consumer Services Commission (New Brunswick)
85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2J2
Telephone: (506) 658-3060
Toll free in Canada: 1-866-933-2222
Facsimile: (506) 658-3059
Email: info@fcnb.ca

Government of Newfoundland and Labrador
Financial Services Regulation Division
P.O. Box 8700
Confederation Building
2nd Floor, West Block
Prince Philip Drive
St. John's, Newfoundland and
Labrador A1B 4J6
Attention: Director of Securities
Telephone: (709) 729-4189
Facsimile: (709) 729-6187

Government of the Northwest Territories
Office of the Superintendent of Securities
P.O. Box 1320
Yellowknife, Northwest Territories X1A 2L9
Attention: Deputy Superintendent, Legal & Enforcement
Telephone: (867) 920-8984
Facsimile: (867) 873-0243

Nova Scotia Securities Commission
Suite 400, 5251 Duke Street
Duke Tower
P.O. Box 458
Halifax, Nova Scotia B3J 2P8
Telephone: (902) 424-7768
Facsimile: (902) 424-4625

Government of Nunavut
Department of Justice
Legal Registries Division
P.O. Box 1000, Station 570
1st Floor, Brown Building
Iqaluit, Nunavut X0A 0H0
Telephone: (867) 975-6590
Facsimile: (867) 975-6594

Prince Edward Island Securities Office
95 Rochford Street,
4th Floor Shaw Building
P.O. Box 2000
Charlottetown, Prince Edward Island
C1A 7N8
Telephone: (902) 368-4569
Facsimile: (902) 368-5283

Financial and Consumer Affairs Authority of Saskatchewan
Suite 601 - 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2
Telephone: (306) 787-5879
Facsimile: (306) 787-5899

Government of Yukon
Department of Community Services
Law Centre, 3rd Floor
2130 Second Avenue
Whitehorse, Yukon Y1A 5H6
Telephone: (867) 667-5314
Facsimile: (867) 393-6251

Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
Telephone: (416) 593- 8314
Toll free in Canada: 1-877-785-1555
Facsimile: (416) 593-8122
Email: exemptmarketfilings@osc.gov.on.ca
Public official contact regarding indirect collection of information:
Inquiries Officer

Autorité des marchés financiers
800, Square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montréal, Québec H4Z 1G3
Telephone: (514) 395-0337 or 1-877-525-0337
Facsimile: (514) 873-6155 (For filing purposes only) Facsimile:
(514) 864-6381 (For privacy requests only) Email:
financementdessocietes@lautorite.qc.ca
(For corporate finance issuers)

The Subscriber authorizes the indirect collection of the information by the applicable securities regulator.

EXHIBIT 1

PART I – ACCREDITED INVESTOR EXEMPTION REPRESENTATION LETTER

**MUST BE COMPLETED BY ALL SUBSCRIBERS SUBSCRIBING FOR UNITS UNDER THE ACCREDITED INVESTOR EXEMPTION PURSUANT TO
S. 2.3 [ACCREDITED INVESTOR] OF NI 45-106
OR S. 73.3(1) OF THE SECURITIES ACT (ONTARIO)**

**MUST BE COMPLETED BY ALL SUBSCRIBERS SUBSCRIBING FOR UNITS UNDER THE OFFERING MEMORANDUM EXEMPTION UNDER S. 2.9
[OFFERING MEMORANDUM] OF NI 45-106
WHO IS AN ELIGIBLE INVESTOR, AS A PERSON DESCRIBED IN S. 2.3 [ACCREDITED INVESTOR]
OF NI 45-106 OR S. 73.3(1) OF THE SECURITIES ACT (ONTARIO)**

TO: LeMarchant Properties Limited Partnership
AND TO: LeMarchant Properties Limited

(Capitalized terms not specifically defined in this Exhibit have the meaning ascribed to them in the Subscription Agreement to which this Exhibit is attached)

In connection with the execution by the undersigned subscriber (the “Subscriber”) of the Subscription Agreement which this Exhibit forms a part of, the Subscriber hereby represents, warrants, covenants and certifies that:

1. the Subscriber is resident in the jurisdiction set out as the “Subscriber’s Address” on the face page of the Subscription Agreement;
2. the Subscriber is either: (i) purchasing the Units as principal for its own account, or (ii) is deemed to be purchasing the Units as principal in accordance with subsection 2.3(2) or (4) of NI 45-106;
3. the Subscriber was not created, and is not used, solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of “accredited investor” in NI 45-106;
4. the Subscriber is an “accredited investor” within the meaning of NI 45-106 or the *Securities Act* (Ontario), where applicable, by virtue of satisfying the indicated criterion set out below:

[Instructions: Initial beside the applicable description]

- | | | | |
|-------|-------|------|--|
| _____ | (a) | (i) | except in Ontario, a Canadian financial institution or a Schedule III bank; or; |
| | | (ii) | in Ontario, (A) a bank listed in Schedule I, II or III to the <i>Bank Act</i> (Canada); (B) an association to which the <i>Cooperative Credit Association Act</i> (Canada) applies or a central cooperative credit society for which an order has been made under subsection 473(1) of that Act; or (C) a loan corporation, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative or credit union league or federation that is authorized by a statute of Canada or Ontario to carry on business in Canada or Ontario, as the case may be; |
| _____ | (b) | | the Business Development Bank of Canada incorporated under the <i>Business Development Bank of Canada Act</i> (Canada); |
| _____ | (c) | (i) | except in Ontario, a subsidiary of any person referred to in paragraphs (a)(i) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary; |
| | | (ii) | in Ontario, a subsidiary of any person referred to in paragraphs (a)(ii) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary; |
| _____ | (d) | | a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer; |
| _____ | (e) | | an individual registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d); |
| _____ | (e.1) | | an individual formerly registered under the securities legislation of a jurisdiction of Canada, other than an individual formerly registered solely as a representative of a limited market dealer under one or both of the <i>Securities Act</i> (Ontario) or the <i>Securities Act</i> (Newfoundland and Labrador); |
| _____ | (f) | | the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada; |
| _____ | (g) | | a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l’île de Montréal or an intermunicipal management board in Québec; |
| _____ | (h) | | any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government; |
| _____ | (i) | | a pension fund that is regulated by the Office of the Superintendent of Financial Institutions (Canada), a pension commission or similar regulatory authority of a jurisdiction of Canada; |

- _____ (j) an individual who, either alone or with a spouse, beneficially owns financial assets having an aggregate realizable value that, before taxes, but net of any related liabilities, exceeds \$1,000,000; **[Instruction: If you select this paragraph (j), complete the Accredited Investor Exemption Risk Acknowledgement in Part II of this Exhibit 1];**
- _____ (j.1) an individual who beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$5,000,000;
- _____ (k) an individual whose net income before taxes exceeded \$200,000 in each of the 2 most recent calendar years or whose net income before taxes combined with that of a spouse exceeded \$300,000 in each of the 2 most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year; **[Instruction: If you select this paragraph (k), complete the Accredited Investor Exemption Risk Acknowledgement in Part II of this Exhibit 1];**
- _____ (l) an individual who, either alone or with a spouse, has net assets of at least \$5,000,000; **[Instruction: If you select this paragraph (l), complete the Accredited Investor Exemption Risk Acknowledgement in Part II of this Exhibit 1];**

(Note: if individual accredited investors wish to purchase through wholly-owned holding companies or similar entities, such purchasing entities must qualify under section (t) below, which must be initialed.)

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

For the purpose of this Accredited Investor Exemption Representation Letter, NI 45-106 and the *Securities Act* (Ontario):

“financial assets” means (a) cash, (b) securities, or (c) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;

“related liabilities” means (a) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or (b) liabilities that are secured by financial assets.

Upon execution of this Accredited Investor Exemption Representation Letter by the Subscriber, this Accredited Investor Exemption Representation Letter shall be incorporated into and form a part of the Subscription Agreement to which it is attached.

EXECUTED by the Subscriber this _____ day of _____, 20____.

Full Legal Name of Subscriber (please print)

Signature of Subscriber or its Authorized Representative

Official Title or Capacity (please print)

Name of Signatory (please print name of individual whose
signature appears above if different than name of Subscriber)

EXHIBIT 1

**PART II – ACCREDITED INVESTOR RISK ACKNOWLEDGEMENT
FORM 45-106F9**

MUST BE COMPLETED BY ALL INDIVIDUAL SUBSCRIBERS PURCHASING UNITS UNDER THE ACCREDITED INVESTOR EXEMPTION PURSUANT TO S. 2.3 OF NATIONAL INSTRUMENT 45-106, *PROSPECTUS AND REGISTRATION EXEMPTIONS*, WHO FALL UNDER SUBSECTIONS (J), (K) OR (L) OF THE DEFINITION OF ACCREDITED INVESTOR AS SET OUT IN PART I OF THIS EXHIBIT 1

WARNING!

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

SECTION 1 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER**1. About your investment**

Type of securities: LIMITED PARTNERSHIP UNITS	Issuer: LEMARCHANT PROPERTIES LIMITED PARTNERSHIP
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Purchased from: the issuer, LEMARCHANT PROPERTIES LIMITED PARTNERSHIP

SECTIONS 2 TO 4 TO BE COMPLETED BY THE PURCHASER**2. Risk acknowledgement**

This investment is risky. Initial that you understand that:

**Your
initials**

Risk of loss – You could lose your entire investment of \$_____ [Instruction: Insert the total dollar amount of the investment.]

Liquidity risk – You may not be able to sell your investment quickly – or at all.

Lack of information – You may receive little or no information about your investment.

Lack of advice – You will not receive advice from the salesperson about whether this investment is suitable for you unless the salesperson is registered. The salesperson is the person who meets with, or provides information to, you about making this investment. To check whether the salesperson is registered, go to www.aretheyregistered.ca.

3. Accredited investor status

You must meet at least **one** of the following criteria to be able to make this investment. Initial the statement that applies to you. (You may initial more than one statement.) The person identified in section 6 is responsible for ensuring that you meet the definition of accredited investor. That person, or the salesperson identified in section 5, can help you if you have questions about whether you meet these criteria.

**Your
initials**

• Your net income before taxes was more than \$200,000 in each of the 2 most recent calendar years, and you expect it to be more than \$200,000 in the current calendar year. (You can find your net income before taxes on your personal income tax return.)

• Your net income before taxes combined with your spouse's was more than \$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than \$300,000 in the current calendar year.

• Either alone or with your spouse, you own more than \$1 million in cash and securities, after subtracting any debt related to the cash and securities.

• Either alone or with your spouse, you have net assets worth more than \$5 million. (Your net assets are your total assets (including real estate) minus your total debt.)

4. Your name and signature

By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form.

First and last name (please print):

Signature:

Date:

SECTION 5 TO BE COMPLETED BY THE SALESPERSON	
5. Salesperson information	
<i>[Instruction: The salesperson is the person who meets with, or provides information to, the purchaser with respect to making this investment. That could include a representative of the issuer or selling security holder, a registrant or a person who is exempt from the registration requirement.]</i>	
First and last name of salesperson (please print):	
Telephone:	Email:
Name of firm (if registered):	
SECTION 6 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
6. For more information about this investment	
<p>LeMarchant Properties Limited Partnership c/o Millennium III Capital Corporation 2612 Koyl Avenue Saskatoon, SK S7L 5X9 Attention: John Kearley Phone Number: (306) 955-4174 E-mail Address: info@millennium3.ca</p> <p>For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at www.securities-administrators.ca.</p>	

Form instructions:

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

EXHIBIT 2**PART I – OFFERING MEMORANDUM EXEMPTION REPRESENTATION LETTER****MUST BE COMPLETED BY ALL SUBSCRIBERS SUBSCRIBING FOR UNITS UNDER THE OFFERING MEMORANDUM EXEMPTION UNDER S. 2.9 [OFFERING MEMORANDUM] OF NI 45-106**

TO: LeMarchant Properties Limited Partnership
 AND TO: LeMarchant Properties Limited

(Capitalized terms not specifically defined in this Exhibit have the meaning ascribed to them in the Subscription Agreement to which this Exhibit is attached)

In connection with the execution by the undersigned subscriber (the “**Subscriber**”) of the Subscription Agreement which this Exhibit forms a part of, the Subscriber hereby represents, warrants, covenants and certifies that:

- 1 the Subscriber is resident in the jurisdiction set out as the “Subscriber’s Address” on the face page of the Subscription Agreement;
- 2 the Subscriber is purchasing the Units as principal for its own account;
- 3 the Subscriber was not created, and is not used, solely to purchase or hold securities in reliance on the exemption from the prospectus requirements set out in Section 2.9 of NI 45-106;
- 4 if the Subscriber is an individual and resident in Alberta, Saskatchewan, Ontario, New Brunswick or Nova Scotia, the Subscriber:

[Instruction: Initial beside the applicable description]

- _____ (a) is an “eligible investor” as such term is defined in NI 45-106 and the acquisition cost of all securities acquired by the Subscriber under Section 2.9 [*Offering memorandum*] of NI 45-106 in the preceding 12 months (including the Units to be acquired hereunder) does not exceed \$30,000;
 - _____ (b) is an “eligible investor” as such term is defined in NI 45-106, has received advice from a portfolio manager, investment dealer or exempt market dealer that the investment is suitable and the acquisition cost of all securities acquired by the Subscriber under Section 2.9 [*Offering memorandum*] of NI 45-106 in the preceding 12 months (including the Units to be acquired hereunder) does not exceed \$100,000; or
 - _____ (c) is an “accredited investor” as such term is defined in NI 45-106 or, where applicable, section 73.3(1) of the *Securities Act* (Ontario) and the Subscriber has duly completed and executed Exhibit 1;
 - _____ (d) is a family, friend or business associate as such term is used in section 2.5 [Family, friends and business associates] of NI 45-106;
- 5 if the Subscriber is resident of Manitoba, Northwest Territories, Nunavut, Prince Edward Island or Yukon, the Subscriber is an “eligible investor” as such term is defined in NI 45-106;
 - 6 if the Subscriber has indicated that it is an “eligible investor” in (4) or (5) above, the Subscriber is an “eligible investor” by virtue of satisfying the indicated criterion set out below:

[Instruction: Initial beside the applicable description]

- _____ (a) a person whose:
 - (i) net assets, alone or with a spouse, in the case of an individual, exceed \$400,000;
 - (ii) net income before taxes exceeded \$75,000 in each of the two most recent calendar years and who reasonably expects to exceed that income level in the current calendar year; or
 - (iii) net income before taxes, alone or with a spouse, in the case of an individual, exceeded \$125,000 in each of the two most recent calendar years and who reasonably expects to exceed that income level in the current calendar year;
- _____ (b) a person of which a majority of the voting securities are beneficially owned by eligible investors or a majority of the directors are eligible investors;
- _____ (c) a general partnership of which all of the partners are eligible investors;
- _____ (d) a limited partnership of which the majority of the general partners are eligible investors;
- _____ (e) a trust or estate of which all of the beneficiaries or a majority of the General Partners or executors are eligible investors; or
- _____ (f) an accredited investor (as such term is defined in NI 45-106 or, where applicable, section 73.3(1) of the *Securities Act* (Ontario)). **[Instruction: If you select this paragraph (f), complete Exhibit 1.];**

For the purposes hereof, the following definitions are included for convenience:

- (a) **“person”** includes: (i) an individual; (ii) a corporation; (iii) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not; and (iv) an individual or other person in that person’s capacity as a general partner, executor, administrator or personal or other legal representative; and
- (b) **“spouse”** means, an individual who: (i) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual; (ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender; or (iii) in Alberta, is an individual referred to in paragraph (i) or (ii) above, or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta).

Upon execution of this Offering Memorandum Exemption Representation Letter by the Subscriber, this Offering Memorandum Exemption Representation Letter shall be incorporated into and form a part of the Subscription Agreement to which it is attached.

EXECUTED by the Subscriber this _____ day of _____, 20_____.

Full Legal Name of Subscriber (please print)

Signature of Subscriber or its Authorized Representative

Official Title or Capacity (please print)

Name of Signatory (please print name of individual whose signature appears above if different than name of Subscriber)

EXHIBIT 2**PART II – OFFERING MEMORANDUM RISK ACKNOWLEDGEMENT
FORM 45-106F4****MUST BE COMPLETED BY ALL SUBSCRIBERS PURCHASING UNITS UNDER THE OFFERING
MEMORANDUM EXEMPTION PURSUANT TO S. 2.9 OF NI 45-106**

RISK ACKNOWLEDGEMENT	
WARNING	
<ul style="list-style-type: none"> I acknowledge that this is a risky investment. I am investing entirely at my own risk. No securities regulatory authority has evaluated or endorsed the merits of these securities or the disclosure in the offering memorandum. I will not be able to sell these securities except in very limited circumstances. I may never be able to sell these securities. I could lose all the money I invest. 	
<p>I am investing \$ _____ <i>[total consideration]</i> in total; this includes any amount I am obliged to pay in the future. Millennium III Capital Corporation will pay \$ _____ per Limited Partnership Unit to _____ as a fee or commission.</p>	
<p>I acknowledge that this is a risky investment and that I could lose all the money I invest.</p>	
<p>Date: _____</p>	<p>_____ Signature of Subscriber</p>
<p>_____ Print name of Subscriber</p>	
<p>Sign 2 copies of this document. Keep one copy for your records.</p>	

W A R N I N G

You have 2 business days to cancel your purchase.

To do so, send a notice to LeMarchant Properties Limited Partnership stating that you want to cancel your purchase. You must send the notice before midnight on the 2nd business day after you sign the agreement to purchase the securities. You can send the notice by fax or email or deliver it in person to LeMarchant Properties Limited Partnership at its business address. Keep a copy of the notice for your records.

Issuer Name and Address: LeMarchant Properties Limited Partnership
 c/o Millennium III Capital Corporation
 2612 Koyl Avenue
 Saskatoon SK S7L 5X9
 Fax: (306) 955-4175
 E-mail: info@millennium3.ca

You are buying Exempt Market Securities

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

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

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

You will receive an offering memorandum

Read the offering memorandum carefully because it has important information about the issuer and its securities. Keep the offering memorandum because you have rights based on it. Talk to a lawyer for details and about these rights.

The securities you are buying are not listed

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

The issuer of your securities is a non-reporting issuer

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

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

British Columbia Securities Commission Phone: (604) 899-6500 or 1-800-373-6393 Website: www.besc.bc.ca	Alberta Securities Commission Phone: (403) 355-4151 or (877) 355-4488 Website: www.albertasecurities.com
Financial and Consumer Affairs Authority of Saskatchewan Phone: (306) 787-5645 Website: www.fcaa.gov.sk.ca	The Manitoba Securities Commission Phone: (204) 945-2548 Website: www.msc.gov.mb.ca
Autorité des marchés financiers Phone: (514) 395-0337 or 1-877-525-0337 Website: www.lautorite.qc.ca	New Brunswick Securities Commission Phone: (866) 933-2222 Website: www.nbsec-cvmnb.ca
Nova Scotia Securities Commission Phone: (902) 424-7768 or 1-855-424-2499 Website: www.nssc.novascotia.ca	Prince Edward Island Office of the Superintendent of Securities Phone: (902) 368-4542 Website: www.gov.pe.ca/securities
Securities Commission of Newfoundland and Labrador Phone: (709) 729-2602 or (709) 729-2623 Website: www.servicenl.gov.nl.ca/securities	Government of Northwest Territories Phone: (867) 920-3318 Website: www.justice.gov.nt.ca
Nunavut Office of the Superintendent of Securities Phone: (867) 975-6590 Website: www.nunavutlegalregistries.ca	Office of the Yukon Superintendent of Securities Phone: (867)- 667-5446 Website: www.community.gov.yk.ca/corp/securities_about.html
Ontario Securities Commission Phone: (416) 593-8314 or (877) 785-1555 Website: www.osc.gov.on.ca	

Instruction: The Subscriber must sign two copies of this form. The Subscriber and the Partnership must each receive a signed copy.

EXHIBIT 2**PART II SCHEDULE 1****CLASSIFICATION OF INVESTORS UNDER THE OFFERING MEMORANDUM EXEMPTION**

INSTRUCTIONS: This schedule must be completed together with the Offering Memorandum Exemption Risk Acknowledgement Form (above) and Schedule 2 (see next page) by individuals purchasing securities under the exemption (the offering memorandum exemption) in section 2.9 of National Instrument 45-106 *Prospectus Exemptions* (NI 45-106) in Alberta, New Brunswick, Nova Scotia, Ontario, Quebec and Saskatchewan.

How you qualify to buy securities under the offering memorandum exemption

Initial the statement under A, B, C or D containing the criteria that applies to you. (You may initial more than one statement.) If you initial a statement under B or C, you are not required to complete A.

A. You are an eligible investor because:		Your initials
ELIGIBLE INVESTOR	Your net income before taxes was more than \$75,000 in each of the 2 most recent calendar years, and you expect it to be more than \$75,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Your net income before taxes combined with your spouse's was more than \$125,000 in each of the 2 most recent calendar years, and you expect your combined net income to be more than \$125,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Either alone or with your spouse, you have net assets worth more than \$400,000. (Your net assets are your total assets, including real estate, minus your total debt including any mortgage on your property.)	
B. You are an eligible investor, as a person described in section 2.3 [Accredited investor] of NI 45-106 or, as applicable in Ontario, subsection 7.3(3) of the <i>Securities Act</i> (Ontario), because:		Your initials
ACCREDITED INVESTOR	Your net income before taxes was more than \$200,000 in each of the 2 most recent calendar years, and you expect it to be more than \$200,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Your net income before taxes combined with your spouse's was more than \$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than \$300,000 in the current calendar year.	
	Either alone or with your spouse, you own more than \$1 million in cash and securities, after subtracting any debt related to the cash and securities.	
	Either alone or with your spouse, you have net assets worth more than \$5 million. (Your net assets are your total assets (including real estate) minus your total debt.)	

C. You are an eligible investor, as a person described in section 2.5 [Family, friends and business associates] of NI45-106, because:		Your initials
FAMILY, FRIENDS AND BUSINESS ASSOCIATES	<p>You are:</p> <p>1) [check all applicable boxes]</p> <p><input type="checkbox"/> a director of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> an executive officer of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> a control person of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> a founder of the issuer</p> <p>OR</p> <p>2) [check all applicable boxes]</p> <p><input type="checkbox"/> a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above</p> <p><input type="checkbox"/> a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above</p>	
	<p>You are a family member of _____</p> <p>[Instruction: Insert the name of the person who is your relative either directly or through his or her spouse], who holds the following position at the issuer or an affiliate of the issuer: _____</p> <p>You are the _____ of that person or that person's spouse [Instruction: To qualify for this investment, you must be (a) the spouse of the person listed above or (b) the parent, grandparent, brother, sister, child or grandchild of that person or that person's spouse].</p>	
	<p>You are a close personal friend of _____</p> <p>[Instruction: Insert the name of your close personal friend], who holds the following position at the issuer or an affiliate of the issuer: _____.</p> <p>You have known that person for _____ years.</p>	
	<p>You are a close business associate of _____</p> <p>[Instruction: Insert the name of your close business associate], who holds the following position at the issuer or an affiliate of the issuer: _____.</p> <p>You have known that person for _____ years.</p>	
D. You are not an eligible investor.		Your initials
NOT AN ELIGIBLE INVESTOR	You acknowledge that you are not an eligible investor.	

EXHIBIT 2
PART II SCHEDULE 2

INVESTMENT LIMITS FOR INVESTORS UNDER THE OFFERING MEMORANDUM EXEMPTION

INSTRUCTIONS: This schedule must be completed together with the Offering Memorandum Exemption Risk Acknowledgement Form (above) and Schedule 1 (see previous page) by individuals purchasing securities under the exemption (the offering memorandum exemption) in section 2.9 of National Instrument 45-106 *Prospectus Exemptions* (NI 45-106) in Alberta, New Brunswick, Nova Scotia, Ontario, Quebec and Saskatchewan.

SECTION 1 TO BE COMPLETED BY THE PURCHASER

1. Investment limits you are subject to when purchasing securities under the offering memorandum exemption

You may be subject to annual investment limits that apply to all securities acquired under the offering memorandum exemption in a 12 month period, depending on the criteria under which you qualify as identified in Schedule 1. Initial the statement that applies to you.

A. You are an eligible investor.		Your initials
ELIGIBLE INVESTOR	As an eligible investor that is an individual, you cannot invest more than \$30,000 in all offering memorandum exemption investments made in the previous 12 months, unless you have received advice from a portfolio manager, investment dealer or exempt market dealer, as identified in section 2 of this schedule, that your investment is suitable. Initial one of the following statements:	
	You confirm that, after taking into account your investment of \$_____ today in this issuer, you have not exceeded your investment limit of \$30,000 in all offering memorandum exemption investments made in the previous 12 months.	
	You confirm that you received advice from a portfolio manager, investment dealer or exempt market dealer, as identified in section 2 of this schedule that the following investment is suitable. You confirm that, after taking into account your investment of \$_____ today in this issuer, you have not exceeded your investment limit in all offering memorandum exemption investments made in the previous 12 months of \$100,000.	
B. You are an eligible investor, as a person described in section 2.3 [<i>Accredited investor</i>] of NI 45-106 or, as applicable in Ontario, subsection 7.3(3) of the <i>Securities Act</i> (Ontario).		Your initials
ACCREDITED INVESTOR	You acknowledge that, by qualifying as an eligible investor as a person described in section 2.3 [<i>Accredited investor</i>], you are not subject to investment limits.	
C. You are an eligible investor, as a person described in section 2.5 [<i>Family, friends and business associates</i>] of NI 45-106.		Your initials
FAMILY, FRIENDS AND BUSINESS ASSOCIATES	You acknowledge that, by qualifying as an eligible investor as a person described in section 2.5 [<i>Family, friends and business associates</i>], you are not subject to investment limits.	

D. You are not an eligible investor.		Your initials
NOT AN ELIGIBLE INVESTOR	<p>You acknowledge that you cannot invest more than \$10,000 in all offering memorandum exemption investments made in the previous 12 months.</p> <p>You confirm that, after taking into account your investment of \$_____ today in this issuer, you have not exceeded your investment limit of \$10,000 in all offering memorandum exemption investments made in the previous 12 months.</p>	

SECTION 2 TO BE COMPLETED BY THE REGISTRANT

2. Registrant information

[Instruction: this section must only be completed if an investor has received advice from a portfolio manager, investment dealer or exempt market dealer concerning his or her investment.]

First and last name of registrant (please print):

Registered as:

[Instruction: indicate whether registered as a dealing representative or advising representative]

Telephone:

Email:

Name of firm:

[Instruction: indicate whether registered as an exempt market dealer, investment dealer or portfolio manager.]

Date: