

OFFERING MEMORANDUM

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

Under National Instrument 33-105 *Underwriting Conflicts*, Harbourfront Wealth Management Inc. (the "Agent") may be considered to be a "connected issuer" and a "related issuer" to the Fund in connection with the Offering. As at the date of this Offering Memorandum, the Agent and Willoughby Asset Management Inc. (the "Manager"), the general partner of the Fund, share common directors and officers. Additionally, both the Agent and the Manager are wholly-owned by HF Investment Holdings Inc. See "Selling Agent" under Item 2.1, "Related Persons" under Item 2.2, and "Risk Factors" under Item 8.

Date:	July 31, 2017
The Fund:	U.S. Apartments Limited Partnership (the "Fund")
Address:	3100 - 1021 West Hastings Street Vancouver, BC V6E 0C3
Phone #:	(604) 558-6822
Fax #:	(604) 558-6823
Email:	admin@willoughbyasset.com
Currently listed or quoted?	No. These securities do not trade on any exchange or market.
Reporting Fund?	No.
SEDAR filer?	No.

The Offering

Securities Offered:	Class "A" Limited Partnership Units (referred to herein as the "Class A Units") Class "B" Limited Partnership Units (referred to herein as the "Class B Units") An unlimited number of limited partnership units (each, a "Unit" and together, the "Units") of the Fund designated as either Class A or Class B (each, a "Class"). Each Class of Units shall have the attributes and characteristics as set out in Item 5.1 "Terms of Securities".
Price Per Security:	US\$1.00 per Unit
Minimum offering:	US\$1,000,000. Funds available under the Offering may not be sufficient to accomplish our proposed objectives.
Maximum offering:	There is no maximum. Funds available under the Offering may not be sufficient to accomplish our proposed objectives.
Minimum Subscription:	The minimum initial subscription amount for the Units is US\$5,000 (or such lesser amount as the Manager, in its sole discretion, may accept). See Item 5.2 "Subscription Procedure".
Payment Terms:	The subscription price is payable upon subscription, by electronic funds transfer via the FundSERV network (www.fundserv.com) or other means satisfactory to the Manager, with the delivery of a duly executed and completed Subscription Agreement. No financing of the subscription price will be provided. See Item 5.2 "Subscription Procedure".
Proposed Closing Date(s):	August 9, 2017
Income Tax Consequences:	There are important tax consequences to these securities. See Item 6 "Income Tax Consequences and RRSP Eligibility".
Selling Agents:	Harbourfront Wealth Management Inc. is the exclusive selling agent of the Units. The Fund does not intend to pay any commissions to selling agents in connection with the sale of Units under this Offering. The Manager may pay a commission in connection with the sale of Class B Units. See Item 7 "Compensation Paid to Sellers and Finders".
Resale Restrictions:	You will be restricted from selling your securities for an indefinite period. See Item 10 "Resale Restrictions".

**Purchasers'
Rights:**

You have two business days to cancel your Subscription Agreement to purchase these securities, see Item 11.1 "*Two Day Cancellation Right*". If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the Subscription Agreement. See Item 11.2 "*Statutory Rights of Action in the Event of a Misrepresentation*".

U.S. APARTMENTS LIMITED PARTNERSHIP – Please initial below and submit this page with your subscription agreement

Investors Initials

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Note Regarding Forward-Looking Statements

This Offering Memorandum contains forward-looking statements. These statements relate to future events or the Fund's future performance or the performance of the Partnerships. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "targeting", "intend", "could", "might", "continue", or the negative of these terms or other comparable terminology. These statements are only predictions. In addition, this Offering Memorandum may contain forward-looking statements attributed to third party industry sources.

Undue reliance should not be placed on these forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur and may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The forward-looking statements contained in this Offering Memorandum are expressly qualified by this cautionary statement. The Fund is not under any duty to update any of the forward-looking statements after the date of this Offering Memorandum to conform such statements to actual results or to changes in the Fund's expectations except as otherwise required by applicable legislation.

Documents Incorporated By Reference

Information has been incorporated by reference into this Offering Memorandum from documents which have been or will be filed, concurrent with this Offering Memorandum, with securities regulatory authorities in each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Prince Edward Island. Copies of documents incorporated herein by reference may be obtained upon request without charge from the Fund. These documents include the following:

- Marketing brochure relating to the Marble Creek Property;

The foregoing documents are not incorporated by reference or deemed to be incorporated by reference to the extent that their contents are modified or superseded by a statement contained in this Offering Memorandum or in any other subsequently filed document that is incorporated by reference or deemed to be incorporated by reference in this Offering Memorandum. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement when made constituted a misrepresentation or untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in the circumstances that they were made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute part of this Offering Memorandum.

Any documents of the type required under National Instrument 45-106 *Prospectus Exemptions* to be incorporated by reference in an offering memorandum filed by the Fund with the securities commissions or similar regulatory authorities in Canada subsequent to the date of this Offering Memorandum and prior to the termination of the Offering are deemed to be incorporated by reference in this Offering Memorandum.

Glossary of Terms

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

"**Administrator**" means NBCN Inc., which provides fund accounting, registry and transfer agency, administrative and trust accounting services under the Fund Accounting and Shareholder Record- Keeping Agreement.

"**Acquisition Fee**" means a fee equal to 1% of the total purchase price of a Property, payable by a USLP (Owner) to WWC upon the completion of the purchase of such Property by such USLP (Owner).

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

"**Asset Management Fee**" means a fee payable by a USLP (Owner) to WWC monthly on the last day of each month during which such USLP (Owner) owns the whole or any part of a Property, in an amount equal to the greater of:

- (i) \$1,500 per month; or
- (ii) 3% of all rental and other income from such Property (including interest income earned on any such monies prior to their distribution), but excluding therefrom security deposits and advance rents (unless and until applied), tenant incentive payments or allowances and tenant expense recoveries.

"**Asset Setup Fee**" means a fee equal to \$8,500, payable by a USLP (Owner) to a WWC upon completion of the purchase price of a Property by such USLP (Owner).

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

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

"**Capital Raise Fee**" means all fees and commissions payable by a General Partner to third parties, including the Manager, and exempt market dealers and Related Parties to a Partnership or General Partner, as consideration for sourcing and securing investments by investors subscribing for LP Units, subject always to applicable securities laws, in an amount equal to five percent (5%) of the capital contributions of such Limited Partners sourced or secured by those third parties, including the Manager.

"**Class A LP Units**" means the Class A limited partnership units in a Partnership, which are intended to be purchased by the Fund.

"**Class B LP Units**" means the Class B limited partnership units in a Partnership, which are intended to be owned by David Steele and Janet LePage.

"**Class C LP Units**" means the Class C limited partnership units in a Partnership, which are intended to be owned by the Manager.

"**Class A Units**" means the Class "A" limited partnership units of the Fund having the terms and conditions described in Item 5.1 "*Terms of Securities*".

"**Class B Units**" means the Class "B" limited partnership units of the Fund having the terms and conditions described in Item 5.1 "*Terms of Securities*".

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

"Custody and Security Services Agreement" means agreement entered into between NBCN Inc. and the Manager, on behalf of the Fund, whereby NBCN Inc. will provide asset custodian services to the Fund, see Item 2.7 *"Material Contracts - Custody and Services Agreement"*.

"Custodian" means NBCN Inc., which acts as the custodian of and provides asset custodian services to the Fund pursuant to the Custody and Security Services Agreement.

"Disposition Fee" means a fee payable to WWC upon the sale of a whole or any part of a Property by a USLP (Owner) equal to 5% of the difference between the purchase price payable by such USLP (Owner) to acquire such Property (including all closing costs payable in connection therewith) and the sale price received by such USLP (Owner) upon the sale of a whole or any part of such Property (after the deduction of sales commissions, other pro rata and other closing costs payable in connection therewith).

"Fund Accounting and Shareholder Record-Keeping Agreement" means the agreement entered into between NBCN Inc. and the Manager on behalf of the Fund, whereby NBCN Inc. will provide accounting, valuation, registry, transfer agency, administrative and trust accounting services to the Fund, see Item 2.7 *"Material Contracts - Fund Accounting and Shareholder Record Keeping Agreement"*.

"Fund LP Agreement" means the limited partnership agreement bearing the formal date of July 21, 2017, between the Fund and the Subscribers who from time to time subscribe for Units and agree to be bound as a "Unitholder" under the Fund LP Agreement by executing a Subscription Agreement. A copy of the Fund LP Agreement is attached hereto as Schedule B.

"General Partner" means a general partner of a Partnership, of which HF Marble Creek GP is one.

"Harbourfront" means Harbourfront Wealth Management Inc.

"HF Marble Creek GP" means HF Marble Creek GP Ltd., the General Partner of HF Marble Creek LP.

"HF Marble Creek LP" means HF Marble Creek Limited Partnership.

"HF Marble Creek LP Agreement" means the limited partnership agreement bearing the formal date of July 31, 2017, between HF Marble Creek GP and the Subscribers who from time to time subscribe for HF Marble Creek Units and agree to be bound as a unitholder under the HF Marble Creek LP Agreement by executing a subscription agreement.

"HF Marble Creek Class A Units" means the Class A limited partnership units in HF Marble Creek LP, which are intended to be purchased by the Fund.

"HF Marble Creek Class B Units" means the Class B limited partnership units in HF Marble Creek LP, which are intended to be owned by David Steele and Janet LePage.

"HF Marble Creek Class C Units" means the Class C limited partnership units in HF Marble Creek LP, which are intended to be owned by the Manager.

"HF Marble Creek Units" means the Class A, Class B and Class C limited partnership units in HF Marble Creek LP.

"IFRS" means International Financial Reporting Standards as set forth in Part I of the CPA Canada Handbook Accounting;

"IIROC" means Investment Industry Regulatory Organization of Canada.

"Investment Guidelines" means the investment guidelines set out in Item 2.2 *"Our Business - Investment Guidelines"*.

"Limited Partner" means a limited partner of a Partnership, of which the Fund and the Manager will each be one.

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

"Management Fee" means an annual fee payable by the Fund to the Manager, or its designate, for management services to be rendered to the Fund by the Manager (plus applicable taxes) in an amount equal to one (1.0%) percent of the cash proceeds received by the Fund in connection with the closing of the sale of Units, payable on November 30 of each calendar year.

"Manager" means Willoughby Asset Management Inc., a corporation incorporated under the laws of British Columbia and registered as an investment fund manager in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec and Prince Edward Island.

"Marble Creek Property" means the Property located in the Metropolitan Phoenix area, Arizona which has been identified for prospective acquisition by HF Marble Creek LP as set out in Item 2.2 *Our Business - Prospective Property Identified for Acquisition*".

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

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

"Mortgage Guarantee Fee" means a fee payable by a USLP (Owner) to WWC for the guarantee of any acquisition loan, financing or refinancing in connection with a Property equal to 1% of the amount guaranteed.

"NI 45-106" means National Instrument 45-106 *Prospectus Exemptions* of the Canadian Securities Administrators, as amended.

"Offering" means the offering of Units pursuant to this Offering Memorandum.

"Offering Jurisdictions" means the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Prince Edward Island.

"Offering Memorandum" means this offering memorandum and the documents incorporated by reference herein, each as amended or supplemented from time to time.

"Operating Policies" means the operating policies set out in Item 2.2 *"Our Business -Operating Policies"*.

"Partnership Agreement" means a limited partnership agreement pursuant to which a Partnership is formed, of which HF Marble Creek LP Agreement is one.

"Partnership" means a limited partnership in which the Fund, acquires LP Units, of which HF Marble Creek LP is one.

"Properties" means multi-unit residential properties, such as townhomes, apartments or duplexes, located in the states of Arizona, Colorado, Nevada and other states in the United States, and **"Property"** means any one of them.

"Related Person" means, (i) in respect of the Fund, (a) Daniel Popescu, Lynn Stibbard, Kelly Hemmett, Martin Miyata or any other director, officer, promoter or control person of the Fund or the Manager, or (b) a company, partnership or other legal entity, controlled by one or more individuals referred to in (a); and (ii) in respect of a Partnership, USLP (Investment) or USLP (Owner), (c) David Steele, Janet LePage or any other director, officer, promoter or control person of a Partnership or a General Partner, or (d) a company, partnership or other legal entity controlled by one or more individuals referred to in (c).

"Regulations" means the Tax Act regulations.

"Special Resolution" means (i) a resolution passed by the affirmative vote of such number of the partners entitled to vote on the resolution, in person or by proxy, holding in the aggregate not less than 75% of the limited partnership units then outstanding, at a duly convened meeting of the partners, or (ii) written resolution signed in one or more counterparts by partners (or their lawful attorney) holding, in the aggregate, not less than 75% of the units then outstanding, notice of which has been given to all partners.

"Subscriber" means a qualified investor who subscribes for Units pursuant to this Offering.

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

"Tax Act" means *Income Tax Act (Canada)*, R.S.C. 1985 (5th Supp.) c.l, as amended from time to time.

"Unanimous Resolution" means (i) a resolution passed by the affirmative vote of such number of the partners entitled to vote on the resolution, in person or by proxy, holding in the aggregate not less than 100% of the limited partnership units then outstanding, at a duly convened meeting of the partners or any adjournment thereof; or (ii) a written resolution signed in one or more counterparts by partners (or their lawful attorney) holding, in the aggregate, not less than 100% of the units then outstanding, notice of which has been given to all partners.

"Unitholder" means a holder of Units.

"Units" means collectively the Class A Units and Class B Units.

"USLP (Investment)" means a limited partnership which holds all of the issued limited partnership units of a USLP (Owner) of which WWC XXVII US, LP is one and **"USLP (Investments)"** means more than one USLP (Investment).

"USLP (Owner)" means a limited partnership which will be the beneficial owner of a Property of which WWC XXVII, LP is one and **"USLP (Owners)"** means more than one USLP (Owner).

"WWC" means Western Wealth Capital Management Ltd., a British Columbia company owned directly or indirectly by David Steele and Janet LePage as to 50% each, or an Affiliate.

"WWC Fees" means collectively the Acquisition Fee, the Asset Management Fee, the Asset Setup Fee, the Disposition Fee and the Mortgage Guarantee Fee.

In this Offering Memorandum, references to "dollars" and \$ are to the currency of the United States, unless otherwise indicated.

Item 1: USE OF AVAILABLE FUNDS

1.1 Available Funds

The following table discloses the available funds of this Offering:

		Assuming Minimum Offering	Assuming Maximum Offering
A	Amount to be raised by this Offering	\$1,000,000	\$1,000,000
B	Selling commissions and fees ⁽¹⁾	\$0	\$0
C	Estimated Offering costs ⁽²⁾	\$75,000	\$75,000
D	Capital Raise Fee ⁽³⁾	\$0	\$0
E	Available Funds: E = A – (B + C + D)	\$925,000	\$925,000
F	Additional sources of funding required ⁽⁴⁾	\$18,210,000	\$18,210,000
G	Working Capital Deficiency	\$0 ⁽⁵⁾	\$0 ⁽⁵⁾
H	Total: H = (E + F) – G	\$19,135,000	\$19,135,000

(1) The Fund does not intend to pay any commissions to selling agents in connection with the sale of Units under this Offering. The Manager may pay a portion of the Capital Raise Fee it receives from HF Marble Creek GP to Harbourfront in connection with the sale of the Class B Units.

(2) Offering costs include legal, accounting, auditing, marketing and due diligence expenses. These offering costs will be incurred regardless of the amount raised by this Offering. Ongoing expenses of the Fund, such as legal, audit, transfer, accounting and record-keeping fees, and any other administration or direct expenses are borne by the Fund. See Item 2.7 "Material Agreements - Administration Fees and Expenses".

(3) Pursuant to the terms of a Partnership Agreement, a General Partner is obligated to pay the Manager the Capital Raise Fee. See Item 2.1 "Structure - Manager".

(4) HF Marble Creek LP has identified an initial Property which has an acquisition cost, including closing costs and fees, of \$19,135,000. The expectation is that a mortgage of \$13,385,000 will be obtained, resulting in required equity of \$5,750,000. If the Fund raises only the Minimum Offering of \$1,000,000 and invests it all, after costs of this Offering, in HF Marble Creek LP, an additional \$4,550,000 (\$5,750,000 - \$925,000) in equity from other sources will be required in order for HF Marble Creek LP to close on the acquisition of this Property. Therefore, the Fund will require additional funds from other sources to advance its business objectives. See Item 8.3 "Industry Risk - Financing the Acquisition".

(5) As of July 21, 2017, the Fund has a working capital deficiency of \$0.00.

1.2 Use of Available Funds

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

Description of intended use of available funds listed in order of priority	Assuming Minimum Offering	Assuming Maximum Offering
The available funds of this Offering will be used to invest in HF Marble Creek Units, to indirectly acquire the Marble Creek Property through LP Units in accordance with the Investment Guidelines. See Item 2.2 "Our Business".	\$925,000	\$925,000
Total	\$925,000	\$925,000

1.3 Reallocation

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

Item 2: BUSINESS OF THE CORPORATION

2.1 Structure

The Fund is a limited partnership formed pursuant to the British Columbia Partnership Act on July 21, 2017. Its general partner is Willoughby Asset Management Inc. (the "**Manager**"), a British Columbia company. The head and principal office of the Fund and the Manager is located at MNP Tower, 3100 - 1021 West Hastings Street, Vancouver, British Columbia V6E 0C3.

The Manager is a registered investment fund manager in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec and Prince Edward Island.

Fund Limited Partnership Agreement

The Fund is governed by a limited partnership agreement dated July 21, 2017 (the "**Fund LP Agreement**"). See Item 2.7 "*Material Agreements - Fund LP Agreement*" for a description of key terms of the Fund LP Agreement.

Units

The Units of the Fund are divided into Class A and Class B Units, with a Class A Unit having a subscription price of \$1.00 and a Class B Unit having a subscription price of \$1.00.

See Item 5.1 "*Terms of Securities*" for a detailed description of the Units.

Manager

The Manager is the promoter of the Fund.

The Manager is wholly-owned by an employee group through HF Investment Holdings Inc. ("**HF Investment**"). See Item 8.1 "*Investment Risk - Relationship Between the Fund, the Manager and Affiliates of the Manager and Potential Conflicts of Interest*".

The rights, duties and obligations of the Manager relating to the management and administration of the Fund are set out in the Fund LP Agreement. Under the terms of the Fund LP Agreement, the Manager provides over-all management and financial and business planning for and on behalf of the Fund, and determines the investment policies, practices and objectives applicable to the Fund including any restrictions on investments which the Manager deems advisable. It is the responsibility of the Manager to ensure that all investments of the assets of the Fund are made in such a way as to comply with any statement made in this Offering Memorandum as to the investment policies, practices and objectives and investment restrictions.

Management Fee

In consideration of the management services provided by the Manager under the Fund LP Agreement, the Fund pays the Manager the Management Fee. The Management Fee is payable annually, in arrears, and is calculated and paid annually as a percentage of the capital raised by the Fund. In the sole determination of the Manager, the Manager may accrue the Management Fee in any fiscal year, and in such case, the Management Fee would accrue to the benefit of the Manager. No interest is payable on any accrued Management Fees.

The Management Fee is 1% of the capital raised by the Fund.

The Management Fee is deducted as an expense of the Fund in the calculation of the net profits of the Fund.

Capital Raise Fee

Pursuant to each Partnership Agreement, including the HF Marble Creek LP Agreement, a General Partner, including HF Marble Creek GP, will pay the Manager the Capital Raise Fee. The Capital Raise Fee is not payable to the Fund itself. The Capital Raise Fee is payable at the time of the purchase of the LP Units, including the HF Marble Creek Units, by the Fund and is calculated and paid as a percentage of the amount of the investment by the Fund in each Partnership, including the HF Marble Creek LP.

The Capital Raise Fee is 5% of the investment by the Fund in each Partnership, including HF Marble Creek LP.

The Manager may pay a portion, up to 60%, of the Capital Raise Fee (being 3%) it receives from a Partnership, including HF Marble Creek LP, to Harbourfront in connection with the sale of the Class B Units.

Selling Agent

Harbourfront Wealth Management Inc. ("**Harbourfront**"), an Affiliate of the Manager, is the exclusive selling agent of the Fund. Investors may purchase Units of the Fund only through Harbourfront.

Harbourfront is an independent, investment dealer founded in 2013. Harbourfront is registered as a portfolio advisor.

Harbourfront is also wholly-owned by HF Investment. See Item 8.1 *"Investment Risk - Relationship Between the Fund, the Manager and Affiliates of the Manager and Potential Conflicts of Interest"*.

Harbourfront and the Manager also share common directors and officers. As such, under National Instrument 33-105 *Underwriting Conflicts*, Harbourfront can be considered a "connected issuer" and a "related issuer" to the Fund in connection with this Offering.

The terms of this Offering, including the price of the Units offered, was determined by the Manager. The Fund confirms that Harbourfront did not require the Fund to undertake this Offering. The Fund is not indebted to Harbourfront as at the date of this Offering Memorandum, and, none of the proceeds of this Offering will be used for the benefit of Harbourfront in any manner.

No commission is payable by the Fund in connection with the sale of the Units. However, the Manager may pay part of the Capital Raise Fee, up to 60%, (being 3%) to Harbourfront in connection with the sale of the Class B Units. No part of the Capital Raise Fee will be paid in connection with the sale of the Class A Units. See Item 7 *"Compensation Paid to Sellers and Finders"*.

Administrator, Custodian and Prime Broker

NBCN Inc. is the Administrator of the Fund. As Administrator, NBCN Inc. processes all the purchases and transfer of the Units, keeps a register of all Unitholders, and issues investor statements and annual tax slips to Unitholders. In consideration of the bookkeeping, record - keeping and valuation services provided by the Administrator under the Accounting and Shareholder Record- Keeping Agreement the Fund pays the Administrator a monthly fee and certain additional periodic fees as set forth in the Accounting and Shareholder Record-Keeping Agreement.

NBCN Inc. is also the Custodian of the Fund. As Custodian, NBCN Inc. holds the Fund's cash and investments in safekeeping on behalf of the Fund. In consideration of the custodial services provided by the Custodian under the Custody and Security Services Agreement, the Fund pays the Custodian a monthly custodial fee.

Partnerships

It is the intention of the Fund to invest in limited partnership units ("**LP Units**") of limited partnerships formed under the laws of British Columbia ("**Partnerships**") which, directly or indirectly, acquire separate multi-unit residential properties, such as apartments, duplexes and townhomes, in Arizona, Colorado, Nevada and other states in the United States (the "**Properties**"). See Item 2.2 *"Our Business - Investment Strategy of the Fund"*.

As at the date of this Offering Memorandum, only the HF Marble Creek LP has been formed and no other Partnerships have been formed. See Item 2.1 *"Structure - HF Marble Creek LP"*.

Investments by a Partnership may be in the form of a direct acquisition of Properties by the Partnership or more likely, through the acquisition of limited partnership units of a limited partnership (the "**USLP (Investment)**") which acquires all of the limited partnership units of a limited partnership (the "**USLP (Owner)**") which will beneficially own a Property.

It is further anticipated that limited partnership units in each USLP (Investment) will be acquired by other investors, in addition to the Partnerships. These other investors may include limited partnerships whose general partners are owned, directly or indirectly, by David Steele and Janet LePage, as is the General Partner of each Partnership. See Item 3.1 "*Compensation and Securities Held*" for information on the relationship of David Steele and Janet LePage to Partnerships, including HF Marble Creek LP.

It is anticipated that each USLP (Investment) and USLP (Owner) will be a limited partnership formed pursuant to the laws of the state in which the Property associated with such USLP (Investment) and USLP (Owner) is located. As at the date of this Offering Memorandum, no USLP (Investments) or USLP (Owners) have been formed.

It is further anticipated that the general partner (a "**General Partner**") of each Partnership will be a company incorporated under the laws of British Columbia. As at the date of this Offering Memorandum, only HF Marble Creek GP has been incorporated and no other General Partners have been incorporated. See Item 2.1 "*Structure - HF Marble Creek GP*".

Each Partnership will be governed by a limited partnership agreement (the "**Partnership Agreement**"), of which the Fund will be a party as the owner of the Class A LP Units.

LP Units

It is anticipated that there will be three different classes of limited partnership units of each Partnership and that the Fund will not be the only investor. The Class A limited partnership units of each Partnership (the "**Class A LP Units**") will be owned by the Fund. The Class B limited partnership units of each Partnership (the "**Class B LP Units**") will be owned, directly or indirectly, by David Steele and Janet LePage. The Class C limited partnership units of each Partnership (the "**Class C LP Units**") will be owned by the Manager.

See Item 8.1 "*Investment Risk - Relationship between the Fund, the Manager and Affiliates of the Manager and Potential Conflicts of Interest*" for details about the Manager's ownership of the Class C LP Units. Item 3.1 "*Compensation and Securities Held*" for information on the relationship of David Steele and Janet LePage to Partnerships, including HF Marble Creek LP.

The rights and obligations of the Limited Partners of the Partnerships will be set out in the Partnership Agreements. See Item 2.7 "*Material Agreements - HF Marble Creek LP Agreement*".

General Partners

It is anticipated that David Steele and Janet LePage will own, directly or indirectly, all of the shares of each General Partner, including HF Marble Creek GP. See Item 8.1 *"Investment Risk - Relationship between the Partnerships, the General Partners and Affiliates of the General Partner and Potential Conflicts of Interest"*.

The rights, duties and obligations of a General Partner relating to the management and administration of the Partnership will be set out in the Partnership Agreement for such Partnership. It is anticipated that under the terms of the Partnership Agreement, the General Partner will provide over-all management and financial and business planning for and on behalf of a Partnership. It will be the responsibility of the General Partner to ensure that all investments of the assets of a Partnership are made in such a way as to comply with the Investment Guidelines and Operating Policies. See Item 2.2 *"Our Business - Investment Guidelines and Operating Policies"*.

HF Marble Creek LP

As at the date of this Offering Memorandum, HF Marble Creek LP is the only Partnership to have been formed. It is the intention of the Fund to initially invest in Class A limited partnership units ("**HF Marble Creek Units**") of HF Marble Creek Limited Partnership ("**HF Marble Creek LP**"). See Item 2.2 *"Our Business - The Fund's Investments"*.

HF Marble Creek LP is a limited partnership formed pursuant to the British Columbia Partnership Act on July 31, 2017. Its general partner is HF Marble Creek GP Ltd. ("**HF Marble Creek GP**"), a British Columbia company. The head and principal office of HF Marble Creek LP and HF Marble Creek GP is located at 197 Forester Street Suite 201 North Vancouver, BC V7H 0A6.

HF Marble Creek LP is governed by a limited partnership agreement dated July 31, 2017 (the "**HF Marble Creek LP Agreement**"). See Item 2.7 *"Material Agreements - HF Marble Creek LP Agreement"* for a description of key terms of the HF Marble Creek LP Agreement.

HF Marble Creek Units

The LP Units of Harbourfront LP are divided into Class A, Class B and Class C limited partnership units, with each unit having a subscription price of \$1.00.

The Fund will acquire HF Marble Creek Class A Units, being the Class A LP Units of HF Marble Creek LP. David Steele and Janet LePage will acquire the Class B LP Units of HF Marble Creek LP. The Manager will acquire the Class C LP Units of HF Marble Creek LP. See Item 3.1 *"Compensation and Securities Held"* for information on the relationship of the Class B and Class C limited partners in HF Marble Creek LP to the Manager and to HF Marble Creek LP.

The rights and obligations of the Limited Partners of HF Marble Creek LP are set out in the HF Marble Creek LP Agreement. See Item Item 2.7 *"Material Agreements - HF Marble Creek LP Agreement"* for a description of key terms.

HF Marble Creek GP

All of the shares of HF Marble Creek GP are owned, directly or indirectly, by David Steele and Janet LePage. See also Item 3.1 "*Compensation and Securities Held*" for information on the relationship of David Steele and Janet LePage to the Partnerships, including HF Marble Creek LP, and the General Partners and Item 8.1 "*Investment Risk - Relationship Between the Partnerships, the General Partners and Affiliates of the General Partners and Potential Conflicts of Interest*".

The rights, duties and obligations of HF Marble Creek GP relating to the management and administration of the HF Marble Creek LP are set out in the HF Marble Creek LP Agreement. Under the terms of the HF Marble Creek LP Agreement, HF Marble Creek GP provides over-all management and financial and business planning for and on behalf of HF Marble Creek LP, and determines the investment policies, practices and objectives applicable to HF Marble Creek LP including any restrictions on investments which HF Marble Creek GP deems advisable. It is the responsibility of HF Marble Creek GP to ensure that all investments of the assets of HF Marble Creek LP are made in such a way as to comply with the Investment Guidelines and Operating Policies. See Item 2.2 "*Our Business - Investment Guidelines and Operating Policies*".

USLP (Investments)

It is the intention of each Partnership to invest in limited partnership units of limited partnerships ("**USLP Investments**") which acquire limited partnership units in USLP (Owners). It is anticipated that USLP (Owners) will own the beneficial interest in the Properties. It is further anticipated that there will be a separate USLP (Investment) and USLP (Owner) for each Property. See Item 2.2 "*Our Business - Partnerships*".

It is anticipated that limited partnership units in each USLP (Investment) will be acquired by other investors, in addition to the Partnerships. These other investors may include limited partnerships whose general partners are owned, directly or indirectly, by David Steele and Janet LePage, as is the General Partner of each Partnership. See Item 3.1 "*Compensation and Securities Held*" for information on the relationship of David Steele and Janet LePage to USLP (Investments).

It is anticipated that each USLP (Investment) will be a limited partnership formed pursuant to the laws of the state in which the Property associated with such USLP (Investment) is located. As at the date of this Offering Memorandum, only one of the USLP (Investments) has been formed, WWC XXVII US, LP a limited partnership formed under the laws of the state of Arizona on June 8, 2017. As of the date of this Offering Memorandum, no other USLP (Investments) have been formed.

It is further anticipated that the general partner of each USLP (Investment) will be a company incorporated under the laws of the same state in which the USLP (Investment) is formed. As at the date of this Offering Memorandum, only one of the general partners of each USLP (Investments) has been formed, WWC XXVII GP, Inc., a company incorporated under the laws of the state of Arizona. As of the Date of this Offering Memorandum, no other general partners of USLP (Investments) have been incorporated.

Each USLP (Investment) will be governed by a limited partnership agreement, of which a Partnership will be a party as an owner of limited partnership units of USLP (Investment).

USLP (Owners)

It is the intention of each USLP (Investments) to invest in limited partnership units of limited partnerships ("**USLP Owners**") which will acquire beneficial ownership of the Properties. It is further anticipated that there will be a separate USLP (Owner) for each Property. See Item 2.2 "*Our Business*".

It is anticipated that each USLP (Owner) will be a limited partnership formed pursuant to the laws of the state in which the Property associated with such USLP (Owner) is located. As at the date of this Offering Memorandum, only one of the USLP (Owners) have been formed, WWC XXVII, LP, a limited partnership formed under the laws of the state of Arizona on June 8, 2017. As of the date of this Offering Memorandum, no other USLP (Owners) have been formed.

It is further anticipated that the general partner of each USLP (Owner) will be a company incorporated under the laws of the same state in which the USLP (Owner) is formed. As at the date of this Offering Memorandum, only one of the general partners of USLP (Owners) has been incorporated, WWX XXVII GP, Inc., a corporation formed under the laws of the state of Arizona. As of the date of this Offering Memorandum, no other general partners of USLP (Owners) have been incorporated.

Each USLP (Owner) will be governed by a limited partnership agreement, of which USLP (Investment) will be a party as the owner of all of the limited partnership units of USLP (Owner).

WWC Fees

In consideration of the services provided by WWC to USLP (Owners), it is anticipated that WWC will be paid the WWC Fees, consisting of the Acquisition Fee, the Asset Management Fee, the Asset Setup Fee, the Mortgage Guarantee Fee and the Disposition Fee, by each USLP (Owner).

Such WWC Fees will be deducted as an expense of the USLP (Owner) in the calculation of the net profits of the USLP (Owner). Accordingly the WWC Fees will be borne indirectly by the Fund as a Limited Partner of a Partnership.

2.2 Our Business

The business objective of the Fund is to provide Unitholders with a return from investments in a diversified portfolio of Properties.

Investment Strategy of the Fund

To achieve the Fund's investment objective, the Fund's assets will be invested in LP Units of three to five Partnerships which each indirectly acquire separate Properties through USLP (Investments) and USLP (Owners). It is anticipated that the first Partnership which the Fund will invest in is the HF Marble Creek LP.

The Properties purchased will be under-serviced residential buildings, such as apartments, townhomes and duplexes, which will undergo interior upgrades and appliance installations resulting in an increase in rental income. In addition, the Properties will have been operating at below normal lease rates compared to similar local properties, and will undergo rent normalization as lease terms expire. Holding interests in different Properties will diversify the risks associated with variable operating income and vacancy issues in each of the Properties. The Properties will be managed by experienced managers with successful history in similar projects. Net rental income will accrue and be paid to the Unitholders by way of distributions of available cash until disposal of the Properties, at which time the proceeds from the sale of the Properties will be distributed in accordance with the Partnership Agreements of the various Partnerships, including the HF Marble Creek LP in accordance with the HF Marble Creek LP Agreement, and ultimately to the Unitholders in accordance with the Fund LP Agreement.

Management of the Fund

The Manager, the general partner of the Fund, is responsible for the general control and direction of the Fund. The day-to-day management of the Fund is carried out by the Manager pursuant to the Fund LP Agreement. See Item 2.7 "*Material Agreements - The Fund LP Agreement*".

The Manager will, pursuant to the Fund LP Agreement, advise the Fund in respect of its investment of available funds from the Offering. All final investment decisions will be made by the Manager, without notice to or approval from any Unitholder of the Fund.

The Manager will ensure compliance by a Partnership with the Investment Guidelines and Operating Policies through the Partnership Agreements. The Manager will ensure compliance by HF Marble Creek LP with the Investment Guidelines and Operating Policies through the HF Marble Creek LP Agreement.

The Fund's Investments

The Fund intends to acquire Class A LP Units of Partnerships which invest by way of an acquisition of limited partnership units of USLP (Investments) who own all of the limited partnership units in USLP (Owners), who will hold the beneficial ownership of Properties.

The Manager will also be a limited partner of each Partnership, holding Class C LP Units.

The Fund intends to initially acquire the HF Marble Creek Class A Units, who will acquire limited partnership units of a USLP (Investment) who will acquire all of the limited partnership units of a USLP (Owner).

All investments of each Partnership, including the HF Marble Creek LP, are subject to the Investment Guidelines. See Item 2.2 *"Our Business - Investment Guidelines"*, below.

Partnerships

The Fund's investment will be in Class A LP Units of Partnerships, including the HF Marble Creek Class A Units of HF Marble Creek LP. The following sets out the key information concerning Partnerships and their investments.

Management of Partnerships

A General Partner is the general partner of each Partnership. HF Marble Creek GP is the General Partner of HF Marble Creek LP.

A General Partner is responsible for the general control and direction of each Partnership. The day-to-day management of a Partnership is carried out by the General Partner pursuant to the Partnership Agreement. Each Partnership Agreement is intended to have the same key terms as the HF Marble Creek LP Agreement. See Item 2.7 *"Material Contracts - HF Marble Creek LP Agreement"*.

A General Partner will, pursuant to a Partnership Agreement, advise the Partnership in respect of its investment of available funds from the Fund, including in identifying and evaluating potential investments for such Partnership in accordance with the Investment Guidelines and Operating Policies and conducting appropriate due diligence, where required. All final investment decisions will be made by the General Partner, without notice to or approval from the Fund as a limited partner of such Partnership, but in accordance with the Investment Guidelines and Operating Policies, see Item 2.2 *"Our Business - Investment Guidelines and Operating Policies"*.

Pursuant to a Partnership Agreement, a Partnership will invest only in a USLP (Investment) that complies with the Investment Guidelines and the Operating Policies. A Partnership will ensure compliance by the USLP (Investment) with the Investment Guidelines and Operating Policies through the limited partnership agreement of such USLP (Investment).

It is intended that David Steele and Janet LePage will be responsible for forming the Partnerships and managing the Partnerships through their ownership and control of the General Partners. It is anticipated that the General Partners will be corporations that are owned by each of David Steele and Janet LePage as to 50%. Both David Steele and Janet LePage will be directors of each General Partner.

Investment Strategy of Partnerships

The investment objectives and investment strategy of each Partnership, including HF Marble Creek LP, is to invest, indirectly through a USLP (Investment and a USLP (Owner), acquire a Property which meets the Investment Guidelines.

Investment Guidelines

The Fund will only invest in Partnerships who, through a USLP (Investment and a USLP (Owner), follow the following investment guidelines ("**Investment Guidelines**"):

- (a) The Partnership will focus its investment activities on the acquisition, holding, maintaining, improving, leasing, managing or disposing of Properties and conducting other business which is ancillary or incidental thereto, and deriving income therefrom with a view to making a profit ("**Focused Activities**").
- (b) Investments may be made by way of acquiring limited partnership units of a USLP (Investment), provided that the following conditions are met:
 - (i) the business of the USLP (Investment) is restricted to Focused Activities;
 - (ii) the USLP (Investment) is formed under the laws of a state of the United States;
 - (iii) the general partner of the USLP (Investment) may be a Related Person of the General Partner;
 - (iv) the investment of the USLP (Investment) may be made by way of acquiring limited partnership units of a USLP (Owner) who acquire beneficial ownership of a Property;
 - (v) the Partnership Agreement may provide that WWC is entitled to the WWC Fees and other compensation (excluding distributions, which are subject to paragraph (vi), below);
 - (vi) the Partnership Agreement may provide the General Partner with a right to receive distributions from the Partnership;
 - (vii) the Partnership Agreement may provide that fees or commissions may be paid by the Partnership for the solicitation or sale of LP Units, by individuals or companies, including the Manager and parties not at arm's length to the General Partner, in an amount equal to up to 5% of the funds raised by such individuals or companies.

- (c) Further, the Partnerships through USLP (Investments) and/or USLP (Owners) may acquire Properties from Related Persons, provided that the purchase price of such Properties shall be equal to or less than:
 - (i) the average of the value established by a certified appraisal obtained from an independent appraiser with respect to the Property in question; and
 - (ii) a valuation obtained from an independent realtor with respect to the Property or the most recent tax assessment with respect to the Property received from the municipality in which the Property is located.
- (d) The Partnership may also engage in any other business or activity incidental, ancillary or related to the foregoing primary activities.

The Manager has the ability to control or direct the activities of a Partnership to ensure it invests only in accordance with the Investment Guidelines and the Operating Policies through the Partnership Agreement.

Operating Policies

The operations and affairs of each Partnership, through a USLP (Investment) and a USLP (Owner), will be conducted in accordance with the following operating policies (the "**Operating Policies**"):

- (e) *Length of Time for Holding Properties.* The Partnership will acquire and hold a Property for as long as it determines that the relevant market and investment fundamentals allow for appropriate returns to be generated from the Property.
- (f) *Investment Objectives.* By combining a service-oriented focus with acquiring undervalued assets, the Partnership intends to increase both cash flow and asset values of the Properties, thereby providing an increasing rate of return to Limited Partners. Toward these ends, the Partnership intends where applicable:
 - (i) to improve the overall value of the Partnership by developing, acquiring and holding revenue producing Properties that add value to the overall portfolio of all Properties held by the Partnership;
 - (ii) to operate and maintain the Properties with the intention of creating profitability on a sustainable basis;
 - (iii) to engage in activities to increase the value and returns of the Properties;
 - (iv) to reinvest operating profits and the proceeds of any refinancing of the Properties acquired by the Partnerships in the furtherance of the business objectives of the Partnerships;

- (v) to invest in Properties which have the likely probability of long-term capital appreciation;
 - (vi) to preserve the value of the Properties and the Partnership;
 - (vii) to improve the overall value of the Partnership through the effective management of the Partnership's business and finances and value-added improvements to the Properties;
 - (viii) to maintain a private structure that is not subject to the volatility of the public equity and debt markets; and
 - (ix) to maintain a cost structure aligned with the interests of investors.
- (g) *Financing.* The Partnership may seek third party financing in respect of a part of the purchase price and the operating cost of its Properties, and may refinance any acquisition financing where more favourable financing becomes available from third party lenders such as banks, trust companies, mortgage syndicates or other providers of mortgage funding. The Partnership expects that a mortgage loan charging a Property will typically not be more than 80% of the appraised value of the Property, although occasionally higher leverage may be obtained from the seller by way of "vendor take-back" financing. Additional funds may be required for the property management reserve account which may be required by the applicable lenders.
- (h) *Due Diligence.* When a Partnership identifies an investment that is worth considering, then a strict due diligence process is followed. The Partnership may obtain independent property, environmental and structural reports even if not required by lenders. The following are some of the material considerations that the Partnership will examine as part of its due diligence process with respect to a proposed acquisition of a Property:
- (i) Appraisal: What is the Property worth and how was it appraised (Direct comparison, Income or Cost Approach)?
 - (ii) Zoning: (1) What is the Property being used for today? (2) Is it the best use? (3) Are there limitations against future improvements/additions to the Property?
 - (iii) Financing: (1) How is this Property going to be purchased? (3) How will lenders view this purchase?
 - (iv) Environmental Report: (1) Are there any current environmental concerns? (2) What is the environmental history of the Property?
 - (v) Engineering Report: (1) What is the condition of the existing building or buildings located on the Property? (2) What is the condition of the structural integrity of any buildings?

- (vi) Site Survey Real Property Report: Are there any registered easements or other documents which affect the use of the Property?
 - (vii) Macroeconomics: Refer to high level economic fundamentals that speak to the future viability to a neighborhood, city or province. These are broad economic indicators that help the General Partner identify areas of interest based.
 - (viii) Net Migration: (1) What are the population trends in the area? (2) Are there more people arriving or departing? The Partnership believes that (i) thriving areas tend to see population increases over the long term, and (ii) an increase is generally a positive indicator for real estate values as more people arrive and the supply of available residential and commercial properties tightens.
 - (ix) Industry: (1) What are the major industries in the area? (2) Who are the major employers and how much of the job market do they represent? (3) What are the future prospects for current major employers? (4) What other businesses are locating/relocating in the area?
 - (x) Transportation: (1) How accessible is the area? (2) Are there any infrastructure expansion plans pending?
 - (xi) Government: (1) How accommodating are the local authorities to new businesses being established? (2) Are there any local regulations, permit or authorization requirements that may constitute an impediment to do business in the area? (3) How do taxes for businesses compare to other areas?
- (i) *Monitoring.* It is expected that the Properties will be monitored by a Partnership on a continuous basis to gauge the effectiveness of the management process on cash flows and tenant satisfaction. Through analysis of market rental rates, a Partnership will determine where capital expenditures will permit the largest increase in rents and when a Property's rate of return has been maximized. A Partnership may in its discretion decide to sell a particular Property and reinvest capital into opportunities that will provide superior returns.
 - (j) *Dispositions.* A Partnership may sell a Property when it determines that the associated capital can be more efficiently deployed. This is an ongoing monitoring process, where economic, political and demographic trends are taken into account. A Partnership may, at its discretion and without notice to the Limited Partners, reallocate the Partnership's assets to Properties as determined by the Partnership in its discretion.
 - (k) *Sales to Related Persons.* The Partnership may also sell its Properties to Related Persons at a price equal to the average of the value established by a certified appraisal obtained from an independent appraiser with respect to the Property in question and a single market valuation obtained from an independent realtor with respect to the Property.

- (l) *Compliance with laws.* A Partnership will comply with all laws which govern its activities, including but not limited to registering as a mortgage broker if required by applicable legislation in connection with its lending activities.

LP Units

The terms of the LP Units are set out in a Partnership Agreement, pursuant to which the LP Units are being issued. The material terms of the Partnership Agreement are intended to be the same as the HF Marble Creek LP Agreement, which are set out in Item 2.7 "*Material Contracts - HF Marble Creek LP Agreement*".

There are three classes of LP Units in each Partnership: Class A LP Units which are anticipated to be owned by the Fund, Class B LP Units to be owned by David Steele and Janet LePage, and Class C LP Units to be owned by the Manager. The following provides a general discussion of the special rights and restrictions attached to the LP Units. These special rights and restrictions also apply to the HF Marble Creek Units.

Return

The available funds received by the Fund will be the funds received by the Fund as the holder of the Class A LP Units of a Partnership in accordance with the Partnership Agreement of such Partnership, and will be after payment of the WWC Fees paid by a USLP (Owner). The available funds received by the Fund, after payment of the expenses of a Partnership, shall be paid in the following priority:

- Payment to the holder of the Class A LP Units, namely the Fund, in an amount sufficient to pay the Management Fee owing to the Manager;
- Payment to the holders of the Class A LP Units, namely the Fund, in an amount sufficient to return the capital of the Unitholders of the Fund; and
- Thereafter, 60% shall be paid to the holders of the Class A LP Units, namely, the Fund, 25% shall be paid to the holders of the Class B LP Units, namely David Steele and Janet LePage, and 15% shall be paid to the holder of the Class C LP Units, namely the Manager.

Meetings and Voting

Each Class A LP Unit entitles the holder thereof to one vote per unit.

Meetings of a Partnership's partners may be called by the General Partner upon the written request of Limited Partners holding in the aggregate not less than 75% of the outstanding Class A LP Units. If the General Partner fails to convene a meeting upon any such request within a 21 day period after the giving of such request, the requesting partners may convene such meeting. A quorum at any meeting of the

partners will consist of the Limited Partners present, in person or by proxy, who collectively hold or represent by proxy 80% of the voting rights of all Class A LP Units.

Every question submitted to a meeting of a Partnership's partners will be decided by Special Resolution, with each holder of Class A LP Units entitled to one vote per unit.

Redemption

The LP Units will be non-redeemable.

Allocation of Net Income and Losses

The basis on which a Partnership's Net Income and Net Losses are allocated to the partners, and the order of priority with respect thereto, is as follows:

- Net income of a Partnership for each fiscal year shall be allocated:
 - firstly, as to 0.01% to a maximum of \$100.00 to the General Partner;
 - secondly, an amount to the holders of Class A LP Units, namely the Fund, sufficient to pay the Management Fee to the Manager;
 - thirdly, an amount to the holders of Class A LP Units, namely the Fund, sufficient to pay the return of capital contributions of each of the Unitholders; and
 - thereafter, the balance as follows:
 - 60% to the holders of Class A LP Units, namely the Fund;
 - 25% to the holders of the Class B LP Units, namely David Steele and Janet LePage; and
 - 15% to holders of the Class C LP Units, namely, the Manager.
- Net loss of the Fund for each fiscal year will be allocated:
 - as to 0.01% to a maximum of \$100.00 to the Manager; and
 - thereafter, the balance as follows:
 - 60% to the holders of HF Marble Creek Class A Units, namely the Fund;
 - 25% to the holders of the Class B LP Units, namely David Steele and Janet LePage; and
 - 15% to holders of the Class C LP Units, namely, the Manager.

The General Partner will distribute at least annually to a Partnership's partners, and not later than 120 days after each fiscal year end of such Partnership, the cash from operations (after payment of the WWC Fees paid by the USLP (Owner) which, in the sole determination of the General Partner, is not required by the Partnership to meet its current obligations, including without limitation, monies owing to third party lenders , or as a reserve or for working capital, as follows:

- (a) firstly, to each of the Partnership's partners, in proportion to such partner's respective pro rata interest in an amount sufficient to repay any existing negative balance of such partner's capital contribution;
- (b) secondly, as to 0.01% to a maximum of \$100.00 to the General Partner;
- (c) thirdly, an amount to the holders of Class A LP Units, namely the Fund, sufficient to pay the Management Fee to the Manager;
- (d) fourthly, an amount to the holders of Class A LP Units, namely the Fund, sufficient to pay the return of capital contributions of each of the Unitholders; and
- (e) thereafter, the balance as follows:
 - (i) 60% to the holders of Class A LP Units, namely the Fund;
 - (ii) 25% to the holders of the Class B LP Units, namely David Steele and Janet LePage; and
 - (iii) 15% to holders of the Class C LP Units, namely the Manager.

Repayment of Capital and Distribution of Surplus Proceeds

All funds which are of a capital nature and not income which arise or are realized or received:

- upon the wind up or dissolution of the Partnership;
- upon the sale or disposition of assets of the Partnership;
- upon any refinancing of the assets of the Partnership (for greater certainty, any increase in the principal amount of such indebtedness refinanced shall be deemed to be of the nature of capital) or otherwise;

will be used or distributed as follows:

- (a) firstly, to pay all current debts, liabilities and obligations of the Partnership to its creditors
- (b) secondly, to create a reserve in an amount as determined in the sole discretion of the General Partner;

- (c) thirdly, to each of the Partnership's partners, in proportion to such partner's respective pro rata interest in an amount sufficient to repay any existing negative balance of such partner's capital contribution;
- (d) fourthly, as to 0.01% to a maximum of \$100.00 to the General Partner;
- (e) fifthly, an amount to the holders of Class A LP Units, namely the Fund, sufficient to pay the Management Fee to the Manager;
- (f) sixthly, an amount to the holders of Class A LP Units, namely the Fund, sufficient to pay the return of capital contributions of each of the Unitholders;
- (g) thereafter, the balance as follows:
 - (i) 60% to the holders of Class A LP Units, namely the Fund;
 - (ii) 25% to the holders of the Class B LP Units, namely David Steele and Janet LePage; and
 - (iii) 15% to holders of the Class C LP Units, namely the Manager.

Limitation on Demand for Return of Capital

Subject to the rights of General Partner in the Partnership Agreement regarding return of capital upon removal or resignation, a partner will only be entitled to demand the return of its capital account upon:

- the sale or disposition of all or substantially all of the property and assets of the Partnership; or
- the wind up or dissolution of the Partnership; or
- the redemption or re-purchase of all LP Units by the Partnership.

Transfer/Assignment of LP Units

Except as otherwise set forth herein or as may be consented to in writing by a General Partner, a partner will not transfer, assign, pledge, encumber or dispose of its units. No partner may sell, transfer or dispose of less than 100% of its units at any time. In the event of a sale, transfer or other disposal of any of its units, a partner will ensure that said sale, transfer or disposal complies with all securities laws and regulations applicable to the sale of the LP Units in the Province of British Columbia, including all federal laws applicable therein.

Related Persons

The Manager is the general partner of the Fund and will be a Limited Partner of each Partnership. The Manager is also an Affiliate of Harbourfront, the exclusive selling agent of the Fund.

The Manager is entitled to be paid the Management Fee by the Fund pursuant to the Fund LP Agreement. The Manager will also receive a return as a holder of the Class C LP Units. See Item 2.7 "*Material Contracts - Fund LP Agreement*".

David Steele and Janet LePage are expected to be officers, directors and direct or indirect shareholders of each General Partner, the general partners of USLP (Investment) and USLP (Owner) and WWC. They will also both be limited partners of each Partnership by holding Class B LP Units. David Steele or Janet LePage may, directly or indirectly own limited partnership units in USLP (Investments).

WWC will be entitled to receive the WWC Fees from each USLP (Owner) under the USLP (Owner) limited partnership agreement.

Offering Structure

The purpose of this Offering is to allow Subscribers to participate, indirectly through acquiring Units in the Fund, in an investment in Properties. See Item 5.1 "*Terms of Securities*" for information regarding the terms and conditions of the Units.

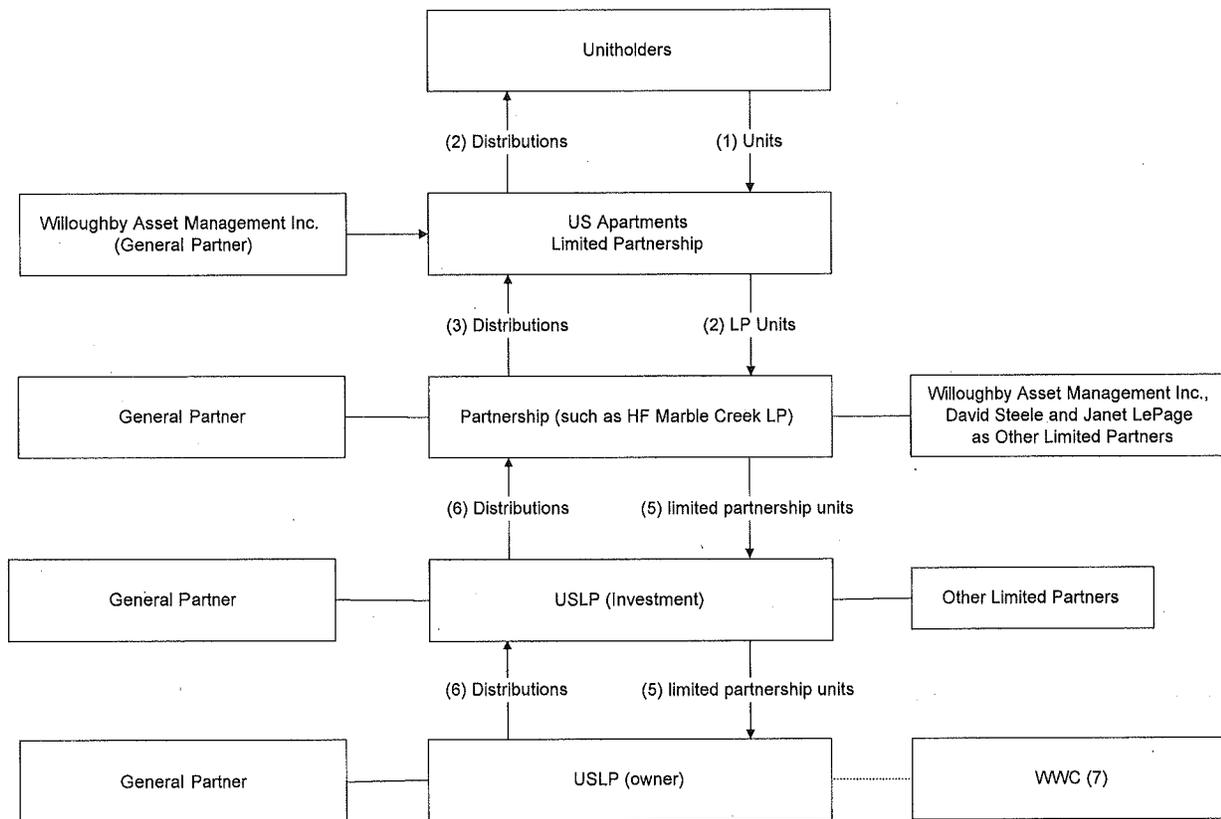
No advance income tax ruling has been applied for or received with respect to the income tax consequences described in this Offering Memorandum. See Item 8.1 "*Investment Risk - Legal, Tax and Regulatory Risk*".

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

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

The following chart sets out the structure of the Offering. Unitholders should note that the Investment Guidelines do not restrict USLP (Investments) from soliciting investment from parties wishing to become limited partners in addition to the Partnership. As a result, a Partnership may hold less than a majority of the limited partnership units in a USLP (Investment).

The Fund will not have the ability to control or direct the activities of any Partnership or ensure compliance by the Partnership with the Investment Guidelines and the Operating Policies, other than through a Partnership Agreement. The Fund may choose to invest in a multiple number of Partnerships or other types of investments using the available funds of this Offering.



- (1) Subscribers purchase Units.
- (2) The Fund uses the proceeds of the Units to purchase LP Units in a Partnership .
- (3) A Partnership makes distributions of distributable cash to the Fund as a limited partner.
- (4) The Fund uses the proceeds of the distributions from a Partnership.
- (5) A Partnership uses the proceeds of the sale of LP Units towards the purchase of Properties through USLP (Investments) and USLP (Owners).
- (6) The Partnerships make distributions of distributable cash to the Fund as a limited partner holding Class A LP Units.
- (7) WWC will be paid the WWC Fees from each USLP (Owner).

HF Marble Creek LP

The Fund's first investment will be in HF Marble Creek Class A Units of HF Marble Creek LP. The following sets out the key information concerning HF Marble Creek LP and its investment.

Management of HF Marble Creek LP

HF Marble Creek GP is the general partner of HF Marble Creek LP. The Manager is also a limited partner of HF Marble Creek LP, holding HF Marble Creek Class C Units.

HF Marble Creek GP, the general partner of HF Marble Creek LP, is responsible for the general control and direction of HF Marble Creek LP. The day-to-day management of HF Marble Creek LP is carried out by HF

Marble Creek GP pursuant to the HF Marble Creek LP Agreement. See Item 2.7 "*Material Contracts - HF Marble Creek LP Agreement*".

HF Marble Creek GP will, pursuant to the HF Marble Creek LP Agreement, advise HF Marble Creek LP in respect of its investment of available funds from the Fund, including in identifying and evaluating potential investments for HF Marble Creek LP in accordance with the Investment Guidelines and Operating Policies, see Item 2.2 "*Our Business - Investment Guidelines and Operating Policies*" and conducting appropriate due diligence, where required. All final investment decisions will be made by HF Marble Creek GP, without notice to or approval from the Fund as a limited partner of HF Marble Creek LP, but in accordance with the Investment Guidelines and Operating Policies.

Pursuant to the HF Marble Creek LP Agreement, HF Marble Creek LP will invest only in a USLP (Investment) that complies with the Investment Guidelines and the Operating Policies. HF Marble Creek LP will ensure compliance by the USLP (Investment) with the Investment Guidelines and Operating Policies through the limited partnership agreement of such USLP (Investment).

David Steele and Janet LePage, directly or indirectly, each own 50% of the shares of HF Marble Creek GP and are directors and officers of HF Marble Creek GP.

HF Marble Creek Units

The HF Marble Creek Units have the same rights and restrictions as the LP Units described above.

Prospective Property Identified for Acquisition

As at the date of this Offering Memorandum, HF Marble Creek GP has identified a prospective Property located in the Southwest Valley of the Metropolitan Phoenix area, in the State of Arizona (the "**Marble Creek Property**") for investment by HF Marble Creek LP.

The Marble Creek Property is located at 5601 West McDowell Road, Phoenix, Arizona,

The Marble Creek Property is a 244 unit multifamily community built in 1985 comprising of 108 one bedroom/one bath, 48 two bedroom/one bath and 88 two bedroom/two bath units. There are 244 covered parking spaces and 186 uncovered parking spaces. The Marble Creek Property comprise 22 buildings over 9.72 acres with 206,080 net rentable square feet.

The Marble Creek Property offers a value add opportunity as only the model unit has been upgraded and none of the units have washer/dryers. The interiors feature full-sized appliances in a spacious, open plan kitchen/dining room and living area. The units benefit from a private patio or balcony and select units have additional outside storage areas.

Some unique community features in the Marble Creek Property include a resort-style swimming pool, spa and sundeck, playground, barbecue area and fitness centre. Recent renovations include capital improvements such as a new parking lot, re-plastered swimming pool, perimeter fencing/masonry walls, monument sign enhancements and automatic entry gate. This provides an opportunity to focus on upgrading unit interiors and washer/dryers installations.

The business plan of HF Marble Creek LP is to increase the Marble Creek Property's net operating income over a five year period by (i) completing interior upgrades to 150 of the 244 units over two years, to increase rental rates; (ii) adding washers and dryers in 200 of the 244 units to increase rental rates; and (iii) to reduce the disparity among the rental rates of like units throughout the Marble Creek Property and increase rents to market average rents in the area.

It is anticipated that \$19,135,000 is necessary to complete the acquisition of the Marble Creek Property, including a purchase price of \$16,750,000, WWC Fees of \$588,850 and other costs of closing. It is anticipated that an acquisition loan of \$13,385,000 will be available, thereby requiring equity of \$5,750,000.

The Fund plans to invest \$1,500,000 in HF Marble Creek Class A Units, to be used towards the purchase price of the Marble Creek Property. As that is greater than the Minimum Offering of \$1,000,000, additional funds from other sources may be necessary to complete the acquisition of the Marble Creek Property. See Item 8.1 "*Issuer Risk - Additional Funds Required*".

An assignment of the contract of purchase and sale to a Partnership has not yet been negotiated or entered into. Although it is anticipated that the holder of the contract of purchase and sale will be a Related Party to the HF Marble Creek GP, there is no guarantee or assurance that the assignment agreement will be entered into.

As at the date of this Offering Memorandum, the USLP (Investment), WWC XXVII US, LP, and USLP (Owner), WWC XXVII, LP, have been created for the acquisition of the Marble Creek Property. The general partners of WWC XXVII US, LP and WWC XXVII, LP are owned by David Steele and Janet LePage, both directors and shareholders of HF Marble Creek GP.

It is the intention that WWC XXVII, LP acquires the Marble Creek Property and will finance a significant portion of the purchase price by way of an acquisition loan from a third party lender. As at the date of this Offering Memorandum, there is no commitment letter for such loan. See Item 8.3 "*Industry Risk - Business Risk*". It is anticipated that the lender will require mortgage and other security to be granted over the Marble Creek Property. None of these terms and conditions has been negotiated as at the date of this Offering Memorandum. See Item 8.3 "*Industry Risk - Business Risk*".

2.3 Development of Business of the Fund

The Fund is a newly incorporated entity, established for the purposes of carrying out the Offering. Since the date of its incorporation to the Reference Date, the Fund has not acquired any LP Units, including the HF Marble Creek Units. See Item 2.2 "Our Business" for further discussion.

2.4 Long Term Objectives of the Fund

Investment Objective

The long-term objectives of the Fund are to provide investors with (i) diversification in the form of indirect investment in Properties which will provide a consistent superior return through rental income allocation as well as projected 100% return of capital within five years, and (ii) protection against downside risk through Property ownership. The holdings will be in the form of LP Units in three to five Partnerships, thereby providing risk protection and preferential flow through income tax treatment.

As of the date of this Offering Memorandum, HF Marble Creek LP has identified one specific investment, namely the Marble Creek Property. The anticipated closing date is August 9, 2017. The costs to complete the acquisition of the Marble Creek Property are estimated to be \$19,135,000 of which it is anticipated that \$13,385,000 will be obtained by way of an acquisition loan, \$4,250,000 will be invested from other investors in HF Marble Creek LP and the Fund's costs would be approximately \$1,500,000. Additional funding from other sources is required to fund the balance of the costs to complete this acquisition.

To achieve its long term objectives to diversify its portfolio, additional Properties that satisfy the Investment Guidelines have to be identified for acquisition, see Item 2.2 "Our Business - Investment Guidelines and Operating Policies". The costs of closing these additional Properties may require other sources in addition to the Fund's funds. The funds required from the Funds are not currently ascertainable. However, as the Fund is investing in LP Units, it does not expect that the ancillary costs (e.g. legal, accounting or administrative) will be material.

2.5 Short Term Objectives and How the Fund Intends to Achieve Them

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

What we must do and how we will do it	Target completion date or, if not known, number of months to complete	Our cost to complete
Complete the closings of the Marble Creek Property	August 9, 2017	\$1,500,000. Additional funds from other sources may be required to close.
Complete the closings of investments in other Partnerships, to invest as set	The Fund intends to invest all funds raised under the Offering in	As no other specific investments have yet to be identified, the

out in this Offering Memorandum, in accordance with the Investment Guidelines.	accordance with the Investment Guidelines as promptly as reasonably possible in line with the aforesaid investment objectives.	costs to complete are not currently ascertainable. However, as the Fund is investing in LP Units, it does not expect that the ancillary costs (e.g. legal, accounting or administrative) will be material.
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2.6 Insufficient Funds

The funds available from the Offering will not be sufficient to accomplish all of the Issuer's proposed objectives. To complete the acquisition of the Marble Creek Property, the following proceeds will be necessary:

Assuming the Minimum Offering is achieved, funds raised pursuant to this Offering Memorandum will equal \$1,000,000.

Additional funds of \$18,210,000 will be required to complete the acquisition of the Marble Creek Property. It is expected that an acquisition loan of \$13,385,000 will be obtained, leaving an equity requirement of \$5,750,000. Other investors will need to acquire limited partnership units in USLP (Investment) in amounts sufficient to complete the acquisition. As at the date of this Offering Memorandum, the other investors have not made their required contributions and no commitment letter has been obtained for an acquisition loan should one be necessary. There is no assurance or guarantee that such contributions will be made or that an acquisition loan will be available on favourable terms or at all. See Item 8 "Risk Factors".

If more than the Minimum Offering is not achieved, or the other investors do not make their required contribution to HF Marble Creek LP, or an acquisition loan is not obtained, there will not be sufficient funds to purchase the Marble Creek Property. There is no assurance or guarantee that the Minimum Offering will be achieved or exceeded, that additional funds from such contributions will be made, or that an acquisition loan will be available on favourable terms or at all. See Item 8.3 "Industry Risk - Business Risk".

2.7 Material Agreements

The following are the key terms of all material agreements to which the Fund is a party. A copy of the Fund LP Agreement is attached to this Offering Memorandum as Schedule B.

Fund LP Agreement

The following are the key terms of the Fund LP Agreement:

Title, Date and Parties: Fund LP Agreement dated as of July 21,, 2017 between the Manager and Lynn Stibbard as the Initial Limited Partner and each additional party who from time to time is accepted as a limited partner of the Fund.

Object of Agreement:

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

Consideration:

The Fund will pay to the Manager the Management Fee.

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

WWC will be paid the WWC Fees by USLP (Owner), which will ultimately be borne by the Limited Partners of the Fund. See Item 2.1 "Structure - WWC Fees".

Term and Termination:

The term for which the Fund is to exist will expire upon the earlier of:

- the disposition of all of the assets of the Fund and final distribution of the proceeds therefrom in accordance with the terms of the Fund LP Agreement;
- the bankruptcy, dissolution (except dissolution as a consequence of merger, amalgamation, consolidation or other corporate re-organization) or winding-up of the Manager, or the occurrence of an event which would permit a trustee or receiver to acquire control of the affairs of the Manager during the term of the Fund LP Agreement, unless the Manager is replaced, pursuant to the Fund LP Agreement, within 120 days of the date of such occurrence; or
- the consent of the Manager and the passing of a Special Resolution approving the dissolution or winding up of the Fund.

Removal of the Manager as General Partner: The limited partners of the Fund may, by Unanimous Resolution, and only with cause, remove the Manager as the General Partner and appoint a new person to be the general partner, and without limiting the generality of the foregoing, upon the occurrence of any of the following events:

- the adjudication of the Manager as bankrupt or the appointment of a receiver of the assets and undertaking of the Manager;
- the dissolution, winding-up or liquidation of the Manager;
- the Manager making an assignment for the benefit of creditors;
- the Manager failing to perform its duties hereunder in a material and substantive manner and then only if the Manager does not remedy or correct its failure to perform, within a reasonable period of time of receiving notice of such failure to perform;
- and, in all cases, only if the Fund's limited partners appoint by Special Resolution, concurrently with such removal, a person to act as general partner who, from the date of such removal, assumes all of the responsibilities and obligations of the removed general partner, including without limitation, liabilities with regard to financing provided to the Fund

Upon the appointment of a new general partner, the removed general partner will cease to be the general partner of the Fund and, if the removed general partner is a holder of Units, will be regarded as a limited partner with effect as of and from the date the removed general partner ceased to be the general partner. In any event such general partner will also be entitled to be paid the balance in its capital account as of the effective date of removal, such payment to be made on the effective date of removal.

Any new general partner must be a registered investment fund manager under applicable securities legislation if the Fund is a 'non-redeemable investment fund' as defined under applicable securities legislation.

The Units are issued pursuant to the Fund LP Agreement.

For a description of the other terms of the Fund LP Agreement, see also Item 2.1 "*Structure - Fund Limited Partnership Agreement*" and Item 5.1 "*Terms of Securities*". A copy of the Fund LP Agreement is attached hereto as Schedule B.

HF Marble Creek LP Agreement

The following are the key terms of the HF Marble Creek LP Agreement:

Title, Date and Parties:

HF Marble Creek LP Agreement dated as of July 31, 2017 between HF Marble Creek GP and Dave Steele and Janet LePage as the Initial Limited Partners and each additional party who from time to time is accepted as a limited partner of HF Marble Creek LP.

Object of Agreement:

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

Consideration:

HF Marble Creek GP is entitled to reimbursement of reasonable out-of-pocket expenses.

WWC, a Related Party of HF Marble Creek GP, will be paid the WWC Fees by USLP (Owner), which will ultimately be borne by the holders of the LP Units in HF Marble Creek LP, including the Fund. See Item 2.1 "Structure - WWC Fees".

Term and Termination:

The term for which HF Marble Creek LP is to exist will expire upon the earlier of:

- the disposition of all of the assets of HF Marble Creek LP and final distribution of the proceeds therefrom in accordance with the terms of the HF Marble Creek LP Agreement;
- the bankruptcy, dissolution (except dissolution as a consequence of merger, amalgamation, consolidation or other corporate reorganization) or winding-up of HF Marble Creek GP, or the occurrence of an event which would permit a trustee or receiver to acquire control of the affairs of HF Marble Creek GP during the term of HF Marble Creek LP Agreement, unless HF Marble Creek GP is replaced, pursuant to the HF Marble Creek LP Agreement, within 120 days of the date of such occurrence; or
- the consent of HF Marble Creek GP and the passing of a Special Resolution approving the dissolution or winding up of HF Marble Creek LP.

Removal of HF Marble Creek GP as General Partner:

The limited partners of HF Marble Creek GP may, by Unanimous Resolution, and only with cause, remove HF Marble Creek GP as the General Partner and appoint a new person to be the general partner, and without limiting the generality of the foregoing, upon the occurrence of any of the following events:

- the adjudication of HF Marble Creek GP as bankrupt or the appointment of a receiver of the assets and undertaking of HF Marble Creek GP;
- the dissolution, winding-up or liquidation of HF Marble Creek GP;
- HF Marble Creek GP making an assignment for the benefit of creditors;
- HF Marble Creek GP failing to perform its duties hereunder in a material and substantive manner and then only if HF Marble Creek GP does not remedy or correct its failure to perform, within a reasonable period of time of receiving notice of such failure to perform;
- and, in all cases, only if HF Marble Creek LP's limited partners appoint by Special Resolution, concurrently with such removal, a person to act as general partner who, from the date of such removal, assumes all of the responsibilities and obligations of the removed general partner, including without limitation, liabilities with regard to financing provided to HF Marble Creek LP.

Upon the appointment of a new general partner, the removed general partner will cease to be the general partner of HF Marble Creek LP and, if the removed general partner is a holder of HF Marble Creek Units, will be regarded as a limited partner with effect as of and from the date the removed general partner ceased to be the general partner. In any event such general partner will also be entitled to be paid the balance in its capital account as of the effective date of removal, such payment to be made on the effective date of removal.

The HF Marble Creek Units are issued pursuant to the HF Marble Creek LP Agreement. For a description of the other terms of the HF Marble Creek LP Agreement, see Item 2.1 "*Structure - HF Marble Creek LP Agreement*" and Item 5.1 "*Terms of Securities*".

The intention is that each Partnership Agreement will have the same key terms as the HF Marble Creek LP Agreement.

Services Agreement

The Manager entered into the Services Agreement with NBCN Inc. on July 21, 2017, pursuant to which NBCN Inc., on a fee for service basis, provides trade execution, settlement and allocation services for the Fund. Either party may terminate the Services Agreement at any time subject to prior written notice of 30 days' provided that all debts between parties are fully settled.

Custody and Security Services Agreement

The Manager entered into the Custody and Security Services Agreement with NBCN Inc. on July 21, 2017, pursuant to which NBCN Inc. provides custodial services to the Fund for a monthly custodial fee. Either party may terminate the Custody and Security Services Agreement at any time subject to prior written notice of 90 days.

Fund Accounting and Shareholder Record-Keeping Agreement

The Manager entered into the Fund Accounting and Shareholder Record-Keeping Agreement with NBCN Inc. on July 21, 2017, pursuant to which NBCN Inc. performs accounting, valuation, registry, transfer agency, administrative and trust accounting services for the Fund for monthly and other periodic fees as registrar and Administrator of the Fund. Either party may terminate the Agreement at any time subject to prior written notice of 90 days.

Administration Fees and Expenses

The Fund is responsible for the payment of all fees and expenses relating to its operation, including the fees and expenses of the audit, accounting, administration (other than advertising and promotional expenses which are paid for by the Manager), record keeping and legal fees and expenses, custody and safekeeping charges, all costs and expenses associated with the qualification for sale of Units, providing financial and other reports to Unitholders and convening and conducting meetings of Unitholders, all taxes, assessments or other governmental charges levied against the Fund, interest and all brokerage and other fees relating to the purchase and sale of the assets of the Fund.

With respect to the Fund's ongoing operating fees and expenses, the Manager pays the Fund's service providers as invoices are received and then seeks cost recovery from the Fund on a periodic basis throughout the year. Offering and organizational expenses will be paid by the Fund. The expenses will be incurred regardless if any funds are raised by this Offering. It is expected that the expenses incurred for this Offering will be recovered from the Fund over a two year basis. Certain costs such as commission expenses, wire transfer fees and margin interest are paid directly out of the Fund's assets. The Manager will pay for all expenses associated with the identification and management of the Fund's investments (other than the noted direct expenses such as margin interest and brokerage fees, which are the responsibility of the Fund as noted above).

Item 3: DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

3.1 Compensation and Securities Held

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

Name and municipality of	Positions held and the date of obtaining that position	Compensation paid by the Fund or Related Party since inception and anticipated to be paid in the current financial year	Number, type and percentage of securities held after this Offering
WILLOUGHBY ASSET MANAGEMENT INC.	Promoter	\$460,000 ⁽¹⁾	— ⁽³⁾ 1 HF Marble Creek Class C Unit ⁽⁴⁾
LYNN STIBBARD Surrey, BC	Chief Financial Officer, Director of the Manager	Nil ⁽²⁾	— ⁽³⁾
MARTIN MIYATA Richmond, BC	Chief Compliance Officer	Nil	— ⁽³⁾
DANIEL POPESCU West Vancouver, BC	President, Chief Executive Officer, Director and Ultimate Designated Person of the Manager;	Nil ⁽²⁾	— ⁽³⁾
KELLY HEMMETT Winnipeg, MB	Director of the Manager	Nil ⁽²⁾	— ⁽³⁾
DAVID STEELE North Vancouver, BC	Director, Officer and Principal Holder of HF Marble Creek GP and WWC	Nil ⁽⁵⁾	Nil ⁽³⁾ 1 HF Marble Creek Class B Unit ⁽⁴⁾
JANET LEPAGE North Vancouver, BC	Director, Officer and Principal Holder of HF Marble Creek GP and WWC	Nil ⁽⁵⁾	Nil ⁽³⁾ 1 HF Marble Creek Class B Unit ⁽⁴⁾

Notes:

(1) This amount is comprised of the Management Fee and Capital Raise Fee anticipated to be paid to the Manager for its services, assuming only the Minimum Offering is raised. See Item 2.1 "Structure - Management Fee and Capital Raise Fee". The Manager is also the holder of the Class C LP Units, but the amount that the Manager may receive as a holder cannot be ascertained at this time.

(2) This individual is a director of the Manager. Although she/he does not receive compensation from the Fund, the Manager will receive a Management Fee for its services. See Item 2.1 "Structure - Manager".

(3) The Manager and the directors and officers of the Manager may acquire Units under this Offering Memorandum; however, the number of Units, if any, which may be acquired is not known.

(4) This represents the number of LP Units owned in HF Marble Creek LP.

(5) This individual is a director of WWC. Although she/he does not receive compensation from the Fund, WWC will receive the WWC Fees from USLP (Owner) for its services to USLP (Owner). See Item 2.1 "Structure - Manager".

3.2 Management Experience

The senior management of the Manager have a broad background of investment and capital market experience which is brought to bear on the activities undertaken by the Manager on behalf of the Fund. The directors of HF Marble Creek GP, who are also expected to be the directors of the other General Partners, collectively have a broad background of real estate development, all of which is brought to bear on the activities undertaken by HF Marble Creek GP on behalf of HF Marble Creek LP and the other General Partners on behalf of the other Partnerships.

The following table discloses the principal occupations of the directors and senior officers of the Manager and HF Marble Creek GP over the past five years.

Name and position	Principal Occupation and Related Experience
Lynn Stibbard, CPA, CGA, MBA Chief Financial Officer, Director of the Manager	Ms. Stibbard is the Chief Financial Officer and a Director of the Manager and of the Harbourfront group of companies. Prior to joining the Harbourfront group she held senior executive roles in several IIROC member firms including Chief Financial Officer, Chief Compliance Officer and President, over a 14 year period. Ms. Stibbard also has 18 years of experience in public practice accounting with Ellis Foster (now Ernst & Young), a regional CA firm, specializing in providing panel auditor and consulting services in the brokerage industry. She is a member of the Pacific District Council and the financial administrators section of IIROC, and has completed the IIROC PDO, CFO and CCO qualifying examinations.
Martin Miyata Chief Compliance Officer of the Manager	Mr. Miyata is the Chief Compliance Officer of Harbourfront Wealth Management Inc. and of the Manager. He has over 25 years of industry experience in various senior compliance roles. He is qualified as an Investment Advisor and a Branch Manager and has also completed the IIROC Partners, Directors and Seniors Officers exam and Chief Compliance Officer qualifying examinations.
Daniel Popescu, CFP, FMA, FCS President, CEO, Director and Ultimate Designated Person of the Manager	Mr. Popescu is the President, CEO and UDP of Harbourfront Wealth Management Inc., an IIROC member securities dealer and Affiliate of the Manager. Mr. Popescu has 18 years of industry experience which includes investment management, financial planning, banking and lending. Prior to his role with the Harbourfront group of companies, Mr. Popescu was a Senior Vice President and Investment Advisor with National Bank Financial, heading a team of advisors providing comprehensive wealth management services to private retail clients. In the past he has been a part owner of Wellington West Capital, and has had extensive involvement in advisor recruiting and training.

<p>Kelly Hemmett, CFP Director of the Manager</p>	<p>Mr. Hemmett is a Senior Investment Advisor and Certified Financial Planner with Harbourfront Wealth Management Inc., an IIROC member dealer and affiliate of the Manager. Mr. Hemmett has over 26 years of experience working with high net worth clients. Prior to joining Harbourfront in 2013, Mr. Hemmett was a Senior Executive Financial Consultant and Division Director for a major national MFDA registered firm, and was recognized as the Top Advisor in Manitoba during his time there.</p>
<p>David Steele, Director of HF Marble Creek GP</p>	<p>Mr. Steele has had an extensive entrepreneurial career in Canada and the United States. From 1997 to 2001, he served as Co-Chief Executive Officer of International Properties Group Ltd ("IPG"). IPG was a public real estate company listed on the Toronto Stock Exchange with offices and properties in Canada and the United States. IPG purchased, financed and sold 68 projects offering over 7,500 condominium properties to homeowners and investors. While at IPG, Mr. Steele developed and maintained a unique wealth management division that sold multi-family real estate to investors. Mr. Steele was also actively involved in the growth of Young Entrepreneurs Organization, which today has over 7,500 members worldwide and he was International President in 1993/94. Mr. Steele graduated in 1981 from the University of Calgary with a Bachelor of Commerce Degree with a Major in Finance. For the past three years Mr. Steele has been the principal of Western Canadian Properties Group Ltd. which has developed or redeveloped several multi-unit residential properties. Mr. Steele has also been principal of GFC Capital 2010A Inc. and GFC Investment 2010A Inc., both of which have raised funds to invest in a limited partnership which shall invest in a U.S. acquisition company which will in turn invest in going public companies in China. Mr. Steele has also been principal of Blue Sky 88 Opportunity Fund Ltd., which has raised funds to invest in limited partners that invest in properties located principally in Western Canada.</p>
<p>Janet LePage, Director of HF Marble Creek GP</p>	<p>Janet LePage is an active real estate investor, with a special focus on in Phoenix, Arizona. Since 2008, she has acquired and divested a significant portfolio of real estate investments in that state. Janet is a founder of Western Wealth Capital LTD (WWC), a company which provides investment properties in high growth markets in Western North America. WWC is the general partner of a number of limited partnerships that own and operate income-producing real estate and are focused on the acquisition, rehabilitation and management of properties. Janet holds a double major in Computer Science and Business with a Properties Management Professional designation. Janet has been featured on real estate radio shows such as MoneyTalks Radio. She has also been the front-page feature of the Real Estate Weekly (April 2011), and in the pages of two national real estate magazines -- Canadian Real Estate Wealth (2012) and Western Investor (February 2012, May 2012).</p>

3.3 Penalties, Sanctions and Bankruptcy

There are no penalties or sanctions that have been in effect during the last 10 years, or any cease trade order that has been in effect for a period of more than 30 consecutive days during the past 10 years against (i) a director, executive officer or control person of the Fund, the Manager or HF Marble Creek GP, or (ii) an issuer of which a person referred to in (i) above was a director, executive officer or control person at the time. There is no declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors or appointment of a receiver, receiver manager or trustee to hold assets, that has been in effect during the last 10 years with regard to any (i) director, executive officer or control person of the Fund, the Manager or HF Marble Creek GP, or (ii) an issuer of which a person referred to in (i) above was a director, executive officer or control person at that time.

3.4 Loans

As at the date of this Offering Memorandum, none of the directors, management, promoters or principal holders of the Fund, the Manager or HF Marble Creek GP is indebted or has been indebted to the Fund, the Manager or HF Marble Creek GP.

Item 4: CAPITAL STRUCTURE

4.1 Share Capital

Description of Security	Number authorized to be issued	Price per security	Number outstanding as at Reference Date	Number outstanding assuming completion of Minimum Offering(1)	Number outstanding assuming completion of Maximum Offering(2)
Class A Units	Unlimited	\$1.00	1	1,000,000	1,000,000
Class B Units	Unlimited	\$1.00	Nil	Nil	Nil

Notes:

(1) There is a minimum offering of \$1,000,000.

(2) There is no maximum offering.

4.2 Long Term Debt

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

4.3 Prior Sales

As at the date of this Offering Memorandum, the Fund has sold one Class A Unit for \$1.00 upon its formation on July 21, 2017.

Item 5: SECURITIES OFFERED

The securities being offered pursuant to this Offering are Class A Units and Class B Units. The price of each Unit is \$1.00. The minimum number of Units that may be purchased by a Subscriber is 5,000 Units for a minimum investment of \$5,000 (or such lesser amount as the Manager, in its sole discretion, may accept). There is no maximum number of Units allocated to any Subscriber. All Units rank equally amongst themselves and are subject to the same terms and conditions as set out in the Fund LP Agreement.

No commission is payable by the Fund in connection with the sale of Units. The Manager may pay a commission of 3% to Harbourfront in connection with the sale of Class B Units. In all other respects, the Class A Units and the Class B Units will be treated equally.

5.1 Terms of Securities

The terms of the Units are set out in the Fund LP Agreement, pursuant to which the Units are being issued. The following are the material terms of the Fund LP Agreement. For more detail see Item 2.7 "*Material Contracts - Fund LP Agreement*". A copy of the Fund LP Agreement is attached hereto as Schedule B.

The following provides a general discussion of the special rights and restrictions attached to the Units.

Return

Each Unit entitles holder thereof to receive all of the available funds received by the Fund, after payment of the Management Fee to the Manager and other expenses of the Fund.

Meetings and Voting

Each Unit entitles the holder thereof to one vote per Unit.

Meetings of the Fund's partners may be called by the Manager upon the written request of limited partners holding in the aggregate not less than 75% of the outstanding Units. If the Manager fails to convene a meeting upon any such request within a 21 day period after the giving of such request, the requesting limited partners may convene such meeting. A quorum at any meeting of the Fund's partners will consist of Unitholders present, in person or by proxy, who collectively hold or represent by proxy 80% of the voting rights of all Units.

Every question submitted to a meeting of the Fund's partners will be decided by Special Resolution, with each holder of Units entitled to one vote per Unit.

Redemption

The Units will be non-redeemable.

Financial Records

The Fund's books and records will be prepared on a consistent basis from period to period in accordance with IFRS, except for the measurement of the Fund's Partnership's investments, which are initially recorded at the respective investment's fair value, as represented by its acquisition cost, and then subsequently measured at each reporting date at this historical acquisition cost.

The following provides a general discussion of the rights and restrictions attached to both the Class A Units and the Class B Units.

Allocation of Net Income and Losses

The basis on which the Fund's Net Income and Net Losses are allocated to the partners, and the order of priority with respect thereto, is as follows:

- Net income of the Fund for each fiscal year shall be allocated:
 - as to 0.01% to a maximum of \$100.00 to the Manager; and
 - the balance amongst Unitholders in proportion to such Unitholder's pro rata interest;
- Net loss of the Fund for each fiscal year will be allocated:
 - as to 0.01% to a maximum of \$100.00 to the Manager; and
 - the balance amongst Unitholders in proportion to such Unitholder's pro rata interest.

The Manager will distribute at least annually to the Fund's partners, and not later than 120 days after each fiscal year end of the Fund, the cash from operations which, in the sole determination of the Manager, is not required by the Fund to meet its current obligations, including without limitation, the Management Fee and monies owing to third party lenders of the Fund, or as a reserve or for working capital, as follows:

- (a) firstly, to each of the Unitholders, in proportion to such partner's respective pro rata interest in an amount sufficient to repay any existing negative balance of such partner's capital contribution;
- (b) secondly, to each of the Unitholders, in proportion to such partner's respective pro rata interest in an amount sufficient to repay such partner's capital contribution;
- (c) thirdly, 0.01% to a maximum of \$100 to the Manager; and
- (d) finally, the balance shall be distributed to each Unitholder.

In the sole determination of the Manager, the Manager may accrue the Management Fee in any fiscal year, rather than pay it to the Manager each fiscal year. In such case, the Management Fee would accrue to the benefit of the Manager. No interest is payable on accrued Management Fees.

Repayment of Capital and Distribution of Surplus Proceeds

All funds which are of a capital nature and not income which arise or are realized or received:

- upon the wind up or dissolution of the Fund;
- upon the sale or disposition of assets of the Fund;
- upon any refinancing of the assets of the Fund (for greater certainty, any increase in the principal amount of such indebtedness refinanced shall be deemed to be of the nature of capital) or otherwise;

will be used or distributed as follows:

- (a) firstly, to pay all current debts, liabilities and obligations of the Fund to its creditors, including the Management Fee;
- (b) secondly, to create a reserve in an amount as determined in the sole discretion of the Manager;
- (c) thirdly, to each Unitholder in proportion to such partner's respective pro rata interest in an amount sufficient to repay any existing negative balance on such partner's current account;
- (d) fourthly, to each Unitholder in proportion to such partner's respective pro rata interest in an amount sufficient to repay such partner's capital contribution;
- (e) fifthly, 0.01% to a maximum of \$100.00 to the Manager; and
- (f) thereafter, the balance shall be distributed to each Unitholder in proportion to such partner's respective pro rata interest.

Limitation on Demand for Return of Capital

Subject to the rights of the Manager in the Fund LP Agreement regarding return of capital upon removal or resignation, a partner will only be entitled to demand the return of its capital account upon:

- the sale or disposition of all or substantially all of the property and assets of Fund; or
- the wind up or dissolution of the Fund; or
- the redemption or re-purchase of all Units by the Fund.

Transfer/Assignment of Units

Except as otherwise set forth herein or as may be consented to in writing by the Manager, a partner will not transfer, assign, pledge, encumber or dispose of its Units. No partner may sell, transfer or dispose of less than 100% of its Units at any time. In the event of a sale, transfer or other disposal of any of its Units, a partner will ensure that said sale, transfer or disposal complies with all securities laws and regulations applicable to the sale of the Units in the Province of British Columbia, including all federal laws applicable therein.

The foregoing is a summary only of certain of the material provisions of the Fund LP Agreement. For a complete understanding of all of the provisions of the Fund LP Agreement, reference should be made to the instrument itself, a copy of which is attached as Schedule B.

5.2 Subscription Procedure

The minimum initial investment in the Fund for either Class A or Class B Units is \$5,000 (or such lesser amount as the Manager, in its sole discretion, may accept). This \$5,000 may be spread across different accounts. The Manager may in its discretion waive the minimum investment amount, accept investments in other minimum amounts permitted under applicable securities laws, or require higher minimum investment amounts.

Each prospective and qualified investor who desires to subscribe for Units must:

- (a) complete and sign a Subscription Agreement in the form accompanying this Offering Memorandum, specifying the aggregate subscription amount and the Class of Units being subscribed for; and
- (b) deliver to the Manager or its designate, in trust, an electronic funds transfer via the FundSERV network for the subscription price payable for the Units subscribed for (or other means satisfactory to the Manager).

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

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

By executing a Subscription Agreement, each Subscriber:

- (g) acknowledges and agrees to the terms of the Subscription Agreement, including Schedule A – Terms and Conditions thereto; and
- (h) agrees to be bound as a “Unitholder” by the terms of the Fund LP Agreement under which its Units are being issued, as from time to time amended and in effect, as if it were an original party thereto.

Subscriptions will be received subject to prior sale and acceptance of the Subscriber's subscription, in whole or in part (subject to compliance with applicable securities laws), by Harbourfront or a party appointed by the Manager on behalf of the Fund. Except as described below, each subscription is irrevocable and requires acceptance by the Manager on behalf of Fund and will not become an agreement between the Subscriber and the Fund until accepted by the Manager on behalf of the Fund. The Manager on behalf of the Fund reserves the right to accept or reject subscriptions in whole or in part at the Fund's discretion and to close the subscription books at any time without notice.

The subscription price is payable by the Subscriber upon subscription, by electronic funds transfer via the FundSERV network or other means satisfactory to the Manager. No financing of the subscription price will be provided by the Manager.

The subscription amounts, Subscription Agreements and other documents will be held in trust by the Manager and if the Minimum Offering is achieved, released upon closing. Where required pursuant to National Instrument 45-106 Prospectus Exemptions, the subscription amount will be held in trust by the Manager until midnight on the second Business Day after the Subscriber signs a Subscription Agreement.

It is anticipated that closing will occur on or about August 9, 2017. If the Minimum Offering is not achieved by August 9, 2017, all funds received by such date shall be returned to Subscribers, without interest, penalty or deductions.

All subscription documents should be reviewed by prospective Subscribers and their professional advisers prior to subscribing for Units.

Qualified Investors

The Offering is being conducted in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Prince Edward Island:

- (a) in British Columbia and Manitoba only, pursuant to the "Offering Memorandum" exemption from the prospectus requirement afforded by Section 2.9 of NI 45-106; and
- (b) pursuant to the exemptions from the prospectus requirement afforded by Section 2.3 or Section 2.10 of NI 45-106.

The exemption afforded by Section 2.9 of NI 45-106 is available for distributions to investors in British Columbia and Manitoba purchasing as principals, who receive this Offering Memorandum prior to signing the Subscription Agreement and who sign a Risk Acknowledgment in the required form attached to the Subscription Agreement.

In addition, investors in Manitoba relying on the exemption afforded by Section 2.9 of NI 45-106 must also sign the Certificate of Eligible Investor in the form attached to the Subscription Agreement, if the subscription price payable for their Units exceeds CAD \$10,000.

The exemption afforded by Section 2.3 of NI 45-106 is available for distributions to investors in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Prince Edward Island purchasing as principal and who are "accredited investors" as defined in NI 45-106 and who sign the Accredited Investor Certificate and Risk Acknowledgement (as applicable) in the form attached to the Subscription Agreement.

The exemption pursuant to Section 2.10 of NI 45-106 is available for distributions to non-individual investors in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Prince Edward Island purchasing as principals where the trade is made in a security that has an aggregate acquisition cost to the investor of not less than \$150,000, paid in cash at the time of acquisition.

The foregoing exemptions relieve the Fund from the provisions of the applicable securities laws of each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Prince Edward Island which otherwise would require the Fund to file and obtain a receipt for a prospectus. Accordingly, prospective investors for Units will not receive the benefits associated with a subscription for securities issued pursuant to a filed prospectus, including the review of material by securities regulatory authorities.

The Fund will use Harbourfront as its exclusive agent to sell Units of the Fund.

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

Acceptance of Subscriptions

Subscriptions received are subject to rejection or allotment in whole or in part by the Manager on behalf of the Fund within five days of their receipt by the Manager or its designate. The Manager reserves the right to close the subscription books at any time without notice. Confirmation of the acceptance of a subscription will be forwarded by the Manager to the investor. The Manager is not obligated to accept any subscriptions, and will reject any subscription which the Manager considers to be not in compliance with applicable securities laws and regulations. If any subscription is rejected, the Manager will return to the investor within five days after making the decision to reject the subscription, the Subscription Agreement, any other documentation delivered by the investor, and the subscription funds comprising such subscription, without interest.

Subject to the contractual rights of action, and a two day right of withdrawal for certain investors provided for herein, and subject to applicable securities laws, the investor's subscription may not be withdrawn, cancelled, terminated or revoked by the investor for a period of five days from the date of receipt of the subscription by the Manager, unless previously accepted by the Manager.

Units of the Fund will be issued to an investor if a Subscription Agreement substantially in the form prescribed by the Manager from time to time is received by the Fund and accepted by the Manager and if payment of the subscription price is made via the FundSERV network or other means satisfactory to the Manager.

An investor who subscribes for Units by executing and delivering a Subscription Agreement will become a Unitholder after the Manager accepts such subscription and the Fund has received the subscription price.

Unit certificates

No certificates evidencing ownership of the Units will be issued to a Unitholder unless requested in writing by the Unitholder. Following each purchase of Units, Unitholders will receive a written confirmation from the Administrator indicating details of the transaction including the Class, number and dollar value of the Units purchased. .

Item 6: INCOME TAX CONSEQUENCES AND RRSP ELIGIBILITY

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

This summary does not address any Canadian federal income tax considerations applicable to non-residents of Canada, or any foreign income tax considerations applicable to Unitholders or prospective Unitholders of Units and Notes.

The following is a summary of the principal Canadian federal income tax considerations under the Income Tax Act (Canada) (the "**Tax Act**") generally applicable, as of the date of this Offering Memorandum, to a person who acquires Units pursuant to the Offering. This summary is applicable only to a person who subscribes, as principal, for Units pursuant to the terms of this Offering Memorandum and who, all for the purposes of the Tax Act, is a resident of Canada, holds the Units as capital property, has not entered and will not enter into a "**derivative forward agreement**" (as defined in the Tax Act) with respect to his, her or its Units, deals at arm's length with the Manager and the Fund and is not affiliated with the Manager or the Fund. Units will generally be considered to be capital property to the holder, provided that the holder does not hold Units in the course of carrying on a business and has not acquired Units in one or more transactions considered to be an adventure or concern in the nature of trade. A holder which, all for purposes of the Tax Act, is a person or partnership, an interest in which would be a "**tax shelter investment**" or holds its Units as a "**tax shelter investment**" or is a non-resident of Canada or a partnership that is not a "**Canadian partnership**" or is a "**financial institution**", as defined in subsection 142.2(1), of

the Tax Act or a person or partnership that would cause the Fund to be a "**SIFT partnership**", is not eligible to become a limited partner of the Fund, and this summary is not applicable to any such holder. This summary is not applicable to an entity that has elected under the Tax Act to report its Canadian tax results in a currency other than Canadian currency. In addition, this summary does not address the deductibility of interest by a subscriber which has borrowed money in order to acquire Units. Such investors should consult their own tax advisors, including with respect to the deduction of interest on money borrowed to acquire Units.

This summary is based upon the current provisions of the Tax Act, the regulations thereunder (the "**Regulations**"), all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date of this Offering Memorandum (the "**Tax Proposals**") and the current published administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**"). Except as described in the immediately preceding sentence, this summary does not take into account or anticipate any changes in law or administrative policy or assessing practice, whether by legislative, regulatory, administrative or judicial action. Furthermore, this summary does not take into account provincial, territorial or foreign income tax legislation or considerations. No ruling has been sought from the CRA as to the tax position of the Fund or its limited partners.

This summary also assumes that neither the Units nor any other "**investments**" in the Fund will be listed or traded at any time on a stock exchange or other public market, such that the Fund will not be a "**SIFT partnership**" as defined in subsection 197(1) of the Tax Act. For these purposes, an "**investment**" would include an interest in or debt issued by the Fund as well as any right that may reasonably be considered to replicate a return on, or the value of, any such interest or debt. A stock exchange or other public market includes a trading system or other organized facility on which securities that are qualified for public distribution are listed or traded but does not include a facility that is operated solely to carry out the issuance of a security or its redemption, acquisition or cancellation by the Fund. None of the Units, will be listed or traded on a stock exchange, and the Manager does not anticipate that the Units will trade on a trading system or other organized facility on which securities are listed or traded. In the event that the Fund was considered to be a SIFT partnership, the tax consequences described below may be materially different.

This summary assumes that, at all material times, no interest in any limited partner of the Fund will be a "**tax shelter investment**" as defined in the Tax Act. Units may be considered to be a tax shelter investment if they are considered to have been financed on a limited recourse basis for purposes of the Tax Act and will be so considered unless (i) bona fide arrangements are made in writing at the time that the financing is obtained providing for repayment within a reasonable period, not exceeding ten years; (ii) interest is payable at least annually, at a rate that is not less than the lesser of (A) the prescribed rate under the Tax Act as at the time that the indebtedness arose and (B) the prescribed rate under the Tax Act as is applicable from time to time while the indebtedness remains outstanding; and (iii) interest is paid no later than 60 days after the end of each taxation year. If Units were held by a limited partner of the Fund, an interest in which would be a "**tax shelter investment**" or which held its Units as a "**tax shelter investment**" for purposes of the Tax Act, there may be adverse tax consequences to the other limited partners of the Fund and to the Fund.

Certain of the Fund's limited partners that are corporations and have a "significant interest", as defined in subsection 34.2(1) of the Tax Act, in the Fund will be required to accrue additional income from the Fund where such corporations have a taxation year that differs from the Fund's December 31 fiscal year end. In general, a corporation will have a "significant interest" in the Fund where it (together with one or more persons or partnerships related to or affiliated with the corporation) is entitled to more than 10% of the income or loss of the Fund or the assets (net of liabilities) of the Fund on its dissolution. The summary below does not address the tax consequences to the Fund's limited partners that are corporations that would have a significant interest in the Fund as described above, and such limited partners should consult their own tax advisors with respect to this issue.

This summary is of a general nature only and is not intended, nor should it be construed, to be legal or tax advice to any particular prospective investor. The income and other tax consequences to a limited partner of acquiring, holding or disposing of Units vary according to the status of the holder, the province or territory in which the holder resides or carries on business and the holder's own particular circumstances. You should obtain independent advice regarding the income tax consequences under federal and provincial tax legislation of acquiring, holding and disposing of Units based on your own particular circumstances.

Taxation of the Fund

Under the Tax Act, the Fund is not liable for Canadian federal income tax. However, the income or loss of the Fund will be computed for each fiscal period as if it were a separate person resident in Canada. The fiscal period of the Fund will end on December 31 each year. The income or loss of the Fund, for purposes of the Tax Act, may differ from its income or loss for accounting purposes and may not be matched by cash distributions.

In computing its income, the Fund will generally be entitled to deduct expenses in the fiscal period of the Fund in which they are incurred to the extent that they are reasonable and are permitted by the Tax Act. Certain of the Fund's expenses may not be deductible and may instead be added to the tax cost of the LP Units, to the extent that such expenses are reasonable.

The characterization of any gain or loss realized by the Fund from the disposition of an investment as either a capital gain or loss or ordinary income or loss will be based on the facts and circumstances relating to the particular disposition.

The Fund may generally deduct the costs and expenses of issuing Units pursuant to the Offering, incurred by the Fund and not reimbursed, at the rate of 20% per year pro-rated where the Fund's fiscal year is less than 365 days.

Taxation of Limited Partners

The income or loss of the Fund for Canadian federal income tax purposes for each fiscal period of the Fund will be allocated among the partners holding Units at any time during that fiscal period. In general, a limited partner's share of any income or loss of the Fund from a particular source (including its share of any taxable capital gain or any allowable capital loss) will retain its character as such, and any provisions of the Tax Act applicable to that type of income or loss will apply to the share of such income or loss allocated to the limited partner.

Each person which is a limited partner at the end of a fiscal period of the Fund will be required to include and, subject to the application of the "**at-risk rules**" described below, will be entitled to deduct in the manner described below, in computing its income or loss for tax purposes for its taxation year in which such fiscal period ends, his, her or its share of the income or loss of the Fund allocated to the limited partner pursuant to the Fund LP Agreement for the fiscal period from every source (including its allocated share, if any, of any taxable capital gain or allowable capital loss of the Fund), whether or not it has received or will receive a distribution from the Fund. Accordingly, the income or loss allocated to a limited partner may exceed or be less than the amount of cash (if any) distributed to such limited partner.

Subject to the "**at-risk rules**" and "**alternative minimum tax rules**" discussed below, a limited partner's allocated share of the losses from any source (other than allowable capital losses) of the Fund for any fiscal period may generally be applied against the limited partner's income from any source in order to reduce the limited partner's overall net income in the relevant taxation year and, to the extent such amount exceeds other income for that year, may be carried back three years and forward 20 years and deducted in computing taxable income for such other years to the extent and under the circumstances described in the Tax Act.

A limited partner's allocated share of the allowable capital losses of the Fund for any fiscal period may generally be applied against the limited partner's taxable capital gains in the relevant taxation year and, to the extent such amount exceeds such taxable capital gains, may be carried back three years and carried forward indefinitely against taxable capital gains realized in such other years to the extent and under the circumstances described in the Tax Act.

The "**at-risk rules**" contained in the Tax Act generally provide that, notwithstanding the income or loss allocation provisions of the Tax Act, a limited partner's allocated share of the losses (other than allowable capital losses) of the Fund for a fiscal period will be deductible by the limited partner in computing its income for a taxation year only to the extent that its share of such losses does not exceed its "**at-risk amount**" in respect of the Fund at the end of the fiscal period. In general terms, the "**at-risk amount**" in respect of the Fund at the end of a fiscal period of the Fund is generally equal to (i) the adjusted cost base to the limited partner of its Units at that time, plus (ii) subject to certain adjustments, the limited partner's share of the income from all sources of the Fund for the fiscal period, less (iii) subject to certain exceptions, all amounts owing by the limited partner (or by a person or partnership which does not deal at arm's length with the limited partner) to the Fund (or to a person or partnership that does not deal at arm's length with the Fund) and less (iv) subject to certain exceptions, any amount or benefit which the limited partner (or a person who does not deal at arm's length with the limited partner) is entitled to receive where the amount or benefit is intended to reduce the impact of any loss the limited partner might sustain by virtue of being a member of the Fund or of holding or disposing of its Units.

A limited partner's share of the losses of the Fund that is not deductible by the limited partner in a taxation year as a result of the application of the "**at-risk rules**" is considered to be that limited partner's "**limited partnership loss**" in respect of the Fund for the year. Such a limited partnership loss may be deducted by the limited partner (unless the limited partner is itself a partnership) in any subsequent taxation year against any income for that year from the Fund to the extent, generally, that the limited partner's "at-risk amount" at the end of the Fund's last fiscal

period ending in that year exceeds the limited partner's share of any losses of the Fund from a business or property for that fiscal period in accordance with the rules contained in the Tax Act.

Disposition of Units

A limited partner who disposes, or is deemed to have disposed, of a Unit will generally realize a capital gain (or a capital loss) to the extent that the proceeds of disposition of the Unit, net of any reasonable costs of disposition, exceed (or are exceeded by) the adjusted cost base to the limited partner of the Unit. In general, the adjusted cost base to a limited partner of a Unit at a particular time will be equal to the actual cost of the Unit plus, subject to certain adjustments, the limited partner's allocated share of the income of such Fund from any source for all fiscal periods of the Fund ending before the particular time, less, subject to certain adjustments, the limited partner's allocated share of the losses of the Fund from any source for all fiscal periods of the Fund ending before the particular time (except that where any portion of such losses is considered to be the limited partner's "limited partnership loss" in respect of the Fund, such losses will reduce the adjusted cost base of the limited partner's Units only to the extent that they have been deducted by the limited partner) and the amount of any distributions made to the limited partner by the Fund before the relevant particular time. The allocated income for a fiscal period will not be added to the adjusted cost base of the Units until after the end of that fiscal period. If a limited partner disposes of all of his, her or its Units, income or loss of the Fund allocated to such limited partner for the year of disposition will be added to or subtracted from his, her or its adjusted cost base of the Units as if that year was a completed fiscal year. Where the adjusted cost base to a limited partner of his, her or its Units is negative at the end of a fiscal period of the Fund, the negative amount will be deemed to be a capital gain of the limited partner. The adjusted cost base of the limited partner's Units will be increased by the amount of this deemed capital gain.

In general, one-half of a capital gain must be included in computing the income of a limited partner (a "**taxable capital gain**"), and one-half of a capital loss (an "**allowable capital loss**") must be deducted by a limited partner from taxable capital gains realized in the year and, to the extent that such allowable capital losses exceed taxable capital gains in the year, may be applied against net taxable capital gains realized in any of the three years preceding the year or any year following the year, to the extent and under the circumstances described in the Tax Act. Where a limited partner disposes of a Unit to a tax exempt person or a non-resident person, 100% of the capital gain will be included in income as a taxable capital gain. A look-through rule will apply for these purposes where the Units are disposed of to a partnership or a Canadian-resident trust (other than a mutual fund trust as defined in the Tax Act) that has certain direct or indirect partners or beneficiaries, as the case may be, that are tax exempt and/or non-resident persons.

A limited partner who is a Canadian-controlled private corporation (as defined in the Tax Act) throughout a taxation year may be liable to pay an additional refundable tax on certain investment income, including taxable capital gains.

United States of America Withholding Tax

United States of America withholding tax will apply to income received by a Unitholder of the Fund.

Dissolution of the Fund

On the dissolution of the Fund, limited partners will generally be considered to have disposed of their Units for proceeds of disposition equal to the fair market value of the property received or receivable by them on the dissolution and the Fund will be deemed to have disposed of, and the limited partners will be deemed to have acquired, such property at its fair market value.

A capital gain (or capital loss) will be realized by a limited partner on the disposition of such Units to the extent that such proceeds, net of reasonable disposition costs, exceed (or are less than) the adjusted cost base of the limited partner's Units, calculated as described above. Any income, capital gain or loss realized by the Fund on the disposition of property in the fiscal period ending as a result of the dissolution of the Fund will be included in the income or loss of the Fund for that fiscal period and allocated to the partners in accordance with the Fund LP Agreement.

Alternative Minimum Tax

A limited partner subject to the alternative minimum tax rules in the Tax Act must generally calculate the minimum tax payable without deducting certain partnership losses allocated to the limited partner and associated carrying charges from adjusted taxable income. The realization of a capital gain on the disposition of Units or the realization by the Fund of a capital gain may give rise to an increased liability for alternative minimum tax. Limited partners should consult their own tax advisors for advice respecting the application of the alternative minimum tax rules in their particular circumstances.

Filing Requirements

Each limited partner will generally be required to file an income tax return reporting its share of the income or loss of the Fund. While the Fund will provide each limited partner with the information required for income tax purposes pertaining to him or her, the Fund will not prepare or file income tax returns on behalf of any limited partner. Each person who is a partner of the Fund at any time in a fiscal period of the Fund is required to make and file an information return in respect of that period in prescribed form, including the income or loss of the Fund for that period and the allocation of such income or loss among the partners. The filing of an annual information return by the Manager on behalf of all limited partners will satisfy this requirement, and the Manager is required to make such filing.

Non-Eligibility for Investment by Registered Plans

The Units will not be a "qualified investment" under the Tax Act for RRSPs, TFSAs or RRIFs.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular holder or prospective holder of Units, and no representations with respect to the income tax consequences to any holder or prospective holder are made.

Item 7: COMPENSATION PAID TO SELLERS AND FINDERS

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

The Manager anticipates that it will receive the Capital Raise Fee from each General Partner, including HF Marble Creek GP, in connection with the investment of the funds from this Offering in LP Units. The Manager may pay part (3%) of the Capital Raise Fee (5%) received from a General Partner to Harbourfront in connection with the sale of the Class B Units.

Item 8: RISK FACTORS

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

8.1 Investment Risk

General

Investing in the Fund is only suitable for investors who understand and are capable of bearing the risks of their investment. An investment in the Fund is not intended and should not be used as an entire investment program. All investments in securities made by the Fund risk the loss of invested capital. Therefore, there is a risk that an investment in the Fund could be lost entirely or in part. There is no assurance that the Fund will achieve its investment objectives. There is no guarantee that an investment in Units of the Fund will earn any positive return in the short or long term and investors must be able to bear the risk of a complete loss of their investment. The Fund is not subject to normal disclosure requirements for publicly offered non-redeemable investment fund which limit such funds' ability to use leverage, concentrate investments and use derivatives, but is instead subject to the investment restrictions set out herein.

Price of Units

The price of the Units has been arbitrarily determined.

Nature of Units

The Fund does not hold any interest in the Properties and does not have a right to acquire any interest in the Properties. The Units, in and of themselves, do not represent a direct investment in the Properties or the Partnership. Unitholders do not have the statutory rights normally associated with ownership of shares of a corporation, such as, for example, the right to bring oppression or derivative actions.

No Market for Units

There is currently no market for the Units and it is not anticipated that any market will develop. Furthermore, the Units are subject to transfer and resale restrictions. Purchasers should be prepared to hold these securities indefinitely and cannot expect to be able to liquidate their investment in the case of an emergency. Accordingly, an investment in Units is suitable solely for persons able to make and bear the economic risk of a long-term investment.

Liquidity

An investment in the Fund provides limited liquidity. The Units are subject to indefinite resale restrictions under applicable securities laws. The Fund is not a "reporting issuer" in any jurisdiction, and a prospectus has not qualified the issuance of the securities. Accordingly, Subscribers will be unable to sell the securities of the Fund, subject to some exceptions. The Fund LP Agreement also restricts the disposition of Units. See Item 10 "Resale Restrictions".

Business Risk

There can be no guarantee against losses resulting from an investment in the Units and there can be no assurance that the Fund's investment approach will be successful or that its investment objectives will be attained. No assurance can be given that the Fund's investment portfolio will generate any income or will appreciate in value. The Fund could realize substantial losses, rather than gains, from some or all of the investments described herein.

Use of Funds for Deposit

It is possible that some of the funds invested by the Fund in a Partnership may be used for a non-refundable deposit on a Property. In the event that the closing of such Property does not occur, then such deposit would be forfeited and the Fund would realize a loss from such investment. Closing of a Property may not occur for many reasons, including that the additional sources of funds needed to close are not available.

No Assurance of Return

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

Changes in Tax Law

There can be no assurance that income tax laws and the treatment of the Units will not be changed in a manner which adversely affects Unitholders.

Limited Operating History

Although persons involved in the management of the Fund and the service providers to the Fund have had long experience in their respective fields of specialization, the Fund has a limited operating and performing history upon which prospective investors can evaluate the Fund's performance. Although persons involved in the management of the Partnerships, USLP (Investments) and USLP (Owners) have had long experience in their respective fields of specialization, each of the Partnerships, USLP (Investments) and USLP (Owners) will also have a limited operating and performing history upon which prospective investors can evaluate its performance.

Potential Lack of Diversification

The Fund intends to invest in LP Units of Partnerships, commencing with the HF Marble Creek Units of HF Marble Creek LP. The Partnerships are expected to invest in Properties, indirectly through USLP (Investments) and USLP (Owners), in primarily the southwest United States. Unlike many funds which are required by applicable securities laws to diversify portfolio holdings so that no more than a fixed percentage of their assets are invested in any one industry or group of industries, the Fund has adopted only limited guidelines for diversification. Although the Fund's portfolio will generally be diversified among three to five Partnerships, it will not be diversified as to industries. Accordingly, the investment portfolio of the Fund may be subject to more rapid change in value than would be the case if the Fund maintained a wide diversification among companies, industries, regions, types of securities and other asset classes.

Not a Public Fund

The Fund is not a reporting issuer or a public non-redeemable investment fund for securities laws purposes and is therefore not subject to the restrictions placed on public funds to ensure diversification and liquidity of the Fund's portfolio, as well as a more stringent level of public disclosure of performance. As a result, some of the protections provided to investors in public funds under such laws are not available to Unitholders.

No Regulatory Review

The Offering constitutes a private placement offering of the Units by the Fund only in those jurisdictions where, and to those persons to whom, they may be lawfully offered for sale under exemptions from the prospectus and registration requirements under applicable securities laws. Subscribers under this Offering will not have the benefit of a review of this Offering Memorandum by any regulatory authorities. This Offering Memorandum is not, and under no circumstances should be construed as, a prospectus, advertisement or public offering of the Units. The Fund is not a reporting Fund in any jurisdiction, and undertakes no obligation to provide continuous disclosure as to its business and operations except as otherwise required under applicable securities laws.

Potential Loss of Limited Liability

The provisions of the *Partnership Act* (British Columbia) provide that the liability of a limited partner is limited to the amount contributed or agreed to be contributed to the partnership. Limited partners may, however, lose the protection of limited liability in certain circumstances, including as a result of taking part in the management or control of the business of the Fund.

The Fund will try, in the reasonable judgment of the Manager, to obtain contractual protection in favour of the limited partners and take any other reasonably available measures for the purpose of preserving their limited liability. However, should limited liability protection be lost for any reason, the limited partners may be considered to be general partners by creditors and others having claims against the Fund.

Possible Claims against Limited Partners

If the available assets of the Fund are insufficient to discharge obligations incurred by the Fund or if the Fund is dissolved, the creditors of the Fund may have a claim against a Unitholder for the repayment of any distributions or return of contributions received by such Unitholder to the extent that such obligations arose before the distributions or returns of contributions sought to be recovered by the Fund. A Unitholder who has transferred his, her or its Units in accordance with the terms of the Fund LP Agreements nevertheless remains liable to make such repayments.

Illiquid Securities

The assets of the Fund and the Partnerships, USLP (Investments) and USLP (Owners) may from time to time be invested in securities and other financial instruments or obligations for which no market exists and/or which are restricted as to their transferability under local government securities laws or practices. The sale of any such investment may be subject to delays and additional costs and may be possible only at substantial discounts.

Limited Resources of Manager

The Manager has no obligation to fund any operating deficits resulting from the business of the Fund or to advance funds to continue the business operations of the Fund. Even if the Manager should elect to do so voluntarily or be held individually accountable by Fund creditors, there is no assurance that the available assets will be adequate to satisfy the capital needs of continuing business operations. If Fund revenues are insufficient

to pay Fund expenses after expending the funds obtained from this Offering and if the Manager does not advance such additional funds as may be needed by the Fund, the Fund may not be able to continue its business operations in the absence of an alternative source of financing, and there can be no assurance that such financing will be available to the Fund.

Limited Resources of General Partners and other general partners

A General Partner has no obligation to fund any operating deficits resulting from the business of a Partnership or to advance funds to continue the business operations of a Partnership. Even if a General Partner should elect to do so voluntarily or be held individually accountable by a Partnership's creditors, there is no assurance that the available assets will be adequate to satisfy the capital needs of continuing business operations. If a Partnership's revenues are insufficient to pay its expenses after expending the funds obtained from the Fund and other possible investors and if the General Partner does not advance such additional funds as may be needed by the Partnership, the Partnership may not be able to continue its business operations in the absence of an alternative source of financing, and there can be no assurance that such financing will be available to the Partnership. The same is true of the general partners of USLP (Investments) and USLP (Owners). Those general partners have no obligation to fund any operating deficits resulting from the business of a USLP (Investment) or USLP (Owner) or to advance funds to continue the business operations of a USLP (Investment) or USLP (Owner). Even if a general partner of a USLP (Investment) or USLP (Owner) should elect to do so voluntarily or be held individually accountable by the creditors of a USLP (Investment) or USLP (Owner), there is no assurance that the available assets will be adequate to satisfy the capital needs of continuing business operations. If the revenues of USLP (Investment) or USLP (Owner) are insufficient to pay its expenses after expending the funds obtained from the Fund and other possible investors in a Partnership and if the general partner of a USLP (Investment) or USLP (Owner) does not advance such additional funds as may be needed by them, the USLP (Investment) or USLP (Owner) may not be able to continue its business operations in the absence of an alternative source of financing, and there can be no assurance that such financing will be available.

No Participation in Management and Reliance on Management and Others

Unitholders will have no right or power to participate in the management or control of the business of the Fund and thus must depend solely upon the ability of the Manager with respect thereto. Similarly, Unitholders have no right or power to take part in the management of a Partnership and limited partners of USLP (Investment) or USLP (Owner) have no right to take part in the management of a USLP (Investment) or USLP (Owner). The success of the Fund is entirely dependent upon the efforts of the Manager, the General Partners and the general partners of USLP (Investments) and USLP (Owners). Accordingly, no one should invest in Units of the Fund unless they are willing to entrust all aspects of the management and all investment decisions of the Fund to the Manager, the investment decisions of a Partnership to its General Partner and the investment decisions of a USLP (Investment) or USLP (Owner) to their respective general partners. In assessing the risks and rewards of an investment in Units, potential investors should therefore appreciate that they are relying on the good faith, experience and judgment of the Manager and its ability to manage the business and affairs of the Fund. Similarly, potential investors should appreciate that they are relying on the good faith, experience and judgment of the directors, officers and employees of the General Partners, and of their respective Affiliates, in managing,

developing, constructing, financing, marketing, renting and selling the Properties and making appropriate decisions in respect thereof. It would be inappropriate for investors to purchase Units if they are unwilling to rely upon, and entrust, the General Partners and their Affiliates with all aspects of the management of the Properties

Legal, Tax and Regulatory Risks

Legal, tax and regulatory changes to laws or administrative practice could occur during the term of the Fund which may adversely affect the Fund. Interpretation of the law or administrative practice may affect the characterization of the Fund's earnings as capital gains or income which may increase the level of tax borne by investors as a result of increased taxable distributions from the Fund. There can be no assurance that the Canadian federal income tax laws and administrative policies and assessing practices of the CRA respecting the treatment of limited partnerships, will not be changed in a manner that adversely affects the Unitholders.

Relationship Between the Fund, the Manager and Affiliates of the Manager and Potential Conflicts of Interest

This Fund is available to Harbourfront clients exclusively. Harbourfront, an IIROC registered broker/ dealer and a portfolio adviser, is an Affiliate of the Manager.

The Fund may be subject to various conflicts of interest.

Investors may purchase Units of the Fund only through Harbourfront. The Manager will receive the Capital Raise Fee from Partnerships and may pay to Harbourfront a portion of the Capital Raise Fee it receives from a Partnership on the sale of the Class B Units, see Item 2.1 "Structure - Capital Raise Fee".

Harbourfront is engaged in a wide variety of management, advisory and other investment dealer business activities. Where one or more of clients of Harbourfront are engaged in the purchase or sale of the same security, the transaction will be effected on an equitable basis. Harbourfront will allocate opportunities to make and dispose of investments equitably among clients in accordance with its policies regarding fair allocation.

Certain of the directors and officers of the Manager are also directors and officers of Harbourfront.

In addition, the Manager holds HF Marble Creek Class C Units in HF Marble Creek LP and is also planning on becoming a limited partner by holding Class C LP Units of each Partnership. By virtue of the special rights and restrictions of the Class C LP Units in Partnerships, the Manager could receive a return on the Class C LP Units that it holds prior to the Unitholders receiving a return of all of their capital.

Although the Manager will have various obligations to the Fund, situations may arise where the interests of the Manager and directors, officers, employees and shareholders of the Manager (being the promoter of the Fund) could conflict with the interests of the Fund.

The Manager, Harbourfront and their respective officers, directors, employees, and shareholders are not limited or affected in their ability to carry on other business ventures for their own account, or for the account of others, and may be engaged in the development of, investment in, or management of businesses that may compete with the business of the Fund. Investment in the Fund will not carry with it the right of the Fund or of any Unitholder to invest in any other venture of the Manager or its Affiliates or associates or to any profit therefrom or to any interest therein. The Manager may have a conflict of interest in carrying out its obligations to the Fund as a result of its involvement in competing activities.

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

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

Each Partnership will pay the Manager the Management Fee (ultimately borne by the Unitholders as discussed in Item 2.1 "Structure - Management Fee").

Relationship Between the Partnerships, the General Partners and Affiliates of the General Partners and Potential Conflicts of Interest

David Steele and Janet LePage, directors, officers and shareholders of each General Partner, including HF Marble Creek GP, will also be holders of Class B LP Units of a Partnership and directors and officers of the general partners of USLP (Investments) and USLP (Owners). They are also directors, officers and shareholders of WWC, which will also be receiving the WWC Fees from USLP (Owners). There will thus be inherent conflicts of interest in that Partnerships will be investing in USLP (Investments) and US (Owners) in which Mr. Steele and Ms. LePage have an interest. Mr. Steele and Ms. LePage will control the distribution of funds from the Partnerships to its limited partners, including the Fund.

David Steele and Janet LePage are not limited or affected in their ability to carry on other business ventures for their own account, or for the account of others, and may be engaged in the development of, investment in, or management of businesses that may compete with the business of the Fund, the Partnerships, USLP (Investments) and USLP (Owners). Investment in the Fund will not carry with it the right of the Fund or of any Unitholder to invest in any other venture of Mr. Steele or Ms. LePage or their Affiliates or associates or to any profit therefrom or to any interest therein. Mr. Steele and Ms. LePage may have a conflict of interest in carrying out its obligations to the Partnerships as a result of their involvement in competing activities.

A Partnership will not have an independent review committee or any other form of management oversight and will rely exclusively upon a General Partner to manage the business of the Partnership and to provide managerial and investment skill. The same is true of USLP (Investments) and USLP (Owners) who will rely upon their general

partners to manage their business and to provide managerial and investment skill. The directors, officers, employees and shareholders of the General Partners and the other general partners may have a conflict of interest in allocating their time between the business of the Partnerships, the General Partners, USLP (Investments) and USLP (Owners) and their general partners, and other businesses or projects in which they may become involved.

The directors and officers of a General Partner may invest their own money in a Partnership and may, from time to time, have substantial holdings in a Partnership. It is intended that David Steele and Janet LePage will own Class B LP Units in each Partnership, see Item 2.1 "Structure - LP Units".

USLP (Owners) will pay the WWC Fees to WWC which ultimately come out of the funds available to the Unitholders as discussed elsewhere in this Offering Memorandum.

Broad Authority of the Manager

The Fund LP Agreement gives the Manager broad discretion over the conduct of the Fund's business and the investments of the Fund.

Broad Authority of the General Partners, including HF Marble Creek LP and other general partners

It is intended that a Partnership Agreement will give each General Partner broad discretion over the conduct of a Partnership's business and its investments. The HF Marble Creek LP Agreement gives HF Marble Creek GP broad discretion over the conduct of HF Marble Creek LP's business and its investments. The same is true of the limited partnership agreements for USLP (Investments) and USLP (Owners) which are expected to give broad discretion to each of their general partners over the conduct of their business and investments.

Canadian Investor Protection Fund

CIPF coverage does not protect against market losses regardless of how they occur. Accordingly, coverage will not apply to any market losses in non-arm's length investment products that would arise on insolvency of any IIROC dealer member.

Involvement in Other and Competing Activities

The Manager and its officers, directors, employees, or shareholders and their respective Affiliates and associates are not limited or affected in their ability to carry on other business ventures for their own account, or for the account of others, and may be engaged in the development of, investment in, or management of businesses that may compete with the business of the Fund. Investment in the Fund will not carry with it the right of the Fund or of any Unitholder to invest in any other venture of the Manager or its Affiliates or associates or to any profit therefrom or to any interest therein. The Manager may have a conflict of interest in carrying out its obligations to the Fund as a result of its involvement in competing activities.

Competition for Services

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

Lack of Separate Counsel

Counsel for the Fund in connection with this Offering is also counsel to the Manager, HF Marble Creek LP and HF Marble Creek GP. The Unitholders, as a group, have not been represented by separate counsel and counsel for the Fund, the Manager, HF Marble Creek LP and HF Marble Creek GP does not purport to have acted for the Unitholders or to have conducted any investigation or review on their behalf.

Requirement to Provide Guarantee for Significant Investors

In the event that third party financing is required in connection with the acquisition of a Property, the lender of such third party financing may require a guarantee from each person who owns, directly or indirectly, 10% or more of the interest in such Property. This may apply to the ultimate owner of the Property on a flow-through basis. As a result, any person who owns 10% or more of the Units may be required to provide a personal guarantee to such lender.

8.2 Issuer Risk

Limited Working Capital

The Fund will have a limited amount of working capital, as the proceeds from this Offering will be used to invest in HF Marble Creek LP.

Additional Funds Required

There can be no assurance that this Offering will be successful or that any Units will be sold. If the Minimum Offering is not achieved, the funds will be returned to Subscribers without interest. Even if the Minimum Offering is achieved, additional funds from other sources are required to complete the acquisition of the Marble Creek Property. It is possible that no or insufficient proceeds will be available to the Fund to diversify its portfolio and its business development plans and prospects could be adversely affected.

Dependence on Key Personnel

The success of the Fund and each Partnership, USLP (Investment) and USLP (Owner) is dependent upon, among other things, the services of key personnel. The loss of any of these individuals, for any reason, could have a material adverse effect on the prospects of the Fund. Failure to retain or to attract additional key employees with necessary skills could have a material adverse impact upon the Fund's growth and

profitability. The Fund does not maintain key man insurance for any of its directors, officers or employees. The contributions of these individuals to the immediate future operations of the Fund, a Partnership, USLP (Investment) and USLP (Owner) is likely to be of central importance and the loss of any one of these individuals could have a material adverse effect on the business of the Fund. Furthermore, the loss of one or more of the key individuals employed or retained by the General Partner or a general partner of USLP (Investment) or USLP (Owner) could also have a material adverse effect on the Properties and, consequently, the Fund. Neither the General Partners, the general partners of USLP (Investments) and USLP (Owners) nor the Fund maintains key-man insurance.

Other Activities of Officers

The directors and officers of the Manager will not be devoting all of their time to the affairs of the Fund, but will be devoting such time as required to effectively manage the Fund. The directors and officers of the Fund are engaged and will continue to be engaged in the search for business prospects on their own behalf and on behalf of others. Likewise, the directors and officers of a General Partner and the general partners of USLP (Investments) and USLP (Owners) are engaged and will continue to be engaged in the search for business prospects on their own behalf and on behalf of others.

Limited Operating History

The Fund, the Partnerships, USLP (Investments) and USLP (Owners) will each have a limited operational history and no history of earnings. Accordingly, there is limited information available to a Subscriber upon which to base an evaluation of the Fund and its business and prospects. Each is in the early stages of its business and therefore is subject to the risks associated with early stage companies, including start-up losses, uncertainty of revenues, markets and profitability, the need to raise additional funding, the evolving and unpredictable nature of the Fund's business and the ability to identify, attract and retain qualified personnel. There can be no assurance that the Fund will be successful in doing what it is required to do to overcome these risks. No assurance can be given that the Fund's business activities will be successful.

No Assurance of Profitability

The Fund's short and long term objective is make investments in Partnerships who will invest in US (Investments) who will acquire limited partnership units in USLP (Owners) who will acquire beneficial ownership of Properties in accordance with the Investment Guidelines. The Fund will not carry on any other business other than making such investments. The Fund's sole source of revenue is expected to be from distributions, interest and other income received in respect of its investments in Partnerships. As a result, there is no assurance or guarantee that the Fund and, correspondingly, Subscribers will earn a return of their investment in the Units.

Net Worth of General Partners including HF Marble Creek GP and other general partners and Limitation of Liability

The General Partners, including HF Marble Creek GP, and the general partners of USLP (Investments) and USLP (Owners) will have nominal net worth. In addition, pursuant to the terms of the HF Marble Creek LP Agreement and the expected terms of the Limited Partnership Agreements, HF Marble Creek GP and the General Partners are not liable for any act taken or failed to be taken within the scope of authority conferred on HF Marble Creek GP and the General Partner, unless such act or omission constitutes gross negligence or wilful misconduct in the performance of its obligations under the HF Marble Creek LP Agreement and the Partnership Agreements. The same is expected to be true of the USLP (Investments) and USLP (Owners). Pursuant to the expected terms of the limited partnership agreements for USLP (Investments) and USLP (Owners), the general partners of USLP (Investments) and USLP (Owners) are not liable for any act taken or failed to be taken within the scope of authority conferred on them, unless such act or omission constitutes gross negligence or wilful misconduct in the performance of its obligations under the limited partnership agreements.

Legal Proceedings

The Fund, the Partnerships and USLP (Investments) and USLP (Owners) may, from time to time, become involved in regulatory or legal proceedings in the course of their business. The costs of compliance or litigation and settlement can be substantial and there is no assurance that such costs will be recovered in whole or at all. The unfavourable resolution of any legal proceedings could have an adverse effect on the Fund and its financial position and results of operations that could be material.

Lack of Diversification

The Fund may invest all funds raised under the Offering in Partnerships who may invest all its funds in a manner that does not diversify the Fund's risk across multiple investments in Properties. If the Fund does not raise more than the Minimum Offering, the only Property that the Fund may invest in could be the Marble Creek Property. This may affect both rates of return and the overall risk profile of the Fund's investments. If all the funds were invested in one Partnership, and that Partnership went into foreclosure or receivership, then the funds may be completely lost and unrecoverable.

Partnership Risks

As it is anticipated that all or a significant portion of the assets of the Fund will be the LP Units it acquires from the Partnerships, the ability of the Fund to pay a return capital on the Units will be dependent on the distributions a Partnership receives from the USLP (Investments), which receives distributions from USLP (Owners). As such, the risks applicable to the Partnership and the LP Units, and to USLP (Investments) and USLP (Owners), are also of particular significance to an investment in the Units.

The following are some of the risks related to the business of the Partnerships, USLP (Investments) and USLP (Owners):

- (i) *Speculative Investment* - An investment in the LP Units is highly speculative and subject to a high degree of risk. The risks described below are not the only risks involved with an investment in the LP Units. If any of the following risks occur, or if others occur, a Partnership's business, operating results and financial condition could be seriously harmed and Limited Partners in that Partnership, including HF Marble Creek LP, may lose all of their investment. If this occurs the Fund and Unitholders will also be adversely affected.
- (ii) *Reliance on General Partner and its Management* - Prospective Subscribers assessing the risks and rewards of this investment should appreciate that they will, in large part, be relying on the good faith and expertise of the General Partners, and the general partners of USLP (Investments) and USLP (Owners) and their principals, David Steele and Janet LePage. The ability of the General Partners and the other general partners to successfully implement the business strategy of the Partnerships, USLP (Investments) and USLP (Owners) will depend in large part on the continued employment of David Steele and Janet LePage. Neither the General Partners nor the Partnerships will maintain key person life insurance for David Steele or Janet LePage. If the General Partners lose the services of David Steele or Janet LePage, the business, financial condition and results of operations of the Partnerships may be materially adversely affected. Similarly, if the general partners of USLP (Investments) and USLP (Owners) lose the services of David Steele or Janet LePage, the business, financial condition and results of operations of USLP (Investments) and USLP (Owners) may be materially adversely affected. Notwithstanding the foregoing, there may be instances in which the Fund invests in Partnerships in which the General Partner is not owned or controlled by David Steele or Janet LePage or where Partnerships invest in USLP (Investments) or USLP (Owners) in which the general partner is not owned or controlled by David Steele or Janet LePage. In such events, the Fund will maintain an ability to control or direct the activities of the Partnership and ensure compliance by the Partnership with the Investment Guidelines and the Operating Policies through contract or otherwise or similarly, a Partnership will maintain an ability to control or direct the activities of the USLP (Investment) or USLP (Owner) and ensure compliance with the Investment Guidelines and the Operating Policies through contract or otherwise.
- (iii) *Dilution through Issuance of Additional Limited Partnership Units by USLP (Investments)* - Because limited partnership units will also be offered to investors other than a Partnership, additional investors will become limited Partners of the USLP (Investments) and all such limited partners will be allocated a share of the income and loss from and receive distributions from USLP (Investments) in which they hold units. Existing limited partners of USLP (Investments) will not be granted a priority right to acquire any additional units issued by a USLP (Investment).
- (iv) *Limited Liability* - The limited liability enjoyed by a Partnership as a limited partner of a USLP (Investment) may be lost if the Partnership takes part in the management of the business of a USLP (Investment) or through non-compliance with applicable legislation relating the Partnerships in the jurisdiction in which a USLP (Investment) is formed.

- (v) *Net Worth of the General Partners and other general partners* - The General Partners and the general partners of USLP (Investments) and USLP (Owners) will have unlimited liabilities for the obligations of that Partnership or USLP (Investment) and USLP (Owner), as the case may be. For those General Partners or other general partners which are owned or controlled by David Steele and/or Janet LePage, it is anticipated that such General Partners or other general partners will have no material net worth.
- (vi) *Investing in Buy and Hold Properties* - Further risks with respect to real estate that is to be held are significant expenditures, including property taxes, capital repair and replacement costs, maintenance costs, mortgage payments, insurance costs and related charges that must be made throughout the period of ownership of real property regardless of whether the property is producing any income. The Properties often generate income through rental payments made by the tenants. There is no guarantee that the Properties held will be rented out, either due to low demand or competition from other buildings, to the degree needed to generate income or profit for a USLP (Investment), USLP (Owner), Partnership or the Fund.
- (vii) *Investing in Partnerships Where Other Partners Receive Net Cash Flow Distributions from Liquidation or Sale Before Unitholders* - The Manager holds Class C LP Units in Partnerships and in certain circumstances such as in the event of a sale of the real property, the Manager may receive a return as a holder of Class C LP Units prior to the Unitholders receiving a return of all of their capital invested in the Fund.
- (viii) *Investing in USLP (Investments) Where Other Partners Receive Net Cash Flow Distributions from Liquidation or Sale Before a Partnership* - A Partnership may hold limited partnership units in a LP (Investment) where in certain circumstances such as in the event of a sale of the real property other partners will receive a return of all of their equity invested prior to the Partnership. If the real property is sold at a loss, the Partnership or the Fund may lose some or all of their investment.
- (ix) *Loss of Deposit* - If funds invested by the Fund are used for a non-refundable deposit on a Property, such deposit may be forfeited if the closing of the Property does not occur. In such the Fund would realize a loss from its investment.
- (x) *Possible Guarantee Obligation* - Holders of 10% or more of the Units may be required by a lender to provide a personal guarantee of any third party financing required in connection with the acquisition of a Property.

8.3 Industry Risk

Real Estate

In general, real estate tends to be illiquid, and subject to general economic conditions and markets. While the Properties will carry either course of construction or comprehensive general liability insurance, there are,

however, certain types of risks (generally of a catastrophic nature such as from wars) which are either uninsurable or not insurable on an economically viable basis.

Environmental Risks

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

Business Risk

Very Early Stage - No Assets

As at the date of this Offering Memorandum, none of the Partnerships other than HF Marble Creek LP have yet been created. If the Partnerships are not created as planned, the Fund may not be able to proceed with the purchase of its interest in the other Partnerships and be able to diversify its portfolio.

In addition, a Partnership's ability to purchase its interest in the Properties is dependent upon the ability of a USLP (Investment) to raise funds through the sale of its limited partnership units and third-party financing. The sale of Class A Units of the WWC XXVII US, LP has begun but there is no assurance that a sufficient number of such units will sell in order to close on the purchase of the Marble Creek Property. There is no commitment by any third-party lender for an acquisition loan. There can be no assurance that the sale of limited partnership units in USLP (Investment) will succeed or that any third party lender will finance an acquisition loan.

If a USLP (Owner) is not created or does not have sufficient funds to acquire its interest in the Property, the USLP (Owner) may not be able to purchase an interest in the Property. There are no assurances that the USLP (Owner) will be able to secure additional financing on suitable terms and conditions, if at all. There is no assurance that sufficient funds will be available to enable the acquisition of the Marble Creek Property to complete.

As at the date of this Offering Memorandum, only the acquisition of the Marble Creek Property has been negotiated. There can be no assurance that a purchase contract will be entered into for other Properties on terms favourable to a USLP (Owner) or at all. Until the purchase contract is entered into, the USLP (Owner) does not have any rights to acquire any interest in any Properties.

Approvals for the Properties

It may be that certain government approvals are required in connection with the repair and refurbishing of a Property. There can be no assurance that such approval will be forthcoming on terms and conditions acceptable to a USLP (Investment) or at all.

Construction

It may be that construction is necessary for the refurbishing of a Property. As at the date of this Offering Memorandum, no construction contract has not been negotiated or entered into. Although it is intended David Steele and Janet LePage, will be directors of both the General Partner and the construction company, there can be no assurance that the construction contract will be entered into on terms favourable to the Partnership or at all.

Financing of the Acquisition

If a USLP (Investment) is not able to raise sufficient funds to acquire its interest in a Property through the sale of limited partnership units, the USLP (Investment) may seek to borrow funds from a third party lender in order to fund its share of the purchase price of the Property. Any financing will likely require a mortgage to be placed over the Property and other security in favour of the third party lender. There can be no assurances that financing will be available to the USLP (Investment) on terms acceptable to the USLP (Investment) or at all. The acquisition of the Marble Creek Property is dependent upon acquisition financing to complete, and there can be no assurance that such financing will be available, on terms acceptable to the relevant USLP (Investment) or at all.

Financing of Repairs and Refurbishments

In order to proceed with any necessary repairs or refurbishing of a Property, and in particular, the refurbishing of the Marble Creek Property, a USLP (Investment) may require additional funds. It is anticipated that these funds would form part of the acquisition loan. As at the date of this Offering Memorandum, there is no commitment for any acquisition loan for the Marble Creek Property and there can be no assurance that any such financing will be available on terms acceptable to the relevant USLP (Investment) or at all. In such case, the USLP (Investment) may not have the funds to proceed with the construction.

Existing Tenancies

There may be existing tenants on the Properties. It is the intention that notice will be provided at a later date to the tenants to vacate the Properties. If the tenants do not vacate within the stipulated time, there may be delays and additional costs incurred in having to remove the tenants.

Investment in the Properties

There is no assurance that the Properties will be operated successfully. The potential return to the investors depends on the revenues generated by the Properties. However, there can be no assurance that such business activities will generate revenues sufficient to meet the return objectives of the Fund.

The Properties will also be subject to the risks inherent in the development of a residential apartment building in the United States, including the inability to obtain construction financing on reasonable terms or at all, the inability or failure or unwillingness of the General Partner, when and if required, to provide or procure guarantees, security and other credit support to secure project financing, the inability to rent a sufficient number of apartments at reasonable prices or at all, the failure or refusal of tenants of apartments to pay their rent, undisclosed liabilities relating to the Properties, fluctuations in interest rates, fluctuations in or volatility of real estate markets (particularly the residential rental property market in the United States) and general economic conditions, failure to repay or refinance mortgages resulting in foreclosures or powers of sale, construction delays due to force majeure, strikes, shortages of materials or labour, competition from other properties, limits on insurance coverage and increases in development costs caused by general economic conditions.

Certain significant expenditures, including property taxes, development charges, maintenance costs, servicing costs, mortgage payments, insurance costs, professional services and advisory fees and all related charges, must be made regardless of whether or not the Properties are producing sufficient income to service such expenses. Any financing procured for the Properties will require debt service payments. If mortgage payments on the Properties are not satisfied on a timely basis, losses could be sustained as a result of the exercise by the lenders of their rights of foreclosure or sale.

The failure of any of these conditions to be satisfied may result in a delay in the acquisition, development or operation of a Property or, in certain circumstances, the termination of a purchase contract, a construction contract and/or construction loan. The acquisition of the Properties may also be dependent on the General Partner successfully obtaining mortgage financing.

The United States Real Estate Market

The Properties are subject to the risks associated with fluctuations in or the volatility in the United States real estate market and, specifically, the market for rental apartments in Arizona, Nevada and other states in the US Southwest. The demand for rental apartments in these areas, is affected by numerous factors, including, but not limited to, the supply of housing units, incoming residents, the real estate market and general economic conditions. The real estate market is subject to change and there can be no assurance that demand for rental apartments in the Southwest US will not decline. A drop in the demand for, or increase in the supply of, housing units in the US Southwest could materially adversely affect the Properties' viability.

Future Financing Needs

The Partnership may not be able to fund its future capital needs from the proceeds of offering its LP Units or from income generated from operations. The USLP (Owner) will therefore have to rely on third party sources of financing, which may or may not be available on favourable terms, if at all, in order to acquire a Property. In particular, the following financing may be required to be procured to acquire the Properties:

- if a USLP (Investment) does not raise sufficient funds from the offering of its limited partnership units, additional funds from a third party will be required in order to acquire a Property;
- a USLP (Owner) may not be able to proceed with the construction of any necessary repairs without additional financing;
- upon completion of the refurbishment or repairs of a Property, a USLP (Owner) may require take out financing.

Access of a USLP (Investment) or USLP (Owner) to third party sources of financing depends on a number of things, including the market's perception of its potential and its current and potential future earnings, and the ability of its general partner to obtain adequate financing and to provide or procure guarantees in respect of same. If the general partner is unable to obtain the mortgage or project financing from third parties, the USLP (Owner) may not be able to acquire the Property or satisfy its debt obligations and the Partnership may be unable to make distributions to the Limited Partners such as the Fund.

Interest rates may fluctuate during the term of the Property is held and thus affect the cost of borrowing and potentially the feasibility of the Property and the profits of the Partnership.

Competition

The market for development and rental projects in the US Southwest is competitive, with numerous developers continuously undertaking and marketing projects. The Partnership will compete with several residential real estate project developers within the area. These developers own developments that may compete directly with the Properties, some of which may have greater capital resources than the USLP (Owner).

In the face of competition, a Property may lose potential tenants, and there may be pressure to discount rents below what would otherwise be charged in order to attract tenants. As a result, the Property's revenues may decrease, which could impair the USLP (Owner's) ability to satisfy debt service obligations and the Partnership's ability to pay distributions. In addition, increased competition for tenants may require a general partner of USLP (Owner) to make improvements to apartments or provide inducements to tenants that it would not have otherwise made or provided. Any unbudgeted capital improvement that is required to be undertaken may reduce cash available for debt servicing, operations and distributions.

Failure of Closing to Occur

The acquisition of a Property is subject to a USLP (Owner) locating and negotiating the purchase of a Property which meets the Investment Guidelines. Otherwise, the Partnership will have no ability to purchase an interest in the Property.

A Partnership may incur fees and expenses in connection with the Property which funds will may not be recovered or returned. In particular, funds may be invested for a deposit on a Property which is non-refundable and will be forfeited if closing of the Property does not occur. Accordingly, in the event a USLP (Owner) does not acquire a Property, there is a risk that the Fund may be unable to repay to investors the full amount of their investment, in which case investors will sustain a loss.

Environmental Risks

Under various environmental laws, a USLP (Owner) could become liable for the costs of removal or remediation of hazardous or toxic substances present or released on, at or under the Properties. The failure to remove or remediate such substances, if any, could adversely affect an owner's ability to market a Property or to borrow using a Property as collateral and, the owner of a Property could also be subject to claims by private plaintiffs. In addition, enforcement action, including fines and penalties, could be available to governmental authorities in respect of any such hazardous or toxic substance present or released on, at or under a Property (and which are not removed or remediated). It is also possible that such authorities could order the USLP (Owner) to take steps to study, contain, stop or remedy any such contamination. Such orders can be issued against property owners even in circumstances where those owners did not cause or contribute to the contamination. If remediation or containment steps are required to be taken, the Property's viability and/or profitability, and the profitability of an investor's investment in the Fund, may be materially adversely affected.

Changes in Applicable Laws

USLP (Owner) must comply with numerous federal, provincial and local laws and regulations, some of which may conflict with one another or be subject to limited judicial or regulatory interpretations. These laws and regulations may include zoning laws, building codes and other laws generally applicable to the development, construction, leasing, marketing and sale of homes in the United States. Non-compliance with laws could expose the Property to liability. Unanticipated changes in applicable laws could negatively affect the viability or profitability of a Property and a Partnership.

Risk of Change in Investment Return

The amount of income to be allocated, and cash to be distributed, to an investor holding LP Units and the timing of such distributions are dependent upon the amounts receivable by the Partnership in respect of profits generated from a Property and the date upon which the rental of apartments is commenced, if at all. An investor has no assurance, therefore, that any amount will be distributed to him, her or it when any such distributions are required to be made.

Limited Operating History

The Fund is a newly organized entity with no operating history. There is no assurance that the Fund will be able to successfully implement its business plans or operate profitably over the short term or an extended period.

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

Item 9: REPORTING OBLIGATIONS

Not later than 120 days after the end of each fiscal year of the Fund, the Manager will furnish to each Limited Partner an annual report of the business and operations of the Fund during such year and such report will constitute the accounting of the Manager to the Fund for such year. Such report will contain a copy of the annual financial statements of the Fund showing the Fund's gross receipts and expenses and the Fund's profits or loss for the year and the allocation allowed to each Unit, and will otherwise be in such form and have such content as the Manager deems proper. The statement will also contain a complete statement of amounts paid during the year by the Fund to the General Partner and its Affiliates and all necessary tax information.

The Fund is not a reporting issuer in any of the provinces or territories of Canada and does not intend on becoming a reporting issuer in any province or territory in Canada.

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

Item 10: RESALE RESTRICTIONS

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

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

Manitoba Resale Restrictions

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

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

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

Item 11: PURCHASERS' RIGHTS

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

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

11.1 Two Day Cancellation Right

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

11.2 Statutory Rights of Action in the Event of a Misrepresentation

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

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

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

Description of Statutory Rights of Action

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

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

Jurisdiction	Persons against whom an action for damages may be brought
Ontario	The Fund.
Alberta, British Columbia, Manitoba and Prince Edward Island	The Fund, every director of the Manager at the date of the Offering Memorandum and every person who signed the Offering Memorandum.
Saskatchewan	(a) The Fund; (b) every promoter and director of the Issuer at the time the Offering Memorandum or any amendment to the Offering Memorandum was sent or delivered; (c) every person or company whose consent has been filed respecting the Offering, but only with respect to reports, opinions or statements that have been made by them; (d) every person who or company that, in addition to the persons or companies mentioned in clauses (a) to (c), signed the Offering Memorandum or any amendment to the Offering Memorandum; and (e) every person who or company that sells Units on behalf of the Fund under the Offering Memorandum or amendment to the Offering Memorandum.

This right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the Units. In addition, in an action for damages, the amount you may recover will not exceed the price that you paid for your securities and will not include any part of the damages that the Fund proves does not represent the depreciation in value of the securities resulting from the misrepresentation.

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

Alberta:	Section 204 of the <i>Securities Act</i> (Alberta)
British Columbia:	Section 132.1 of the <i>Securities Act</i> (British Columbia)
Manitoba:	Section 141.1 of the <i>Securities Act</i> (Manitoba)
Ontario:	Section 130.1 of the <i>Securities Act</i> (Ontario)
Prince Edward Island:	Section 112 of the <i>Securities Act</i> (Prince Edward Island)
Saskatchewan:	Section 138 of the <i>Securities Act</i> (Saskatchewan)

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the Units. You must commence your action for damages within the time limits indicated below.

Jurisdiction	Time limits for bringing an action
Alberta, British Columbia, Ontario and Prince Edward Island	The earlier of 180 days after learning of the misrepresentation and three years after you signed the agreement to purchase the Units.
Saskatchewan	The earlier of one year after learning of the misrepresentation and six years after you signed the agreement to purchase the Units.
Manitoba	The earlier of 180 days after learning of the misrepresentation and two years after you signed the agreement to purchase the Units.

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

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

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

- (a) Section 80.1 of the *Securities Act* (Saskatchewan) - the right to withdraw from an agreement of purchase and sale which has not yet been completed, by delivering a notice to the Issuer or the agent from whom the Units are being purchased indicating the Subscriber's intention not to be bound by the purchase agreement, within two business days after receipt of any amendment to this Offering Memorandum that discloses (i) a material change in the affairs of the Issuer, (ii) a change in the terms or conditions of the Offering as described in this Offering Memorandum, or (iii) securities that are to be distributed that are in addition to the Units, that occurred or arose before the investor entered into the agreement for the purchase of Units;
- (b) Subsection 138(1) of the *Securities Act* (Saskatchewan) - a right of action for rescission or for damages where this Offering Memorandum and any amendment to this Offering Memorandum contains a misrepresentation, which right is more particularly described above;
- (c) Subsection 138.1(3) of the *Securities Act* (Saskatchewan) - a right of action for rescission or for damages where advertising or sales literature used in connection this Offering contains a misrepresentation;
- (d) Subsection 138.2(1) of the *Securities Act* (Saskatchewan) - a right of action for rescission or for damages where a verbal statement made in connection with this Offering contains a misrepresentation;

- (e) Subsection 141(1) of the *Securities Act* (Saskatchewan) - a right to void the purchase agreement and recover the purchase price if the securities are sold in contravention of the Act, the regulations to the Act or a decision of the Saskatchewan Financial Services Commission; and
- (f) Subsection 141(2) of the *Securities Act* (Saskatchewan) - a right of action for rescission or for damages if the offering memorandum is not delivered to the Subscriber before the agreement to purchase, as required by subsection 80.1(1) of the Act.

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

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

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

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

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

Item 12: FINANCIAL STATEMENTS

(Financial statements begin on the following page)

Opening Statement of Financial Position of

U.S. APARTMENTS LIMITED PARTNERSHIP

July 21, 2017



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

INDEPENDENT AUDITORS' REPORT

To the General Partner of U.S. Apartments Limited Partnership

We have audited the accompanying opening statement of financial position of U.S. Apartments Limited Partnership as at July 21, 2017, and notes, comprising a summary of significant accounting policies and other explanatory information. The opening statement of financial position has been prepared by the General Partner in accordance with the basis of accounting in note 2(a) to this financial statement.

The General Partner's Responsibility for the Financial Statement

The General Partner is responsible for the preparation and fair presentation of this financial statement in accordance with the basis of accounting as described in note 2(a) to this financial statement, and for such internal control as the General Partner determines is necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statement, 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 statement 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 the General Partner, as well as evaluating the overall presentation of the financial statement.

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 statement presents fairly, in all material respects, the opening financial position of U.S. Apartments Limited Partnership as at July 21, 2017, in accordance with the basis of accounting as described in note 2(a) to this financial statement.

Other Matter

Without modifying our opinion, we draw attention to note 2(a) to the financial statement, which describes the basis of accounting. The financial statement is prepared by the General Partner in order to meet the requirements set forth in section 7.2 of the Limited Partnership Agreement dated July 21, 2017.

KPMG LLP

Chartered Professional Accountants

July 21, 2017

Vancouver, Canada

U.S. APARTMENTS LIMITED PARTNERSHIP

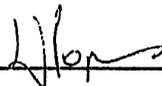
Opening Statement of Financial Position

July 21, 2017

Cash	\$	-
Net assets attributable to the Partners	\$	-

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

Approved on behalf of the Board of Directors of
Willoughby Asset Management Inc.,
in its capacity as General Partner.



Director



Director

U.S. APARTMENTS LIMITED PARTNERSHIP

Notes to Opening Statement of Financial Position

July 21, 2017

1. Reporting entity:

U.S. Apartments Limited Partnership (the "Fund") is a limited partnership formed on July 21, 2017 under the provisions of the Partnerships Act (British Columbia) pursuant to a Limited Partnership Agreement dated July 21, 2017. The Fund's Manager and General Partner is Willoughby Asset Management Inc. The Fund's custodian is NBCN Inc. The Fund is authorized to issue an unlimited number of classes and an unlimited number of units. Currently authorized classes of units are as follows: Class A and Class B.

The Fund is domiciled in Canada. The address of the Fund's registered office is at 3100 - 1021 West Hastings Street, Vancouver, BC V6E 0C3.

2. Basis of preparation:

(a) Statement of compliance:

The financial statement of the Fund has been prepared in accordance with the basis set forth in Section 7.2 of the Fund's Limited Partnership Agreement (the "Agreement"), which requires the financial statements to be prepared in accordance with International Financial Reporting Standards ("IFRS"), except for the measurement of the Fund's investments, which are initially recorded at the respective investment's fair value, as represented by its acquisition cost, and then subsequently measured at each reporting date at this historical acquisition cost.

The financial statement was authorized for issue by the General Partner on July 21, 2017.

(b) Basis of measurement:

The financial statement has been prepared on a historical cost basis.

(c) Functional and presentation currency:

The financial statement is presented in Canadian dollars, which is the Fund's functional currency.

(d) Use of estimate and judgment:

The preparation of the financial statement in conformity with IFRS requires the General Partner to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

U.S. APARTMENTS LIMITED PARTNERSHIP

Notes to Opening Statement of Financial Position

July 21, 2017

3. Significant accounting policies:

(a) Financial instruments:

Financial instruments are required to be classified into one of the following categories: held-for-trading ("HFT"), fair value through profit or loss ("FVTPL"), available-for-sale, loans and receivables, assets held-to-maturity ("HTM"), and other financial liabilities. All financial instruments are measured at fair value on initial recognition. Measurement in subsequent periods depends on the classification of the financial instrument. Transaction costs are included in the initial carrying amount of financial instruments except for financial instruments classified as held-for-trading or fair value through profit or loss in which case transaction costs are expensed as incurred.

Financial assets and financial liabilities classified as HFT or at FVTPL are recognized initially on the trade date, which is the date on which the Fund becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognized on the date on which they are originated. The Fund derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position only when the Fund has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Financial instruments classified as HFT or FVTPL are subsequently measured at fair value at each reporting period with changes in fair value recognized in the statement of comprehensive income in the period in which they occur.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent measurement of loans and receivables is at amortized cost, less any impairment losses.

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost.

(b) Partnership units:

The Fund classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. The units of the Fund are non-redeemable and accordingly, have been classified as equity.

U.S. APARTMENTS LIMITED PARTNERSHIP

Notes to Opening Statement of Financial Position

July 21, 2017

3. Significant accounting policies (continued):

(c) Foreign exchange:

The financial statement of the Fund is denominated in Canadian dollars. Foreign denominated investments and other foreign denominated assets and liabilities are translated into Canadian dollars using the exchange rates prevailing on each valuation date. Purchases and sales of investments, as well as income and expense transactions denominated in foreign currencies, are translated using exchange rates prevailing on the date of the transaction. Foreign currency gains and losses are recognized in the statement of comprehensive income.

(d) Income recognition:

Interest for distribution purposes is accounted for on an accrual basis. The Fund does not amortize premiums paid or discounts received on the purchase of fixed and variable income securities except for zero coupon bonds which are amortized on a straight-line basis. Dividend income is recognized on the date that the right to receive payment is established, which for quoted equity securities is usually the ex-dividend date. Income and capital gains distributions from pooled fund investments are recorded at the distribution date and maintain the same classification. Portfolio transactions are recorded on the trade date. Realized gains and losses arising from the sale of investments and unrealized appreciation/depreciation in investments are determined on the average cost basis of the respective investments.

(e) Income taxes and allocation of income:

These financial statements do not provide for income taxes as the Limited Partners are taxed directly on their share of the Fund's taxable income.

In accordance with the Limited Partnership Agreement, net profit (loss) shall be allocated to the Limited Partners in accordance with their proportionate interests in the Fund.

(f) New standards and interpretations not yet adopted:

A number of new standards, amendments to standards and interpretations are not yet effective, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statement of the Fund, with the possible exception of IFRS 9, *Financial Instruments*.

IFRS 9 deals with recognition, derecognition, classification and measurement of financial statements and its requirements represent a significant change from the existing requirements in IAS 39, *Financial Instruments: Recognition and Measurement*, in respect of financial assets. The standard contains two primary measurement categories for financial assets: amortized cost and fair value. A financial asset would be measured at amortized cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and the asset's contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets would be measured at fair value. The standard eliminates the existing IAS 39 categories of held-to-maturity, available-for-sale and loans and receivables.

U.S. APARTMENTS LIMITED PARTNERSHIP

Notes to Opening Statement of Financial Position

July 21, 2017

3. Significant accounting policies (continued):

(f) **New standards and interpretations not yet adopted (continued):**

The standard is effective for annual periods beginning on or after January 1, 2018. The Fund intends to adopt IFRS 9 in its financial statements for the annual period beginning on January 1, 2018. The Fund's Manager is currently in the process of evaluating the potential effect of this standard. The standard is not expected to have a significant impact on the financial statements.

4. Capital management:

The units to be issued by the Fund represent the capital of the Fund. All units are non-redeemable. The Fund is not subject to any internally or externally imposed restrictions on its capital.

Financial Statements of

WILLOUGHBY ASSET MANAGEMENT INC.

Years ended December 31, 2016 and 2015



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

INDEPENDENT AUDITORS' REPORT

To the Directors of Willoughby Asset Management Inc.:

We have audited the accompanying financial statements of Willoughby Asset Management Inc., which comprise the statements of financial position as at December 31, 2016, the statements of comprehensive income, changes in shareholder's equity, and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information. The financial statements have been prepared by management to meet the requirements of National Instrument 31-103 Registration Requirements and Exemptions, based on the financial reporting framework specified in paragraph 3.2(3)(a) of National Instrument 52-107, *Acceptable Accounting Principles and Auditing Standards*, for financial statements delivered by registrants.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting framework specified in paragraph 3.2(3)(a) of National Instrument 52-107, *Acceptable Accounting Principles and Auditing Standards*, for financial statements delivered by registrants, 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 audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on 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 controls 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 controls. 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 Willoughby Asset Management Inc. as at December 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with the financial reporting framework specified in paragraph 3.2(3)(a) of National Instrument 52-107, *Acceptable Accounting Principles and Auditing Standards*, for financial statements delivered by registrants.

Basis of Accounting and Restriction of Use

Without modifying our opinion, we draw attention to note 2(a) to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist Willoughby Asset Management Inc. to meet the requirements of National Instrument 31-103, *Registration Requirements and Exemptions*. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Directors of Willoughby Asset Management Inc. and provincial securities regulators, and should not be used by parties other than the Directors of Willoughby Asset Management Inc. or provincial securities regulators.

KPMG LLP

Chartered Professional Accountants

March 24, 2017
Vancouver, Canada

WILLOUGHBY ASSET MANAGEMENT INC.

Statements of Financial Position

December 31, 2016, with comparative information for 2015

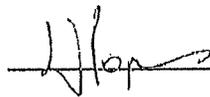
	Note	2016	2015
Assets			
Current assets:			
Cash		\$ 861,178	\$ 238,853
Due from related parties	4	444,855	173,621
Other assets		1,245	1,245
		<u>\$ 1,307,278</u>	<u>\$ 413,719</u>

Liabilities and Shareholder's Equity

Current liabilities:			
Accounts payable and accrued liabilities		\$ 57,244	\$ 22,456
Due to related party	4	115,731	27,248
Income taxes payable		246,575	29,641
		<u>419,550</u>	<u>79,345</u>
Subordinated debt	4	-	250,000
Shareholder's equity:			
Share capital	5	10	10
Retained earnings		887,718	84,364
		<u>887,728</u>	<u>84,374</u>
		<u>\$ 1,307,278</u>	<u>\$ 413,719</u>

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

Approved on behalf of the Board:



Director



Director

WILLOUGHBY ASSET MANAGEMENT INC.

Statements of Comprehensive Income

Year ended December 31, 2016, with comparative information for 2015

	Note	2016	2015
Revenue:			
Management fee	4	\$ 864,428	\$ 63,910
Performance fee	4	574,584	107,599
		1,439,012	171,509
Expenses:			
Investment management fees	4	99,750	18,618
Professional fees		83,493	18,262
Operating costs	4	164,248	16,005
Trailer fees		11,987	774
		359,478	53,659
Income before income taxes		1,079,534	117,850
Income tax expense	6	276,180	29,641
Net income and comprehensive income		\$ 803,354	\$ 88,209

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

WILLOUGHBY ASSET MANAGEMENT INC.

Statements of Changes in Shareholder's Equity

Year ended December 31, 2016, with comparative information for 2015

	Share capital	Retained earnings (deficit)	Total Shareholder's equity (deficiency)
Balance at December 31, 2014 (unaudited)	\$ 10	\$ (3,845)	\$ (3,835)
Income for the year	-	88,209	88,209
Balance at December 31, 2015	10	84,364	84,374
Income for the year	-	803,354	803,354
Balance at December 31, 2016	\$ 10	\$ 887,718	\$ 887,728

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

WILLOUGHBY ASSET MANAGEMENT INC.

Statements of Cash Flows

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Cash provided by (used in):		
Cash flows from operating activities:		
Net income and comprehensive income	\$ 803,354	\$ 88,209
Adjustments for:		
Due from related parties	(271,234)	(173,621)
Other assets	-	(1,235)
Accounts payable and accrued liabilities	34,788	18,789
Due to related party	88,483	27,248
Income taxes payable	216,934	29,641
	872,325	(10,969)
Cash flows from financing activities:		
Subordinated debt advance (repayment)	(250,000)	75,000
Increase in cash and cash equivalents	622,325	64,031
Cash, beginning of the year	238,853	174,822
Cash, end of the year	\$ 861,178	\$ 238,853

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

WILLOUGHBY ASSET MANAGEMENT INC.

Notes to Financial Statements

Year ended December 31, 2016

1. Operations:

Willoughby Asset Management Inc. (the "Company") was incorporated under the Canada Business Corporations Act on October 20, 2014. The Company's principal business activity is the management of investment fund assets. The Company manages Hudson Total Mandate Portfolio Fund, Willoughby Investment Pool and W.A.M. Collins Global Portfolio (the "Funds") and is a wholly owned subsidiary of HF Investment Holdings Inc (the "Parent"). The Company's head office is located at 3100 – 1021 West Hastings Street, Vancouver, British Columbia

2. Basis of preparation:

(a) Financial reporting framework:

These financial statements are prepared in accordance with the financial reporting framework specified in paragraph 3.2(3)(a) of National Instrument 52-107, *Acceptable Accounting Principles and Auditing Standards*, for financial statements delivered by registrants. Paragraph 3.2(3)(a) of National Instrument 52-107 requires that the financial statements be prepared in accordance with Canadian generally accepted accounting principles applicable to publicly accountable enterprises (International Financial Reporting Standards ("IFRS")) except that any investments in subsidiaries, jointly controlled entities and associates must be accounted for as specified for separate financial statements in IAS 27, *Consolidated and Separate Financial Statements*. The Company does not have any investments in subsidiaries, jointly controlled entities and associates, and accordingly no adjustments from IFRS were required.

The financial statements were approved by the Board of Directors on March 24, 2017.

(b) Basis of measurement:

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

(c) Functional and presentation currency:

The financial statements are presented in Canadian dollars, which is the functional currency for the Company.

(d) Use of estimates and judgments:

The preparation of financial statements in conformity with IFRS requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results may differ from those estimates.

WILLOUGHBY ASSET MANAGEMENT INC.

Notes to Financial Statements

Year ended December 31, 2016

3. Significant accounting policies:

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Financial instruments:

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in net income.

(i) Financial assets:

The Company's financial assets, which include cash and due from related parties are classified as loans and receivables and are subsequently recorded at amortized cost.

(ii) Financial liabilities:

The Company's financial liabilities include accounts payable and accrued liabilities, due to related party and subordinated debt. These financial liabilities are classified as other financial liabilities and are subsequently recorded at amortized cost.

(b) Revenue recognition:

The Company's fee revenue primarily consists of management fees and performance fees. Management fees are generated through investment management services to the Funds and are recognized as revenue when the services are rendered. Performance fees are earned when performance criteria are met in accordance with the terms of the management agreements between the Company and the Funds under its management.

(c) Income taxes:

The Company follows the asset and liability method of accounting for income taxes. Deferred income tax assets and liabilities are computed based on differences between the carrying amount of assets or liabilities on the balance sheet and their corresponding tax values using the enacted or substantially enacted income tax rates that are expected to be applied when the asset is realized or when the liability is settled. Deferred income tax assets also result from the carry forward of unused tax losses and other deductions, to the extent that it is probable that the tax losses or deductions can be utilized. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in operations in the year that includes the date of enactment or substantive enactment.

WILLOUGHBY ASSET MANAGEMENT INC.

Notes to Financial Statements

Year ended December 31, 2016

3. Significant accounting policies (continued):

(d) New standards and interpretations not yet adopted:

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended December 31, 2016, and have not been applied in preparing these financial statements. None of these will have a significant effect on the financial statements of the Company, with the possible exception of the following.

IFRS 9 - Financial Instruments

IFRS 9 deals with recognition, derecognition, classification and measurement of financial instruments and its requirements represent a significant change from the existing requirements in IAS 39, *Financial Instruments: Recognition and Measurement*, in respect of financial assets. Under IFRS 9, all financial assets that are currently in the scope of IAS 39 will be classified either as amortized cost, fair value through profit or loss, or fair value through other comprehensive income. A financial asset would be measured at amortized cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and the asset's contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets would be measured at fair value. The standard eliminates the existing IAS 39 categories of held-to-maturity, available-for-sale and loans and receivables.

The standard is effective for annual periods beginning on or after January 1, 2018. The Fund intends to adopt IFRS 9 in its financial statements for the annual period beginning on January 1, 2018. The Company is currently in the process of evaluating the potential effect of this standard, however, the standard is not expected to have a significant impact on the financial statements since the Company's financial assets are currently measured at amortized cost.

IFRS 15 - Revenue from Contracts with Customers

IFRS 15 will replace IAS 18, *Revenue*, and other related interpretations. The standard introduces a single comprehensive model to account for revenue arising from contracts with customers and applies to all contracts with customers, except for contracts that are within the scope of other IFRS standards such as leases, insurance contracts and financial instruments.

IFRS 15 has a mandatory effective date for annual periods beginning on or after January 18, 2018, with early adoption permitted. The standard may be adopted retrospectively, or as of the application date by adjusting retained earnings at that date and disclosing the effect of adoption on each line of profit or loss. The Company is currently in the process of evaluating the potential effect of this standard, however, the standard is not expected to have a significant impact on the financial statements.

WILLOUGHBY ASSET MANAGEMENT INC.

Notes to Financial Statements

Year ended December 31, 2016

4. Related party transactions:

(a) Due from/to related party:

The Company's management and performance fee revenue is earned from the Funds it manages. As at December 31, 2016, included in due from related parties, the Company had \$426,200 (2015 - \$24,923) of management fee receivable and \$614 (2015 - \$112,979) of performance fee receivable from the Funds. The Company also paid certain startup costs of the Funds. Startup costs relating to the Hudson Total Mandate Portfolio Fund are recoverable from the fund. The amount of startup costs included in due from related parties as at December 31, 2016 is \$11,579 (2015 - \$28,462). In addition, the Company paid certain operating costs of the Funds that are recoverable from the Funds. The amount included in due from related parties as at December 31, 2016 is \$6,452 (2015 - \$7,247). Lastly, the Company had \$10 (2015 - \$10) due from its Parent relating to a share capital purchase.

The Company's affiliate, Harbourfront Wealth Management Inc., ("Affiliate") earned investment management and trailer fees, and paid for certain insurance, professional and filing costs during the year as well as a share of rent, management and accounting costs. The amount owing to the Affiliate as at December 31, 2016 is \$115,731 (2015 - \$27,248), which is included in due to related party.

(b) Subordinated debt:

The Company was party to a loan subordination agreement with its Parent, which subordinates the claim in favour of the Company's general creditors. The loan had no fixed terms of repayment, was unsecured and had no set rate of interest. During 2016, the balance of the loan of \$250,000 was repaid. The repayment was approved by the British Columbia Securities Commission ("BCSC").

(c) Key management compensation:

The Company does not provide any severance, short-term or long-term benefits to its key management personnel and it did not pay any key management compensation for the year ended December 31, 2016 (2015 - nil). Such compensation costs are borne directly by the Affiliate.

5. Share capital:

	2016	2015
Authorized:		
Unlimited Class A common shares without par value		
Issued:		
100 Class A common shares	\$ 10	\$ 10

WILLOUGHBY ASSET MANAGEMENT INC.

Notes to Financial Statements

Year ended December 31, 2016

6. Income tax expense:

The following is a reconciliation of the Company's income tax expense as otherwise determined from what would have been determined based on the Company's statutory tax rates:

	2016	2015
Combined federal and provincial income tax rate	26%	26%
Income tax expense at statutory tax rate	\$ 280,679	\$ 30,641
Increase (decrease) in provision for income taxes resulting from:		
Application of non-capital losses from prior years	-	(1,000)
Other	(4,499)	-
Income tax expense	\$ 276,180	\$ 29,641

7. Capital management:

The capital of the Company consists of the subordinated debt, share capital and retained earnings.

Under National Instrument 31-103, *Registration Requirements and Exemptions and Ongoing Registrant Obligations*, the Company must maintain minimum working capital of no less than \$100,000 plus \$25,000 representing the amount of the deductible on the Company's financial institutions bond insurance coverage:

The Company manages its capital through a process of budgeting and projecting cash flows on a quarterly basis to ensure that the minimum working capital requirement described above is maintained at all times.

As at December 31, 2016, the Company was in compliance with its minimum working capital requirements.

WILLOUGHBY ASSET MANAGEMENT INC.

Notes to Financial Statements

Year ended December 31, 2016

8. Risk management:

The Company actively manages risks that arise as a result of its use of financial instruments which are described below:

(a) Credit risk:

The Company incurs credit risk when entering into, settling and financing various transactions. Credit risk arises from the potential that counterparties fail to satisfy their obligations. Credit risk is managed by dealing with counterparties the Company believes to be creditworthy and by actively monitoring credit exposure and the financial health of the counterparties. The Company is exposed to credit risk in relation to its cash and amount due from related parties. Cash is held with reputable financial institutions. The majority of amounts due from related parties relate to management and performance fees receivable in respect of the Funds managed by the Company. Accordingly, as at December 31, 2016, the Company is not exposed to significant credit risk. The maximum exposure to credit risk is the carrying value of these financial assets on the statement of financial position.

(b) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet financial obligations as they fall due. The Company manages this risk in conjunction with its capital management process as described in note 7. The accounts payable and accrued liabilities and amount due to related party are primarily due within one to three months of the year-end date. The subordinated debt has no fixed repayment terms, however it was repaid in 2016 after approval was obtained from the BCSC.

(c) Market risk:

Market risk, which is comprised of currency risk, interest rate risk and other price risk, is the risk of adverse financial impact as a consequence of market movements in foreign exchange rates, interest rates or other price changes. Given the nature of the Company's operations, it is not exposed to significant market risk.

WILLOUGHBY ASSET MANAGEMENT INC.

Notes to Financial Statements

Year ended December 31, 2016

9. Fair value of financial instruments:

The carrying value of cash, due from related parties, accounts payable and accrued liabilities and due to related party approximate their fair value given their short-term nature. The fair value of the subordinated debt is not practically determinable as there are no fixed terms of repayment or active market for this instrument.

Fair value hierarchy:

Financial instruments measured at fair value are categorized into one of the three hierarchy levels. Each level is based on the transparency of the inputs used to measure that fair value of the assets or liabilities:

Level 1: quote prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial assets and liabilities, excluding the subordinated debt, which are measured at amortized cost, are considered Level 2, because while observable prices are available, they are not quoted in an active market.

Financial Statements of

WILLOUGHBY ASSET MANAGEMENT INC.

(Unaudited – Prepared by Management)

For the three-month periods ended March 31, 2017 and 2016

WILLOUGHBY ASSET MANAGEMENT INC.

Statements of Financial Position (Unaudited)

March 31, 2017, with comparative information for 2016

	Note	2017	2016
Assets			
Current assets:			
Cash		\$ 50,844	\$ 185,166
Due from related parties	4	1,042,715	152,030
Other assets		6,247	495
		<u>\$1,099,806</u>	<u>\$ 337,691</u>
Liabilities and Shareholder's Equity			
Current liabilities:			
Accounts payable and accrued liabilities		\$ 84,111	\$ 17,825
Due to related party	4	101,997	-
Income taxes payable		95,136	4,640
		<u>281,244</u>	<u>22,465</u>
Subordinated debt	4	-	250,000
Shareholder's equity:			
Share capital	5	10	10
Retained earnings		1,418,552	65,216
Dividends paid		(600,000)	-
		<u>818,562</u>	<u>65,226</u>
		<u>\$1,099,806</u>	<u>\$ 337,691</u>

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

WILLOUGHBY ASSET MANAGEMENT INC.

Statements of Comprehensive Income (Loss) (Unaudited)

For the three-month period ended March 31, 2017, with comparative information for 2016

	Note	2017	2016
Revenue:			
Management fee	4	\$ 521,349	\$ 82,605
Performance fee	4	351,660	-
		<u>873,009</u>	<u>82,605</u>
Expenses:			
Investment management fees	4	50,015	24,371
Professional fees and fund startup costs		10,854	68,205
Operating costs	4	85,937	8,605
Trailer fees		8,870	572
		<u>155,676</u>	<u>101,753</u>
Income (loss) before income taxes		717,333	(19,148)
Income tax expense	6	186,500	-
Net income (loss) and comprehensive income (loss)		<u>\$ 530,833</u>	<u>\$ (19,148)</u>

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

WILLOUGHBY ASSET MANAGEMENT INC.

Statements of Changes in Shareholder's Equity (Unaudited)

For the three-month period ended March 31, 2017, with comparative information for 2016

	Share capital	Retained earnings (deficit)	Total Shareholder's equity (deficiency)
Balance at December 31, 2015	\$ 10	\$ 84,364	\$ 84,374
Loss for the period	-	(19,148)	(19,148)
Balance at March 31, 2016	10	65,216	65,226
Balance at December 31, 2016	\$ 10	\$ 887,719	\$ 887,729
Income for the period	-	530,833	530,833
Dividends paid	-	(600,000)	(600,000)
Balance at March 31, 2017	\$ 10	\$ 818,552	\$ 818,562

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

WILLOUGHBY ASSET MANAGEMENT INC.

Statements of Cash Flows (Unaudited)

For the three-month period ended March 31, 2017, with comparative information for 2016

	2017	2016
Cash provided by (used in):		
Cash flows from operating activities		
Net income (loss) and comprehensive income (loss)	\$ 530,833	\$ (19,148)
Adjustments for:		
Due from related parties	(597,860)	21,591
Other assets	(5,002)	750
Accounts payable and accrued liabilities	26,867	(4,630)
Due to related party	(13,734)	(27,248)
Income taxes payable	(151,439)	(25,001)
	(210,335)	(53,686)
Cash flows from financing activities:		
Dividends paid	(600,000)	-
Increase in cash and cash equivalents	(810,335)	(53,686)
Cash, beginning of the period	861,179	238,852
Cash, end of the period	\$ 50,844	\$ 185,166

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

WILLOUGHBY ASSET MANAGEMENT INC.

Notes to Financial Statements (Unaudited)

For the three-month period ended March 31, 2017

1. Operations:

Willoughby Asset Management Inc. (the "Company") was incorporated under the Canada Business Corporations Act on October 20, 2014. The Company's principal business activity is the management of investment fund assets. The Company manages Hudson Total Mandate Portfolio Fund, Willoughby Investment Pool and W.A.M. Collins Global Portfolio (the "Funds") and is a wholly owned subsidiary of HF Investment Holdings Inc (the "Parent"). The Company's head office is located at 3100 – 1021 West Hastings Street, Vancouver, British Columbia

2. Basis of preparation:

(a) Financial reporting framework:

These financial statements are prepared in accordance with the financial reporting framework specified in paragraph 3.2(3)(a) of National Instrument 52-107, *Acceptable Accounting Principles and Auditing Standards*, for financial statements delivered by registrants. Paragraph 3.2(3)(a) of National Instrument 52-107 requires that the financial statements be prepared in accordance with Canadian generally accepted accounting principles applicable to publicly accountable enterprises (International Financial Reporting Standards ("IFRS")) except that any investments in subsidiaries, jointly controlled entities and associates must be accounted for as specified for separate financial statements in IAS 27, *Consolidated and Separate Financial Statements*. The Company does not have any investments in subsidiaries, jointly controlled entities and associates, and accordingly no adjustments from IFRS were required.

(b) Basis of measurement:

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

(c) Functional and presentation currency:

The financial statements are presented in Canadian dollars, which is the functional currency for the Company.

(d) Use of estimates and judgments:

The preparation of financial statements in conformity with IFRS requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results may differ from those estimates.

WILLOUGHBY ASSET MANAGEMENT INC.

Notes to Financial Statements (Unaudited)

For the three-month period ended March 31, 2017

3. Significant accounting policies:

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Financial instruments:

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in net income.

(i) Financial assets:

The Company's financial assets, which include cash and due from related parties are classified as loans and receivables and are subsequently recorded at amortized cost.

(ii) Financial liabilities:

The Company's financial liabilities include accounts payable and accrued liabilities, due to related party and subordinated debt. These financial liabilities are classified as other financial liabilities and are subsequently recorded at amortized cost.

(b) Revenue recognition:

The Company's fee revenue primarily consists of management fees and performance fees. Management fees are generated through investment management services to the Funds and are recognized as revenue when the services are rendered. Performance fees are earned when performance criteria are met in accordance with the terms of the management agreements between the Company and the Funds under its management.

(c) Income taxes:

The Company follows the asset and liability method of accounting for income taxes. Deferred income tax assets and liabilities are computed based on differences between the carrying amount of assets or liabilities on the balance sheet and their corresponding tax values using the enacted or substantially enacted income tax rates that are expected to be applied when the asset is realized or when the liability is settled. Deferred income tax assets also result from the carry forward of unused tax losses and other deductions, to the extent that it is probable that the tax losses or deductions can be utilized. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in operations in the year that includes the date of enactment or substantive enactment.

WILLOUGHBY ASSET MANAGEMENT INC.

Notes to Financial Statements (Unaudited)

For the three-month period ended March 31, 2017

3. Significant accounting policies (continued):

(d) New standards and interpretations not yet adopted:

A number of new standards, amendments to standards and interpretations are not yet effective for the quarter ended March 31, 2017, and have not been applied in preparing these financial statements. None of these will have a significant effect on the financial statements of the Company, with the possible exception of the following.

IFRS 9 - Financial Instruments

IFRS 9 deals with recognition, derecognition, classification and measurement of financial instruments and its requirements represent a significant change from the existing requirements in IAS 39, *Financial Instruments: Recognition and Measurement*, in respect of financial assets. Under IFRS 9, all financial assets that are currently in the scope of IAS 39 will be classified either as amortized cost, fair value through profit or loss, or fair value through other comprehensive income. A financial asset would be measured at amortized cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and the asset's contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets would be measured at fair value. The standard eliminates the existing IAS 39 categories of held-to-maturity, available-for-sale and loans and receivables.

The standard is effective for annual periods beginning on or after January 1, 2018. The Fund intends to adopt IFRS 9 in its financial statements for the annual period beginning on January 1, 2018. The Company is currently in the process of evaluating the potential effect of this standard, however, the standard is not expected to have a significant impact on the financial statements since the Company's financial assets are currently measured at amortized cost.

IFRS 15 - Revenue from Contracts with Customers

IFRS 15 will replace IAS 18, *Revenue*, and other related interpretations. The standard introduces a single comprehensive model to account for revenue arising from contracts with customers and applies to all contracts with customers, except for contracts that are within the scope of other IFRS standards such as leases, insurance contracts and financial instruments.

IFRS 15 has a mandatory effective date for annual periods beginning on or after January 18, 2018, with early adoption permitted. The standard may be adopted retrospectively, or as of the application date by adjusting retained earnings at that date and disclosing the effect of adoption on each line of profit or loss. The Company is currently in the process of evaluating the potential effect of this standard, however, the standard is not expected to have a significant impact on the financial statements.

WILLOUGHBY ASSET MANAGEMENT INC.

Notes to Financial Statements (Unaudited)

For the three-month period ended March 31, 2017

4. Related party transactions:

(a) Due from/to related party:

The Company's management and performance fee revenue is earned from the Funds it manages. As at March 31, 2017, included in due from related parties, the Company had \$565,518 (2016 - \$86,735) of management fee receivable and \$375,308 (2016 - nil) of performance fee receivable from the Funds. The Company also paid certain startup costs of the Funds. Startup costs relating to the Hudson Total Mandate Portfolio Fund are recoverable from the fund. The amount of startup costs included in due from related parties as at March 31, 2017 is \$3,725 (2016 - \$19,433). In addition, the Company paid certain operating costs of the Funds that are recoverable from the Funds. The amount included in due from related parties as at March 31, 2017 is \$83,316 (2016 - \$39,145). Lastly, the Company had \$10 (2016 - \$10) due from its Parent relating to a share capital purchase.

The Company's affiliate, Harbourfront Wealth Management Inc., ("Affiliate") earned investment management and trailer fees, and paid for certain insurance, professional and filing costs during the year as well as a share of rent, management and accounting costs. The amount owing to (from) the Affiliate as at March 31, 2017 is \$101,998 (2016 - (\$1,445)), which is included in due to related party.

(b) Subordinated debt:

The Company was party to a loan subordination agreement with its Parent, which subordinates the claim in favour of the Company's general creditors. The loan had no fixed terms of repayment, was unsecured and had no set rate of interest. During 2016, the balance of the loan of \$250,000 was repaid. The repayment was approved by the British Columbia Securities Commission ("BCSC").

(c) Key management compensation:

The Company does not provide any severance, short-term or long-term benefits to its key management personnel and it did not pay any key management compensation for the quarter ended March 31, 2017 (2016 - nil). Such compensation costs are borne directly by the Affiliate.

5. Share capital:

	2017	2016
Authorized:		
Unlimited Class A common shares without par value		
Issued:		
100 Class A common shares	\$ 10	\$ 10

WILLOUGHBY ASSET MANAGEMENT INC.

Notes to Financial Statements (Unaudited)

For the three-month period ended March 31, 2017

6. Income tax expense:

The following is a reconciliation of the Company's income tax expense as otherwise determined from what would have been determined based on the Company's statutory tax rates:

	2017	2016
Combined federal and provincial income tax rate	26%	26%
Income tax expense at statutory tax rate	\$ 186,500	\$ -
Income tax expense	\$ 186,500	\$ -

7. Capital management:

The capital of the Company consists of the subordinated debt, share capital and retained earnings.

Under National Instrument 31-103, *Registration Requirements and Exemptions and Ongoing Registrant Obligations*, the Company must maintain minimum working capital of no less than \$100,000 plus \$25,000 representing the amount of the deductible on the Company's financial institutions bond insurance coverage.

The Company manages its capital through a process of budgeting and projecting cash flows on a quarterly basis to ensure that the minimum working capital requirement described above is maintained at all times.

As at March 31, 2017, the Company was in compliance with its minimum working capital requirements.

WILLOUGHBY ASSET MANAGEMENT INC.

Notes to Financial Statements (Unaudited)

For the three-month period ended March 31, 2017

8. Risk management:

The Company actively manages risks that arise as a result of its use of financial instruments which are described below:

(a) Credit risk:

The Company incurs credit risk when entering into, settling and financing various transactions. Credit risk arises from the potential that counterparties fail to satisfy their obligations. Credit risk is managed by dealing with counterparties the Company believes to be creditworthy and by actively monitoring credit exposure and the financial health of the counterparties. The Company is exposed to credit risk in relation to its cash and amount due from related parties. Cash is held with reputable financial institutions. The majority of amounts due from related parties relate to management and performance fees receivable in respect of the Funds managed by the Company. Accordingly, as at March 31, 2017, the Company is not exposed to significant credit risk. The maximum exposure to credit risk is the carrying value of these financial assets on the statement of financial position.

(b) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet financial obligations as they fall due. The Company manages this risk in conjunction with its capital management process as described in note 7. The accounts payable and accrued liabilities and amount due to related party are primarily due within one to three months of the year-end date. The subordinated debt has no fixed repayment terms, however it was repaid in 2016 after approval was obtained from the BCSC.

(c) Market risk:

Market risk, which is comprised of currency risk, interest rate risk and other price risk, is the risk of adverse financial impact as a consequence of market movements in foreign exchange rates, interest rates or other price changes. Given the nature of the Company's operations, it is not exposed to significant market risk.

WILLOUGHBY ASSET MANAGEMENT INC.

Notes to Financial Statements (Unaudited)

For the three-month period ended March 31, 2017

9. Fair value of financial instruments:

The carrying value of cash, due from related parties, accounts payable and accrued liabilities and due to related party approximate their fair value given their short-term nature. The fair value of the subordinated debt is not practically determinable as there are no fixed terms of repayment or active market for this instrument.

Fair value hierarchy:

Financial instruments measured at fair value are categorized into one of the three hierarchy levels. Each level is based on the transparency of the inputs used to measure that fair value of the assets or liabilities:

Level 1: quote prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

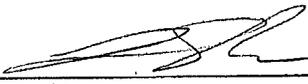
The Company's financial assets and liabilities, excluding the subordinated debt, which are measured at amortized cost, are considered Level 2, because while observable prices are available, they are not quoted in an active market.

Item 13: DATE

Dated July 31, 2017.

This Offering Memorandum does not contain a misrepresentation.

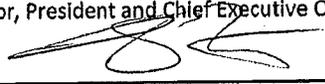
U.S. APARTMENTS LIMITED PARTNERSHIP by its
General Partner, Willoughby Asset Management
Inc.:



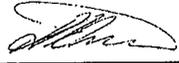
Authorized Signatory
Name: LYNN STIBBARD
Title: CFO, DIRECTOR



DANIEL POPESCU
Director, President and Chief Executive Officer



LYNN STIBBARD
Director and Chief Financial Officer



KELLY HEMMETT
Director

SCHEDULE A – Subscription Agreement

(Subscription Agreement begins on the following page)

SUBSCRIPTION AGREEMENT

TO: U.S. APARTMENTS LIMITED PARTNERSHIP (the "LP")

The undersigned (the "**Subscriber**") hereby irrevocably subscribes for and agrees to purchase the number and class of limited partnership units of the LP (the "**Units**") set forth below for the aggregate subscription amount set forth below (the "**Aggregate Subscription Amount**"), representing a subscription price of **USD \$1.00 per Unit**, upon and subject to the terms and conditions set forth in "**TERMS AND CONDITIONS**" attached hereto (together with the first four pages and the attached Schedules, the "**Subscription Agreement**"), and on the terms and conditions set forth in the limited partnership agreement governing the LP dated for reference July 21, 2017, as may be amended, restated or supplemented from time to time (the "**LP Agreement**").

 (Name of Subscriber – please print)

By: _____
 (Authorized Signature)

 (Official Capacity or Title - please print)

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

 (Subscriber's Address)

 (Telephone Number) (E-mail Address)

Class of Units:

Class A Unit Class B Unit

Number of Units: _____
 (Minimum Subscription Amount is 5,000 Units)

Aggregate Subscription Amount: \$ _____

If the Subscriber is signing as agent for a principal and is not deemed to be acting as principal pursuant to National Instrument 45-106, complete the following and, if applicable, ensure that the applicable Schedules are completed on behalf of such principal:

 (Name of Principal)

 (Principal's Address) (E-mail Address)

REGISTER the Units as set forth below:

 (Name)

 (Account reference, if applicable)

 (Address)

DELIVER the Units as set forth below:

 (Name)

 (Account reference, if applicable)

 (Contact Name)

 (Address)

ACCEPTANCE: The LP hereby accepts the subscription as set forth above on the terms and conditions contained in this Subscription Agreement this _____ day of _____.

U.S. APARTMENTS LIMITED PARTNERSHIP
 by its general partner Willoughby Asset Management Inc.

By: _____
 Name: _____

CAUTIONARY NOTE

Under National Instrument 33-105 *Underwriting Conflicts*, Harbourfront Wealth Management Inc. (the "Agent") may be considered to be a "connected issuer" and a "related issuer" to the LP in connection with the offering of Units (the "Offering").

The Agent is the exclusive selling agent of the LP. The Agent and Willoughby Asset Management Inc. (the "GP"), the general partner of the LP, share common directors and officers. Additionally, both the Agent and the GP are wholly-owned by HF Investment Holdings Inc.

The terms of the Offering, including the price of the Units offered, was determined by the GP. The LP confirms that the Agent did not require the LP to undertake the Offering. The LP is not indebted to the Agent as at July 31, 2017, and the proceeds of the Offering will not be used for the benefit of the Agent in any manner.

Please consider carefully the following risk factors regarding the relationship among the LP, the GP, and the Agent, and potential conflicts of interest.

CIPF Coverage

Canadian Investor Protection Fund ("CIPF") coverage does not protect against market losses regardless of how they occur. Accordingly, coverage will not apply to any market losses in non-arm's length investment products that would arise on insolvency of the Agent or any other IIROC dealer member.

Conflicts of Interest

The LP may be subject to risks with respect to various conflicts of interest.

Investors may purchase Units of the LP only through the Agent. Class A Units of the LP may only be purchased in Fee Based and/or Managed Accounts held with the Agent. Purchasers of Class A Units will be required to pay fees to the Agent in respect of holdings of Class A Units and such fees may reduce the amount invested in the LP. The Agent may be paid up to 3% of the capital raise fee (as defined in the LP Agreement) paid to the GP from the sale of the Class B Units of the LP.

The GP as well as its employees, directors and officers may, in their sole discretion, invest their own money in the LP and may, from time to time, have substantial holdings in the LP.

The LP will pay the GP a management fee from otherwise distributable cash. As such, the fee will ultimately be borne by the holders of the different units of the LP.

Involvement in Other and Competing Activities

Certain of the directors and officers of the GP are also directors and officers of the Agent. Although the GP will have various obligations to the LP, situations may arise where the interests of the directors, officers, employees and shareholders of the GP could conflict with the interests of the LP.

The GP and its officers, directors, employees, or shareholders and their respective affiliates and associates are not limited or affected in their ability to carry on other business ventures for their own account, or for the account of others, and may be engaged in the development of, investment in, or management of businesses that may compete with the business of the LP. Investment in the LP will not carry with it the right of the LP or of any of its limited partners to invest in any other venture of the GP or its affiliates or associates or to any profit therefrom or to any interest therein. The GP may have a conflict of interest in carrying out its obligations to the LP as a result of its involvement in competing activities.

Competition for Services

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

INSTRUCTIONS TO THE SUBSCRIBER

Please read the entirety of the Subscription Agreement carefully.

You will be required to complete and execute certain of the Schedules attached to this Subscription Agreement as described below.

Subscribers Investing CAD \$150,000 or more

If your Aggregate Subscription is equivalent to CAD \$150,000 or more, you may rely on the "Minimum Amount Investment" prospectus exemption under National Instrument 45-106 *Prospectus Exemptions* ("**NI 45-106**") with respect to a purchase of Units, but only if you are **not** an "individual" (as such term is defined in the British Columbia *Securities Act*). In other words, individuals cannot rely upon the "Minimum Amount Investment" exemption under NI 45-106.

The British Columbia *Securities Act* defines "individual" as a natural person, but does not include:

- (a) a partnership, unincorporated association, unincorporated syndicate, unincorporated organization or trust, or
- (b) a natural person in the person's capacity as a trustee, executor, administrator or personal or other legal representative.

Accredited Investors

If: (i) your Aggregate Subscription Amount is not equivalent to CAD \$150,000 or more; or (ii) you are an individual, then, except as described below, you must qualify as an "Accredited Investor" (as such term is defined under NI 45-106), and complete and execute **Schedule I** (Certificate of Accredited Investor) attached to this Subscription Agreement, including its Appendices as applicable.

Offering Memorandum (BC and Manitoba Investors Only)

If none of the above applies to you, then, if you are resident in British Columbia or Manitoba, you may be able to rely on the "Offering Memorandum" prospectus exemption under NI 45-106. If so, you must complete and execute **Schedule II** (Risk Acknowledgement Form) and, for residents of Manitoba whose Aggregate Subscription Amount is equivalent to CAD \$10,000 or more, **Schedule III** (Certificate of Eligible Investor) attached to this Subscription Agreement.

Others

If none of the above applies to you, then you must qualify under another available prospectus exemption, and the LP may require you to provide the particulars of such prospectus exemption.

TERMS AND CONDITIONS OF SUBSCRIPTION

Terms of the Offering

1. The Subscriber acknowledges (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) that this subscription is subject to rejection by the LP in whole or in part. The parties agree that this subscription and all money tendered by the Subscriber will be returned to the Subscriber, without interest or deduction, if this subscription is not accepted by the LP or Willoughby Asset Management Inc. (the "GP") on behalf of the LP.
2. The Subscriber acknowledges (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) that the offering (the "**Offering**"), of which this Subscription Agreement forms a part, is subject to a minimum subscription of \$1,000,000. In the event that the LP does not receive offers for such minimum amount under the Offering on or before the Closing Time (as defined herein), the subscription funds received by the LP from the Subscriber will be returned to the Subscriber without deduction, interest or penalty. In the event that the LP does receive offers for such minimum amount under the Offering on or before the Closing Time, upon acceptance of this Subscription Agreement by the LP or the GP on behalf of the LP, the subscription funds received by the LP:
 - (a) will be available for use by the LP after 2 business days of such receipt as contemplated under Section 9 herein, if the Subscriber is resident in British Columbia or Manitoba and subscribing for Units in reliance on the "Offering Memorandum" prospectus exemption under National Instrument 45-106 *Prospectus Exemptions* ("**NI 45-106**"); or
 - (b) in all other events, will be immediately available for use by the LP.
3. The Subscriber acknowledges (for its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) that, as a condition to the LP accepting this Subscription Agreement, the Subscriber must become a party to and be bound by the LP Agreement, a copy of the Subscriber acknowledges receipt of. The Subscriber further acknowledges and agrees (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) that it has read and understands the LP Agreement, and has been independently advised to its terms and conditions.
4. Other than the brokers or finders retained by the LP, the Subscriber warrants and represents that there are no other persons acting or purporting to act in connection with the transactions contemplated herein who is entitled to any brokerage or finder's fee and if any such person establishes a claim that any fee or other compensation is payable in connection with this subscription for Units, the Subscriber covenants to indemnify and hold harmless the LP and GP with respect thereto and with respect to all costs reasonably incurred in the defence thereof.
5. References in this Subscription Agreement (including attachments) to "\$" are to United States dollars except as otherwise expressly stated.

Acknowledgements, Representations, Warranties and Covenants of the Subscriber

6. The Subscriber acknowledges (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) that the Offering will not in any way restrict the LP from issuing additional securities at prices, on terms and in amounts as may be determined by the LP, in its sole and absolute discretion. The Subscriber further acknowledges that the LP may complete additional financings in the future which may have a dilutive effect on existing unitholders at such time, including the Subscriber.
7. The Subscriber (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) represents, warrants and covenants to the LP that:

- (a) if an individual, it is of the full age of majority and is legally competent to execute this Subscription Agreement and take all action pursuant hereto;
- (b) if a corporation, partnership, unincorporated association or other entity, it has the legal capacity to enter into and be bound by this Subscription Agreement and further certifies that all necessary approvals of directors, shareholders, partners or otherwise have been given and obtained;
- (c) this Subscription Agreement has been duly and validly authorized, executed and delivered by and constitutes a legal, valid, binding and enforceable obligation of the Subscriber enforceable in accordance with its terms;
- (d) in the case of a subscription by it acting as agent for a disclosed principal, it is duly authorized to execute and deliver this Subscription Agreement and all other necessary documentation in connection with such subscription on behalf of such principal and this Subscription Agreement has been duly authorized, executed and delivered by or on behalf of, and constitutes a legal, valid and binding agreement of, such principal enforceable in accordance with its terms;
- (e) the entering into of this Subscription Agreement and the transactions contemplated hereby will not result in a violation of any of the terms or provisions of any law applicable to the Subscriber, or if the Subscriber is not a natural person, any of the Subscriber's constating documents, or any agreement to which the Subscriber is a party or by which it is bound;
- (f) it does not act jointly or in concert with any other subscriber under the Offering for the purposes of the acquisition contemplated hereunder;
- (g) except for the LP's offering memorandum dated July 31, 2017 and the documents incorporated for reference therein, or except as otherwise provided for herein, it has otherwise not received or been provided with, nor has it requested, nor does it have any need to receive, any prospectus or other document (other than financial statements, interim financial statements or any other document, the content of which is prescribed by statute or regulation) describing the business and affairs of the LP which has been prepared for delivery to, and review by, prospective purchasers in order to assist it in making an investment decision in respect of the acquisition contemplated hereunder;
- (h) it has not become aware of 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) with respect to the distribution of the Units;
- (i) it has not relied upon any verbal or written representation as to fact or otherwise made by or on behalf of the LP and it does not have knowledge of any material fact about the LP that has not been publicly disclosed;
- (j) unless it is purchasing Units as described under subparagraph 7(k), it is purchasing the Units as principal for its own account, it is purchasing such Units for investment only and not for the benefit of any other person 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 in a jurisdiction of Canada and it is an "accredited investor", as such term is defined in NI 45-106 or, if it is resident in Ontario, under the *Securities Act* (Ontario) (the "OSA"), other than a trust company or trust corporation registered under the laws of Prince Edward Island that is not registered or authorized under

the *Trust and Loan Companies Act* (Canada) or under comparable legislation in another jurisdiction of Canada, and has concurrently executed and delivered: (A) a Certificate of Accredited Investor in the form attached as **Schedule I** to this Subscription Agreement; and (B) if required as described in Schedule I to this Subscription Agreement, a Risk Acknowledgement Form (Accredited Investor) attached as **Appendix B** to Schedule I;

- (ii) it is not an individual, as such term is defined in the *Securities Act* (British Columbia) (the "**Act**"), the aggregate acquisition cost of the Units purchased by it is not less than CAD \$150,000 (or its equivalent in US dollars) and it is not a company established or used solely to acquire the Units; or
- (iii) it is resident in British Columbia or in Manitoba, it has received a copy of the LP's offering memorandum dated July 31, 2017 (the "**Offering Memorandum**"), and has 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 regarding the LP and its business and affairs, the proposed use of proceeds, the Units and this Subscription Agreement. Further, it has duly completed and executed two copies of the risk acknowledgement form attached as **Schedule II** to this Subscription Agreement and, if the Subscriber is resident in Manitoba and the Aggregate Subscription Amount is equivalent to CAD \$10,000 or more, it has concurrently executed and delivered a Certificate of Eligible Investor in the attached as **Schedule III** to this Subscription Agreement;
- (k) if it is not purchasing as principal, it is duly authorized to enter into this Subscription Agreement and to execute all documentation in connection with the purchase on behalf of each beneficial purchaser, each of whom is purchasing as principal for its own account, not for the benefit of any other person, and not with a view to the resale or distribution of all or any of the Units, it acknowledges that the LP may be required by law to disclose to certain regulatory authorities, the identity of each beneficial purchaser of Units for whom it may be acting, it and each beneficial purchaser is resident in the jurisdiction set out as the "Subscriber's Address";
- (l) if it is acting as agent for one or more disclosed principals, each of which principals is purchasing as a principal for its own account for investment only and not for the benefit of any other person and not with a view to the resale or distribution of all or any of the Units and each of which principals complies with the criteria set forth in subparagraph 7(j);
- (m) it acknowledges that:
 - (i) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Units;
 - (ii) there is no government or other insurance covering the Units;
 - (iii) there are risks associated with the purchase of the Units;
 - (iv) 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 any of the Units; and
 - (v) the LP or its agent has advised the Subscriber that the LP is relying on an exemption from the requirements to provide the Subscriber with a prospectus and to sell the Units through a person or company registered to sell securities under the *Securities Act* (British Columbia) (the "**Act**") and, as a consequence of acquiring the Units pursuant to this exemption, certain protections, rights and

remedies provided by the Act, including statutory rights of rescission or damages, will not be available to the Subscriber;

- (n) it is aware that none of the Units have been nor will be registered under the *United States Securities Act of 1933* (the "**U.S. Securities Act**") and that these Units may not be offered or sold in the United States without registration under the U.S. Securities Act or compliance with requirements of an exemption from registration;
- (o) the Subscriber represents and warrants that:
 - (i) the Subscriber is not a "U.S. Person" (as defined in Regulation S, the definition of which includes, but is not limited to, a natural person resident in the United States and an estate or trust of which any executor or administrator or trustee, respectively, is a U.S. Person and any partnership or corporation organized or incorporated under the laws of the United States) and is not purchasing the Units for the account or benefit of any U.S. Person or for offering, resale or delivery for the account or benefit of any U.S. Person or for the account or benefit of any person in any jurisdiction set out in the name and address of the Subscriber below;
 - (ii) the Subscriber was outside the United States at the time of execution and delivery of this Subscription Agreement within the meaning of Regulation S;
 - (iii) no offers to sell the Units to the Subscriber were made by any person to the Subscriber while the Subscriber was in the United States;
 - (iv) the Subscriber understands that the LP has no obligation or present intention of filing a registration statement under the U.S. Securities Act in respect of the Units;
 - (v) the Subscriber will not engage in any directed selling efforts (as defined by Regulation S under the U.S. Securities Act) in the United States in respect of the Shares, which would include any activities undertaken for the purpose of, or that could reasonably be expected to have the effect of conditioning the market in the United States for the resale of the Units;
- (p) it undertakes and agrees that it will not offer or sell any of the Units in the United States unless such securities are registered under the U.S. Securities Act and the securities laws of all applicable states of the United States or an exemption from such registration requirements is available, and further that it will not resell any of the Units in any jurisdiction, except in accordance with the provisions of applicable securities legislation, regulations, rules, policies and orders and stock exchange rules;
- (q) it acknowledges that no representation has been made to it:
 - (i) as to the future value or price of the Units;
 - (ii) that any person will resell or repurchase the Units; or;
 - (iii) that any person will refund the purchase price of the Units;
- (r) the LP may complete additional financings in the future in order to develop the business of the LP and to fund its ongoing development; that there is no assurance that such financings will be available and, if available, on reasonable terms; any such future financings may have a dilutive effect on current securityholders, including the Subscriber; and that if such future financings are not available, the LP may be unable to fund its

ongoing development and the lack of capital resources may result in the failure of its business venture;

- (s) it has such knowledge in financial and business affairs as to be capable of evaluating the merits and risks of its investment and it, or, where it is not purchasing as principal, each beneficial purchaser, is able to bear the economic risk of loss of its investment and the Subscriber is capable of assessing the proposed investment as a result of the Subscriber's financial experience or as a result of advice received from a registered person other than the LP, the GP or any affiliates thereof;
- (t) it understands that the Units are being offered for sale only on a "private placement" basis and that the sale and delivery of the Units is conditional upon such sale being exempt from the requirements as to the filing of a prospectus or upon the issuance of such orders, consents or approvals as may be required to permit such sale without the requirement of filing a prospectus or delivering an offering memorandum in prescribed form and that certain protections, rights and remedies provided by applicable securities legislation, in connection with the filing of a prospectus may not be available to the Subscriber;
- (u) if required by applicable securities legislation, regulations, rules, policies or orders or by any securities commission, stock exchange or other regulatory authority, the Subscriber will execute, deliver, file and otherwise assist the LP in filing, such reports, undertakings and other documents with respect to the issue of the Units as may be required;
- (v) it will not resell the Units or any of them, except in accordance with the provisions of applicable securities legislation and stock exchange rules, if applicable, in the future;
- (w) it has been independently advised as to the restrictions with respect to trading in the Units imposed by applicable securities legislation, confirms that no representation has been made to it by or on behalf of the LP with respect thereto, acknowledges that it is aware of the characteristics of the Units, the risks relating to an investment therein and of the fact that it may not be able to resell the Units except in accordance with limited exemptions under applicable securities legislation and regulatory policy until expiry of the applicable restriction period and compliance with the other requirements of applicable law, and it agrees that any certificates representing the Units may bear such legends as are required under applicable securities law indicating that the resale of such securities is restricted;
- (x) the Subscriber acknowledges that it has been encouraged to and should obtain independent legal, income tax and investment advice with respect to its hereunder and accordingly, has been independently advised as to the meanings of all terms contained herein relevant to the Subscriber for the purposes of giving representations, warranties and covenants under this Subscription Agreement;
- (y) the Subscriber acknowledges that it has read carefully and understands the potential conflicts of interest and other risk factors described in the "Cautionary Note" forming part of this Subscription Agreement;
- (z) the Subscriber (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) represents and warrants that the funds representing the Aggregate Subscription Amount which will be advanced by the Subscriber to the LP hereunder will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) Act* (Canada) (the "**PCMLA**") and the Subscriber acknowledges that the LP may in the future be required by law to disclose the Subscriber's name and other information in relation to this Subscription Agreement and the Subscriber's subscription hereunder, on a confidential basis, pursuant to the PCMLA. To the best of its knowledge, none of the subscription funds to be provided by the Subscriber (i) have been or will be

derived from or related to any activity that is deemed criminal under the law of Canada, the United States of America, or any other jurisdiction, or (ii) are being tendered on behalf of a person or entity who has not been identified to the Subscriber; and

- (aa) the information provided by the Subscriber under the heading "**INFORMATION REGARDING THE SUBSCRIBER**" is true and correct in all material respects and will be true and correct as of the Closing Time.

Representations, Warranties and Covenants of the LP

8. The LP hereby represents, warrants and covenants to the Subscriber (and acknowledges that the Subscriber is relying thereon) that:
- (a) the LP is a duly formed and validly subsisting limited partnership under the laws of the Province of British Columbia and has full corporate power and authority to execute and deliver this Subscription Agreement, to issue each of the Units to the Subscriber and to perform each of its obligations as herein contemplated;
 - (b) this Subscription Agreement, when accepted by the LP but subject to the Subscriber's right of cancellation as contemplated under Section 9 herein, if applicable, will constitute a binding obligation of the LP enforceable in accordance with its terms;
 - (c) the execution and delivery of, and the performance of the terms of this Subscription Agreement by the LP, including the issue of the Units, does not and will not constitute a breach of or default under the LP Agreement or any law, regulation, order or ruling applicable to the LP or any agreement, contract or indenture to which the LP is a party or by which it is bound.

Closing

9. If the Subscriber is resident in British Columbia or Manitoba and is purchasing the Units in reliance on the "Offering Memorandum" prospectus exemption under NI 45-106, the Subscriber may elect to cancel this Subscription Agreement at any time after midnight on the second business day after the Subscriber executes and delivers this Subscription Agreement to the LP or the GP on behalf of the LP. In the event that the Subscriber does not exercise such cancellation right, it agrees that, subject to the LP having received offers for Units under the Offering for an aggregate subscription price of \$1,000,000 or more on or before the Closing Time, after midnight on the second business day after the Subscriber executes and delivers this Subscription Agreement to the LP or the GP on behalf of the LP, and the issuance of the Units as directed, the LP may, in its sole discretion, keep and use the Aggregate Subscription Amount as set out in the Offering Memorandum.
10. The Subscriber agrees to deliver to the LP or the GP on behalf of the LP, not later than such date and time that the LP may determine in its sole discretion:
- (a) this duly completed and executed Subscription Agreement, including all applicable Schedules hereto and Appendices thereto; and
 - (b) a wire, transfer, certified cheque or bank draft payable to, or to the account of **U.S. APARTMENTS LIMITED PARTNERSHIP** for the Aggregate Subscription Amount, unless the LP agrees that the Aggregate Subscription Amount may be delivered on the Closing Date against delivery of the certificates representing the Units.
11. The sale of the Units pursuant to this Subscription Agreement will be completed (the "**Closing**") at the office of the LP on or before such date (the "**Closing Date**") and at such time (the "**Closing Time**") as the LP may determine. The Subscriber acknowledges that the certificates representing the Units subscribed for hereunder will be available for delivery at the Closing provided that the

Subscriber has satisfied the requirements of Section 10 hereof and the LP has accepted this Subscription Agreement. The Subscriber hereby authorizes the delivery of such certificates by the transfer agent of the LP, if any, to the LP or its solicitor.

12. The LP shall be entitled to rely on delivery of a PDF or facsimile copy of executed subscriptions, and acceptance by the LP of such PDF or facsimile subscriptions shall be legally effective to create a valid and binding agreement between the Subscriber and the LP in accordance with the terms hereof.

Use of Personal Information

13. The Subscriber acknowledges and consents to the fact that the GP and LP are collecting the Subscriber's (and any beneficial purchaser for which the Subscriber is contracting hereunder) personal information (as that term is defined under applicable privacy legislation, including, without limitation, the *Personal Information Protection Act* (British Columbia) and any other applicable similar replacement or supplemental provincial or federal legislation or laws in effect from time to time) for the purpose of completing the Subscriber's subscription. The Subscriber acknowledges and consents to the GP and LP retaining the personal information for so long as permitted or required by applicable law or business practices. The Subscriber further acknowledges and consents to the fact that the GP or LP may be required by applicable securities laws, stock exchange rules and/or Investment Dealers Association of Canada rules to provide regulatory authorities any personal information provided by the Subscriber respecting itself (and any beneficial purchaser for which the Subscriber is contracting hereunder). The Subscriber represents and warrants that it has the authority to provide the consents and acknowledgements set out in this paragraph on behalf of all beneficial purchasers for which the Subscriber is contracting.
14. In addition, the Subscriber agrees and acknowledges that:
 - (a) the LP or GP will deliver certain personal information, including information regarding the name, address, telephone number, email address and amount subscribed for, to the securities regulatory authorities, including the British Columbia Securities Commission (the "**BCSC**"), the Ontario Securities Commission (the "**OSC**"), the Alberta Securities Commission (the "**ASC**"), the Financial and Consumer Affairs Authority (Securities Division) of Saskatchewan (the "**FCAA**"), the Manitoba Securities Commission (the "**MSC**") or the Prince Edward Island Office of the Superintendent of Securities Office (the "**OSS**");
 - (b) the information is being collected indirectly by the securities regulatory authorities under authority granted to them in securities legislation;
 - (c) the information is being collected for the purposes of the administration and enforcement of such securities legislation;
 - (d) the Subscriber may contact the Administrative Assistant to the Director of Corporate Finance at the BCSC at the 12th Floor, 701 West Georgia Street, Box 10142, Vancouver, British Columbia, V7Y 1L2 (604.899.6854) for information regarding the collection and use of this personal information by the BCSC;
 - (e) the Subscriber may contact the Administrative Assistant to the Director of Corporate Finance at the Ontario Securities Commission at Suite 1903, Box 5520, Queen Street West, Toronto, Ontario, M5H 3S8 (416.593.8086) for information regarding the collection and use of this personal information by the OSC;
 - (f) the Subscriber may contact the MSC at 500 - 400 St. Mary Avenue, Winnipeg, Manitoba R3C 4K5 (204 945 2548) for information regarding the collection and use of this personal information by the MSC;

- (g) the Subscriber may contact the ASC at Suite 600 - 250 - 5th Street SW, Calgary, Alberta T2P 0R4 (403 297 6454) for information regarding the collection and use of this personal information by the ASC;
- (h) the Subscriber may contact the FCAA at 6th Floor, 1919 Saskatchewan Drive, Regina, Saskatchewan S4P 3V7 (306 787 5645) for information regarding the collection and use of this personal information by the FCAA;
- (i) the Subscriber may contact the OSS at 95 Rochford Street, PO Box 2000, Charlottetown, PEI C1A 7N8 (902 4659) for information regarding the collection and use of this personal information by the OSS;
- (j) the Subscriber hereby authorizes the indirect collection of the information by the BCSC, the OSC, the ASC, the FCAA, the MSC and the OSS.

Power of Attorney

15. The Subscriber hereby grants to the GP, and each of its successors and assigns, a power of attorney constituting the GP, with full power of substitution, as its true and lawful attorney to act on its behalf, with full power and authority in its name, place and stead, to do the following, namely:
- (a) execute, swear to, acknowledge, deliver and file as and where required any and all of the following:
 - (i) the LP Agreement governing the LP and all declarations and certificates of change required under the Act or any other applicable legislation and other instruments necessary to form, qualify or continue and keep in good standing the LP as a limited partnership under the *Partnership Act* (British Columbia) (the "**Partnership Act**");
 - (ii) all instruments, declarations and certificates necessary to reflect any amendment to the LP Agreement made in accordance with the terms of the LP Agreement;
 - (iii) any filing or election made pursuant to any applicable tax legislation;
 - (iv) any certificates of trade names; and
 - (v) all conveyances, agreements and other instruments or documents deemed necessary or desirable by the GP to reflect the dissolution and termination of the LP in accordance with the LP Agreement including cancellation of any certificates or declarations and the execution of any elections or making of any filings under the *Income Tax Act* (Canada) (the "**Tax Act**") and any analogous legislation, as any of the same may be amended or re-enacted from time to time;
 - (b) execute and file with any governmental body or instrumentality thereof any documents necessary to be filed in connection with the business, property, assets and undertaking of the LP;
 - (c) execute and deliver any documents or instruments on behalf of and in the name of the Subscriber and for or on behalf of the limited partners of the LP as may be deemed necessary or desirable by the GP to carry out fully the provisions of the LP Agreement, in accordance with its respective terms; and
 - (d) complete, amend or modify any of the foregoing to complete any missing information or correct any clerical or other errors in the completion of any of the foregoing.

16. The power of attorney granted herein is, to the extent permitted by applicable law, irrevocable, is a power coupled with an interest, and shall survive the death, mental incompetence, disability and any subsequent legal incapacity of the Subscriber and shall survive the assignment by the Subscriber of all or part of the Subscriber's interest in the LP and will extend to its heirs, executors, administrators and other legal representatives and successors and assigns. The Subscriber agrees to be bound by any representations or actions made or taken by the GP pursuant to this power of attorney and hereby waives any and all defences which may be available to contest, negate or disaffirm any actions taken by the GP in good faith under this power of attorney.

General

17. The Subscriber agrees that the representations, warranties and covenants of the Subscriber herein 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 issuance of the Units. The representations, warranties and covenants of the Subscriber herein are made with the intent that they be relied upon by the LP in determining the eligibility of a purchaser of Units and the Subscriber agrees to indemnify the LP and GP against all losses, claims, costs, expenses and damages or liabilities which it may suffer or incur which are caused or arise from an inaccuracy or breach thereof and reliance thereon. The Subscriber acknowledges and agrees that all costs incurred by the Subscriber (including any fees and disbursements of any special counsel retained by the Subscriber) relating to the sale contemplated hereunder shall be borne by the Subscriber.
18. The terms and provisions of this Subscription Agreement shall be binding upon and enure to the benefit of the Subscriber, the LP, the GP and their respective heirs, executors, administrators, successors and assigns; provided that, except for the assignment by a Subscriber who is acting as nominee or agent to the beneficial owner and as otherwise herein provided, this Subscription Agreement shall not be assignable by any party without prior written consent of the other party or parties.
19. The contract arising out of this Subscription Agreement and all documents relating thereto shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. The parties irrevocably attorn to the exclusive jurisdiction of the courts of the Province of British Columbia.
20. 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. Neither this Subscription Agreement nor any provision hereof shall be modified, changed, discharged or terminated except by an instrument in writing signed by the party against whom any waiver, change, discharge or termination is sought.

**SCHEDULE I
CERTIFICATE OF ACCREDITED INVESTORS**

TO: U.S. APARTMENTS LIMITED PARTNERSHIP

Undefined capitalized terms used herein have that meaning ascribed to them under the Subscription Agreement to which this Certificate is attached.

In connection with the purchase of Units in the capital of the LP under the Subscription Agreement to which this Certificate is attached by the undersigned Subscriber or, if applicable, the principal on whose behalf the undersigned is purchasing as agent, the Subscriber hereby represents, warrants, covenants and certifies to the LP that:

1. The Subscriber is purchasing the Units as principal for its own account or is deemed to be acting as principal pursuant to NI 45-106;
2. The Subscriber is an "accredited investor" within: (A) for subscribers resident in Canada other than residents of Ontario, the meaning of NI 45-106, or (B) for subscribers resident in Ontario, the meaning under the *Securities Act* (Ontario) (the "OSA") by virtue of satisfying the indicated criterion as set out in Appendix A to this Schedule I;
3. If the Subscriber is an "accredited investor" under the criterion described in (d), (f) or (g) set out in Appendix A to this Schedule I, the Subscriber has also completed and executed two original copies of the risk acknowledgement form attached as Appendix B to this Schedule I; and
4. Upon execution of this Schedule I by the Subscriber, the initialling of the applicable category set forth in Appendix A hereto, and, if applicable, the completion and execution of the risk acknowledgement form set forth in Appendix B to this Schedule I, Schedule I and its appendices shall be incorporated into and form a part of the Subscription Agreement.

Dated: _____

Print name of Subscriber

By:

Signature

Print name of Signatory (if different from
Subscriber)

Title

IMPORTANT:

(1) PLEASE INITIAL THE APPLICABLE CATEGORY IN APPENDIX A ATTACHED HERETO.

(2) IF YOU HAVE INITIALLED CRITERION (D), (F) OR (G) IN APPENDIX A ATTACHED HERETO, COMPLETE AND EXECUTE TWO ORIGINALS OF THE RISK ACKNOWLEDGMENT FORM ATTACHED AS APPENDIX B ATTACHED HERETO.

APPENDIX "A" TO SCHEDULE I

The full definition of "**Accredited Investor**" can be found under NI 45-106 (for residents of Canada other than residents of Ontario) or the OSA (for residents of Ontario), and includes the following (check all that apply):

- (a) a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer;
- (b) an individual registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (a);
- (c) 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 *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador);
- (d) 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 CAD \$1,000,000;
(note: please complete 2 originals of the Risk Acknowledgement Form in Appendix B)
- (e) 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;
- (f) an individual whose net income before taxes exceeded \$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse exceeded \$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year;
(note: please complete 2 originals of the Risk Acknowledgement Form in Appendix B);
- (g) an individual who, either alone or with a spouse, has net assets of at least CAD \$5,000,000;
(note: please complete 2 originals of the Risk Acknowledgement Form in Appendix B);
- (h) a person, other than an individual or investment fund, that has net assets of at least CAD \$5,000,000 as shown on its most recently prepared financial statements;
- (i) 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*], and 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;
- (j) 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;
- (k) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be;
- (l) 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;
- (m) 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;
- (n) an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser;
- (o) a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as an accredited investor; or
- (p) a trust established by an accredited investor for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's spouse, a former spouse of the accredited investor or 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.

**APPENDIX B TO SCHEDULE I
RISK ACKNOWLEDGMENT FORM
(ACCREDITED INVESTORS)**

<p>WARNING! This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.</p>
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SECTION 1 TO BE COMPLETED BY THE LIMITED PARTNERSHIP	
1. About your investment	
Type of securities: Limited Partnership Units	U.S. APARTMENTS LIMITED PARTNERSHIP
Purchased from:	
SECTION 2 to 4 TO BE COMPLETED BY THE SUBSCRIBER	
2. Risk acknowledgment	
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 make this investment. Initial the statement that applies to you. (You may initial more than one statement.) The person identified in section 6 of this Risk Acknowledgment Form is responsible for ensuring that you meet the definition of accredited investor. That person, or the sales person identified in section 5 of this Risk Acknowledgment Form, can help you if you have questions about whether you meet these criteria.	Your initials
• Your net income before taxes was more than CAD \$200,000 in each of the 2 most recent calendar years, and you expect it to be more than CAD \$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 CAD \$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than CAD \$300,000 in the current calendar year.	
• Either alone or with your spouse, you own more than CAD \$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 CAD \$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 Subscriber with respect to making this investment. That could include a representative of the Limited Partnership or the General Partner, 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 LIMITED PARTNERSHIP	
U.S. APARTMENTS LIMITED PARTNERSHIP 3100 - 1021 West Hastings Street Vancouver, British Columbia V6E 0C3 Phone: 604 558 6822 Fax: 604 558 6823 Email: admin@willoughbyasset.com	
For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at www.securities-administrators.ca .	

Instructions:

- 1. The LP must complete sections 1, 5 and 6 before the Subscriber can complete the form.**
- 2. Each of the Subscriber and the LP must receive a copy of this form signed by the Subscriber (i.e. two originals must be signed). The LP is required to keep a copy of this form for 8 years after the distribution.**

**SCHEDULE II
RISK ACKNOWLEDGEMENT FORM
(Offering Memorandum - BC and Manitoba Subscribers)**

RISK ACKNOWLEDGMENT

- I acknowledge that this is a risky investment.
- I am investing entirely at my own risk.
- No securities regulatory authority or regulator has evaluated or endorsed the merits of these securities or the disclosure in the offering memorandum.
- The person selling me these securities is not registered with a securities regulatory authority or regulator and has no duty to tell me whether this investment is suitable for me.
- I will not be able to sell these securities except in very limited circumstances. I may never be able to sell these securities.
- I could lose all the money I invest.

I am investing USD \$ _____ (total consideration) in total; this includes any amount I am obliged to pay in the future. U.S. Apartments Limited Partnership will pay USD \$ _____ [amount of fee or commission] of this to _____ [name of person selling the securities] as a fee or commission, if applicable.

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

Date

Signature of Purchaser

Print name of Purchaser

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

WARNING

You have 2 business days to cancel your purchase.

To do so, send a notice to the LP 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 the LP at its business address. Keep a copy of the notice for your records.

U.S. Apartments Limited Partnership
3100 - 1021 West Hastings Street, Vancouver, British Columbia V6E 0C3
Phone: 604 558 6822 Fax: 604 558 6823
Email: admin@willoughbyasset.com

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.

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

You will receive an offering memorandum

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

The securities you are buying are not listed

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

The issuer of your securities is a non-reporting issuer

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

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

British Columbia Securities Commission
PO BOX 10142 Pacific Centre
Vancouver, British Columbia V7Y 1L2
Telephone: (604) 899 6500 Facsimile: (604) 899 6506

The Manitoba Securities Commission
500 - 400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5
Telephone: (204) 945 2548 Facsimile: (250) 945 0330

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

SCHEDULE III

**CERTIFICATE OF ELIGIBLE INVESTORS
(Manitoba Subscribers: Non-Accredited Investor, <\$150,000)**

TO: U.S. APARTMENTS LIMITED PARTNERSHIP

Undefined capitalized terms used herein have that meaning ascribed to them under the Subscription Agreement to which this Certificate is attached.

In connection with the purchase of Units in the capital of the LP under the Subscription Agreement to which this Certificate is attached by the undersigned Subscriber or, if applicable, the principal on whose behalf the undersigned is purchasing as agent, the Subscriber hereby represents, warrants, covenants and certifies to the LP that:

1. The Subscriber is purchasing the Units as principal for its own account or is deemed to be acting as principal pursuant to NI 45-106;
2. The Subscriber is an "eligible investor" within the meaning of NI 45-106 by virtue of satisfying the indicated criterion as set out in Appendix A to this Schedule III;
3. Upon execution of this Schedule III by the Subscriber, the initialling of the applicable category set forth in Appendix A hereto, Schedule III and its appendices shall be incorporated into and form a part of the Subscription Agreement.

Dated: _____.

Print name of Subscriber

By:

Signature

Print name of Signatory (if different from
Subscriber)

Title

IMPORTANT:

- (1) PLEASE INITIAL THE APPLICABLE CATEGORY IN APPENDIX A ATTACHED HERETO.**

APPENDIX "A" TO SCHEDULE III

The full definition of "Eligible Investor" can be found under NI 45-106 and includes the following (check all that apply):

- (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 CAD \$75,000 in each of the 2 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 CAD \$125,000 in each of the 2 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 in which all of the beneficiaries or a majority of the trustees or executors are eligible investors;
- (f) An accredited investor;
- (g) An individual who is:
 - (i) a director, executive officer or control person of the GP or of an affiliate of the GP;
 - (ii) a spouse, parent, grandparent, brother, sister, child or grandchild of a director, executive officer or control person of the GP or of an affiliate of the GP;
 - (iii) a parent, grandparent, brother, sister, child or grandchild of the spouse of a director, executive officer or control person of the GP or of an affiliate of the GP;
 - (iv) a close personal friend of a director, executive officer or control person of the GP, or of an affiliate of the GP;
 - (v) a close business associate of a director, executive officer or control person of the GP, or of an affiliate of the GP;
 - (vi) a founder of the LP or the GP, or a spouse, parent, grandparent, brother, sister, child, grandchild, close personal friend or close business associate of a founder of the LP or the GP;
 - (vii) a parent, grandparent, brother, sister, child or grandchild of a spouse of a founder of the LP or the GP;
 - (viii) a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, persons described in (i) to (vii) above; or
 - (ix) a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are persons described in (i) to (vii) above;
- (h) In Manitoba, a person that has obtained advice regarding the suitability of the investment and, if the person is resident in a jurisdiction of Canada, that advice has been obtained from an eligibility advisor;

SCHEDULE IV DEFINITIONS

For the purposes hereof:

- (a) "eligibility adviser" means:
 - (i) A person that is registered as an investment dealer and authorized to give advice with respect to the type of security being distributed; and
 - (ii) In Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction of Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or accountant must not: (A) have a professional, business or personal relationship with the LP, the GP or any of its directors, executive officers, founders or control persons; and (B) have acted for or been retained personally or otherwise as an employee, executive officer, director, associate, or partner of a person that has acted for or been retained by the LP, the GP or any of its directors, executive officers, founders or control persons within the previous 12 months;
- (b) "financial assets" means (i) cash, (ii) securities or (iii) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;
- (c) "fully managed account" means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client's express consent to a transaction;
- (d) "investment fund" has the meaning ascribed thereto in National Instrument 81-106 - *Investment Fund Continuous Disclosure*;
- (e) "person" includes
 - (i) an individual,
 - (ii) a corporation,
 - (iii) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and
 - (iv) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative;
- (f) "related liabilities" means
 - (i) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or
 - (ii) liabilities that are secured by financial assets.
- (g) "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) immediately above or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta); and
- (h) "subsidiary" means a corporation that is controlled directly or indirectly by another corporation and includes a subsidiary of that subsidiary.

Affiliated Entities and Control

- A corporation is considered to be an affiliate of another corporation if one of them is a subsidiary of the other, or if each of them is controlled by the same person.
- A person (first person) is considered to control another person (second person) if:
 - (a) the first person, directly or indirectly, beneficially owns or exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless the first person holds the voting securities only to secure an obligation,

- (b) the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests in the partnership, or
- (c) the second person is a limited partnership and the general partner of the limited partnership is the first person.

CAUTIONARY NOTE

Under National Instrument 33-105 *Underwriting Conflicts*, Harbourfront Wealth Management Inc. (the "Agent") may be considered to be a "connected issuer" and a "related issuer" to the LP in connection with the offering of Units (the "Offering").

The Agent is the exclusive selling agent of the LP. The Agent and Willoughby Asset Management Inc. (the "GP"), the general partner of the LP, share common directors and officers. Additionally, both the Agent and the GP are wholly-owned by HF Investment Holdings Inc.

The terms of the Offering, including the price of the Units offered, was determined by the GP. The LP confirms that the Agent did not require the LP to undertake the Offering. The LP is not indebted to the Agent as at _____, and the proceeds of the Offering will not be used for the benefit of the Agent in any manner.

Please consider carefully the following risk factors regarding the relationship among the LP, the GP, and the Agent, and potential conflicts of interest.

CIPF Coverage

Canadian Investor Protection Fund ("CIPF") coverage does not protect against market losses regardless of how they occur. Accordingly, coverage will not apply to any market losses in non-arm's length investment products that would arise on insolvency of the Agent or any other IIROC dealer member.

Conflicts of Interest

The LP may be subject to risks with respect to various conflicts of interest.

Investors may purchase Units of the LP only through the Agent. Class A Units of the LP may only be purchased in Fee Based and/or Managed Accounts held with the Agent. Purchasers of Class A Units will be required to pay fees to the Agent in respect of holdings of Class A Units and such fees may reduce the amount invested in the LP. The Agent may be paid up to 3% of the capital raise fee (as defined in the LP Agreement) paid to the GP from the sale of the Class B Units of the LP.

The GP as well as its employees, directors and officers may, in their sole discretion, invest their own money in the LP and may, from time to time, have substantial holdings in the LP.

The LP will pay the GP a management fee from otherwise distributable cash. As such, the fee will ultimately be borne by the holders of the different units of the LP.

Involvement in Other and Competing Activities

Certain of the directors and officers of the GP are also directors and officers of the Agent. Although the GP will have various obligations to the LP, situations may arise where the interests of the directors, officers, employees and shareholders of the GP could conflict with the interests of the LP.

The GP and its officers, directors, employees, or shareholders and their respective affiliates and associates are not limited or affected in their ability to carry on other business ventures for their own account, or for the account of others, and may be engaged in the development of, investment in, or management of businesses that may compete with the business of the LP. Investment in the LP will not carry with it the right of the LP or of any of its limited partners to invest in any other venture of the GP or its affiliates or associates or to any profit therefrom or to any interest therein. The GP may have a conflict of interest in carrying out its obligations to the LP as a result of its involvement in competing activities.

derived from or related to any activity that is deemed criminal under the law of Canada, the United States of America, or any other jurisdiction, or (ii) are being tendered on behalf of a person or entity who has not been identified to the Subscriber; and

- (aa) the information provided by the Subscriber under the heading "**INFORMATION REGARDING THE SUBSCRIBER**" is true and correct in all material respects and will be true and correct as of the Closing Time.

Representations, Warranties and Covenants of the LP

8. The LP hereby represents, warrants and covenants to the Subscriber (and acknowledges that the Subscriber is relying thereon) that:
- (a) the LP is a duly formed and validly subsisting limited partnership under the laws of the Province of British Columbia and has full corporate power and authority to execute and deliver this Subscription Agreement, to issue each of the Units to the Subscriber and to perform each of its obligations as herein contemplated;
 - (b) this Subscription Agreement, when accepted by the LP but subject to the Subscriber's right of cancellation as contemplated under Section 9 herein, if applicable, will constitute a binding obligation of the LP enforceable in accordance with its terms;
 - (c) the execution and delivery of, and the performance of the terms of this Subscription Agreement by the LP, including the issue of the Units, does not and will not constitute a breach of or default under the LP Agreement or any law, regulation, order or ruling applicable to the LP or any agreement, contract or indenture to which the LP is a party or by which it is bound.

Closing

9. If the Subscriber is resident in British Columbia or Manitoba and is purchasing the Units in reliance on the "Offering Memorandum" prospectus exemption under NI 45-106, the Subscriber may elect to cancel this Subscription Agreement at any time after midnight on the second business day after the Subscriber executes and delivers this Subscription Agreement to the LP or the GP on behalf of the LP. In the event that the Subscriber does not exercise such cancellation right, it agrees that, subject to the LP having received offers for Units under the Offering for an aggregate subscription price of \$1,000,000 or more on or before the Closing Time, after midnight on the second business day after the Subscriber executes and delivers this Subscription Agreement to the LP or the GP on behalf of the LP, and the issuance of the Units as directed, the LP may, in its sole discretion, keep and use the Aggregate Subscription Amount as set out in the Offering Memorandum.
10. The Subscriber agrees to deliver to the LP or the GP on behalf of the LP, not later than such date and time that the LP may determine in its sole discretion:
- (a) this duly completed and executed Subscription Agreement, including all applicable Schedules hereto and Appendices thereto; and
 - (b) a wire, transfer, certified cheque or bank draft payable to, or to the account of **U.S. APARTMENTS LIMITED PARTNERSHIP** for the Aggregate Subscription Amount, unless the LP agrees that the Aggregate Subscription Amount may be delivered on the Closing Date against delivery of the certificates representing the Units.
11. The sale of the Units pursuant to this Subscription Agreement will be completed (the "**Closing**") at the office of the LP on or before such date (the "**Closing Date**") and at such time (the "**Closing Time**") as the LP may determine. The Subscriber acknowledges that the certificates representing the Units subscribed for hereunder will be available for delivery at the Closing provided that the

Subscriber has satisfied the requirements of Section 10 hereof and the LP has accepted this Subscription Agreement. The Subscriber hereby authorizes the delivery of such certificates by the transfer agent of the LP, if any, to the LP or its solicitor.

12. The LP shall be entitled to rely on delivery of a PDF or facsimile copy of executed subscriptions, and acceptance by the LP of such PDF or facsimile subscriptions shall be legally effective to create a valid and binding agreement between the Subscriber and the LP in accordance with the terms hereof.

Use of Personal Information

13. The Subscriber acknowledges and consents to the fact that the GP and LP are collecting the Subscriber's (and any beneficial purchaser for which the Subscriber is contracting hereunder) personal information (as that term is defined under applicable privacy legislation, including, without limitation, the *Personal Information Protection Act* (British Columbia) and any other applicable similar replacement or supplemental provincial or federal legislation or laws in effect from time to time) for the purpose of completing the Subscriber's subscription. The Subscriber acknowledges and consents to the GP and LP retaining the personal information for so long as permitted or required by applicable law or business practices. The Subscriber further acknowledges and consents to the fact that the GP or LP may be required by applicable securities laws, stock exchange rules and/or Investment Dealers Association of Canada rules to provide regulatory authorities any personal information provided by the Subscriber respecting itself (and any beneficial purchaser for which the Subscriber is contracting hereunder). The Subscriber represents and warrants that it has the authority to provide the consents and acknowledgements set out in this paragraph on behalf of all beneficial purchasers for which the Subscriber is contracting.
14. In addition, the Subscriber agrees and acknowledges that:
 - (a) the LP or GP will deliver certain personal information, including information regarding the name, address, telephone number, email address and amount subscribed for, to the securities regulatory authorities, including the British Columbia Securities Commission (the "**BCSC**"), the Ontario Securities Commission (the "**OSC**"), the Alberta Securities Commission (the "**ASC**"), the Financial and Consumer Affairs Authority (Securities Division) of Saskatchewan (the "**FCAA**"), the Manitoba Securities Commission (the "**MSC**") or the Prince Edward Island Office of the Superintendent of Securities Office (the "**OSS**");
 - (b) the information is being collected indirectly by the securities regulatory authorities under authority granted to them in securities legislation;
 - (c) the information is being collected for the purposes of the administration and enforcement of such securities legislation;
 - (d) the Subscriber may contact the Administrative Assistant to the Director of Corporate Finance at the BCSC at the 12th Floor, 701 West Georgia Street, Box 10142, Vancouver, British Columbia, V7Y 1L2 (604.899.6854) for information regarding the collection and use of this personal information by the BCSC;
 - (e) the Subscriber may contact the Administrative Assistant to the Director of Corporate Finance at the Ontario Securities Commission at Suite 1903, Box 5520, Queen Street West, Toronto, Ontario, M5H 3S8 (416.593.8086) for information regarding the collection and use of this personal information by the OSC;
 - (f) the Subscriber may contact the MSC at 500 - 400 St. Mary Avenue, Winnipeg, Manitoba R3C 4K5 (204 945 2548) for information regarding the collection and use of this personal information by the MSC;

CAUTIONARY NOTE

Under National Instrument 33-105 *Underwriting Conflicts*, Harbourfront Wealth Management Inc. (the "Agent") may be considered to be a "connected issuer" and a "related issuer" to the LP in connection with the offering of Units (the "Offering").

The Agent is the exclusive selling agent of the LP. The Agent and Willoughby Asset Management Inc. (the "GP"), the general partner of the LP, share common directors and officers. Additionally, both the Agent and the GP are wholly-owned by HF Investment Holdings Inc.

The terms of the Offering, including the price of the Units offered, was determined by the GP. The LP confirms that the Agent did not require the LP to undertake the Offering. The LP is not indebted to the Agent as at _____, and the proceeds of the Offering will not be used for the benefit of the Agent in any manner.

Please consider carefully the following risk factors regarding the relationship among the LP, the GP, and the Agent, and potential conflicts of interest.

CIPF Coverage

Canadian Investor Protection Fund ("CIPF") coverage does not protect against market losses regardless of how they occur. Accordingly, coverage will not apply to any market losses in non-arm's length investment products that would arise on insolvency of the Agent or any other IIROC dealer member.

Conflicts of Interest

The LP may be subject to risks with respect to various conflicts of interest.

Investors may purchase Units of the LP only through the Agent. Class A Units of the LP may only be purchased in Fee Based and/or Managed Accounts held with the Agent. Purchasers of Class A Units will be required to pay fees to the Agent in respect of holdings of Class A Units and such fees may reduce the amount invested in the LP. The Agent may be paid up to 3% of the capital raise fee (as defined in the LP Agreement) paid to the GP from the sale of the Class B Units of the LP.

The GP as well as its employees, directors and officers may, in their sole discretion, invest their own money in the LP and may, from time to time, have substantial holdings in the LP.

The LP will pay the GP a management fee from otherwise distributable cash. As such, the fee will ultimately be borne by the holders of the different units of the LP.

Involvement in Other and Competing Activities

Certain of the directors and officers of the GP are also directors and officers of the Agent. Although the GP will have various obligations to the LP, situations may arise where the interests of the directors, officers, employees and shareholders of the GP could conflict with the interests of the LP.

The GP and its officers, directors, employees, or shareholders and their respective affiliates and associates are not limited or affected in their ability to carry on other business ventures for their own account, or for the account of others, and may be engaged in the development of, investment in, or management of businesses that may compete with the business of the LP. Investment in the LP will not carry with it the right of the LP or of any of its limited partners to invest in any other venture of the GP or its affiliates or associates or to any profit therefrom or to any interest therein. The GP may have a conflict of interest in carrying out its obligations to the LP as a result of its involvement in competing activities.

derived from or related to any activity that is deemed criminal under the law of Canada, the United States of America, or any other jurisdiction, or (ii) are being tendered on behalf of a person or entity who has not been identified to the Subscriber; and

- (aa) the information provided by the Subscriber under the heading "**INFORMATION REGARDING THE SUBSCRIBER**" is true and correct in all material respects and will be true and correct as of the Closing Time.

Representations, Warranties and Covenants of the LP

8. The LP hereby represents, warrants and covenants to the Subscriber (and acknowledges that the Subscriber is relying thereon) that:
- (a) the LP is a duly formed and validly subsisting limited partnership under the laws of the Province of British Columbia and has full corporate power and authority to execute and deliver this Subscription Agreement, to issue each of the Units to the Subscriber and to perform each of its obligations as herein contemplated;
 - (b) this Subscription Agreement, when accepted by the LP but subject to the Subscriber's right of cancellation as contemplated under Section 9 herein, if applicable, will constitute a binding obligation of the LP enforceable in accordance with its terms;
 - (c) the execution and delivery of, and the performance of the terms of this Subscription Agreement by the LP, including the issue of the Units, does not and will not constitute a breach of or default under the LP Agreement or any law, regulation, order or ruling applicable to the LP or any agreement, contract or indenture to which the LP is a party or by which it is bound.

Closing

9. If the Subscriber is resident in British Columbia or Manitoba and is purchasing the Units in reliance on the "Offering Memorandum" prospectus exemption under NI 45-106, the Subscriber may elect to cancel this Subscription Agreement at any time after midnight on the second business day after the Subscriber executes and delivers this Subscription Agreement to the LP or the GP on behalf of the LP. In the event that the Subscriber does not exercise such cancellation right, it agrees that, subject to the LP having received offers for Units under the Offering for an aggregate subscription price of \$1,000,000 or more on or before the Closing Time, after midnight on the second business day after the Subscriber executes and delivers this Subscription Agreement to the LP or the GP on behalf of the LP, and the issuance of the Units as directed, the LP may, in its sole discretion, keep and use the Aggregate Subscription Amount as set out in the Offering Memorandum.
10. The Subscriber agrees to deliver to the LP or the GP on behalf of the LP, not later than such date and time that the LP may determine in its sole discretion:
- (a) this duly completed and executed Subscription Agreement, including all applicable Schedules hereto and Appendices thereto; and
 - (b) a wire, transfer, certified cheque or bank draft payable to, or to the account of **U.S. APARTMENTS LIMITED PARTNERSHIP** for the Aggregate Subscription Amount, unless the LP agrees that the Aggregate Subscription Amount may be delivered on the Closing Date against delivery of the certificates representing the Units.
11. The sale of the Units pursuant to this Subscription Agreement will be completed (the "**Closing**") at the office of the LP on or before such date (the "**Closing Date**") and at such time (the "**Closing Time**") as the LP may determine. The Subscriber acknowledges that the certificates representing the Units subscribed for hereunder will be available for delivery at the Closing provided that the

Subscriber has satisfied the requirements of Section 10 hereof and the LP has accepted this Subscription Agreement. The Subscriber hereby authorizes the delivery of such certificates by the transfer agent of the LP, if any, to the LP or its solicitor.

12. The LP shall be entitled to rely on delivery of a PDF or facsimile copy of executed subscriptions, and acceptance by the LP of such PDF or facsimile subscriptions shall be legally effective to create a valid and binding agreement between the Subscriber and the LP in accordance with the terms hereof.

Use of Personal Information

13. The Subscriber acknowledges and consents to the fact that the GP and LP are collecting the Subscriber's (and any beneficial purchaser for which the Subscriber is contracting hereunder) personal information (as that term is defined under applicable privacy legislation, including, without limitation, the *Personal Information Protection Act* (British Columbia) and any other applicable similar replacement or supplemental provincial or federal legislation or laws in effect from time to time) for the purpose of completing the Subscriber's subscription. The Subscriber acknowledges and consents to the GP and LP retaining the personal information for so long as permitted or required by applicable law or business practices. The Subscriber further acknowledges and consents to the fact that the GP or LP may be required by applicable securities laws, stock exchange rules and/or Investment Dealers Association of Canada rules to provide regulatory authorities any personal information provided by the Subscriber respecting itself (and any beneficial purchaser for which the Subscriber is contracting hereunder). The Subscriber represents and warrants that it has the authority to provide the consents and acknowledgements set out in this paragraph on behalf of all beneficial purchasers for which the Subscriber is contracting.
14. In addition, the Subscriber agrees and acknowledges that:
 - (a) the LP or GP will deliver certain personal information, including information regarding the name, address, telephone number, email address and amount subscribed for, to the securities regulatory authorities, including the British Columbia Securities Commission (the "**BCSC**"), the Ontario Securities Commission (the "**OSC**"), the Alberta Securities Commission (the "**ASC**"), the Financial and Consumer Affairs Authority (Securities Division) of Saskatchewan (the "**FCAA**"), the Manitoba Securities Commission (the "**MSC**") or the Prince Edward Island Office of the Superintendent of Securities Office (the "**OSS**");
 - (b) the information is being collected indirectly by the securities regulatory authorities under authority granted to them in securities legislation;
 - (c) the information is being collected for the purposes of the administration and enforcement of such securities legislation;
 - (d) the Subscriber may contact the Administrative Assistant to the Director of Corporate Finance at the BCSC at the 12th Floor, 701 West Georgia Street, Box 10142, Vancouver, British Columbia, V7Y 1L2 (604.899.6854) for information regarding the collection and use of this personal information by the BCSC;
 - (e) the Subscriber may contact the Administrative Assistant to the Director of Corporate Finance at the Ontario Securities Commission at Suite 1903, Box 5520, Queen Street West, Toronto, Ontario, M5H 3S8 (416.593.8086) for information regarding the collection and use of this personal information by the OSC;
 - (f) the Subscriber may contact the MSC at 500 - 400 St. Mary Avenue, Winnipeg, Manitoba R3C 4K5 (204 945 2548) for information regarding the collection and use of this personal information by the MSC;

SCHEDULE B – Fund LP Agreement

(Fund LP Agreement begins on the following page)

LIMITED PARTNERSHIP AGREEMENT
U.S. APARTMENTS LIMITED PARTNERSHIP

Dated for reference July 21, 2017

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U.S. APARTMENTS LIMITED PARTNERSHIP

LIMITED PARTNERSHIP AGREEMENT

THIS AGREEMENT is dated for reference July 21, 2017

AMONG:

Willoughby Asset Management Inc., a British Columbia corporation, having its registered and records office at 3100-1021 West Hastings Street, Vancouver, BC V6E 0C3

(the "**General Partner**")

AND:

Lynn Stibbard, a businessperson having an address at 3100-1021 West Hastings Street, Vancouver, BC V6E 0C3

(the "**Initial Limited Partner**")

AND:

Each additional party who from time to time is accepted as a limited partner in the **U.S. APARTMENTS LIMITED PARTNERSHIP**, or who is a successor of any such person and who becomes a limited partner upon the terms and conditions of this Agreement

(hereinafter individually called a "**Limited Partner**" and collectively called the "**Limited Partners**")

WHEREAS:

- A. The General Partner, as the general partner, and the Initial Limited Partner, as the initial limited partner, desire that the Limited Partnership be formed as a limited partnership under the Act;
- B. The General Partner has agreed to offer Class A Units and Class B Units of the Limited Partnership in such jurisdictions where it may be permitted to do so, for the purpose of financing the acquisition of the LP Units, and the General Partner shall admit subscribers for Class A Units and Class B Units as Limited Partners on the terms herein set out; and
- C. The General Partner and the Initial Limited Partner desire to set forth their covenants and agreements in respect of the Limited Partnership.

THIS AGREEMENT WITNESSES THAT, in consideration of the covenants and agreements contained herein, the parties hereto covenant and agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

Where used in this Agreement, unless the context otherwise requires, the following terms will have the following meanings:

- (a) "**Act**" means the *Partnership Act* (British Columbia);
- (b) "**Acquisition Fee**" means a fee equal to 1% of the total purchase price of a Property, payable by a WWC Owner Partnership to WWC upon the completion of the purchase of a Property by a WWC Owner Partnership;
- (c) "**Affiliate**" will have the meaning ascribed to it in Section 1 of the *Business Corporations Act* (British Columbia);
- (d) "**Agreement**" means this Limited Partnership Agreement, including the recitals and any schedules attached hereto and will include every agreement varying, modifying, amending or supplementing this Limited Partnership Agreement and the expressions "this Agreement", "hereto", "hereof", "herein", "hereunder", "hereby", and similar expressions will have the same meaning as "Agreement";
- (e) "**Asset Management Fee**" means the annual fee equal to 1% of the capital raised that the Limited Partnership receives through the sale of Units to compensate the General Partner for its asset management services;
- (f) "**Asset Setup Fee**" means a fee equal to \$8,500, payable by a WWC Owner Partnership to WWC upon the completion of the purchase of a Property by a WWC Owner Partnership;
- (g) "**Bank**" means presently the Limited Partnership main bank, or such other bank as may be determined by the General Partner from time to time as the Limited Partnership's main bank;
- (h) "**Capital Account**" means the account of a Partner established pursuant to Section 8.1 and being the Capital Contribution of that Partner (or any predecessor of that Partner), adjusted from time to time pursuant to the provisions of this Agreement;
- (i) "**Capital Contribution**" means, with respect to any Partner:
 - (i) the amount of money; and/or
 - (ii) the fair market value of any property (other than money), if any, net of any liability secured by such property that the Limited Partnership assumes or takes such property subject to;

contributed or agreed to be contributed to the Limited Partnership by a Limited Partner for the Unit(s) issued by the Limited Partnership to that Limited Partner;

- (j) "**Capital Raise Fee**" means 5% of the funds invested by the Limited Partnership in LP Units, payable to the Manager as compensation for securing subscriptions of Units;
- (k) "**Certificate**" means the certificate filed with the Registrar of Companies for the Province of British Columbia in accordance with Section 51 of the Act for the purpose of creating the Limited Partnership, as such certificate may be amended from time to time;
- (l) "**Class A Unit**" means the interest of a Limited Partner in the Limited Partnership consisting of a right to participate in the income and losses of the Limited Partnership which are allocated to the holders of the Class A Units, to participate in the distribution of the net assets of the Limited Partnership which are allocated to the holders of the Class A Units upon a liquidation or winding up of the Limited Partnership, and such other rights as are prescribed under this Agreement;
- (m) "**Class B Unit**" means the interest of a Limited Partner in the Limited Partnership consisting of a right to participate in the income and losses of the Limited Partnership which are allocated to the holders of the Class B Units, to participate in the distribution of the net assets of the Limited Partnership which are allocated to the holders of the Class B Units upon a liquidation or winding up of the Limited Partnership, and such other rights as are prescribed under this Agreement;
- (n) "**Class B Unit Commission**" means the commission that the Manager may pay to Harbourfront in connection with the sale of the Class B Units from the Capital Raise Fee. The Manager may pay part (3%) of the Capital Raise Fee (5%) received from each WWC Partnership to Harbourfront in connection with the sale of Class B Units;
- (o) "**Control**", and its derivations thereof, will have the meaning provided for it in Section 2 of the *British Columbia Corporations Act* with respect to control of any body corporate, and in relation to any limited partnership or trust means control (with the same definition) of the General Partner or trustee, as the case may be;
- (p) "**Current Account**" means the account of a Partner established pursuant to Section 8.2, adjusted from time to time pursuant to the provisions of this Agreement;
- (q) "**Disposition Fee**" means a fee payable upon the sale of a whole or any part of a Property by a WWC Owner Partnership equal to 5% of the difference between the purchase price payable by a WWC Owner Partnership to acquire a Property (including all closing costs payable in connection therewith) and the sale price received by a WWC Owner Partnership upon the sale of a whole or any part of the Property by a WWC Owner Partnership (after the deduction of sales commissions, other pro rations and other closing costs payable in connection therewith);
- (r) "**Harbourfront**" means Harbourfront Wealth Management Inc.;
- (s) "**IFRS**" means International Financial Reporting Standards as set forth in Part I of the CPA Canada Handbook Accounting;

- (t) **"Initial Capital Contribution"** means the Capital Contribution made by the Initial Limited Partner pursuant to Section 3.5;
- (u) **"Initial Limited Partner"** means Lynn Stibbard;
- (v) **"Initial Units"** means the Initial Units issued to the Initial Limited Partner as set out in Section 3.5;
- (w) **"Investment Criteria"** means those criteria set forth in Schedule C attached hereto;
- (x) **"Limited Partners"** means the Initial Limited Partner and each and every Person who is admitted to the Limited Partnership as a Limited Partner, or who becomes a Limited Partner pursuant to the provisions of this Agreement or who is admitted to the Limited Partnership as a successor to any Limited Partner, for so long as such Person remains a Limited Partner pursuant to the provisions of this Agreement, and **"Limited Partner"** means any one of the Limited Partners;
- (y) **"Limited Partnership"** means the limited partnership formed under the Act and pursuant to the terms of this Agreement;
- (z) **"LP Unit"** means the interest of a Limited Partner in a WWC Partnership consisting of the rights granted under the WWC Partnership Agreement governing that WWC Partnership;
- (aa) **"Manager"** means Willoughby Asset Management Inc., a company incorporated under the laws of British Columbia;
- (bb) **"Mortgage Guarantee Fee"** means a fee payable by a WWC Owner Partnership to WWC for the guarantee of any acquisition loan, financing or refinancing in connection with a Property equal to 1% of the amount guaranteed;
- (cc) **"Net Income"** means, with respect to any fiscal year of the Limited Partnership, the amount that would be the net income of the Limited Partnership calculated in accordance with Section 7.2 of this Agreement;
- (dd) **"Net Loss"** means, with respect to any fiscal year, the amount that would be the net loss of the Limited Partnership calculated in accordance with Section 7.2 of this Agreement;
- (ee) **"Operating Policies"** means those policies set forth in Schedule C attached hereto;
- (ff) **"Partners"** means the General Partner and all Limited Partners, and **"Partner"** means any one of the Partners;
- (gg) **"Person"** means any individual, partnership (general or limited), limited liability company, joint venture, syndicate, association, trust, body corporate or other entity, and a natural Person in such person's capacity as trustee, executor, administrator or other legal representative;
- (hh) **"Prime Rate"** means that certain annual variable rate of interest published or declared by the Bank from time to time at its main branch in Vancouver which is

used to determine the interest rate it will charge for Canadian dollar loans made in Canada, and is designated by the Bank as its prime rate. In the event of a dispute as to the prime rate in effect from time to time, the certificate of the manager or acting manager of the said branch as to such rate will be accepted as conclusive evidence thereof for all purposes of this Agreement;

- (ii) "**Properties**" means multi-unit residential properties located in the states of Arizona, Nevada, Colorado and other states in the United States and a "**Property**" as any one of them;
- (jj) "**ProRata Interest**" of a Partner at any time means the fraction resulting from the division of the total number of Class A Units or Class B Units held by such Partner at such time by the total number of Class A Units and Class B Units outstanding at such time, as applicable;
- (kk) "**Register**" means the register of the Limited Partnership referred to in Section 7.1(b);
- (ll) "**Related Party**" means:
 - (i) any partner, officer or director of the General Partner;
 - (ii) any corporation, partnership, trust or other entity controlling, controlled by or under common control with the General Partner or a partner, officer or director of the General Partner, and
 - (iii) any officer, director, trustee, or employee of any corporation, partnership, trust or other entity controlling, controlled by or under common control with, the General Partner or a partner, officer or director of the General Partner;
- (mm) "**Reserve**" and "**Reserves**" means, with respect to any period, funds set aside or amounts allocated during such period in amounts deemed sufficient by the General Partner to supplement cash flow and to pay costs or expenses relating to the Limited Partnership;
- (nn) "**Schedule**" means a schedule to this Agreement;
- (oo) "**Special Resolution**" means:
 - (i) a resolution passed by the affirmative vote of such number of the Partners entitled to vote on the resolution, in person or by proxy, holding in the aggregate not less than 75% of the Units then outstanding, at a duly convened meeting of the Partners, or
 - (ii) a written resolution signed in one or more counterparts by Partners (or their lawful attorney) holding, in the aggregate, not less than 75% of the Units then outstanding, notice of which has been given to all Partners; or
 - (iii) in the case of the reconvening of an adjourned meeting pursuant to Section 5.2(b), a resolution passed by the affirmative vote of such number of the Partners present at such duly reconvened meeting and entitled to vote on the resolution, in person or by proxy (the "**Present Partners**"),

holding in the aggregate not less than 75% of the Units held by the Present Partners,

- (pp) **"Subscription Agreement"** means the subscription agreement for the subscription of a Unit or Units in the form attached as Schedule B;
- (qq) **"Tax Act"** means such taxing statute in force from time to time that affects the Limited Partnership, including, without limitation (and as applicable):
 - (i) the *Income Tax Act* (Canada) as amended from time to time; and
 - (ii) any other statute or regulation enacted by the parliament or government of Canada, by the legislature or government of any province of Canada or by any other legislative or governmental body of any other country, province, state or territory;
- (rr) **"Tax Income"** and **"Tax Loss"** means, in respect of any period, income or loss for such period, including any taxable capital gain or allowable capital loss, determined in accordance with the Tax Act;
- (ss) **"Unanimous Resolution"** means:
 - (i) a resolution passed by the affirmative vote of such number of the Partners holding Class A Units and Class B Units entitled to vote on the resolution, in person or by proxy, holding in the aggregate not less than 100% of the Class A Units and Class B Units then outstanding, at a duly convened meeting of the Partners holding Class A Units and Class B Units or any adjournment thereof; or
 - (ii) a written resolution signed in one or more counterparts by Partners (or their lawful attorney) holding, in the aggregate, not less than 100% of the Class A Units and Class B Units then outstanding, notice of which has been given to all Partners holding Class A Units and Class B Units;
- (tt) **"Unit Certificate"** means the certificate to be issued by the General Partner to represent and evidence the Unit or Units issued to and held by a Limited Partner, and which Unit Certificates will be in the form attached as Schedule A;
- (uu) **"Unit"** wherever used means either a Class A Unit or a Class B Unit, or both of them, as applicable;
- (vv) **"Unitholder"** means a limited partner holding Units in the Limited Partnership;
- (ww) **"WWC"** means Western Wealth Capital Management Ltd. or Affiliate;
- (xx) **"WWC Asset Management Fee"** means a fee payable by a WWC Owner Partnership to WWC monthly on the last day of each month during which a WWC Owner Partnership owns the whole or any part of a Property, in an amount equal to the greater of:
 - (i) \$1,500 per month; or

- (ii) 3% of all rental and other income from a Property (including interest income earned on any such monies prior to their distribution), but excluding therefrom security deposits and advance rents (unless and until applied), tenant incentive payments or allowances and tenant expense recoveries;
- (yy) "**WWC GP**" means the general partner of a WWC Partnership;
- (zz) "**WWC Fees**" means collectively the Acquisition Fee, the WWC Asset Management Fee, the Asset Setup Fee, the Disposition Fee and the Mortgage Guarantee Fee;
- (aaa) "**WWC GP Owner**" means the general partner of an Arizona limited partnership which will be the beneficial owner of a Property;
- (bbb) "**WWC Owner Partnership**" means an Arizona limited partnership which will be the beneficial owner of a Property;
- (ccc) "**WWC Partnership**" means a limited partnership created under the laws of British Columbia for the acquisition, directly or indirectly, of a Property which meets the Investment Criteria and Operating Policies;
- (ddd) "**WWC Partnership Agreement**" means a limited partnership agreement pursuant to which a WWC Partnership is formed; and
- (eee) "**WWC Underlying Partnership**" means the limited partnership which each WWC Partnership directly or indirectly invests which will own all of the WWC Owner Partnership limited partnership units.

1.2 Interpretation

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following provisions will govern the interpretation of this Agreement, namely:

- (a) headings are inserted for convenience of reference only and are not intended to interpret, define or limit the scope, extent or intent of this Agreement or any provisions hereof;
- (b) all references to articles, sections, sub-sections and other subdivisions and to Schedules are references to articles, sections, sub-sections, subdivisions and Schedules of or annexed to and forming part of this Agreement; a reference in a section to a sub-section will refer to the sub-section of that section;
- (c) all accounting terms not otherwise defined herein will have the meanings ascribed to them in accordance with IFRS;
- (d) all references to currency or dollar amounts will mean currency or dollar amounts in lawful money of Canada;
- (e) any reference to a statute or law will include and will be deemed to refer to such statute and to the regulations and rules made or promulgated thereunder, together with all amendments made thereto and in force from time to time, and to

any statute, regulation or rule that may be passed which has the effect of supplementing or superseding such statute, regulations or rules made pursuant thereto;

- (f) any reference to "approval", "authorization" or "consent" of the General Partner will mean the approval, authorization or consent, in writing, of the General Partner;
- (g) whenever the context may require, any pronouns used herein will include the corresponding masculine, feminine or neuter forms and any singular form of names and pronouns will include the plural, and vice versa;
- (h) a general statement, term or matter when followed by the word "including", will not be construed as limited to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not language such as "without limitation" or "but not limited to" or words of similar import are used with reference thereto, but rather the general statement, term or matter will be deemed to refer to all items and matters that could reasonably fall within the broadest possible scope of such general statement, term or matter;
- (i) any reference to "distributions" or "distributed" or like words will refer to any amount paid or other property distributed by the Limited Partnership to a Partner in respect of the interest of such Partner in the Limited Partnership, but will not include amounts paid to a Partner in respect of property acquired by the Limited Partnership from, or services provided to the Limited Partnership by such Partner; and
- (j) the language in all parts of this Agreement will in all cases be construed as a whole and neither strictly for, nor strictly against, any of the parties hereto.

1.3 Schedules

The following are the Schedules to this Agreement:

Schedule A - Form of Unit Certificate

Schedule B - Form of Subscription Agreement and Power of Attorney and Agreement to be Bound

Schedule C - Investment Criteria and Operating Policies

ARTICLE 2 THE LIMITED PARTNERSHIP

2.1 Formation

The General Partner and the Initial Limited Partner hereby confirm the formation of the Limited Partnership as a limited partnership under the provisions of the Act. The rights and liabilities of the Limited Partnership will be as provided in the Act, except as otherwise expressly provided herein.

2.2 Name

The name of the Limited Partnership will be "U.S. Apartments Limited Partnership". The business of the Limited Partnership may also be conducted under such other name or names as the General Partner may hereafter determine from time to time.

2.3 Business

The business and purpose of the Limited Partnership will be to invest in three to five WWC Partnerships which, directly or indirectly, will each acquire a Property which meets the Investment Criteria, and follow the Operating Policies and to conduct such other business and activities that are necessary or incidental to the foregoing or that can be conveniently carried on in relation to the foregoing.

2.4 Office

The office of the Limited Partnership will be located at 3100-1021 West Hastings Street, Vancouver, BC, or at such other address or addresses in the Province of British Columbia as the General Partner may from time to time designate in writing. The General Partner will give notice to all other Partners of any change in the address of the office of the Limited Partnership. The business of the Limited Partnership may be conducted at such other place or places as may from time to time be determined, selected or approved by the General Partner.

2.5 Term

The term of the Limited Partnership will commence upon the date of filing of the Certificate and will continue thereafter until terminated pursuant to the provisions of ARTICLE 10.

2.6 Fiscal Year

The fiscal year of the Limited Partnership will end on December 31 in each year unless otherwise determined by the General Partner in its sole discretion.

**ARTICLE 3
UNITS, CAPITAL AND CAPITAL CONTRIBUTIONS**

3.1 Units

The interest of each Limited Partner will be represented by a Unit or Units.

3.2 Nature of Units

Each Unit, subject to the qualifications set out below, entitles the Limited Partner holding such Unit to:

- (a) one vote in respect of such Unit;
- (b) to receive a return of their Capital Contributions;
- (c) to be paid a share of the profits or allocated a portion of the loss of the Limited Partnership, or to receive compensation by way of income or otherwise in

respect of their Capital Contributions in the manner provided in Sections 8.3 and 8.4;

- (d) a share of distributions of cash flow in accordance with Section 8.8; and
- (e) a share of surplus proceeds in accordance with Section 8.10.

For greater certainty, the Class A Units and the Class B Units carry the same rights with the exception that the Class B Unit Commission may be payable by the Manager in connection with the sale of the Class B Units.

3.3 Units and Capital

All Units will be non-redeemable and no fractional Units will be issued.

Subject to the particular rights and obligations of the General Partner as described in this Agreement, each Partner's interest in the Limited Partnership will be in the same proportion to the total interest of all Partners in the Limited Partnership as the number of Units held by such Partner bears to the total number of Units outstanding at any time.

A Limited Partner's interest in the Limited Partnership will continue so long as that Limited Partner holds one or more Units in the Limited Partnership. Subject to Section 6.13, the General Partner's interest in the Limited Partnership will continue so long as the General Partner continues to act as the general partner of the Limited Partnership.

3.4 Subscriptions for Units

The Limited Partnership may raise capital for the Limited Partnership only by the issuance of the Units.

3.5 Acquisition of Initial Units

The parties acknowledge that the Initial Limited Partner has agreed to take up and pay for one Class A Unit for an aggregate Capital Contribution of \$1.00 as follows:

<u>Partner</u>	<u>Number of Class A Units</u>	<u>Capital Contribution</u>
Initial Limited Partner	One (1) Class A Unit	\$1.00

3.6 Offering and Issuance of Units

Units may be issued to such Persons as the General Partner, in its sole discretion, determines appropriate. Subject to the terms of this Agreement and compliance with applicable securities legislation, the General Partner has sole and complete discretion and authority to determine the terms and conditions of the offering and issue of the Units, including without limitation, to determine the Persons to whom Units will be issued, the number of Units which will be issued to any such Person and the terms and conditions upon which such Units will be issued. The General Partner is authorized and directed to do all things, in its sole and unfettered discretion, which it deems to be necessary, convenient, appropriate or advisable in connection therewith.

3.7 Subscription & Ownership

Except as otherwise determined by the General Partner, Persons will subscribe for Units by delivery to the General Partner of a subscription agreement and power of attorney and agreement to be bound in the form attached hereto as Schedule B or in such other form as the General Partner may require, and to be completed and executed in a manner acceptable to the General Partner, together with such other agreements, instruments and documents as the General Partner may require. No subscription by a Limited Partner may be made or will be accepted for a fraction of a Unit.

Upon the acceptance by the General Partner of a subscription for Units and receipt of payment of the Capital Contribution for such Units, the General Partner will cause the subscriber to be entered on the Register as a Limited Partner.

A Person will become a Limited Partner as of the date on which its ownership of Units is entered in the Register and for such purposes the respective date stated in the Register will be deemed to be the date on which its ownership of Units is entered in the Register.

3.8 Payment of Capital Contribution

The Capital Contribution payable in respect of the issuance at any time of any additional Units will be the amount determined by the General Partner, acting in its sole discretion. Notwithstanding the foregoing, unless otherwise determined by the Special Resolution, the price for each Unit will be \$1.00.

3.9 Capital Accounts

The capital of the Limited Partnership is the aggregate amount of the Capital Accounts of the Partners. A separate Capital Account, as described in Section 8.1, will be maintained for each Partner and will initially be credited with the amount of each Partner's respective Capital Contribution actually made to the Limited Partnership by way of its purchase of Units. A Partner will not be entitled to receive repayment from its Capital Account or to receive any distribution except as provided in this Agreement.

3.10 Interest on Capital Contribution

No Partner will be entitled to any interest on the account of their Capital Contributions to the Limited Partnership.

3.11 Contribution of the General Partner

The General Partner may make a capital contribution for the purchase of Class A Units or Class B Units and with respect to the Class A Units or Class B Units so purchased, the General Partner will have the same rights as any Limited Partner, including the right to receive allocations of income and losses and to receive distributions with respect to the Class A Units or Class B Units held in the name of the General Partner in accordance with the allocation and distribution provisions of this Agreement.

3.12 Unit Certificates

Upon request by a Unitholder, the General Partner will issue, or will cause to be issued, certificates to evidence the Units held by the Limited Partners, within a reasonable period of time after the acceptance by the General Partner of the applicable subscription

for such Units and receipt of payment by the General Partner of the Capital Contribution for such Units. Each Unit Certificate will be in such form as is from time to time approved by the General Partner and will be signed by the General Partner. Until otherwise determined by the General Partner, the Unit Certificate will be substantially in the form attached as Schedule A and will indicate whether the Unit Certificate is issued with respect to a Class A Unit or a Class B Unit. Each and every Limited Partner will be entitled to receive a Unit Certificate to evidence the Units held by such Limited Partner.

3.13 Endorsement of Unit Certificates

Each Unit Certificate issued to a Limited Partner will be endorsed as follows:

The Units referred to in this Certificate are subject to the terms of the Limited Partnership Agreement of U.S. Apartments Limited Partnership dated for reference _____, 2017 among the General Partner and the Initial Limited Partner, and such Units are transferable only in accordance with and subject to the terms of such Limited Partnership Agreement.

3.14 Lost Unit Certificates

Where a Limited Partner claims that its Unit Certificate has been defaced, lost, apparently destroyed or wrongly taken, the General Partner will cause a new Unit Certificate to be issued in substitution for the original Unit Certificate if the Limited Partner files with the General Partner an indemnity bond or other form of security or undertaking in form and amount satisfactory to the General Partner to protect the General Partner and the Limited Partnership from any loss, cost or damage that they may incur or suffer by complying with the request to issue a new Unit Certificate, and if the Limited Partner satisfies such other reasonable requirements imposed by the General Partner including a requirement to deliver a form of proof of loss or statutory declaration.

ARTICLE 4 THE LIMITED PARTNERS

4.1 Limitation on Authority of Limited Partners

No Partner in its capacity as a Limited Partner, except to the extent permitted by the Act, will:

- (a) take part in the operation, control, management or conduct of the business of the Limited Partnership or exercise any power in connection therewith or transact any business for the Limited Partnership;
- (b) execute any document which binds or purports to bind any other Partner or the Limited Partnership; or
- (c) hold itself out as having the power to act for or to undertake any obligation or responsibility on behalf of any other Partner or the Limited Partnership;

except that the General Partner may do all of the foregoing in its capacity as General Partner on behalf of the Limited Partnership notwithstanding that the General Partner or any shareholder, director or officer thereof may also be a Limited Partner.

4.2 Limited Liability

Subject to the provisions of the Act, the liability of each Limited Partner for the debts, liabilities and obligations of the Limited Partnership is limited to the amount of its Capital Contribution and the Limited Partner will have no further personal liability for such debts, liabilities or obligations and after making payment of the full amount of his, her or its Capital Contribution to the Limited Partnership. Each Limited Partner will not be subject to, nor be liable for, any further calls or assessments or further contributions to the Limited Partnership. Where a Limited Partner has received the return of all or part of its Capital Contribution, the Limited Partner will be liable to the Limited Partnership for any amount, not in excess of the amount returned with interest, necessary to discharge the liabilities of the Limited Partnership to all creditors who extended credit or whose claims otherwise arose before the return of the Capital Contribution.

4.3 Indemnity of Limited Partners

The General Partner will indemnify and hold harmless each Limited Partner for any costs, expenses, damages or liabilities suffered or incurred by the Limited Partner if the liability of such Limited Partner is not limited in the manner provided for in this Agreement, except where the absence or loss of limited liability is attributable to any act(s) or omission(s) of such Limited Partner.

4.4 Other Activities of Limited Partners

A Limited Partner may engage in or hold an interest in any other business, venture, investment or activity whether or not similar to or competitive with the business of the Limited Partnership and will not be liable to account therefor to the Limited Partnership or any Partner.

4.5 No Partition Actions or Liens

Except as specifically permitted herein, each Limited Partner covenants that it will not, during the term of this Agreement, bring any action for partition or sale or otherwise in connection with any interest in the business, the property, the assets, or the undertaking of the Limited Partnership, whether real or personal, nor register or permit any lien or charge to be registered or remain undischarged against the business, the property, the assets, or the undertaking of the Limited Partnership.

4.6 Compliance with Laws

Each Limited Partner will, on request of the General Partner, immediately execute any documents considered by the General Partner to be necessary or required to comply with the laws or regulations of any applicable jurisdiction, relating to the continuation, operation and good standing of the Limited Partnership.

4.7 Death, Incapacity and Dissolution

The death, legal incapacity, dissolution, wind-up or separation from a spouse of a Limited Partner or the principal of a Limited Partner will not cause the dissolution of the Limited Partnership, but the rights of such Limited Partner to share in the profits and losses of the Limited Partnership, to receive distributions of Limited Partnership funds and to transfer or assign a Unit or Units, will, on the happening of any such event, devolve on the personal representative or successor of such Limited Partner, or in the

event of the death of a Limited Partner having a Unit or Units held in joint ownership, will pass to the surviving joint owner, subject in all instances to the terms and conditions of this Agreement, and the Limited Partnership will continue as a Limited Partnership. The estate or successor in interest of the Limited Partner or such surviving joint owner, as the case may be, will be liable for all of the obligations of the deceased or dissolved Limited Partner; however, in no event will such Person become a substitute of the Limited Partner, except in accordance with the terms and conditions of this Agreement.

4.8 Status of Each Limited Partner

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

- (a) it is not:
 - (i) a non-resident of Canada within the meaning of the Tax Act, or a non-Canadian for the purposes of the *Investment Canada Act*;
 - (ii) a tax shelter, tax shelter investment, or any other entity or investment which would be a tax shelter investment within the meanings of the Tax Act;
 - (iii) a non-Canadian partnership within the meaning of the Tax Act;
 - (iv) a partnership which does not prohibit investments by either subparagraphs (i), (ii) or (iii) hereof
- (b) it has not borrowed on a loan or any debt to purchase any Units, where the debt would constitute a limited recourse amount within the meaning of the Tax Act;
- (c) if an individual, he or she is of the age of majority;
- (d) it has the requisite power and capacity to enter into this Agreement and to perform its obligations hereunder and, where applicable, the execution and delivery of this Agreement has been duly authorized; and
- (e) it is acquiring a Unit or Units for the purpose of carrying on a business in common with all other Partners with a view to earning a profit within the meaning of the *Income Tax Act* (Canada).

Each Limited Partner covenants and agrees that it will not change its status if such change will have the effect of altering the status of the Limited Partnership under the *Income Tax Act*; and covenants and agrees that it will not transfer or assign, or purport to transfer or assign, its Units to any Person who cannot truthfully represent and warrant the facts set out in paragraphs (a) to (e) above. Each Limited Partner covenants and agrees that it will, upon the request of the General Partner, promptly provide evidence of its status under such statute in such form as the General Partner may request.

4.9 Survival of Representations, Warranties and Covenants

The representations, warranties and covenants made pursuant to Section 4.8 above will survive execution of this Agreement and each Limited Partner will ensure that each representation, warranty and covenant made pursuant to Section 4.8 remains true so long as such Limited Partner remains a Limited Partner.

4.10 Evidence of Status

Each Limited Partner will, upon request, promptly provide evidence to the General Partner that its status under the legislation referred to in Section 4.8(a) is as represented.

4.11 Withdrawal on Loss of Status

If any one or more of the representations of a Limited Partner in Section 4.8(a) are no longer correct, on the day immediately preceding the date on which such representation becomes incorrect (the "**Tender Date**") the Limited Partner will be deemed to have tendered all of the Limited Partner's Units to the General Partner for the account of the Limited Partnership, and the General Partner will have 14 days within which to notify that Limited Partner that it has accepted that tender, effective as of the Tender Date, failing which the General Partner will be deemed to have declined the tender. The General Partner, in its sole discretion, may purchase some or all of the Units tendered at a reasonable price thereof, to be determined by the General Partner in its absolute discretion. The tendering Limited Partner will pay all expenses of the General Partner in respect of the tender, valuation and sale process.

4.12 Acknowledgment to Provide Guarantee for Significant Limited Partners

In the event that third party financing is required in connection with the acquisition of a Property, the lender of such third party financing may require a guarantee from each Person who beneficially owns, directly or indirectly, of such Property. Any Person who owns 10% or more of the Units of the Limited Partnership may indirectly beneficially own 10% of a Property. As a result, any Person who owns 10% or more of the Units may be required to provide a personal guarantee to such lender.

**ARTICLE 5
MEETINGS OF PARTNERS**

5.1 Calling of Meetings

Meetings of the Partners may be called at any time by the General Partner and will be called by the General Partner upon the written request of Limited Partners holding in the aggregate not less than 75% of the outstanding Units, and such request will specify the purposes for which such meeting is to be called. Any such meeting will be held in the City of Vancouver, British Columbia or such other place within British Columbia as the General Partner will designate. If the General Partner fails to convene a meeting upon any such request of Limited Partners within a period of twenty-one (21) days after the giving of such request, the requesting Limited Partners may convene such meeting and the notice calling such meeting will be signed by one or more of requesting Limited Partners. Any meeting called by such requesting Limited Partners will be conducted in accordance with the provisions of this Agreement.

5.2 Quorum

Subject to this Agreement, a quorum at any meeting of the Partners will consist of Partners present, in person or by proxy, who collectively hold or represent by proxy, 80% of the voting rights of all Units and if, within 30 minutes after the time fixed for the commencement of any such meeting, a quorum is not present, the meeting:

- (a) if called by Limited Partners, will be dissolved; and
- (b) if called by the General Partner, will be held at the same time and place on the 14th day next following (or if that date is not a business day, the first business day after that date), and the General Partner will give notice to all of the other Partners of the date of the reconvening of the adjourned meeting, and at such reconvened meeting the quorum will consist of the Partners then present in person or represented by proxy.

5.3 Notice

Notice of all meetings of the Partners, stating the time, place and purpose of the meeting, will be given by the General Partner or other Partners calling the meeting, to each Partner at least seven days, but not more than 40 days, before the meeting. Only the business stated in the notice of meeting and such other business as may be resolved at such meeting to be dealt with will be considered at such meeting. The provisions of Section 5.2 will apply with respect to the notice for adjourned meetings.

5.4 Voting

Every question submitted to a meeting of the Partners, will be decided by Special Resolution on the basis of a poll.

A poll will be taken at all meetings of the Partners and in all instances the results of the poll will determine if the resolution passes or is defeated. For any poll taken at a meeting, each Partner will have one vote for each Unit in respect of which he/she/it is the registered owner or holder. Votes may be given in person or by proxy and a person appointed by proxy need not be a Partner. No person other than the holder of a Unit or a person appointed by proxy or a Person acting pursuant to a power of attorney or a voting trust, is entitled to vote at a meeting of the Partners.

Where two or more Persons are registered as owners of the same Unit Certificate, either or any of them may vote for all of the Units represented thereby. If two or more such Persons tender votes, only the vote of the Person, whose name is first listed in the Register in respect of those Units, will be counted.

5.5 Proxies

At any meeting of the Partners, any Partner entitled to vote thereat may vote by proxy, provided that no proxy will be voted at any meeting unless it will have been placed on file with the General Partner for verification prior to the commencement of the meeting at which such vote will be taken. A proxy purported to be executed by or on behalf of the Partner will be deemed valid unless challenged at or prior to its exercise, and the person challenging will have the burden of proving to the satisfaction of the chairman of the meeting that the proxy is invalid and any decision of the chairman concerning the invalidity of a proxy, will be final and binding.

A vote cast in accordance with the terms of an instrument of proxy will be valid notwithstanding the previous death, incapacity, insolvency or bankruptcy of the Partner giving the proxy or the permitted revocation of the proxy, unless written notice of such death, incapacity, insolvency, bankruptcy or permitted revocation will have been received by the chairman of the meeting prior to the time such vote is cast.

5.6 Form of Proxy

Except as otherwise required herein, every proxy will be substantially in the form which follows or such other form as may be approved by the General Partner or as may be satisfactory to the chairman of the meeting at which it is sought to be exercised:

I, _____, of _____, being a Partner (or his/her/it lawful attorney) of U.S. Apartments Limited Partnership, hereby appoint _____ of _____, as my proxy, with full power of substitution, to vote for me and on my behalf at the meeting of the Partners to be held on the _____ day of _____, _____, and every adjournment thereof and every poll that may take place in consequence thereof.

Witness my hand this _____ day of _____, _____.

(Signature)

Notwithstanding the foregoing, if a Limited Partner does not attend a meeting of the Partners and does not otherwise appoint a proxy in accordance with this Section 5.6, the General Partner as the lawful attorney and agent of each Limited Partner (as herein appointed) will be deemed to be the proxy of each Limited Partner for all purposes hereof and with the full power of substitution.

5.7 Proxy Solicitation

No Person will solicit proxies and any proxy that has been solicited, as determined in the sole discretion of the person acting as chairman of any meeting, shall be invalid.

5.8 Binding Effect of Resolutions

Any resolution passed in accordance with this Agreement will be binding on all of the Partners and their respective heirs, executors, administrators, successors and assigns, whether or not any such Partner was present in person or voted against any resolution so passed and whether or not such Partner received notice of the meeting or a copy of any resolution passed.

5.9 Powers Requiring Special Resolution

For clarity, a Special Resolution is required to approve the exercise of any of the following powers:

- (a) admit a new General Partner to the Limited Partnership in anticipation of the bankruptcy, insolvency, dissolution, liquidation, winding-up or removal of the General Partner, such admission to become effective only upon the actual bankruptcy, insolvency, dissolution, liquidation, winding-up or removal of the General Partner;
- (b) continue the Limited Partnership if the Limited Partnership is terminated by operation of law; and
- (c) amend, modify, alter or repeal any Special Resolution previously passed by the Partners, as determined by the General Partner in its sole discretion.

The foregoing powers will not be exercised if the exercise thereof would constitute management of the business of the Limited Partnership.

5.10 Minutes

The General Partner will cause minutes to be made and kept of all proceedings and resolutions at every meeting and will keep consent resolutions of the Partners. Minutes signed by the chairman of the meeting or by the chairman of the next succeeding meeting, will be deemed evidence of the matters stated in such minutes and such meetings will be deemed to have been duly convened and held and all resolutions or proceedings recorded in such minutes will be deemed to have been duly passed and taken.

5.11 Chair

Unless otherwise determined by Special Resolution, the chair at all meetings of the Partners will be the person acting in the capacity of President of the General Partner.

5.12 Authorized Attendance

The General Partner, acting reasonably, but in its sole discretion, will have the right to authorize the presence of any individual at any meeting of the Partners regardless of whether that individual is a Partner and with the approval of the chair of that meeting, such individual will be entitled to address the meeting.

5.13 Record Dates

For the purposes of determining the Partners who are entitled to vote or act at any meeting or any adjournment thereof, or who are entitled to participate in any distribution, or for the purpose of any other action, the General Partner may from time to time cause the Register to be closed for such period, not exceeding 30 days, as the General Partner may determine; or without causing such Register to be closed, the General Partner may fix a date not more than 20 days prior to the date of any meeting of the Partners, distribution or other action, as a record date for the determination of Partners entitled to vote at such meeting or any adjournment thereof or to receive such distribution or to be treated as Partners of record for purposes of such other action, and any Person who was or is a Partner at the time so fixed will be entitled to vote at such meeting or any adjournment thereof or to receive such distribution, even though he has since that date ceased to be a Partner, and no Partner becoming such after that date will be a Partner of record for purposes of such other action.

5.14 Additional Rules and Procedures

To the extent that the rules and procedures for the conduct of a meeting of the Partners are not prescribed in this Agreement, such rules and procedures will be determined by the chairman of the meeting having regard to, but not being bound by, the then current version of Robert's Rules of Order.

**ARTICLE 6
THE GENERAL PARTNER**

6.1 Management of the Limited Partnership

The General Partner has:

- (a) unlimited liability for the debts, liabilities and obligations of the Limited Partnership; and
- (b) the full and exclusive right, power and authority on behalf of the Limited Partnership and in the name of the Partners to manage, control, administer and operate the business and affairs of the Limited Partnership and to make decisions regarding the undertaking and business of the Limited Partnership, subject only to the restrictions set forth herein or in the Act.

Any action taken by the General Partner on behalf of the Limited Partnership is deemed to be an act of the Limited Partnership and binds the Limited Partnership. In dealing with the General Partner in acting on behalf of the Limited Partnership, no Person will be required to inquire into the authority of the General Partner to bind the Limited Partnership or to do any act, take any proceeding, make any decision or execute and deliver any instrument, deed, agreement or document for and on behalf of and in the name of the Limited Partnership. Persons dealing with the Limited Partnership are entitled to rely conclusively on the power and authority of the General Partner as set forth in this Agreement and the General Partner is authorized to delegate any of its powers in the Agreement as the General Partner may determine.

In consideration of the services rendered by the General Partner to the Limited Partnership, the Manager shall be entitled to receive the Asset Management Fee.

6.2 Specific Powers and Duties

Without restricting or limiting the foregoing in any way, the General Partner is hereby granted the full and exclusive right, power and authority to do or cause to be done for and on behalf of and in the name of the Limited Partnership, any and all acts deemed by the General Partner to be necessary, appropriate, required or incidental to the business, operations and undertakings of the Limited Partnership, including, without limitation, the exclusive right, power and authority to:

- (a) provide over-all management and financial and business planning for and on behalf of the Limited Partnership, and to determine the investment policies, practices and objectives applicable to the Limited Partnership including any restrictions on investments which the General Partner deems advisable, to implement such policies, practices and objectives and to purchase or otherwise acquire any property, assets and undertakings in accordance with such policies, practices and objectives;
- (b) enter into, perform or assume the obligations under any agreements for the acquisition of the LP Units, and the management and operation of the business of the Limited Partnership and the assets or undertakings of the Limited Partnership and for the provision of all necessary services for and on behalf of the Limited Partnership;

- (c) invest in, acquire and hold property, both real and personal, whether by freehold, leasehold or otherwise, and to enter into or renew any lease of any such property;
- (d) develop, construct, improve, expand, tear down and re-build or alter any property or any improvement on any property;
- (e) sell, convey, transfer, exchange and otherwise dispose of all or any portion of the properties, assets, undertakings and investments of the Limited Partnership at any time and from time to time;
- (f) enter into joint ventures, syndicates, partnerships or other forms of co-ownership in respect of any property, asset or undertaking of the Limited Partnership;
- (g) lend money, whether secured or unsecured, on such terms and conditions as the General Partner deems reasonable;
- (h) exercise personally or by general or limited power of attorney all voting rights (if any) and all other rights attaching to or appurtenant to any property, assets, undertakings or investments of the Limited Partnership;
- (i) borrow money in such manner and amounts, and from such sources and on such terms and conditions as the General Partner deems appropriate including, without limiting the generality of the foregoing, for the purpose of financing capital expenditures and financing the business, operations and undertakings of the Limited Partnership;
- (j) in connection with any borrowing referred to herein, execute without limit as to amount, draw, make, issue and deliver negotiable and non-negotiable instruments in evidence of indebtedness and secure the payment of money so borrowed including, without limit, pledging, or assigning in trust, any of the property, assets or undertaking of the Limited Partnership and grant mortgages, liens, charges, encumbrances and other security interests on any property, assets or undertaking of the Limited Partnership;
- (k) renew or extend or participate in the renewal or extension of any mortgage or other security interest upon such terms as the General Partner may deem advisable;
- (l) place registered title to any property or assets of the Limited Partnership in the name of the General Partner or any other nominee or trustee or bare trustee, for the purpose of financing or other convenience for the benefit of the Limited Partnership;
- (m) enter into any license or sub-license agreement with any other Person to obtain rights to technology, intellectual property or otherwise, in such manner and on such terms as the General Partner considers appropriate;
- (n) incur all reasonable expenses relating to the acquisition and operation of the business, property, assets and undertakings of the Limited Partnership or which the General Partner deems are necessary or incidental to or desirable for carrying out the purposes of the Limited Partnership or conducting the business of the Limited Partnership;

- (o) employ, retain or dismiss from employment all necessary personnel, agents, representatives or professionals with the powers and duties, upon the terms, at the places and for the compensation as in the discretion of the General Partner may be necessary or advisable in the carrying on of the business, operations and undertakings of the Limited Partnership;
- (p) retain, dismiss and change legal counsel, accountants, auditors, experts, advisors, agents or consultants as the General Partner will consider appropriate and to rely upon the advice of such persons;
- (q) open accounts for the Limited Partnership in the name of the General Partner or the Limited Partnership, to designate, and from time to time to change, the signatories to the accounts, to execute loan and credit agreements on behalf of the Limited Partnership, and to make deposits to any such account for and on behalf of the Limited Partnership;
- (r) invest and hold funds not immediately required for the operation of the Limited Partnership in a prudent manner;
- (s) submit the Limited Partnership to binding arbitration with respect to the matters pertaining to the assets and undertakings of the Limited Partnership;
- (t) commence, defend and settle any action or proceeding in connection with the Limited Partnership;
- (u) file all returns and provide all other information required by any governmental or like authority;
- (v) enter into and perform all contracts, covenants and obligations of or relating to the Limited Partnership;
- (w) obtain and account for all revenue of the Limited Partnership;
- (x) disburse monies to the Partners in accordance with this Agreement;
- (y) obtain and maintain such insurance coverage as may be determined necessary by the General Partner;
- (z) attend to all matters relating to the sale, distribution and issuing of Units and to acquire any outstanding Unit on terms and conditions acceptable to the General Partner acting in its sole discretion or as otherwise authorized under the terms of this Agreement;
- (aa) attend to all matters and execute all documents relating to the subscription, distribution, sale or transfer of Units pursuant to this Agreement, and to approve or reject any such subscription, distribution, sale or transfer;
- (bb) make, execute, acknowledge and deliver, under seal or otherwise, any instrument, deed, agreement, contract, lease, mortgage, conveyance, guarantee, indemnity, covenant, waiver and other document and take any other steps as are necessary or desirable to effect the power and authority of the General Partner provided herein for and on behalf of and in the name of the Limited Partnership;

- (cc) enter into and perform any agreement to do any of the foregoing; and
- (dd) generally to do all acts and things and to take all steps and proceedings and exercise all rights and privileges in connection with the property, assets and the undertakings of the Limited Partnership which would customarily be carried out by a reasonable and prudent owner and operator in Canada having a like business.

6.3 Title to Property

Subject to the rights of the General Partner at Section 6.2(l), the General Partner will hold legal title to the property, assets and undertakings of the Limited Partnership in its capacity as General Partner of the Limited Partnership and in accordance with the terms of this Agreement and the contractual relationship herein created. It is expressly declared that in respect of the retention or the transfer to the General Partner of legal title to any asset of the Limited Partnership, it is intended that an agency relationship only be created. The General Partner is not charged with any obligations with respect to the property, assets and undertakings of the Limited Partnership other than its contractual rights and obligations herein created and its rights and obligations imposed by the Act. Any trust which may be alleged or held to exist in consequence of the holding of legal title to any asset of the Limited Partnership by the General Partner is expressly declared to be strictly consequential and ancillary to the statutory and contractual relationship herein contracted for and will in no event create greater rights and obligations between the General Partner, as trustee, and the Limited Partnership, as beneficiary, than would exist pursuant to a bare trust.

6.4 Duty of Care

The General Partner will be under the duty to manage and operate the Limited Partnership and the property, assets and undertakings thereof in a manner which would be considered reasonable and prudent for the management of like undertakings in Canada, having due regard and consideration for the interests of the Partners and the Limited Partnership as a whole.

6.5 Maintenance of Limited Liability of Limited Partners

The General Partner will, at all times, conduct the business and affairs of the Limited Partnership in such manner so that, so far as reasonably possible, the liability of each Limited Partner will be limited to the amount of the Capital Contribution of such Limited Partner.

6.6 General Partner to Satisfy Judgment

In furtherance of the intent of the Partners that each Limited Partner will have limited liability:

- (a) the General Partner will arrange to prosecute, defend, settle or compromise all actions at law or in equity at the expense of the Limited Partnership, as such may be necessary to enforce or protect the interest of the Limited Partners; and
- (b) the General Partner will satisfy any judgment, decree, decision or settlement against or with respect to the Limited Partnership, out of the assets and income of the Limited Partnership.

6.7 Transactions Involving Related Parties

The validity of any transaction, agreement or payment involving the Limited Partnership and any Related Party will not be affected by reason of the relationship between the General Partner and such Related Party or the approval of such transaction, agreement or payment by directors of the General Partner, all or some of whom may be officers or directors of or are otherwise interested in or related to such Related Party.

Harbourfront:

Harbourfront is the exclusive selling agent of the Units. The General Partner is an Affiliate of Harbourfront. The General Partner will receive the Capital Raise Fee from each WWC Partnership, from which the General Partner may pay the Class B Unit Commission to Harbourfront.

WWC Partnerships:

The General Partner will be a limited partner of each WWC Partnership.

It is anticipated that David Steele and Janet LePage will be officers, directors and direct or indirect shareholders of:

- (a) each WWC GP;
- (b) the general partner of the WWC Underlying Partnership; and
- (c) the general partner of the WWC Owner Partnership.

It is anticipated that David Steele and Janet LePage will directly or indirectly hold Class B LP Units of each WWC Partnership. David Steele and Janet LePage may directly or indirectly hold limited partnership units in each WWC Underlying Partnership.

The WWC Underlying Partnership will own all limited partnership units in each of the WWC Owner Partnerships.

Investment in Properties:

The business of each WWC Partnership will be to invest in a WWC Underlying Partnership who will own all limited partnership units in each WWC Owner Partnership.

WWC Fees

WWC will be entitled to receive the WWC Fees under each WWC Owner Partnership, partnership agreement.

6.8 Other Activities

The General Partner will not be required to devote its efforts exclusively to or for the benefit of the Limited Partnership. The General Partner and its Related Parties will have the right to engage in, and to organize and operate other partnerships and to engage in other business ventures of any kind, including the operation and ownership of other partnerships or businesses engaged in a business similar to, or competitive with, that of the Limited Partnership. In the absence of bad faith on the part of the General Partner or its Related Parties, any resolution of or course of action relating to any conflict of interest

by the General Partner will be deemed fair and reasonable and will not constitute a breach of this Agreement or a duty owed by the General Partner to the Limited Partnership. Engaging in any such activity by the General Partner and its Related Parties will not be considered a breach of any duty that the General Partner and its Related Parties may have to the Limited Partnership or to the Limited Partners, and the Limited Partnership will have no interest in any profits that may be realized with respect to any such activity.

6.9 Limitation of Liability

Neither the General Partner nor any of its officers, directors, shareholders or employees will be liable, responsible for, or accountable in damages or otherwise to the Limited Partnership or to any Limited Partner for any action taken or failure to act on behalf of the Limited Partnership within the scope of the authority conferred on the General Partner by this Agreement or by law unless such action or omission was performed or omitted fraudulently or in bad faith or constituted wanton or wilful misconduct or negligence.

6.10 Restrictions Upon the General Partner

Without a Unanimous Resolution approving or ratifying the specific act by all of the Limited Partners, the General Partner will not:

- (a) do any act in contravention of the Certificate;
- (b) do any act which makes it impossible to carry on the ordinary business of the Limited Partnership;
- (c) consent to a judgment against the Limited Partnership;
- (d) possess Limited Partnership property or assign any rights therein, for other than the purposes of the Limited Partnership; or
- (e) admit a Person as a General Partner.

6.11 Delegation of Duties

The General Partner may contract with any Person to carry out any of the duties of the General Partner hereunder and may delegate to such Person any right, power and authority of the General Partner hereunder; provided however, no such contract or delegation will relieve or release the General Partner of any of its obligations hereunder.

6.12 Expenses

All costs and expenses incurred or payable by the General Partner in managing, operating or conducting the business of the Limited Partnership, or incurred by the General Partner in the performance of its duties and obligations hereunder including, without limitation, the costs of such professional, managerial, technical, administrative, sales, engineering and other services and advice as it will deem necessary, will be paid by the Limited Partnership or reimbursed by the Limited Partnership to the General Partner. The Limited Partnership will be responsible for and will pay and reimburse the General Partner for all such costs and expenses paid or incurred by the General Partner, both before and after the filing of the Certificate.

The Limited Partnership will indemnify and hold harmless the General Partner from any cost, damage, liability, expense or loss suffered or incurred by the General Partner and resulting from or arising out of any act or omission of the General Partner on behalf of the Limited Partnership or in furtherance of the business of the Limited Partnership, both before and after the filing of the Certificate, unless such action or omission was performed or omitted fraudulently or in bad faith or constituted wanton or wilful misconduct or negligence.

6.13 Removal of General Partner

It is understood and agreed that the Limited Partners may, by Unanimous Resolution, and only with cause, remove the General Partner and appoint a new Person to be the General Partner, and without limiting the generality of the foregoing, upon the occurrence of any of the following events:

- (a) the adjudication of the General Partner as bankrupt or the appointment of a receiver of the assets and undertaking of the General Partner;
- (b) the dissolution, winding-up or liquidation of the General Partner;
- (c) the General Partner making an assignment for the benefit of creditors; or
- (d) the General Partner failing to perform its duties hereunder in a material and substantive manner and then only if the General Partner does not remedy or correct its failure to perform, within a reasonable period of time of receiving notice of such failure to perform; and
- (e) in all cases, only if the Limited Partners appoint by Special Resolution, concurrently with such removal, a Person to act as General Partner who, from the date of such removal, assumes all of the responsibilities and obligations of the removed General Partner, including without limitation, liabilities with regard to financing provided to the Limited Partnership. The appointed General Partner must be a registered investment fund manager.

Upon the appointment of a new General Partner the removed General Partner will cease to be the General Partner of the Limited Partnership and, if the removed General Partner is a holder of Units, will be regarded for all purposes of this Agreement to be a Limited Partner with effect as of and from the date the removed General Partner ceased to be the General Partner. In any event such General Partner will also be entitled to be paid the balance in its Capital Account as of the effective date of removal, such payment to be made on the effective date of removal.

Upon any change to a new General Partner, the removed General Partner will do all things and will take all steps to immediately and effectively transfer the management and operation, assets, books, records and accounts of the Limited Partnership to the new General Partner including the execution of all deeds, certificates, declarations and any other documents whatsoever which may be necessary to effect such change and to convey all the assets of the Limited Partnership to the new General Partner. All costs of such transfer will be for the account of the Limited Partnership.

Upon the removal of a General Partner, the Limited Partnership and the Limited Partners will release and hold harmless the removed General Partner from all actions, claims,

costs, demands, losses, damages and expenses with respect to events which occur in relation to the Limited Partnership after the effective time of removal.

6.14 Resignation of General Partner

A Person may at any time resign as the General Partner, provided however, such resignation will only be effective upon the admission and appointment of another Person, appointed by Special Resolution, to act as the General Partner. Such General Partner will also be entitled to be paid the balance in its Capital Account as of the effective date of removal, such payment to be made on the effective date of removal.

**ARTICLE 7
RECORDS, REPORTS AND REPORTING**

7.1 Register

The General Partner will:

- (a) maintain a registered office for the Limited Partnership at the office of the Manager, or such other office as may be stipulated by the General Partner, and keep at such registered office a copy of this Agreement and all amendments thereto together with a copy of the Certificate and a copy of any amendments thereto;
- (b) act as a transfer agent or engage a transfer agent and maintain a list and Register of the full name and last known resident address of each Partner, or if the Partner is a corporation, the registered address of the corporation, and indicating the number and type of Units held by each Partner, whether each Partner is a Limited Partner or General Partner, particulars of registration and transfer of Units and a record of any known mortgage or pledge of any Unit that is permitted to be granted pursuant to the terms of this Agreement;
- (c) maintain such other records as may be required by law; and
- (d) make on behalf of the Limited Partnership, all recordings and filings with any governmental authority or like body that are required to be made by the Limited Partnership from time to time.

The information contained in the Register will be made available for inspection during normal business hours at the office of the General Partner or at a place designated by the General Partner, to Partners and creditors of the Limited Partnership or to their representatives duly authorized in writing, free of charge.

The General Partner will be authorized to make such reasonable rules and regulations as it may, from time to time, consider necessary or desirable in connection with the services to be performed in respect of the Register, including the appointment of an agent to perform the functions of the General Partner relating to the Register and the form and content of the Register.

7.2 Records and Books of Account

Proper and complete records and books of account will be kept and maintained by the General Partner in which will be entered fully and accurately all transactions and all

other matters relative to the Limited Partnership's business as are usually entered into records and books of account maintained by Persons engaged in business of a like character. The Limited Partnership's books and records will be prepared on a consistent basis from period to period in accordance with IFRS, except for the measurement of the Limited Partnership's investments, which are initially recorded at the respective investment's fair value, as represented by its acquisition cost, and then subsequently measured at each reporting date at this historical acquisition cost. The books and records will at all times be maintained at the head office of the Limited Partnership or at the head office of the General Partner, as the General Partner may determine.

7.3 Financial Information

Not later than 120 days after the end of each fiscal year of the Limited Partnership, the General Partner will furnish to each Limited Partner an annual report of the business and operations of the Limited Partnership during such year and such report will constitute the accounting of the General Partner for such year. Such report will contain a copy of the annual financial statements of the Limited Partnership showing the Limited Partnership's gross receipts and expenses and the Limited Partnership's profits or loss for the year and the allocation allowed to each Unit, and will otherwise be in such form and have such content as the General Partner deems proper. The statement will also contain a complete statement of amounts paid during the year by the Limited Partnership to the General Partner and its Affiliates and all necessary tax information.

7.4 Auditors and Audit

The General Partner may cause to be appointed, on an annual basis, an auditor for the Limited Partnership. The General Partner will make the determination of which auditor is so appointed from time to time.

ARTICLE 8 ALLOCATIONS AND DISTRIBUTIONS

8.1 Separate Capital Accounts

The General Partner will establish and maintain a separate Capital Account on the books of the Limited Partnership for itself and for each Limited Partner. The General Partner will:

- (a) credit the Capital Account of each Partner with an initial amount equal to the Capital Contribution paid by such Partner at the time of such Capital Contribution;
- (b) debit the Capital Account of each Partner with all distributions from the Capital Account to the Partner at the time of each such distribution; and
- (c) credit the Capital Account of each Partner with all additional contributions to the Capital Account, if any, at the time of each additional contribution.

8.2 Separate Current Accounts

The General Partner will establish and maintain a separate Current Account on the books of the Limited Partnership for itself and for each Limited Partner. The General Partner will:

- (a) at the end of each fiscal year of the Limited Partnership, credit (or debit) each Partner's Current Account with the amount of the Net Income or Net Loss for the year allocated to the Partner under Section 8.3; and
- (b) debit the Current Account of each Partner with all distributions to the Partner other than as return of Capital Contribution, at the time of each such distribution.

8.3 Allocation of Net Income and Net Loss

- (a) Net Income for accounting purpose will be determined and allocated for each fiscal year of the Limited Partnership as follows:
 - (i) 0.01% to a maximum of \$100.00 to the General Partner; and
 - (ii) the balance to the Limited Partners, in proportion to their respective ProRata Interests.
- (b) Net Losses of the Partnership for each fiscal year shall be allocated as follows, all such allocations being equal in priority:
 - (i) 0.01% to a maximum of \$100.00 to the General Partner; and
 - (ii) the balance to the Limited Partners in accordance with their respective ProRata Interests.

8.4 Allocation of Taxable Income and Tax Loss

For tax purposes, Taxable Income and Tax Loss for each fiscal year shall be allocated to the Partners on the same basis as Net Income and Net Loss is allocated under Section 8.3.

8.5 Allocations to Partners

The amount of Net Income, Net Loss, Taxable Income and Tax Loss for any fiscal year to be allocated to the Partners will be allocated as at the end of such fiscal year to the Partners recorded on the Register at the end of such fiscal year.

8.6 Tax Returns

The General Partner shall cause all necessary income tax returns and forms to be prepared, filed and provided to the Limited Partners in a timely manner and no later than 90 days after the end of each fiscal year.

8.7 Reserves

The General Partner on behalf of the Limited Partnership may retain a portion of the revenues of the Limited Partnership as a Reserve, in an amount that the General Partner, acting reasonably in the best interest of the Limited Partnership, deems appropriate for any purpose whatsoever.

8.8 Distributions of Annual Cash Flow from Operations

The General Partner will distribute, at least annually to the Partners, and not later than 120 days after each fiscal year end of the Limited Partnership, all of the cash from

operations after payment of the Asset Management Fee which, in the sole determination of the General Partner, is not required by the Limited Partnership as a Reserve or for working capital, as follows:

- (a) firstly, to each Limited Partner in proportion to such Partner's respective ProRata Interest in an amount sufficient to repay any existing negative balance in such Partner's Current Account;
- (b) secondly, to each of the Limited Partners in proportion to such Partners' respective ProRata Interest in an amount sufficient to return such Partners' Capital Contribution;
- (c) thirdly:
 - (i) 0.01% to a maximum of \$100 to the General Partner; and
 - (ii) the balance to the Limited Partners, in accordance with their respective ProRata Interests.

In the sole determination of the General Partner, the General Partner may accrue the Asset Management Fee in any fiscal year, rather than pay it to the General Partner each fiscal year. In such case, the Asset Management Fee would accrue to the benefit of the General Partner. No interest is payable on accrued Asset Management Fees.

8.9 Limitation on Demand for Return of Capital

Subject to the rights of the General Partner under Sections 6.13 and 6.14 regarding return of capital upon removal or resignation respectively, a Partner will only be entitled to demand the return of its Capital Contribution upon:

- (a) the sale or disposition of all or substantially all of the property and assets of the Limited Partnership; or
- (b) the wind-up or dissolution of the Limited Partnership; or
- (c) the redemption or re-purchase of all Units by the Limited Partnership.

8.10 Repayment of Capital and Distribution of Surplus Proceeds

All funds which are of a capital nature and not income which arise or are realized or received:

- (a) upon the wind-up or dissolution of the Limited Partnership;
- (b) upon the sale or disposition of assets of the Limited Partnership;
- (c) upon any refinancing of the assets of the Limited Partnership (for greater certainty, any increase in the principal amount of such indebtedness refinanced shall be deemed to be of the nature of capital) or otherwise;

will be used or distributed as follows:

- (i) firstly, to pay all current debts, liabilities and obligations of the Limited Partnership to its creditors including the Asset Management Fee payable to the General Partner;
- (ii) secondly, to create a Reserve in an amount as determined in the sole discretion of the General Partner;
- (iii) thirdly, to each Limited Partner in proportion to such Partner's respective ProRata Interest in an amount sufficient to repay any existing negative balance in such Partner's Current Account;
- (iv) fourthly, to each of the Limited Partners, in proportion to such Partners' respective ProRata Interest, in an amount sufficient to repay such Partner's Capital Contribution;
- (v) fifthly:
 - A. 0.01% to a maximum of \$100.00 to the General Partner; and
 - B. the balance to the Limited Partners, in accordance with their respective ProRata Interests.

8.11 Nature and Form of Distributions

A distribution will only be a return of capital if it is designated as such by this Agreement or by written designation of the General Partner. Distributions will be made in the form of money. In addition, if approved by Special Resolution, the General Partner may make a distribution in the form of any other property of the Limited Partnership. If a distribution is not in the form of money, the General Partner acting reasonably may determine the value constituted by any such other property distributed by reference to its fair market value.

8.12 Overpayments

If it appears that any Partner has received an amount which is in excess of its entitlement, such Partner will forthwith reimburse the Limited Partnership to the extent of such excess upon notice by the General Partner, and if such amount is not then repaid, in addition to any other remedies provided under this Agreement, the General Partner may deduct such amount from any subsequent distribution to such Partner.

8.13 Consent re: Capital Payments

Each Partner expressly consents to any distribution or loan or advance in anticipation of any such distribution made pursuant to this Agreement and which may result in a return of all or any part of the Capital Contribution of a Limited Partner or the General Partner.

8.14 Distribution to Non-Resident

The General Partner may apply all or any part of a distribution to a Partner who may reasonably be considered to be a non-resident Partner within the meaning of the Tax Act, toward the payment of any tax or other payment exigible or required under the Tax Act.

**ARTICLE 9
POWER OF ATTORNEY**

9.1 Creation

Each Limited Partner who is an acquirer or subscriber for a Unit or a transferee or assignee of a Unit, hereby irrevocably nominates, constitutes and appoints the General Partner, with full power of substitution, as its true and lawful attorney and agent, to act on its behalf with full power and authority in its name, place and stead and for its use and benefit to:

- (a) execute; swear to, acknowledge, deliver and file as and where required any and all of the following:
 - (i) this Agreement and any amendments thereto and all Limited Partnership declarations and other instruments necessary to form, qualify or continue and keep in good standing the Limited Partnership as a limited partnership or otherwise to comply with the law of any jurisdiction in which the Limited Partnership may carry on business or own or have property or assets or as otherwise necessary or desirable in order to maintain the limited liability of the Limited Partners and to comply with the applicable laws of such jurisdiction;
 - (ii) all declarations, certificates, other instruments, or amendments to the foregoing, necessary to reflect any amendment, change or modification to this Agreement, including without limitation, the Certificate;
 - (iii) all conveyances, agreements and other instruments and documents necessary or desirable to reflect the dissolution and liquidation or termination of the Limited Partnership, including cancellation of any declarations or certificates and the execution of any elections under the Tax Act and under analogous provincial legislation;
 - (iv) any instrument relating to the admission of additional or substituted Limited Partners;
 - (v) any instrument required in connection generally with any election that is to be made, or information return provided, under the Tax Act or any analogous legislation related to the Limited Partnership or its property, assets or business;
 - (vi) any transfer, assignment or other document on its behalf or in its name as may be necessary to give effect to a sale, transfer or assignment of a Unit held by a Limited Partner; and
 - (vii) any document which is necessary or advisable in connection with carrying on the business of the Limited Partnership;
- (b) execute and file with any governmental body or instrumentality of Canada, a province, a territory or a municipality any documents necessary in connection with the business, property, assets and undertakings of the Limited Partnership;

- (c) execute and deliver all such other documents or instruments on behalf of and in the name of the Limited Partnership and for the Limited Partners as may be deemed necessary by the General Partner to carry out fully the provisions of this Agreement in accordance with its terms; and
- (d) exercise any and all voting rights of the Limited Partner, including without limitation, the right to authorize and execute a proxy for and on behalf of the Limited Partner, attend meetings and cast the vote of the Limited Partner or execute a written resolution for and on behalf of the Limited Partner

To evidence the foregoing, each Limited Partner may, in executing a subscription form, transfer or other documents for the purchase of Units, be requested to execute a separate power of attorney in such form determined by the General Partner; provided, however, the provisions of this Article will be effective for all purposes notwithstanding that any such Limited Partner is not requested to execute a separate power of attorney or fails to do so if requested.

9.2 Irrevocable Nature

The grant of authority contained in Section 9.1:

- (a) is coupled with an interest, is irrevocable and will survive the dissolution, wind-up, death or incapacity of the Limited Partner granting the power;
- (b) may be exercised by the General Partner on behalf of each Limited Partner by an electronic or facsimile signature or by listing all of the Limited Partners executing any instrument with the single signature as attorney and agent for all of them;
- (c) will survive the delivery of the transfer or assignment by a Limited Partner of the whole or any portion of its Units; and
- (d) will extend to and be binding upon the heirs, executors, administrators, legal personal representatives, successors and assigns of the Limited Partner.

9.3 Binding Effect

Each Limited Partner agrees to be bound by any representation or action made or taken by the General Partner pursuant to the within power of attorney and hereby waives any and all defences which may be available to contest, negate or disaffirm the action of the General Partner under such power of attorney.

ARTICLE 10 DISSOLUTION OF THE LIMITED PARTNERSHIP

10.1 Events Giving Rise to Dissolution

The Limited Partnership will be dissolved upon the occurrence of any of the following events:

- (a) the disposition of all of the assets of the Limited Partnership and final distribution of the proceeds therefrom in accordance with the terms of this Agreement;

- (b) the bankruptcy, dissolution (except dissolution as a consequence of merger, amalgamation, consolidation or other corporate re-organization) or winding-up of the General Partner, or the occurrence of an event which would permit a trustee or receiver to acquire control of the affairs of the General Partner during the term of this Agreement, unless the General Partner is replaced, pursuant to Section 6.13, within 120 days of the date of such occurrence; or
- (c) the consent of the General Partner and the passing of a Special Resolution approving the dissolution or winding up of the Limited Partnership.

The dissolution of the Limited Partnership will be effective on the day on which the event occurs giving rise to the dissolution, except if the dissolution occurs pursuant to the event stated in Section 10.1(b), then the dissolution will only be effective if the General Partner is not replaced in the manner set forth in Section 10.1(b); however, the Limited Partnership will not terminate until all of its property and assets have been distributed in accordance with the terms of this Agreement. Without limiting the generality of the foregoing, except in the circumstances described in this Section 10.1, no Partner or Partners are entitled to dissolve the Limited Partnership and any notice of intent to dissolve purported to be provided by any Partner or Partners contrary to the provisions of this Section 10.1, will be void and of no force or effect.

10.2 Liquidation of Limited Partnership Assets

In the event of the dissolution of the Limited Partnership for any reason, the General Partner (or in the event that the General Partner has become bankrupt and is not replaced pursuant to Section 6.13, a receiver selected by a Special Resolution) will commence to wind up the affairs of the Limited Partnership and to liquidate its property and assets. The Partners will continue to share profits and losses during the period of liquidation in the same proportion as described herein, as before the dissolution. The General Partner (or such receiver) will have full right and unlimited discretion to determine the time, manner and terms of any sale or sales of Limited Partnership property and assets pursuant to such liquidation having due regard to the activity and condition of the relevant market and general, financial and economic conditions.

10.3 Distributions

Following the payment of or provision for all debts and liabilities of the Limited Partnership including the Asset Management Fee payable to the General Partner and all expenses of liquidation, and subject to the right of the General Partner (or receiver) to set up Reserves as it may deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the Limited Partnership, the proceeds of the liquidation and any other funds of the Limited Partnership will be distributed to the Partners in accordance with Section 8.10.

10.4 Statements

Within a reasonable period of time following completion of the liquidation of the assets of the Limited Partnership, the General Partner will provide and deliver to each of the Limited Partners, a statement which will set forth the monies received and disbursed pursuant to such liquidation and each Partner's pro-rata proportion of any distribution made pursuant to this Agreement.

10.5 Termination

Upon termination of this Agreement or completion of the liquidation of the Limited Partnership and the distribution of all Limited Partnership funds, the Limited Partnership will terminate and the General Partner will have the authority to execute and file a notice cancelling the Certificate as well as any and all other documents required to effect the dissolution or termination of the Limited Partnership.

10.6 Continuity

Except as specifically set forth in this Agreement, the Limited Partnership will not dissolve or terminate upon the occurrence of any other event, including without limitation, by reason of any change, addition, withdrawal, resignation, retirement, removal, death, incompetence, dissolution, liquidation, wind-up, insolvency or bankruptcy of a Partner.

**ARTICLE 11
NON-TRANSFERABILITY OF PARTNERSHIP UNITS**

11.1 Restriction on Transfer of a Unit

Except as otherwise set forth herein or as may be consented to in writing by the General Partner, a Partner will not transfer, assign, pledge, encumber or dispose of its Units. No Partner may sell, transfer or dispose of less than 100% of its Units at any time. In the event of a sale, transfer or other disposal of any of its Units, a Partner will ensure that said sale, transfer or disposal complies with all securities laws and regulations applicable to the sale of the Units in the Province of British Columbia, including all federal laws applicable therein.

11.2 Mandatory Sale of Interests

If the General Partner receives a bona fide offer from a Person dealing at arm's length with the Limited Partnership, to purchase all or substantially all of the Units owned by all of the Partners and which offer is accepted by Special Resolution, all Limited Partners will be bound to sell all of their Units to the General Partner and the General Partner will be bound to purchase all such Units from all Partners at the price per Unit and on the payment terms set forth in the offer received by the General Partner, conditional upon, and to be completed at the time of completion of, the sale of the Units to the purchaser. In the event of such a sale, the General Partner will ensure that said sale complies with all securities laws and regulations applicable to the sale of the Units in the Province of British Columbia, including all federal laws applicable therein, and the General Partner will indemnify and hold the other Partners harmless from any costs resulting directly or indirectly from the General Partner's failure to do so.

11.3 Sale to Affiliate or existing Limited Partner

Section 11.1 will not apply to a sale by a Limited Partner of its Units to an Affiliate, provided that such Affiliate has sufficient power and capacity and has been duly authorized to become a party to and be bound by all the provisions of this Agreement.

11.4 Contravention of ARTICLE 11

Each Limited Partner agrees that its being in violation of the restrictions set out in ARTICLE 11 will constitute an injury and damage to the other Limited Partners impossible to measure monetarily and, as a result, each Partner, in addition to all of its other remedies in law and in equity, will be entitled to a decree or order restraining or enjoining any sale of a Units except in accordance with the provisions of this ARTICLE 11, and any Limited Partner intending to make a sale or making a sale contrary to such provisions will consent to such a decree or order and will not plead in defence thereto that there would be an adequate remedy at law.

**ARTICLE 12
NOTICE**

12.1 General Partner

Any notice, direction, demand or request required or permitted to be given to the General Partner hereunder will be in writing and will be given by delivery by courier or by mailing by registered mail from within Canada, with postage thereon fully pre-paid, in a sealed envelope, to be addressed to the General Partner at 3100-1021 West Hastings St., Vancouver, BC V6E 0C3

12.2 Limited Partners

Any notice, direction, demand or request required or permitted to be given to a Limited Partner hereunder will be in writing and will be given by delivery by courier or by mailing by registered mail from within Canada, with postage thereon fully pre-paid, in a sealed envelope, to be addressed to such Limited Partner at its latest address appearing on the Register of the Limited Partners maintained by the General Partner.

12.3 Receipt and Delivery

Any notice, direction, demand or request delivered by courier will be deemed to have been received by and given to the addressee on the day of delivery. Any notice, direction, demand or request mailed as aforesaid will be deemed to have been received by and given to the addressee on the third (3rd) business day following the date of mailing, provided that for such purposes no day during which there will be a strike or other occurrence which will interfere with normal mail service will be considered a business day.

12.4 Change of Address

The General Partner may from time to time change its address for the purpose of this Agreement by notice to that effect given to the Limited Partners.

**ARTICLE 13
MISCELLANEOUS**

13.1 Amendments

- (a) This Agreement may be amended by the General Partner, without prior notice to or consent of any Limited Partner, in order to reflect the admission, resignation,

withdrawal or other change of any Partner or the transfer or assignment of a Unit under or pursuant to the provisions of this Agreement.

- (b) This Agreement may be amended by the General Partner with the authorization and consent of the Partners given by Special Resolution.
- (c) The General Partner may, without prior notice to or consent from any Limited Partners, amend any provisions of this Agreement from time to time:
 - (i) for the purpose of adding to the Agreement any further covenants, restrictions, deletions or provisions which, in the written opinion of counsel to the General Partner, are for the protection of the Limited Partners as a group; or
 - (ii) to cure any ambiguity or to correct or to supplement any provision or typographical error contained herein which, in the written opinion of counsel to the General Partner, may be defective or inconsistent with any other provision contained herein, provided, in the written opinion of such counsel, the cure, correction or supplemental provision does not in a material way adversely affect the rights of the Limited Partners as a group; or
 - (iii) to make such other provisions in regards to matters or questions arising under this Agreement which in the written opinion of counsel to the General Partner, do not in a material way adversely affect the rights of the Limited Partners as a group;

provided that all Limited Partners are notified of full details of any amendments to this Agreement under this Section 13.1 within 30 days of the effective date of the amendment.

13.2 Limited Partner Not a General Partner

If any provision of this Agreement should have the effect of imposing upon any Limited Partner (other than the General Partner) any of the liabilities or obligations of the General Partner, such provisions will be of no force and effect and will not be considered a part of this Agreement, but the remainder of this Agreement will continue in effect.

13.3 Governing Law

This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein and the parties irrevocably attorn to the jurisdiction of the courts thereof.

13.4 Further Assurances

The parties hereto agree to sign such further and other papers, call such meetings to be held and sign such resolutions to be passed, exercise their vote and influence, do and perform and to cause to be done and performed such further and other acts and things that may be necessary or desirable in order to give full effect to this Agreement and every part thereof.

13.5 Counterparts

This Agreement may be executed in several counterparts which may be delivered by facsimile or electronic transmission.

13.6 Severability

Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality will not affect the validity of the remainder of this Agreement.

13.7 Assignment

Subject to the restrictions on transfer or assignment herein provided for, this Agreement will enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.

13.8 Waiver

The failure of any party to seek redress for a violation of or to insist upon strict performance of any provision hereof will not prevent a subsequent act, which would have originally constituted a violation of such provision or any other provision hereof, from having the effect of an original violation of such provision or any other provision hereof.

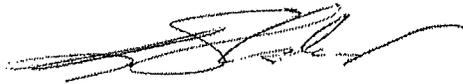
IN WITNESS WHEREOF the parties have executed this Agreement as of the day first above written.

WILLOUGHBY ASSET MANAGEMENT INC.

Per:



AUTHORIZED SIGNATORY:



LYNN STIBBARD

SCHEDULE A
FORM OF UNIT CERTIFICATE

No. _____

UNIT CERTIFICATE
U.S. APARTMENTS LIMITED PARTNERSHIP

(a limited partnership formed under the laws
of the Province of British Columbia)

THIS IS TO CERTIFY that _____ is the owner of _____
Class _____ units in U.S. APARTMENTS LIMITED PARTNERSHIP (the "Units").

The Units referred to in this Certificate are subject to the terms of the Limited Partnership Agreement of **U.S. APARTMENTS LIMITED PARTNERSHIP** dated for reference _____, 2017 between **WILLOUGHBY ASSET MANAGEMENT INC.** and **LYNN STIBBARD**, and SUCH UNITS ARE TRANSFERABLE ONLY IN ACCORDANCE WITH AND SUBJECT TO THE TERMS OF SUCH LIMITED PARTNERSHIP AGREEMENT.

DATED this _____ day of _____, 2017.

U.S. APARTMENTS LIMITED PARTNERSHIP,
by its general partner, **WILLOUGHBY ASSET MANAGEMENT INC.**

Per: _____
Authorized Signatory:

SCHEDULE B
SUBSCRIPTION AGREEMENT

SUBSCRIPTION AGREEMENT

TO: U.S. APARTMENTS LIMITED PARTNERSHIP (the "LP")

The undersigned (the "**Subscriber**") hereby irrevocably subscribes for and agrees to purchase the number and class of limited partnership units of the LP (the "**Units**") set forth below for the aggregate subscription amount set forth below (the "**Aggregate Subscription Amount**"), representing a subscription price of **USD \$1.00 per Unit**, upon and subject to the terms and conditions set forth in "**TERMS AND CONDITIONS**" attached hereto (together with the first four pages and the attached Schedules, the "**Subscription Agreement**"), and on the terms and conditions set forth in the limited partnership agreement governing the LP dated for reference July 21, 2017, as may be amended, restated or supplemented from time to time (the "**LP Agreement**").

(Name of Subscriber – please print)

By: _____
(Authorized Signature)

(Official Capacity or Title - please print)

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

(Subscriber's Address)

(Telephone Number) (E-mail Address)

Class of Units:

Class A Unit Class B Unit

Number of Units: _____
(Minimum Subscription Amount is 5,000 Units)

Aggregate Subscription Amount: \$ _____

If the Subscriber is signing as agent for a principal and is not deemed to be acting as principal pursuant to National Instrument 45-106, complete the following and, if applicable, ensure that the applicable Schedules are completed on behalf of such principal:

(Name of Principal)

(Principal's Address) (E-mail Address)

REGISTER the Units as set forth below:

(Name)

(Account reference, if applicable)

(Address)

DELIVER the Units as set forth below:

(Name)

(Account reference, if applicable)

(Contact Name)

(Address)

ACCEPTANCE: The LP hereby accepts the subscription as set forth above on the terms and conditions contained in this Subscription Agreement this _____ day of _____, _____.

U.S. APARTMENTS LIMITED PARTNERSHIP
by its general partner Willoughby Asset Management Inc.

By: _____
Name: _____

CAUTIONARY NOTE

Under National Instrument 33-105 *Underwriting Conflicts*, Harbourfront Wealth Management Inc. (the "Agent") may be considered to be a "connected issuer" and a "related issuer" to the LP in connection with the offering of Units (the "Offering").

The Agent is the exclusive selling agent of the LP. The Agent and Willoughby Asset Management Inc. (the "GP"), the general partner of the LP, share common directors and officers. Additionally, both the Agent and the GP are wholly-owned by HF Investment Holdings Inc.

The terms of the Offering, including the price of the Units offered, was determined by the GP. The LP confirms that the Agent did not require the LP to undertake the Offering. The LP is not indebted to the Agent as at July 31, 2017, and the proceeds of the Offering will not be used for the benefit of the Agent in any manner.

Please consider carefully the following risk factors regarding the relationship among the LP, the GP, and the Agent, and potential conflicts of interest.

CIPF Coverage

Canadian Investor Protection Fund ("CIPF") coverage does not protect against market losses regardless of how they occur. Accordingly, coverage will not apply to any market losses in non-arm's length investment products that would arise on insolvency of the Agent or any other IIROC dealer member.

Conflicts of Interest

The LP may be subject to risks with respect to various conflicts of interest.

Investors may purchase Units of the LP only through the Agent. Class A Units of the LP may only be purchased in Fee Based and/or Managed Accounts held with the Agent. Purchasers of Class A Units will be required to pay fees to the Agent in respect of holdings of Class A Units and such fees may reduce the amount invested in the LP. The Agent may be paid up to 3% of the capital raise fee (as defined in the LP Agreement) paid to the GP from the sale of the Class B Units of the LP.

The GP as well as its employees, directors and officers may, in their sole discretion, invest their own money in the LP and may, from time to time, have substantial holdings in the LP.

The LP will pay the GP a management fee from otherwise distributable cash. As such, the fee will ultimately be borne by the holders of the different units of the LP.

Involvement in Other and Competing Activities

Certain of the directors and officers of the GP are also directors and officers of the Agent. Although the GP will have various obligations to the LP, situations may arise where the interests of the directors, officers, employees and shareholders of the GP could conflict with the interests of the LP.

The GP and its officers, directors, employees, or shareholders and their respective affiliates and associates are not limited or affected in their ability to carry on other business ventures for their own account, or for the account of others, and may be engaged in the development of, investment in, or management of businesses that may compete with the business of the LP. Investment in the LP will not carry with it the right of the LP or of any of its limited partners to invest in any other venture of the GP or its affiliates or associates or to any profit therefrom or to any interest therein. The GP may have a conflict of interest in carrying out its obligations to the LP as a result of its involvement in competing activities.

Competition for Services

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

INSTRUCTIONS TO THE SUBSCRIBER

Please read the entirety of the Subscription Agreement carefully.

You will be required to complete and execute certain of the Schedules attached to this Subscription Agreement as described below.

Subscribers Investing CAD \$150,000 or more

If your Aggregate Subscription is equivalent to CAD \$150,000 or more, you may rely on the "Minimum Amount Investment" prospectus exemption under National Instrument 45-106 *Prospectus Exemptions* ("**NI 45-106**") with respect to a purchase of Units, but only if you are **not** an "individual" (as such term is defined in the British Columbia *Securities Act*). In other words, individuals cannot rely upon the "Minimum Amount Investment" exemption under NI 45-106.

The British Columbia *Securities Act* defines "individual" as a natural person, but does not include:

- (a) a partnership, unincorporated association, unincorporated syndicate, unincorporated organization or trust, or
- (b) a natural person in the person's capacity as a trustee, executor, administrator or personal or other legal representative.

Accredited Investors

If: (i) your Aggregate Subscription Amount is not equivalent to CAD \$150,000 or more; or (ii) you are an individual, then, except as described below, you must qualify as an "Accredited Investor" (as such term is defined under NI 45-106), and complete and execute **Schedule I** (Certificate of Accredited Investor) attached to this Subscription Agreement, including its Appendices as applicable.

Offering Memorandum (BC and Manitoba Investors Only)

If none of the above applies to you, then, if you are resident in British Columbia or Manitoba, you may be able to rely on the "Offering Memorandum" prospectus exemption under NI 45-106. If so, you must complete and execute **Schedule II** (Risk Acknowledgement Form) and, for residents of Manitoba whose Aggregate Subscription Amount is equivalent to CAD \$10,000 or more, **Schedule III** (Certificate of Eligible Investor) attached to this Subscription Agreement.

Others

If none of the above applies to you, then you must qualify under another available prospectus exemption, and the LP may require you to provide the particulars of such prospectus exemption.

TERMS AND CONDITIONS OF SUBSCRIPTION

Terms of the Offering

1. The Subscriber acknowledges (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) that this subscription is subject to rejection by the LP in whole or in part. The parties agree that this subscription and all money tendered by the Subscriber will be returned to the Subscriber, without interest or deduction, if this subscription is not accepted by the LP or Willoughby Asset Management Inc. (the "GP") on behalf of the LP.
2. The Subscriber acknowledges (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) that the offering (the "**Offering**"), of which this Subscription Agreement forms a part, is subject to a minimum subscription of \$1,000,000. In the event that the LP does not receive offers for such minimum amount under the Offering on or before the Closing Time (as defined herein), the subscription funds received by the LP from the Subscriber will be returned to the Subscriber without deduction, interest or penalty. In the event that the LP does receive offers for such minimum amount under the Offering on or before the Closing Time, upon acceptance of this Subscription Agreement by the LP or the GP on behalf of the LP, the subscription funds received by the LP:
 - (a) will be available for use by the LP after 2 business days of such receipt as contemplated under Section 9 herein, if the Subscriber is resident in British Columbia or Manitoba and subscribing for Units in reliance on the "Offering Memorandum" prospectus exemption under National Instrument 45-106 *Prospectus Exemptions* ("**NI 45-106**"); or
 - (b) in all other events, will be immediately available for use by the LP.
3. The Subscriber acknowledges (for its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) that, as a condition to the LP accepting this Subscription Agreement, the Subscriber must become a party to and be bound by the LP Agreement, a copy of the Subscriber acknowledges receipt of. The Subscriber further acknowledges and agrees (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) that it has read and understands the LP Agreement, and has been independently advised to its terms and conditions.
4. Other than the brokers or finders retained by the LP, the Subscriber warrants and represents that there are no other persons acting or purporting to act in connection with the transactions contemplated herein who is entitled to any brokerage or finder's fee and if any such person establishes a claim that any fee or other compensation is payable in connection with this subscription for Units, the Subscriber covenants to indemnify and hold harmless the LP and GP with respect thereto and with respect to all costs reasonably incurred in the defence thereof.
5. References in this Subscription Agreement (including attachments) to "\$" are to United States dollars except as otherwise expressly stated.

Acknowledgements, Representations, Warranties and Covenants of the Subscriber

6. The Subscriber acknowledges (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) that the Offering will not in any way restrict the LP from issuing additional securities at prices, on terms and in amounts as may be determined by the LP, in its sole and absolute discretion. The Subscriber further acknowledges that the LP may complete additional financings in the future which may have a dilutive effect on existing unitholders at such time, including the Subscriber.
7. The Subscriber (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) represents, warrants and covenants to the LP that:

- (a) if an individual, it is of the full age of majority and is legally competent to execute this Subscription Agreement and take all action pursuant hereto;
- (b) if a corporation, partnership, unincorporated association or other entity, it has the legal capacity to enter into and be bound by this Subscription Agreement and further certifies that all necessary approvals of directors, shareholders, partners or otherwise have been given and obtained;
- (c) this Subscription Agreement has been duly and validly authorized, executed and delivered by and constitutes a legal, valid, binding and enforceable obligation of the Subscriber enforceable in accordance with its terms;
- (d) in the case of a subscription by it acting as agent for a disclosed principal, it is duly authorized to execute and deliver this Subscription Agreement and all other necessary documentation in connection with such subscription on behalf of such principal and this Subscription Agreement has been duly authorized, executed and delivered by or on behalf of, and constitutes a legal, valid and binding agreement of, such principal enforceable in accordance with its terms;
- (e) the entering into of this Subscription Agreement and the transactions contemplated hereby will not result in a violation of any of the terms or provisions of any law applicable to the Subscriber, or if the Subscriber is not a natural person, any of the Subscriber's constating documents, or any agreement to which the Subscriber is a party or by which it is bound;
- (f) it does not act jointly or in concert with any other subscriber under the Offering for the purposes of the acquisition contemplated hereunder;
- (g) except for the LP's offering memorandum dated July 31, 2017 and the documents incorporated for reference therein, or except as otherwise provided for herein, it has otherwise not received or been provided with, nor has it requested, nor does it have any need to receive, any prospectus or other document (other than financial statements, interim financial statements or any other document, the content of which is prescribed by statute or regulation) describing the business and affairs of the LP which has been prepared for delivery to, and review by, prospective purchasers in order to assist it in making an investment decision in respect of the acquisition contemplated hereunder;
- (h) it has not become aware of 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) with respect to the distribution of the Units;
- (i) it has not relied upon any verbal or written representation as to fact or otherwise made by or on behalf of the LP and it does not have knowledge of any material fact about the LP that has not been publicly disclosed;
- (j) unless it is purchasing Units as described under subparagraph 7(k), it is purchasing the Units as principal for its own account, it is purchasing such Units for investment only and not for the benefit of any other person 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 in a jurisdiction of Canada and it is an "accredited investor", as such term is defined in NI 45-106 or, if it is resident in Ontario, under the *Securities Act* (Ontario) (the "OSA"), other than a trust company or trust corporation registered under the laws of Prince Edward Island that is not registered or authorized under

the *Trust and Loan Companies Act* (Canada) or under comparable legislation in another jurisdiction of Canada, and has concurrently executed and delivered: (A) a Certificate of Accredited Investor in the form attached as **Schedule I** to this Subscription Agreement; and (B) if required as described in Schedule I to this Subscription Agreement, a Risk Acknowledgement Form (Accredited Investor) attached as **Appendix B** to Schedule I;

- (ii) it is not an individual, as such term is defined in the *Securities Act* (British Columbia) (the "**Act**"), the aggregate acquisition cost of the Units purchased by it is not less than CAD \$150,000 (or its equivalent in US dollars) and it is not a company established or used solely to acquire the Units; or
- (iii) it is resident in British Columbia or in Manitoba, it has received a copy of the LP's offering memorandum dated July 31, 2017 (the "**Offering Memorandum**"), and has 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 regarding the LP and its business and affairs, the proposed use of proceeds, the Units and this Subscription Agreement. Further, it has duly completed and executed two copies of the risk acknowledgement form attached as **Schedule II** to this Subscription Agreement and, if the Subscriber is resident in Manitoba and the Aggregate Subscription Amount is equivalent to CAD \$10,000 or more, it has concurrently executed and delivered a Certificate of Eligible Investor in the attached as **Schedule III** to this Subscription Agreement;
- (k) if it is not purchasing as principal, it is duly authorized to enter into this Subscription Agreement and to execute all documentation in connection with the purchase on behalf of each beneficial purchaser, each of whom is purchasing as principal for its own account, not for the benefit of any other person, and not with a view to the resale or distribution of all or any of the Units, it acknowledges that the LP may be required by law to disclose to certain regulatory authorities, the identity of each beneficial purchaser of Units for whom it may be acting, it and each beneficial purchaser is resident in the jurisdiction set out as the "Subscriber's Address";
- (l) if it is acting as agent for one or more disclosed principals, each of which principals is purchasing as a principal for its own account for investment only and not for the benefit of any other person and not with a view to the resale or distribution of all or any of the Units and each of which principals complies with the criteria set forth in subparagraph 7(j);
- (m) it acknowledges that:
 - (i) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Units;
 - (ii) there is no government or other insurance covering the Units;
 - (iii) there are risks associated with the purchase of the Units;
 - (iv) 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 any of the Units; and
 - (v) the LP or its agent has advised the Subscriber that the LP is relying on an exemption from the requirements to provide the Subscriber with a prospectus and to sell the Units through a person or company registered to sell securities under the *Securities Act* (British Columbia) (the "**Act**") and, as a consequence of acquiring the Units pursuant to this exemption, certain protections, rights and

remedies provided by the Act, including statutory rights of rescission or damages, will not be available to the Subscriber;

- (n) it is aware that none of the Units have been nor will be registered under the *United States Securities Act of 1933* (the "**U.S. Securities Act**") and that these Units may not be offered or sold in the United States without registration under the U.S. Securities Act or compliance with requirements of an exemption from registration;
- (o) the Subscriber represents and warrants that:
 - (i) the Subscriber is not a "U.S. Person" (as defined in Regulation S, the definition of which includes, but is not limited to, a natural person resident in the United States and an estate or trust of which any executor or administrator or trustee, respectively, is a U.S. Person and any partnership or corporation organized or incorporated under the laws of the United States) and is not purchasing the Units for the account or benefit of any U.S. Person or for offering, resale or delivery for the account or benefit of any U.S. Person or for the account or benefit of any person in any jurisdiction set out in the name and address of the Subscriber below;
 - (ii) the Subscriber was outside the United States at the time of execution and delivery of this Subscription Agreement within the meaning of Regulation S;
 - (iii) no offers to sell the Units to the Subscriber were made by any person to the Subscriber while the Subscriber was in the United States;
 - (iv) the Subscriber understands that the LP has no obligation or present intention of filing a registration statement under the U.S. Securities Act in respect of the Units;
 - (v) the Subscriber will not engage in any directed selling efforts (as defined by Regulation S under the U.S. Securities Act) in the United States in respect of the Shares, which would include any activities undertaken for the purpose of, or that could reasonably be expected to have the effect of conditioning the market in the United States for the resale of the Units;
- (p) it undertakes and agrees that it will not offer or sell any of the Units in the United States unless such securities are registered under the U.S. Securities Act and the securities laws of all applicable states of the United States or an exemption from such registration requirements is available, and further that it will not resell any of the Units in any jurisdiction, except in accordance with the provisions of applicable securities legislation, regulations, rules, policies and orders and stock exchange rules;
- (q) it acknowledges that no representation has been made to it:
 - (i) as to the future value or price of the Units;
 - (ii) that any person will resell or repurchase the Units; or;
 - (iii) that any person will refund the purchase price of the Units;
- (r) the LP may complete additional financings in the future in order to develop the business of the LP and to fund its ongoing development; that there is no assurance that such financings will be available and, if available, on reasonable terms; any such future financings may have a dilutive effect on current securityholders, including the Subscriber; and that if such future financings are not available, the LP may be unable to fund its

ongoing development and the lack of capital resources may result in the failure of its business venture;

- (s) it has such knowledge in financial and business affairs as to be capable of evaluating the merits and risks of its investment and it, or, where it is not purchasing as principal, each beneficial purchaser, is able to bear the economic risk of loss of its investment and the Subscriber is capable of assessing the proposed investment as a result of the Subscriber's financial experience or as a result of advice received from a registered person other than the LP, the GP or any affiliates thereof;
- (t) it understands that the Units are being offered for sale only on a "private placement" basis and that the sale and delivery of the Units is conditional upon such sale being exempt from the requirements as to the filing of a prospectus or upon the issuance of such orders, consents or approvals as may be required to permit such sale without the requirement of filing a prospectus or delivering an offering memorandum in prescribed form and that certain protections, rights and remedies provided by applicable securities legislation, in connection with the filing of a prospectus may not be available to the Subscriber;
- (u) if required by applicable securities legislation, regulations, rules, policies or orders or by any securities commission, stock exchange or other regulatory authority, the Subscriber will execute, deliver, file and otherwise assist the LP in filing, such reports, undertakings and other documents with respect to the issue of the Units as may be required;
- (v) it will not resell the Units or any of them, except in accordance with the provisions of applicable securities legislation and stock exchange rules, if applicable, in the future;
- (w) it has been independently advised as to the restrictions with respect to trading in the Units imposed by applicable securities legislation, confirms that no representation has been made to it by or on behalf of the LP with respect thereto, acknowledges that it is aware of the characteristics of the Units, the risks relating to an investment therein and of the fact that it may not be able to resell the Units except in accordance with limited exemptions under applicable securities legislation and regulatory policy until expiry of the applicable restriction period and compliance with the other requirements of applicable law, and it agrees that any certificates representing the Units may bear such legends as are required under applicable securities law indicating that the resale of such securities is restricted;
- (x) the Subscriber acknowledges that it has been encouraged to and should obtain independent legal, income tax and investment advice with respect to its hereunder and accordingly, has been independently advised as to the meanings of all terms contained herein relevant to the Subscriber for the purposes of giving representations, warranties and covenants under this Subscription Agreement;
- (y) the Subscriber acknowledges that it has read carefully and understands the potential conflicts of interest and other risk factors described in the "Cautionary Note" forming part of this Subscription Agreement;
- (z) the Subscriber (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) represents and warrants that the funds representing the Aggregate Subscription Amount which will be advanced by the Subscriber to the LP hereunder will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) Act* (Canada) (the "PCMLA") and the Subscriber acknowledges that the LP may in the future be required by law to disclose the Subscriber's name and other information in relation to this Subscription Agreement and the Subscriber's subscription hereunder, on a confidential basis, pursuant to the PCMLA. To the best of its knowledge, none of the subscription funds to be provided by the Subscriber (i) have been or will be

derived from or related to any activity that is deemed criminal under the law of Canada, the United States of America, or any other jurisdiction, or (ii) are being tendered on behalf of a person or entity who has not been identified to the Subscriber; and

- (aa) the information provided by the Subscriber under the heading "**INFORMATION REGARDING THE SUBSCRIBER**" is true and correct in all material respects and will be true and correct as of the Closing Time.

Representations, Warranties and Covenants of the LP

8. The LP hereby represents, warrants and covenants to the Subscriber (and acknowledges that the Subscriber is relying thereon) that:
- (a) the LP is a duly formed and validly subsisting limited partnership under the laws of the Province of British Columbia and has full corporate power and authority to execute and deliver this Subscription Agreement, to issue each of the Units to the Subscriber and to perform each of its obligations as herein contemplated;
 - (b) this Subscription Agreement, when accepted by the LP but subject to the Subscriber's right of cancellation as contemplated under Section 9 herein, if applicable, will constitute a binding obligation of the LP enforceable in accordance with its terms;
 - (c) the execution and delivery of, and the performance of the terms of this Subscription Agreement by the LP, including the issue of the Units, does not and will not constitute a breach of or default under the LP Agreement or any law, regulation, order or ruling applicable to the LP or any agreement, contract or indenture to which the LP is a party or by which it is bound.

Closing

9. If the Subscriber is resident in British Columbia or Manitoba and is purchasing the Units in reliance on the "Offering Memorandum" prospectus exemption under NI 45-106, the Subscriber may elect to cancel this Subscription Agreement at any time after midnight on the second business day after the Subscriber executes and delivers this Subscription Agreement to the LP or the GP on behalf of the LP. In the event that the Subscriber does not exercise such cancellation right, it agrees that, subject to the LP having received offers for Units under the Offering for an aggregate subscription price of \$1,000,000 or more on or before the Closing Time, after midnight on the second business day after the Subscriber executes and delivers this Subscription Agreement to the LP or the GP on behalf of the LP, and the issuance of the Units as directed, the LP may, in its sole discretion, keep and use the Aggregate Subscription Amount as set out in the Offering Memorandum.
10. The Subscriber agrees to deliver to the LP or the GP on behalf of the LP, not later than such date and time that the LP may determine in its sole discretion:
- (a) this duly completed and executed Subscription Agreement, including all applicable Schedules hereto and Appendices thereto; and
 - (b) a wire, transfer, certified cheque or bank draft payable to, or to the account of **U.S. APARTMENTS LIMITED PARTNERSHIP** for the Aggregate Subscription Amount, unless the LP agrees that the Aggregate Subscription Amount may be delivered on the Closing Date against delivery of the certificates representing the Units.
11. The sale of the Units pursuant to this Subscription Agreement will be completed (the "**Closing**") at the office of the LP on or before such date (the "**Closing Date**") and at such time (the "**Closing Time**") as the LP may determine. The Subscriber acknowledges that the certificates representing the Units subscribed for hereunder will be available for delivery at the Closing provided that the

Subscriber has satisfied the requirements of Section 10 hereof and the LP has accepted this Subscription Agreement. The Subscriber hereby authorizes the delivery of such certificates by the transfer agent of the LP, if any, to the LP or its solicitor.

12. The LP shall be entitled to rely on delivery of a PDF or facsimile copy of executed subscriptions, and acceptance by the LP of such PDF or facsimile subscriptions shall be legally effective to create a valid and binding agreement between the Subscriber and the LP in accordance with the terms hereof.

Use of Personal Information

13. The Subscriber acknowledges and consents to the fact that the GP and LP are collecting the Subscriber's (and any beneficial purchaser for which the Subscriber is contracting hereunder) personal information (as that term is defined under applicable privacy legislation, including, without limitation, the *Personal Information Protection Act* (British Columbia) and any other applicable similar replacement or supplemental provincial or federal legislation or laws in effect from time to time) for the purpose of completing the Subscriber's subscription. The Subscriber acknowledges and consents to the GP and LP retaining the personal information for so long as permitted or required by applicable law or business practices. The Subscriber further acknowledges and consents to the fact that the GP or LP may be required by applicable securities laws, stock exchange rules and/or Investment Dealers Association of Canada rules to provide regulatory authorities any personal information provided by the Subscriber respecting itself (and any beneficial purchaser for which the Subscriber is contracting hereunder). The Subscriber represents and warrants that it has the authority to provide the consents and acknowledgements set out in this paragraph on behalf of all beneficial purchasers for which the Subscriber is contracting.

14. In addition, the Subscriber agrees and acknowledges that:

- (a) the LP or GP will deliver certain personal information, including information regarding the name, address, telephone number, email address and amount subscribed for, to the securities regulatory authorities, including the British Columbia Securities Commission (the "BCSC"), the Ontario Securities Commission (the "OSC"), the Alberta Securities Commission (the "ASC"), the Financial and Consumer Affairs Authority (Securities Division) of Saskatchewan (the "FCAA"), the Manitoba Securities Commission (the "MSC") or the Prince Edward Island Office of the Superintendent of Securities Office (the "OSS");
- (b) the information is being collected indirectly by the securities regulatory authorities under authority granted to them in securities legislation;
- (c) the information is being collected for the purposes of the administration and enforcement of such securities legislation;
- (d) the Subscriber may contact the Administrative Assistant to the Director of Corporate Finance at the BCSC at the 12th Floor, 701 West Georgia Street, Box 10142, Vancouver, British Columbia, V7Y 1L2 (604.899.6854) for information regarding the collection and use of this personal information by the BCSC;
- (e) the Subscriber may contact the Administrative Assistant to the Director of Corporate Finance at the Ontario Securities Commission at Suite 1903, Box 5520, Queen Street West, Toronto, Ontario, M5H 3S8 (416.593.8086) for information regarding the collection and use of this personal information by the OSC;
- (f) the Subscriber may contact the MSC at 500 - 400 St. Mary Avenue, Winnipeg, Manitoba R3C 4K5 (204 945 2548) for information regarding the collection and use of this personal information by the MSC;

- (g) the Subscriber may contact the ASC at Suite 600 - 250 - 5th Street SW, Calgary, Alberta T2P 0R4 (403 297 6454) for information regarding the collection and use of this personal information by the ASC;
- (h) the Subscriber may contact the FCAA at 6th Floor, 1919 Saskatchewan Drive, Regina, Saskatchewan S4P 3V7 (306 787 5645) for information regarding the collection and use of this personal information by the FCAA;
- (i) the Subscriber may contact the OSS at 95 Rochford Street, PO Box 2000, Charlottetown, PEI C1A 7N8 (902 4659) for information regarding the collection and use of this personal information by the OSS;
- (j) the Subscriber hereby authorizes the indirect collection of the information by the BCSC, the OSC, the ASC, the FCAA, the MSC and the OSS.

Power of Attorney

15. The Subscriber hereby grants to the GP, and each of its successors and assigns, a power of attorney constituting the GP, with full power of substitution, as its true and lawful attorney to act on its behalf, with full power and authority in its name, place and stead, to do the following, namely:
- (a) execute, swear to, acknowledge, deliver and file as and where required any and all of the following:
 - (i) the LP Agreement governing the LP and all declarations and certificates of change required under the Act or any other applicable legislation and other instruments necessary to form, qualify or continue and keep in good standing the LP as a limited partnership under the *Partnership Act* (British Columbia) (the "**Partnership Act**");
 - (ii) all instruments, declarations and certificates necessary to reflect any amendment to the LP Agreement made in accordance with the terms of the LP Agreement;
 - (iii) any filing or election made pursuant to any applicable tax legislation;
 - (iv) any certificates of trade names; and
 - (v) all conveyances, agreements and other instruments or documents deemed necessary or desirable by the GP to reflect the dissolution and termination of the LP in accordance with the LP Agreement including cancellation of any certificates or declarations and the execution of any elections or making of any filings under the *Income Tax Act* (Canada) (the "**Tax Act**") and any analogous legislation, as any of the same may be amended or re-enacted from time to time;
 - (b) execute and file with any governmental body or instrumentality thereof any documents necessary to be filed in connection with the business, property, assets and undertaking of the LP;
 - (c) execute and deliver any documents or instruments on behalf of and in the name of the Subscriber and for or on behalf of the limited partners of the LP as may be deemed necessary or desirable by the GP to carry out fully the provisions of the LP Agreement, in accordance with its respective terms; and
 - (d) complete, amend or modify any of the foregoing to complete any missing information or correct any clerical or other errors in the completion of any of the foregoing.

16. The power of attorney granted herein is, to the extent permitted by applicable law, irrevocable, is a power coupled with an interest, and shall survive the death, mental incompetence, disability and any subsequent legal incapacity of the Subscriber and shall survive the assignment by the Subscriber of all or part of the Subscriber's interest in the LP and will extend to its heirs, executors, administrators and other legal representatives and successors and assigns. The Subscriber agrees to be bound by any representations or actions made or taken by the GP pursuant to this power of attorney and hereby waives any and all defences which may be available to contest, negate or disaffirm any actions taken by the GP in good faith under this power of attorney.

General

17. The Subscriber agrees that the representations, warranties and covenants of the Subscriber herein 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 issuance of the Units. The representations, warranties and covenants of the Subscriber herein are made with the intent that they be relied upon by the LP in determining the eligibility of a purchaser of Units and the Subscriber agrees to indemnify the LP and GP against all losses, claims, costs, expenses and damages or liabilities which it may suffer or incur which are caused or arise from an inaccuracy or breach thereof and reliance thereon. The Subscriber acknowledges and agrees that all costs incurred by the Subscriber (including any fees and disbursements of any special counsel retained by the Subscriber) relating to the sale contemplated hereunder shall be borne by the Subscriber.
18. The terms and provisions of this Subscription Agreement shall be binding upon and enure to the benefit of the Subscriber, the LP, the GP and their respective heirs, executors, administrators, successors and assigns; provided that, except for the assignment by a Subscriber who is acting as nominee or agent to the beneficial owner and as otherwise herein provided, this Subscription Agreement shall not be assignable by any party without prior written consent of the other party or parties.
19. The contract arising out of this Subscription Agreement and all documents relating thereto shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. The parties irrevocably attorn to the exclusive jurisdiction of the courts of the Province of British Columbia.
20. 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. Neither this Subscription Agreement nor any provision hereof shall be modified, changed, discharged or terminated except by an instrument in writing signed by the party against whom any waiver, change, discharge or termination is sought.

**SCHEDULE I
CERTIFICATE OF ACCREDITED INVESTORS**

TO: U.S. APARTMENTS LIMITED PARTNERSHIP

Undefined capitalized terms used herein have that meaning ascribed to them under the Subscription Agreement to which this Certificate is attached.

In connection with the purchase of Units in the capital of the LP under the Subscription Agreement to which this Certificate is attached by the undersigned Subscriber or, if applicable, the principal on whose behalf the undersigned is purchasing as agent, the Subscriber hereby represents, warrants, covenants and certifies to the LP that:

1. The Subscriber is purchasing the Units as principal for its own account or is deemed to be acting as principal pursuant to NI 45-106;
2. The Subscriber is an "accredited investor" within: (A) for subscribers resident in Canada other than residents of Ontario, the meaning of NI 45-106, or (B) for subscribers resident in Ontario, the meaning under the *Securities Act* (Ontario) (the "OSA") by virtue of satisfying the indicated criterion as set out in Appendix A to this Schedule I;
3. If the Subscriber is an "accredited investor" under the criterion described in (d), (f) or (g) set out in Appendix A to this Schedule I, the Subscriber has also completed and executed two original copies of the risk acknowledgement form attached as Appendix B to this Schedule I; and
4. Upon execution of this Schedule I by the Subscriber, the initialling of the applicable category set forth in Appendix A hereto, and, if applicable, the completion and execution of the risk acknowledgement form set forth in Appendix B to this Schedule I, Schedule I and its appendices shall be incorporated into and form a part of the Subscription Agreement.

Dated: _____

Print name of Subscriber

By:

Signature

Print name of Signatory (if different from
Subscriber)

Title

IMPORTANT:

(1) PLEASE INITIAL THE APPLICABLE CATEGORY IN APPENDIX A ATTACHED HERETO.

(2) IF YOU HAVE INITIALLED CRITERION (D), (F) OR (G) IN APPENDIX A ATTACHED HERETO, COMPLETE AND EXECUTE TWO ORIGINALS OF THE RISK ACKNOWLEDGMENT FORM ATTACHED AS APPENDIX B ATTACHED HERETO.

APPENDIX "A" TO SCHEDULE I

The full definition of "**Accredited Investor**" can be found under NI 45-106 (for residents of Canada other than residents of Ontario) or the OSA (for residents of Ontario), and includes the following (check all that apply):

- (a) a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer;
- (b) an individual registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (a);
- (c) 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 *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador);
- (d) 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 CAD \$1,000,000;
(note: please complete 2 originals of the Risk Acknowledgement Form in Appendix B)
- (e) 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;
- (f) an individual whose net income before taxes exceeded \$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse exceeded \$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year;
(note: please complete 2 originals of the Risk Acknowledgement Form in Appendix B);
- (g) an individual who, either alone or with a spouse, has net assets of at least CAD \$5,000,000;
(note: please complete 2 originals of the Risk Acknowledgement Form in Appendix B);
- (h) a person, other than an individual or investment fund, that has net assets of at least CAD \$5,000,000 as shown on its most recently prepared financial statements;
- (i) 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*], and 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;
- (j) 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;
- (k) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be;
- (l) 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;
- (m) 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;
- (n) an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser;
- (o) a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as an accredited investor; or
- (p) a trust established by an accredited investor for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's spouse, a former spouse of the accredited investor or 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.

**APPENDIX B TO SCHEDULE I
RISK ACKNOWLEDGMENT FORM
(ACCREDITED INVESTORS)**

<p>WARNING! This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.</p>
--

SECTION 1 TO BE COMPLETED BY THE LIMITED PARTNERSHIP	
1. About your investment	
Type of securities: Limited Partnership Units	U.S. APARTMENTS LIMITED PARTNERSHIP
Purchased from:	
SECTION 2 TO 4 TO BE COMPLETED BY THE SUBSCRIBER	
2. Risk acknowledgment	
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 make this investment. Initial the statement that applies to you. (You may initial more than one statement.) The person identified in section 6 of this Risk Acknowledgment Form is responsible for ensuring that you meet the definition of accredited investor. That person, or the sales person identified in section 5 of this Risk Acknowledgment Form, can help you if you have questions about whether you meet these criteria.	Your initials
• Your net income before taxes was more than CAD \$200,000 in each of the 2 most recent calendar years, and you expect it to be more than CAD \$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 CAD \$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than CAD \$300,000 in the current calendar year.	
• Either alone or with your spouse, you own more than CAD \$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 CAD \$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 Subscriber with respect to making this investment. That could include a representative of the Limited Partnership or the General Partner, 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 LIMITED PARTNERSHIP	
U.S. APARTMENTS LIMITED PARTNERSHIP 3100 - 1021 West Hastings Street Vancouver, British Columbia V6E 0C3 Phone: 604 558 6822 Fax: 604 558 6823 Email: admin@willoughbyasset.com	
For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at www.securities-administrators.ca .	

Instructions:

- 1. The LP must complete sections 1, 5 and 6 before the Subscriber can complete the form.**
- 2. Each of the Subscriber and the LP must receive a copy of this form signed by the Subscriber (i.e. two originals must be signed). The LP is required to keep a copy of this form for 8 years after the distribution.**

**SCHEDULE II
RISK ACKNOWLEDGEMENT FORM
(Offering Memorandum - BC and Manitoba Subscribers)**

RISK ACKNOWLEDGMENT

- I acknowledge that this is a risky investment.
- I am investing entirely at my own risk.
- No securities regulatory authority or regulator has evaluated or endorsed the merits of these securities or the disclosure in the offering memorandum.
- The person selling me these securities is not registered with a securities regulatory authority or regulator and has no duty to tell me whether this investment is suitable for me.
- I will not be able to sell these securities except in very limited circumstances. I may never be able to sell these securities.
- I could lose all the money I invest.

I am investing USD \$ _____ (total consideration) in total; this includes any amount I am obliged to pay in the future. U.S. Apartments Limited Partnership will pay USD \$ _____ [amount of fee or commission] of this to _____ [name of person selling the securities] as a fee or commission, if applicable.

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

Date

Signature of Purchaser

Print name of Purchaser

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

WARNING

You have 2 business days to cancel your purchase.

To do so, send a notice to the LP 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 the LP at its business address. Keep a copy of the notice for your records.

U.S. Apartments Limited Partnership
3100 - 1021 West Hastings Street, Vancouver, British Columbia V6E 0C3
Phone: 604 558 6822 Fax: 604 558 6823
Email: admin@willoughbyasset.com

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.

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

You will receive an offering memorandum

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

The securities you are buying are not listed

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

The issuer of your securities is a non-reporting issuer

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

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

British Columbia Securities Commission
PO BOX 10142 Pacific Centre
Vancouver, British Columbia V7Y 1L2
Telephone: (604) 899 6500 Facsimile: (604) 899 6506

The Manitoba Securities Commission
500 - 400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5
Telephone: (204) 945 2548 Facsimile: (250) 945 0330

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

SCHEDULE III

**CERTIFICATE OF ELIGIBLE INVESTORS
(Manitoba Subscribers: Non-Accredited Investor, <\$150,000)**

TO: U.S. APARTMENTS LIMITED PARTNERSHIP

Undefined capitalized terms used herein have that meaning ascribed to them under the Subscription Agreement to which this Certificate is attached.

In connection with the purchase of Units in the capital of the LP under the Subscription Agreement to which this Certificate is attached by the undersigned Subscriber or, if applicable, the principal on whose behalf the undersigned is purchasing as agent, the Subscriber hereby represents, warrants, covenants and certifies to the LP that:

1. The Subscriber is purchasing the Units as principal for its own account or is deemed to be acting as principal pursuant to NI 45-106;
2. The Subscriber is an "eligible investor" within the meaning of NI 45-106 by virtue of satisfying the indicated criterion as set out in Appendix A to this Schedule III;
3. Upon execution of this Schedule III by the Subscriber, the initialling of the applicable category set forth in Appendix A hereto, Schedule III and its appendices shall be incorporated into and form a part of the Subscription Agreement.

Dated: _____.

Print name of Subscriber

By:

Signature

Print name of Signatory (if different from
Subscriber)

Title

IMPORTANT:

- (1) PLEASE INITIAL THE APPLICABLE CATEGORY IN APPENDIX A ATTACHED HERETO.**

APPENDIX "A" TO SCHEDULE III

The full definition of "Eligible Investor" can be found under NI 45-106 and includes the following (check all that apply):

- (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 CAD \$75,000 in each of the 2 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 CAD \$125,000 in each of the 2 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 in which all of the beneficiaries or a majority of the trustees or executors are eligible investors;
- (f) An accredited investor;
- (g) An individual who is:
 - (i) a director, executive officer or control person of the GP or of an affiliate of the GP;
 - (ii) a spouse, parent, grandparent, brother, sister, child or grandchild of a director, executive officer or control person of the GP or of an affiliate of the GP;
 - (iii) a parent, grandparent, brother, sister, child or grandchild of the spouse of a director, executive officer or control person of the GP or of an affiliate of the GP;
 - (iv) a close personal friend of a director, executive officer or control person of the GP, or of an affiliate of the GP;
 - (v) a close business associate of a director, executive officer or control person of the GP, or of an affiliate of the GP;
 - (vi) a founder of the LP or the GP, or a spouse, parent, grandparent, brother, sister, child, grandchild, close personal friend or close business associate of a founder of the LP or the GP;
 - (vii) a parent, grandparent, brother, sister, child or grandchild of a spouse of a founder of the LP or the GP;
 - (viii) a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, persons described in (i) to (vii) above; or
 - (ix) a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are persons described in (i) to (vii) above;
- (h) In Manitoba, a person that has obtained advice regarding the suitability of the investment and, if the person is resident in a jurisdiction of Canada, that advice has been obtained from an eligibility advisor;

SCHEDULE IV DEFINITIONS

For the purposes hereof:

- (a) "eligibility adviser" means:
- (i) A person that is registered as an investment dealer and authorized to give advice with respect to the type of security being distributed; and
 - (ii) In Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction of Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or accountant must not: (A) have a professional, business or personal relationship with the LP, the GP or any of its directors, executive officers, founders or control persons; and (B) have acted for or been retained personally or otherwise as an employee, executive officer, director, associate, or partner of a person that has acted for or been retained by the LP, the GP or any of its directors, executive officers, founders or control persons within the previous 12 months;
- (b) "financial assets" means (i) cash, (ii) securities or (iii) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;
- (c) "fully managed account" means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client's express consent to a transaction;
- (d) "investment fund" has the meaning ascribed thereto in National Instrument 81-106 - *Investment Fund Continuous Disclosure*;
- (e) "person" includes
- (i) an individual,
 - (ii) a corporation,
 - (iii) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and
 - (iv) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative;
- (f) "related liabilities" means
- (i) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or
 - (ii) liabilities that are secured by financial assets.
- (g) "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) immediately above or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta); and
- (h) "subsidiary" means a corporation that is controlled directly or indirectly by another corporation and includes a subsidiary of that subsidiary.

Affiliated Entities and Control

- A corporation is considered to be an affiliate of another corporation if one of them is a subsidiary of the other, or if each of them is controlled by the same person.
- A person (first person) is considered to control another person (second person) if:
 - (a) the first person, directly or indirectly, beneficially owns or exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless the first person holds the voting securities only to secure an obligation,

(b) the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests in the partnership, or

(c) the second person is a limited partnership and the general partner of the limited partnership is the first person.

AGREEMENT TO BE BOUND

THIS AGREEMENT is made effective the ____ day of _____, 201_.

BETWEEN:

U.S. APARTMENTS LIMITED PARTNERSHIP, a limited partnership formed under the laws of British Columbia having an office 3100-1021 West Hastings Street, Vancouver, BC V6E 0C3 (the "**Limited Partnership**")

AND:

WILLOUGHBY ASSET MANAGEMENT INC., a company incorporated under the laws of British Columbia having an office at 3100-1021 West Hastings Street, Vancouver, BC V6E 0C3 , in its capacity as General Partner of the U.S. Apartments Limited Partnership (the "**General Partner**")

AND:

Each of the existing Limited Partners of the Limited Partnership (the "**Existing Limited Partners**")

AND:

(Subscriber Name, Address and Facsimile information)

(the "**Subscriber**")

WHEREAS:

- A. The Subscriber has agreed to subscribe for Units in the Limited Partnership and make a Capital Contribution to the Limited Partnership;
- B. The General Partner and each of the Existing Limited Partners entered into a Limited Partnership Agreement dated for reference _____, 2017 as the same may be amended or supplemented from time to time (the "**Limited Partnership Agreement**");
- C. The Limited Partnership was formed under the laws of the Province of British Columbia on _____, 2017 under Registration No. LP _____ upon the filing of a certificate of limited partnership with the Registrar of Companies for British Columbia, as the same may be amended or supplemented from time to time;
- D. The Limited Partnership Agreement provides, inter alia, that no person may become a Partner of the Limited Partnership unless they first enter into an agreement with or in favour of the continuing Partners pursuant to which such person agrees to be bound by

the terms of the Limited Partnership Agreement and to carry on the business of the Limited Partnership in common with a view to profit with each other Partner pursuant to the terms of the Limited Partnership Agreement;

- E. Each of the Existing Limited Partners has, under the Limited Partnership Agreement, irrevocably authorized the General Partner to enter into this Agreement to be Bound as their agent and on their behalf; and
- F. The parties hereto wish to enter into this Agreement for the purpose of making the Subscriber a party to the Limited Partnership Agreement as a Limited Partner.

NOW THEREFORE this Agreement witnesses that in consideration of the mutual agreements set forth below, and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties agree as follows:

ARTICLE 1 AGREEMENT TO BE BOUND

The Subscriber hereby agrees with the Limited Partnership, the General Partner and each of the Existing Limited Partners to be bound by the terms of the Limited Partnership Agreement as if it were an original party thereto and to carry on the business of the Limited Partnership in common with a view to profit with each of the other Partners pursuant to the terms of the Limited Partnership Agreement

ARTICLE 2 PARTNERSHIP'S REPRESENTATIONS AND WARRANTIES

The Limited Partnership represents and warrants to the Subscriber that:

- (a) the General Partner and each of the Existing Limited Partners is a party to the Limited Partnership Agreement; and
- (b) a true copy of the Limited Partnership Agreement has been provided to the Subscriber.

ARTICLE 3 SUBSCRIBER'S REPRESENTATIONS, WARRANTIES AND COVENANTS

The Subscriber represents and warrants to the Limited Partnership, the General Partner and the Existing Limited Partners that:

- (a) it is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada), or a non-Canadian for the purposes of the *Investment Canada Act*;
- (b) The Subscriber is (circle one and complete details as appropriate):
 - (i) an individual, of the age of majority;
 - (ii) a corporation that is duly incorporated and organized, validly existing, and in good standing under the laws of _____;
 - (iii) a limited partnership that is validly formed under the laws of _____; or

- (iv) the trustee(s) of a trust that is validly formed under the laws of _____;
- (c) the Subscriber has the requisite power and capacity to enter into this Agreement and to perform its obligations hereunder and, where applicable, the execution and delivery of this Agreement has been duly authorized;
- (d) it is acquiring a Unit or Units for the purpose of carrying on a business in common with all other Partners with a view to earning a profit within the meaning of the Income Tax Act (Canada).
- (e) this Agreement has been duly executed and delivered by the Subscriber, and constitutes a legal, valid, binding and enforceable obligation of the Subscriber.

**ARTICLE 4
MISCELLANEOUS**

- (a) This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.
- (b) This Agreement may be executed in two or more counterparts which when taken together shall constitute one agreement. Delivery of counterparts may be effected by facsimile transmission thereof.
- (c) Time is of the essence of this Agreement.
- (d) Any notice, consent, waiver, approval, request, demand or other communication required or permitted to be given under this Agreement shall be in writing and shall be delivered by hand or by telefax transmission addressed to the recipient as follows:
 - (i) if to the Limited Partnership, to its office at:

U.S. Apartments Limited Partnership
3100-1021 West Hastings Street
Vancouver, BC, V6E 0C3
 - (ii) if to the Subscriber, to the address or telefax number set forth on the first page of this Agreement

or to such other address or facsimile number as is specified by a party by notice given in accordance with this Article. Any such notice, consent, waiver, approval, request, demand or other communication will be deemed to have been given and received if delivered, on the first Business Day after the day of delivery, and if sent by facsimile transmission, on the first Business Day after the day of transmittal.

Each party hereto shall do and perform or cause to be done and performed all such further acts and things and shall execute and deliver all such other agreements, certificates, instruments, and documents as any other party hereto reasonably may request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

**ARTICLE 5
INTERPRETATION**

In this Agreement:

- (a) capitalized terms not otherwise defined have the same meaning given to such terms in the Limited Partnership Agreement unless the context otherwise requires;
- (b) "**Agreement**" means this agreement, and the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this agreement; and unless otherwise indicated, references to sections are to sections in this agreement;
- (c) the inclusion of headings is for convenience of reference only and shall not affect the construction or interpretation of this Agreement; and whenever it appears appropriate from the context, each term stated in either the singular or the plural shall include the singular and the plural, and pronouns stated in either the masculine, the feminine or the neuter gender shall include the masculine, feminine and neuter.

IN WITNESS WHEREOF the parties have executed this Agreement effective the date first above written.

WILLOUGHBY ASSET MANAGEMENT INC. in its capacity as general partner of
U.S. APARTMENTS LIMITED PARTNERSHIP, on its own behalf
and on behalf of each of the Existing Limited Partners

By: _____
Name:

SUBSCRIBER NAME: _____

By: _____
(Authorized Signatory)

SCHEDULE C

Investment Criteria and Operating Policies

Investment Guidelines

For the purpose of this Schedule C, "**Related Person**" means (i) in respect of the Limited Partnership, (a) Daniel Popescu, Lynn Stibbard, Kelly Hemmett, Martin Miyata or any other director, officer, promoter or control person of the Limited Partnership or the Manager, or (b) a company, partnership or other legal entity, controlled by one or more individuals referred to in (a); and (ii) in respect of a WWC Partnership, WWC Underlying Partnership or WWC Owner Partnership, (c) David Steele, Janet LePage or any other director, officer, promoter or control person of a WWC Partnership or a WWC Partnership general partner, or (d) a company, partnership or other legal entity controlled by one or more individuals referred to in (c).

The Limited Partnership will only invest in WWC Partnerships who, through a WWC Underlying Partnership and a WWC Owner Partnership, follow the following investment guidelines ("**Investment Guidelines**"):

- (a) a WWC Partnership will focus its investment activities on the acquisition, holding, maintaining, improving, leasing, managing or disposing of a Property and conducting other business which is ancillary or incidental thereto, and deriving income therefrom with a view to making a profit ("**Focused Activities**").
- (b) investments may be made by way of acquiring limited partnership units of a WWC Underlying Partnership, provided that the following conditions are met:
 - (i) the business of a WWC Underlying Partnership is restricted to Focused Activities;
 - (ii) a WWC Underlying Partnership is formed under the laws of a state of the United States;
 - (iii) a general partner of a WWC Underlying Partnership may be a Related Person of a WWC Partnership general partner;
 - (iv) the investment of a WWC Underlying Partnership may be made by way of acquiring limited partnership units of a WWC Owner Partnership who acquires beneficial ownership of a Property;
 - (v) a WWC Partnership Agreement may provide that WWC is entitled to the WWC Fees and other compensation (excluding distributions, which are subject to paragraph (vi), below) in connection with its activities as a WWC GP;
 - (vi) a WWC Partnership Agreement may provide a WWC GP with a right to receive distributions from the WWC Partnership;
 - (vii) a WWC Partnership Agreement may provide that fees or commissions may be paid by a WWC Partnership for the solicitation or sale of LP Units, by individuals or companies, including the Manager and parties not at

arm's length to the WWC GP, in an amount equal to up to 5% of the funds raised by such individuals or companies.

- (c) Further, the WCC Partnerships through a WWC Underlying Partnership and/or a WWC Owner Partnership may acquire a Property from Related Persons, provided that the purchase price of such a Property shall be equal to or less than:
 - (i) the average of the value established by a certified appraisal obtained from an independent appraiser with respect to a Property in question; and
 - (ii) a valuation obtained from an independent realtor with respect to a Property or the most recent tax assessment with respect to a Property received from the municipality in which a Property is located.
- (d) A WWC Partnership may also engage in any other business or activity incidental, ancillary or related to the foregoing primary activities.
- (e) The Manager has the ability to control or direct the activities of a WWC Partnership to ensure it invests only in accordance with the Investment Guidelines and the Operating Policies through the WWC Partnership Agreement.

Operating Policies

The operations and affairs of each WWC Partnership, through a WWC Underlying Partnership and a WWC Owner Partnership, will be conducted in accordance with the following operating policies (the "**Operating Policies**"):

- (a) **Length of Time for Holding a Property.** A WWC Partnership will acquire and hold a Property for as long as it determines that the relevant market and investment fundamentals allow for appropriate returns to be generated from a Property.
- (b) **Investment Objectives.** By combining a service-oriented focus with acquiring undervalued assets, a WCC Partnership intends to increase both cash flow and asset values of a Property, thereby providing an increasing rate of return to limited partners of a WWC Partnership. Toward these ends, a WWC Partnership intends where applicable:
 - (i) to improve the overall value of a WWC Partnership by developing, acquiring and holding revenue producing a Property that adds value to the overall portfolio of all Properties held by a WWC Partnership;
 - (ii) to operate and maintain a Property with the intention of creating profitability on a sustainable basis;
 - (iii) to engage in activities to increase the value and returns of a Property;
 - (iv) to reinvest operating profits and the proceeds of any refinancing of a Property acquired by a WWC Partnership in the furtherance of the business objectives of a WWC Partnership;
 - (v) to invest in a Property which has the likely probability of long-term capital appreciation;

- (vi) to preserve the value of a Property and the WWC Partnership;
 - (vii) to improve the overall value of the WWC Partnership through the effective management of the WWC Partnership's business and finances and value-added improvements to a Property;
 - (viii) to maintain a private structure that is not subject to the volatility of the public equity and debt markets; and
 - (ix) to maintain a cost structure aligned with the interests of investors.
- (c) Financing. A WWC Partnership may seek third party financing in respect of a part of the purchase price and the operating cost of its Property, and may refinance any acquisition financing where more favourable financing becomes available from third party lenders such as banks, trust companies, mortgage syndicates or other providers of mortgage funding. A WWC Partnership expects that a mortgage loan charging a Property will typically not be more than 80% of the appraised value of the Property, although occasionally higher leverage may be obtained from the seller by way of "vendor take-back" financing. Additional funds may be required for the property management reserve account which may be required by the applicable lenders.
- (d) Due Diligence. When a WWC Partnership identifies an investment that is worth considering, then a strict due diligence process is followed. A WWC Partnership may obtain independent property, environmental and structural reports even if not required by lenders. The following are some of the material considerations that a WWC Partnership will examine as part of its due diligence process with respect to a proposed acquisition of a Property:
- (i) Appraisal: What is a Property worth and how was it appraised (Direct comparison, Income or Cost Approach)?
 - (ii) Zoning: (1) What is a Property being used for today? (2) Is it the best use? (3) Are there limitations against future improvements/additions to the Property?
 - (iii) Financing: (1) How is this Property going to be purchased? (3) How will lenders view this purchase?
 - (iv) Environmental Report: (1) Are there any current environmental concerns? (2) What is the environmental history of a Property?
 - (v) Engineering Report: (1) What is the condition of the existing building or buildings located on a Property? (2) What is the condition of the structural integrity of any buildings?
 - (vi) Site Survey Real Property Report: Are there any registered easements or other documents which affect the use of a Property?
 - (vii) Macroeconomics: Refer to high level economic fundamentals that speak to the future viability to a neighborhood, city or province. These are broad economic indicators that help a WWC GP identify areas of interest based.

- (viii) Net Migration: (1) What are the population trends in the area? (2) Are there more people arriving or departing? A WWC Partnership believes that (i) thriving areas tend to see population increases over the long term, and (ii) an increase is generally a positive indicator for real estate values as more people arrive and the supply of available residential and commercial properties tightens.
- (ix) Industry: (1) What are the major industries in the area? (2) Who are the major employers and how much of the job market do they represent? (3) What are the future prospects for current major employers? (4) What other businesses are locating/relocating in the area?
- (x) Transportation: (1) How accessible is the area? (2) Are there any infrastructure expansion plans pending?
- (xi) Government: (1) How accommodating are the local authorities to new businesses being established? (2) Are there any local regulations, permit or authorization requirements that may constitute an impediment to do business in the area? (3) How do taxes for businesses compare to other areas?
- (e) Monitoring. It is expected that a Property will be monitored by a WWC Partnership on a continuous basis to gauge the effectiveness of the management process on cash flows and tenant satisfaction. Through analysis of market rental rates, a WWC Partnership will determine where capital expenditures will permit the largest increase in rents and when a Property's rate of return has been maximized. A WWC Partnership may in its discretion decide to sell a particular Property and reinvest capital into opportunities that will provide superior returns.
- (f) Dispositions. A WWC Partnership may sell a Property when it determines that the associated capital can be more efficiently deployed. This is an ongoing monitoring process, where economic, political and demographic trends are taken into account. A WWC Partnership may, at its discretion and without notice to the limited partners, reallocate a WWC Partnership's assets to a Property as determined by a WWC Partnership in its discretion.
- (g) Sales to Related Persons. A WWC Partnership may also sell its Property to Related Persons at a price equal to the average of the value established by a certified appraisal obtained from an independent appraiser with respect to a Property in question and a single market valuation obtained from an independent realtor with respect to a Property.
- (h) Compliance with laws. A WWC Partnership will comply with all laws which govern its activities, including but not limited to registering as a mortgage broker if required by applicable legislation in connection with its lending activities.