



## CONFIDENTIAL INFORMATION MEMORANDUM

### VELEV CAPITAL LIMITED PARTNERSHIP

Offering of Limited Partnership Units: (Class A, C, F and J)  
Expected Initial Closing: December 1, 2019

*This Confidential Information Memorandum constitutes an offering of securities only in Canada. No securities are being offered or will be sold in the United States or to United States persons, or in any other jurisdiction, except to persons to whom securities may be sold pursuant to an exemption from applicable prospectus and registration requirements and with the delivery of offering documents compliant with the applicable laws of the United States. Any offering to persons not resident in Canada will be made pursuant to offering documents compliant with applicable law and regulations in such jurisdiction and reference must be made to those offering documents.*

## SUMMARY OF PRINCIPAL TERMS

*The following is a summary of the principal terms applicable to the investment in the Partnership, and is qualified in its entirety by reference to the Limited Partnership Agreement of the Partnership (the "Partnership Agreement"). The Partnership Agreement will be furnished to qualified investors and their advisors and should be reviewed carefully. If the description or terms of this Confidential Information Memorandum are inconsistent with or contrary to the Partnership Agreement, the Partnership Agreement will govern. All references to \$ or dollars is a reference to Canadian dollars or US dollars as indicated.*

<p><b>The Partnership</b></p>	<p>Velev Capital Limited Partnership (the "<b>Partnership</b>") is formed under the laws of the Province of Ontario. The General Partner and the Manager (each as defined below) will act as general partner and manager of the Partnership.</p> <p>Units (as defined below) in the Partnership will only be sold to persons that are residents of Canada for tax-purposes. If a person not resident of Canada wishes to invest they will need to do so using a Canadian corporation, such as an unlimited liability company, and satisfy themselves they qualify to make the investment. The Partnership may make an exempt offering of the ULC shares in the United States and Jamaica, a ULC will be formed for the purpose of investing in the Partnership.</p>
<p><b>General Partner</b></p>	<p>The General Partner of the Partnership is Velev Capital GP Inc., an Ontario corporation owned and controlled by Sergiy Shchavyelyev (the "<b>GP</b>").</p>
<p><b>Manager</b></p>	<p>The Manager for the Partnership is Velev Capital Manager Inc. an Ontario corporation owned and controlled by Sergiy Shchavyelyev (the "<b>Manager</b>")</p>
<p><b>The Offering</b></p>	<p>Limited Partnership Units – Canadian investors may invest in Canadian or US dollars, the Class A and Class F Units are offered at Cdn \$10 per Unit, or US \$10 as selected by Canadian residents. US residents may only invest in the ULC formed to acquire the Class F Units and only in US dollars. The offering to US residents will be at a price of US \$10 per ULC share which is dedicated to acquisition of the matching Partnership Class F Unit.</p> <p>Class J Units will be offered only to Jamaican investors and will be an offering of the shares of a dedicated purpose ULC which will acquire the Partnership Class J Units at US \$10 per share.</p> <p>This offering is for Class A, Class F and (on a wrap basis) Class J Units. Class C Units are separately being offered at the same time to family and friends of the founders. In the future it is intended to offer Class JP, Class W and Class T Units and potentially other classes of Units, as determined by the GP.</p> <p>The Partnership may offer other classes of Units in the discretion of the GP from time to time after the Initial Closing of the Class A, Class F, Unit and Class J Unit offerings detailed herein. The Class C offering will be made simultaneously to friend and family qualified purchasers.</p> <p>Distributions will be paid in Canadian dollars to investors who purchase using Canadian dollars and in US dollars for persons who acquire in US dollars. The investments, distributions and revenue will be managed on a currency matching basis.</p>

<p><b>Offering Class</b></p>	<p><b>Class A – Advisors, Eligible – Canada only – Direct into LP</b></p> <p>The Class A Units may only be acquired by Eligible Investors (as defined in NI45-106) who are represented by a qualified advisor. The Class A Units are offered in two series, Canadian dollar and US dollar on the following terms:</p> <p><b>Price</b> – \$10 - Series 1 Canadian dollars, Series 2 US dollars</p> <p><b>Series</b> – Yes, Series 1 Canadian dollars, Series 2 US dollars</p> <p><b>Offered</b> – in Canada only through Qualified Advisors</p> <p><b>Fee</b> – 2.5% of Capital Contributed (plus applicable taxes)</p> <p>The Management Fee of 2.5% includes a fee to be paid to the registered dealers representing the investors in the Class A Units, based on the Class A Units that dealer represents, as a servicing fee (the “<b>Service Fee</b>”) equal to 1.0%, annually, of the subscription price of the Class A Units, plus applicable taxes. The Manager will pay the Service Fee to the registered dealers based on the number of Class A Units held by clients of such dealers at the end of the each quarter. There is also wholesaler fee of 0.5% as part of the management fee which will be paid as per separate arrangements with wholesaler.</p> <p><b>Redemption Timing</b> – Monthly, 30 days notice and 30 days to pay (see Limitations),</p> <p><b>Redemption payment</b> – Return of subscription price paid less costs associated.</p> <p><b>Redemption Discount</b> – Before 6 months from issue - a 2% discount on the redemption payment may apply.</p> <p><b>Distribution Payment Date</b> – Monthly – 15th day of following month, following business day protocol, and annual true up for additional participation 60 days from year end</p> <p><b>Distribution</b> – Priority – Pari passu – see distribution outline</p> <p><b>Distribution Amount</b> – Equal per class and series at a minimum of 8.5% of Capital Contributed (subscription price), per annum, by monthly payment with deduction of the 2.5 % fee for a return to the Limited Partner of a minimum 6% per annum on Capital Contributed.</p> <p><b>Additional True Up Participation</b> - Firstly, annually within 60 days of calendar year end, if funds remain available, an amount to true up to a return on Capital Contributed to 10% less fees attributed to Class A (2.5% management and dealer fee ). Then, secondly a distribution on an equal per Unit basis for all Units of all Classes, of participation in 50% of all funds available over the 10% (less management and dealer fees applicable) return on Capital Contributed.</p> <p><b>Cap of Units to be issued</b> – No</p> <p><b>Offering time</b> - Open</p>
<p><b>Offering Class</b></p>	<p><b>Class F Series 1 – Canada (EMD/Canada direct to LP)</b></p> <p><b>Class F Series 2 – US Dealer (must be through a ULC)</b></p> <p>The Class F Units may only be acquired by Accredited Investors (as defined in NI 45-106). The Class F Units are offered in two series, Canadian Dollar and US Dollar on the following terms:</p> <p><b>Price</b> - Series 1 For Canadian Investors Series 1 \$10 Canadian</p> <p><b>Price</b> - Series 2 For USA Investors Series 2 \$10 US dollars</p>

	<p><b>Series 1</b> – Yes for Canadian investors Series 1 Canadian Dollars</p> <p><b>Series 2</b> – Yes for USA investors Series 2 US Dollars</p> <p><b>Offered</b> – Only to accredited investors, acquired through an EMD or US registered dealer for exempt placements to Accredited Investors</p> <p><b>Fee</b> – 1.5 % (plus applicable taxes)</p> <p>The Management Fee of 1.5% includes wholesaler fee of 0.5% which will be paid as per separate arrangements with wholesaler.</p> <p><b>Redemption Timing</b> – Monthly, 30 days notice and 30 days to pay (see limitations), no minimum hold period</p> <p><b>Redemption payment</b> – Return of subscription price paid less costs associated</p> <p><b>Redemption Discount</b> – Before 6 months from issue - 2% discount on redemption payment may apply</p> <p><b>Distribution Payment Date</b> – Monthly – 15th day of following month, following business day protocol, and annual true up for additional participation 60 days from year end</p> <p><b>Distribution</b> – Priority – Pari passu – see distribution outline</p> <p><b>Distribution Amount</b> – equal per class and series at a minimum of 8.5% of Capital Contributed (subscription price), per annum, by monthly payment with deduction of the 1.5 % fee for a return to the Limited Partner of a minimum 7% per annum.</p> <p><b>Additional True Up Participation</b> - Firstly, annually within 60 days of calendar year end, if funds remain available, an amount to true up to a return on Capital Contributed of 10% less fees attributed to Class F (1.5% management fee ). Then, secondly a distribution on an equal per Unit basis for all Units of all Classes, of participation in 50% of all funds available over the 10% (less management and dealer fees applicable) return on Capital Contributed.</p> <p><b>Cap on Units to be issued</b> – No</p> <p><b>Offering Time</b> – Open</p>
<p><b>Other Classes Offered Currently</b></p>	<p>The following two classes are being offered separately at the same time as this offering.</p> <p><b>Class C Series 1 - Founders, Friends and Family – Canada only – direct to LP</b></p> <p><b>Class C Series 2 – Accredited Investors – Canada only – direct to LP</b></p> <p>The Class C Series 1 Units may only be acquired by persons defined as Founder, Friends and Family in NI 45-106 and The Class C Series 2 Units may only be acquired by persons defined as Accredited Investors in NI 45-106. The Class C Units are offered in Canadian Dollars only on the following terms:</p> <p><b>Price</b> - \$10 Canadian Dollars only</p> <p><b>Offered</b> – Friends &amp; Family and Accredited Investors under NI45-106</p> <p>No dealer involved</p> <p><b>Management Fee</b> – 1% plus applicable taxes</p> <p><b>Redemption Timing</b> – Quarterly 30 days notice and 30 day pay, after holding 6 months</p> <p><b>Redemption payment</b> – return of subscription price paid less costs associated</p> <p><b>Redemption Discount</b> - None</p>

	<p><b>Distribution Payment Date</b> – Monthly – 15th day of following month, using following business day protocol</p> <p><b>Distribution</b> – Priority – Pari passu – see distribution outline</p> <p><b>Distribution Amount</b> – Equal per class and series at a minimum of 9% of Capital Contributed (subscription price), per annum, by monthly payment with deduction of the 1 % management fee for a return to the Limited Partner of a minimum 8% per annum</p> <p><b>Additional True Up Participation</b> - Firstly, annually within 60 days of calendar year end, if funds remain available, an amount to true up to a return on Capital Contributed of 10% less fees attributed to Class C (1% management fee ). Then, secondly a distribution on an equal per Unit basis for all Units of all Classes, of participation in 50% of all funds available over the 10% (less management and dealer fees applicable) return on Capital Contributed.</p> <p>Offer cap for each series at \$10 million (subject to General Partner discretion to increase)</p>
<p><b>Other Classes Offered Currently</b></p>	<p><b>Class J (Jamaica) – offering through a ULC – Only acquired through Registered Dealer</b></p> <p>The Class J Units may only be acquired by or through a Registered Dealer (Jamaica). The Class J Units are offered in US Dollars only on the following terms:</p> <p><b>Price</b> – \$10 US Dollars</p> <p><b>Offered</b> – Through a Registered Dealer only</p> <p><b>Management Fee</b> – 1%</p> <p><b>Redemption Timing</b> – Monthly, 30 day notice and 30 day period to pay</p> <p><b>Redemption Payment</b> - Return price of subscription price paid</p> <p><b>Redemption Discount</b> – None</p> <p><b>Distribution</b> – Priority – Pari passu - see distribution outline</p> <p><b>Distribution Amount</b> – Equal per class and series at a minimum of 8.5% of Capital Contributed (subscription price), per annum, by monthly payment with deduction of the 1 % (management fee) with a return to the investor of a minimum 7.5% per annum.</p> <p><b>Additional True Up Participation</b> - Firstly, annually within 60 days of calendar year end, if funds remain available, an amount to true up on Capital Contributed of 10% less fees attributed to Class J (1% management fee). Then, secondly a distribution on an equal per Unit basis for all Units of all Classes, of participation in 50% of all funds available over the 10% (less management and dealer fees applicable) on Capital Contributed.</p> <p><b>Offer cap</b> – US\$30,000,000 (subject to General Partner discretion to increase)</p>
<p><b>Potential Additional Classes - Not Yet Offered</b></p>	<p>The General Partner intends the following additional offers.</p> <p><b>Class JP (Jamaica – Listed)</b></p> <p>This will be a public listing in Jamaica, offered through Jamaica qualified dealers. It will be offered using a ULC structure in US dollars. The intention is to offer on terms similar to Class J.</p>

	<p><b>Class W (Token – a Global exempt Offering)</b></p> <p>Consideration is being given to a global platform token offering which can be issued directly to a Partnership - token giving contract rights equivalent to Units, do not become LP as it is a contract only, unless a token is used to offer actual Units, then Token holders must also be a ULC offering</p> <p><b>Class T – Public</b></p> <p>An offering listed on a recognized stock exchange of units similar to the Class A or F is also being considered.</p>
<p><b>Offering Jurisdiction</b></p>	<p>This Confidential Information Memorandum is for the Offering of Units in Canada to persons resident in Canada. Offerings may be made to persons resident in jurisdictions other than Canada, including the United States and Jamaica using these materials and additional regulatory information, and in such event offering materials compliant with the requirements for an exempt offering in that jurisdiction will be used for such offering. For residents of the United States the offering will be for interest in a ULC formed in British Columbia which will invest only in Class F Units. For residents of Jamaica the offering will be for interest in a ULC formed in British Columbia which will invest only in Class J Units.</p>
<p><b>Investment Objectives and Philosophy</b></p>	<p>The investment objectives of the Partnership are to generate favorable investment returns through investments (“<b>Portfolio Investments</b>”) in real estate projects primarily in Canada and the United States, including mortgages thereof, for the purpose of making returns from income and capital gain, and to enhance those investments returns using investments in securities, directly, indirectly or through funds, mortgage investment corporations, real estate investment trusts, private equity vehicles, second and subordinate lien loans and share investments where active investment participation is made available to the Partnership.</p> <p>A unique model has been developed to balance the assurance of income and liquidity with the attractive higher returns that can be achieved from an equity ownership based approach to real estate ownership and development. Short term, less than 12 month term, high rates mortgages will be used as part of the portfolio to provide immediate returns and readily liquidated assets while real estate projects mature and the equity returns become available. The use of these mortgage assets may lessen over time as the portfolio is assembled but it is expected this technique will be available to provide additional return and liquidity over the life of the Partnership. The primary investment objective is returns from the owning and development of real estate.</p>
<p><b>Reinvestment Capability</b></p>	<p>The Portfolio Investments will be held on a pool basis such that if an investment is liquidated the General Partner may, in its discretion, determine to hold and reinvest the proceeds in a replacement investment in the Portfolio. This will particularly be the case for mortgage investments. It remains the intention to distribute gains from real estate investments as realized.</p>
<p><b>Investment Profile</b></p>	<p>The Manager will screen for value using special situation investment targets in various sections including financial services and real estate through direct and indirect investments, including mortgages thereof (of varying seniority), with a geographic emphasis on up and coming urban areas in Canada and the United States. The portfolio weighting will balance indirect and direct investments. The Manager will use a proactive, relationship leveraging, opportunistic approach to deal sourcing to find pockets of value dislocation in the capital markets which will be ripe</p>

	<p>for value creation initiatives or a value-add or development methodology. Prospective investments will be evaluated by a risk adjusted underwriting process using both the potential internal rate of return and equity multiple. Leverage may be employed on a situational basis where appropriate to amplify exposure to investments. The Manager intends to exit investments on achievement of the specific strategic plan for each individual investment such that the value-enhancing initiatives have been completed.</p> <p>Initial investments yielding an average return of greater than 10% have been identified by the GP. There is no assurance that assets with these returns will remain available but it is anticipated that similar investments can be sourced if the ones identified to date cannot be acquired. Any distribution to the Limited Partners will be net of expenses not expected to exceed 2% of fund revenue and proceeds before the GP entitlement, if the identified assets can be acquired this would provide a target return to investors of up to 8% (this is not guaranteed). It is expected additional returns can be achieved from development properties. The mortgages used for cash flow and liquidity support will, once the portfolio of real estate investments mature, not exceed 25% of the portfolio.</p> <p>The General Partner and Manager are affiliated with other entities that engage in mortgage and real estate investment. The Partnership may invest in investments identified by, invested in and managed by those affiliated entities and vice versa. The General Partner in identifying, determining investment structure, participation and management will use reasonable efforts to obtain and allocate investments for the portfolio of the Partnership on a basis of first allocating suitable investments to the Partnership, but may share investments with and invest in investments of its affiliates.</p> <p>The Manager will seek out portfolio investments, and only complete portfolio investments, which have a constant cash flow with upside opportunity from holding and remarketing or developing the project, for example: rezoning of property for high rise or for multifamily development, replacing tenants with better profile higher paying tenants through aggressive redevelopment and marketing programs, increasing occupancy of poorly managed real estate properties.</p>
<p><b>Form of Limited Partner Unit Investment Offered</b></p>	<p>The offering consists of limited partnership units in the Partnership (individually a “Unit” and collectively the “Units”) designated as Class A and Class F. Class J and Class C Units are being separately offered. Each Unit entitles the holder to the same rights and obligations as a holder of any other Unit of that Class. The order and amount of distributions may differ for other classes of Units (see Distributions) Purchasers of Units are referred to individually as a “<b>Limited Partner or LP</b>” and collectively as “<b>Limited Partners or LPs</b>” and together with the GP as the “<b>Partners</b>”.</p> <p>No Limited Partner shall be entitled to any privilege, priority or preference in relation to any other Limited Partner.</p>
<p><b>Investors Who are not Canadian Residents</b></p>	<p>Investors (persons or entities) who are not resident or domiciled in Canada may not invest in limited partnership Units and therefore to invest must form a Canadian corporate entity to invest, specifically Velev Capital US ULC, a British Columbia ULC. An existing Canadian corporation owned by the investor is permitted to be used, a new one does not need to be formed. It must meet the requirement to be Canadian but can be owned by persons not resident in Canada or for the benefit of an entity domiciled in the United States. The ULC will be a limited partner of the Partnership. The General Partner has created a ULC to facilitate participation by US investors and may be undertaking an exempt offering of those shares. The only business of the ULC will be investing in Units of the Partnership.</p>

	<p>The opportunity to invest for US investors to acquire the ULC shares will only be made available to investors who qualify under exemptions from the registration and prospectus requirements under applicable securities laws. Sales will be made only to “accredited investors” as such term is defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933. Each purchaser of ULC shares will be required to represent that the ULC shares are being acquired for his, her or its own account, for investment, and not with a view to resale or distribution in accordance with an exemption from registration pursuant to Regulation D, Rule 506(c) of the Securities Act of 1933. The ULC shares are suitable investments only for sophisticated "accredited" investors for whom an investment in the ULC shares does not constitute a complete investment program and who fully understand, are willing to assume, and who have the financial resources necessary to withstand, the risks involved in investing in the ULC shares and to bear the potential loss of their entire investment in the ULC shares. U.S. Persons or entities will be provided a confidential Subscription Agreement and will be required to provide confirmation of "accredited" status within the Subscription Agreement as well as an Independent Third Party Suitability Letter and complete an Accredited Investor Questionnaire.</p> <p>The opportunity for investors acquiring ULC shares corresponding to the Class J Units will be restricted to investors acquiring through a designated qualified Jamaican dealer.</p>
<p><b>Plan of Distribution</b></p>	<p>The Partnership is offering Units to a limited number of investors in Canada in reliance on private issuer exemptions under NI 45-106 and may rely on the accredited investor, friends and family, the \$150,000 minimum amount investment exemption, the offering memorandum exemption and other available exemptions.</p> <p>The Units may also be sold through registered dealers authorized by the Partnership. In its discretion, the Partnership may pay a normal and customary sales commission to registered dealers or, where permitted under applicable law, a referral fee to other persons (“finders”) in a reasonable amount to be determined by the Partnership. Any such commissions may be paid in cash upon acceptance of the subscription or on other terms agreed to. Notwithstanding the foregoing, the Partnership will not pay a commission to its directors, officers or employees.</p> <p>The Partnership is making arrangements with registered dealers and exempt market dealers, but can also accept subscriptions directly or through investment advisors, provided the investor subscription process is supervised by a registered dealer or exempt market dealer. Dealers will be paid a normal and customary commission on the sales, the commission will vary by Class of Shares. The dealer is responsible for disclosing commission paid at the time of subscription.</p>
<p><b>Minimum Investment</b></p>	<p>The minimum investment by each investor shall be Cdn\$10,000 for accredited investors and friends and family, and \$150,000 for non-individual investors who do not meet these criteria, subject to the right of the GP, in its sole discretion to waive or modify this minimum on terms it deems acceptable, but no more favourable than those offered in this Confidential Information Memorandum.</p>
<p><b>Manager and General Partner</b></p>	<p>Velev Capital GP Corporation (the “<b>General Partner</b>” or “<b>GP</b>”) will act as the “General Partner” of the Partnership and is owned by Sergiy Shchavyelyev.</p> <p>The Partnership will be managed by Velev Capital Manager Inc. (the “<b>Manager</b>”), which is owned by Sergiy Shchavyelyev. The Manager will contract with third party service providers from time to time in connection with its activities in Canada and the</p>



	<p>United States.</p> <p>The GP may take all actions it deems necessary or advisable to effectuate the investment objectives and philosophy of the Partnership in accordance with applicable law. The GP may delegate performance of these activities to the Manager or one or more of its affiliates (including, but not limited to, newly established limited partnerships), provided that such delegation shall involve no additional expense to the Partnership or to the Limited Partners.</p>
<p><b>Management and Director Bio's</b></p>	<p>Management has combined over <b>50</b> years of experience in real estate portfolio assembly for development hold and sale and <b>70</b> years of experience in portfolio investment.</p> <p>The management and directors have been selected to bring this experience to the Partnership. The investments to be acquired are solidly in the experience of these persons. The returns achieved by management and directors of the Partnership in the other funds they have managed to date have been in the range of over 20% return, since 1994.</p> <p>The following is a partial list of projects completed by the management team, this is intended to serve as examples of the types of projects the team has experience in sourcing and managing to profit (there is no guarantee similar returns can be achieved for the Partnership):</p> <p><u>124 Woodbridge Ave. Vaughn, Ontario.</u> A failed shopping centre was purchased 1994 for \$4,000,000; after repositioning the shopping centre with better tenants a value of \$7,200,000 was achieved and sold in 1999.</p> <p><u>16 Albert Ave. Toronto, Ontario.</u> A 16-unit apartment building was purchased for \$760,000 in 1996; renovated and sold for \$1,250,000 in 1999.</p> <p><u>1201 Division St. Kingslake Plaza, Kingston, Ontario.</u> Plaza was purchased in 2001 for \$7,200,000, assembled additional acreage at the cost of \$5,000,000 for additional land and was sold as a leased development \$23,000,000 in 2006.</p> <p><u>1801 and 1807 Eglinton Ave. W. Toronto, Ontario.</u> The property was purchased for \$650,000 and \$240,000 in 2001 respectively converted from office to residential and retail the combined properties were sold on June 2014 for \$14,500,000.</p> <p><u>1145-1147 Midland Ave. Toronto, Ontario.</u> 42 town house complex was purchased in 2003 for \$4,200,000, upon renovations the property was sold for \$7,100,000 in 2013.</p> <p><u>23 Harmony Road, South, Oshawa, Ontario.</u> A town house complex purchased in 2008 for \$3,800,000 has been converted to condominium valued individually \$450,000 each, <a href="http://www.harmonygreentownhomes.com">www.harmonygreentownhomes.com</a>, the property is therefore valued at \$11,300,000 as of October 2018.</p> <p><u>477 Dean Ave., Oshawa, Ontario.</u> A 51 unit town house complex was purchased in 2012 for \$4,100,000, renovated and is now valued at \$13,200,000 as of November 2018 <a href="http://www.hamptongreen.ca">www.hamptongreen.ca</a></p> <p><u>520 Hugel Ave., Midland, Ontario.</u> A former YMCA building was purchased in 2008 for \$300,000, the property will be renovated into 3 commercial and 9 residential condominiums. After \$1,100,000 in renovation costs the property should be valued at \$3,000,000, this is a current project.</p>

6929 Williams Rd. Niagara Falls, USA . A failed shopping centre purchased in 2014. The plan is to reposition and rebrand the centre as a destination sport and entertainment experience. This is a current project.

1010 Albion Road, Toronto, Ontario. A plaza purchased in 2014 for \$8,500,000 with 75% vacancy and \$280,000 net income, has been rezoned for 630 condo units and is valued at \$26,000,000 with net income of \$1,320,000 on May 2019 while not fully leased, this is a current project.

5781 Rama Road and 4243 Hopkins Bay Road, Orillia, Ontario. A raw land project with over 3,000,000 sq. ft is in rezoning process for development, located next to Casino Rama, the project includes: Hotels, Apartments Rentals, Waterpark, Concert Hall, Townhouses, Plaza, This is a current project.

**Sergiy Shchavyelyev**  
*President & CEO*

Sergiy is the founder of VeleV Capital and a CEO of publicly traded corporation EquityLine Mortgage Investment Corp., on Jamaican Stock Exchange. Sergiy has graduated from Harvard Business School in Financial Accounting; as well he holds a master's degree in law with an interest and passion in contract law. Sergiy currently manages over \$80 million between funds and development projects. He is a high goal oriented and successful real estate developer and mortgage broker, with extensive lending and financial experience in real estate assets. Sergiy has an outstanding track record of closing and redeveloping multi-million dollar transactions in real estate field. He owns a family operated Real Estate Brokerage. He has been an active real estate broker for over 13 years, prior to picking a career as a real estate broker and re-developer specialist, Sergiy worked in small claims court and land registry office as a paralegal for two and half year. He joined his family real estate business where he was involved in residential and commercial developments, custom built dwellings, apartment buildings and multi-million dollar commercial real estate projects. Sergiy has a core competences and sound decision making primarily in the area of real estate assets and mortgage facilitation, besides his passion for law. He is dedicated to the business of solutions in real estate and financial investments and has earned a longstanding reputation for integrity with over \$600 millions in real estate transactions.

*Additional persons have agreed to be appointed as directors and will be added to the Board before the first closing of investment. These persons are the following:*

**Mark Korol**  
*Chief Financial Officer*

Mark Korol has over 20 years' experience as a chief financial officer in a variety of industries, including 7 years of public company experience at Zenon Environmental and CDI Education Corp. He has spent the last 2 years at the Arturos Group, an international vertically integrated hospitality business with 2,000 employees and prior to that 12 years with the Xela Group of Companies, a diversified multinational private company with 5,000 employees concentrated in the agricultural and hospitality industries. Mark has held various financial positions over his career including research analyst with National Bank Financial in Toronto. Mark obtained his Bachelor of Commerce from the University of Windsor and a B.A. in Economics and Kinesiology from the University of Western Ontario. He is a Chartered Financial Analyst (CFA) and a Certified Public Accountant (CPA). Mark is also a Certified Fraud Examiner (CFE) and Accredited Business Valuator (ABV). Mark holds the Institute of Corporate Directors designation (ICD.D) and been a Board member of both private and public companies with international operations.

**Robert Kay**

*Independent Director, Chief Compliance Officer*

Robert C. Kay is a seasoned Corporate Director and Business Advisor. He combines business and legal skills with extensive experience in international commerce to develop and assess complex strategies with governments and multinational companies.

Robert has served as a Corporate Director in both privately held and publicly listed companies, serving on Governance, Audit, and Strategy Committees. He is currently Chairman, Advisory Board of Migao Group; Corp Director: Equityline Mortgage Investment Corp, Baycrest Geriatric Health & Research Centre for Aging & the Brain, the Royal Canadian Military Institute. Notable governance roles have included: Chairman-Canadian Commercial Corporation; Vice Chairman & Lead Director-Migao Corporation; Chairman-Migao Special Committee for Going Private; Chairman-Swiss/Canadian Chamber of Commerce; Director in Residence-Institute of Corporate Directors; Board Director-Changfeng Energy Inc; Board Director-American Chamber of Commerce (Ontario Council). Robert was a teaching Board Member in the Integrative Thinking Practicum of the MBA Degree Program at the University of Toronto. He is also a Deputy Judge (ret.) of the Superior Court of Justice SCC branch in Ontario. Earlier in his career, Robert served as Personal Assistant to Deputy Prime Minister of Canada. Community and professional organizations benefit from Robert's expertise. He contributes his time as Chairman of the Baycrest Board Committee on Clinical Strategy, and Chairman of the Royal Canadian Military Institute Audit Committee. Robert is also a Member of the American Judges Association, and the Institute of Corporate Directors.

**Erick Klein**

*Independent Director, Chair of Audit Committee*

Mr. Klein is currently President of Klein Valuation Services Inc., a firm that focuses on business strategy, complex mergers, acquisitions, divestitures and financings for mid-sized Canadian corporations. With more than 30 years of experience, he focuses on providing results-driven corporate finance advisory services for mid-market Canadian companies. Recently, Mr. Klein was a senior executive with a Canadian public financial institution.

Prior to that Mr. Klein was the founder and Managing Director of the Corporate Finance, Valuations & Transaction practice of Farber Financial Group. Mr. Klein is a graduate of McGill University with a B.Comm and a graduate Diploma in Public Accounting and holds designations as a Chartered Public Accountant and Chartered Business Valuator. Currently he is a Director and Audit Committee Chair of INV Metals Inc. (TSX:INV) and a Director and Board Chairman of Braingrid Corporation (CSE:BGRD)

**Zoran Cocov**

*Independent Director, Chairman of Investment Committee*

Mr. Cocov has over 25 years of experience in managing real estate investments in all asset classes of residential and commercial segments of real estate in Canada and USA. He has held positions in property and asset management for variety of projects and currently has over \$300 million in projects under management. His expertise includes purchasing and disposition of real estate assets, due diligence in real estate developments and has an extensive experience in transaction structuring inclusive risk management. Zoran has participated over years in large portfolios, individual projects, private capital corporations, partnerships, and joint ventures, with over \$800 million in completed transactions in commercial real estate and development projects.

	<p><b>Arthur Smelyansky</b> <i>Portfolio Manager</i></p> <p>Mr. Arthur Smelyansky is the Co-Founder and Portfolio Manager at Maccabi Asset Management. Previously, Mr. Smelyansky was the Senior Analyst and Trader at Bonello Holdings Inc., located in Toronto, Canada, from September 2012 to January 2018. During his tenure at Bonello Holding, the company improved investment returns from 6% to 9.71%. Mr. Smelyansky's responsibilities ranged from credit analysis and research for the entire portfolio to the direct management of a book of assets worth almost 40 million. Mr. Smelyansky's specialty is in options trading, and using derivatives to preserve capital and lower portfolio volatility.</p> <p>Mr. Smelyansky holds the CIM (Chartered Investment Manager), DMS (Derivatives Market Specialist) and PFP (Personal Financial Planner) designations. He is currently in the process of obtaining the CAIA (Chartered Alternative Investment Analyst) designation.</p> <p><b>Rob Ireland</b> <i>Independent Director, Chief Information Officer</i></p> <p>As cofounder and President of Claritas Communications, Rob Ireland has 26 years sales, marketing and marketing communications and consulting experience and is involved with the creation and management of sophisticated, audience-centric communication plans that drive revenues, contain costs and protect reputations. More specifically, Rob has extensive expertise in b-to-b communications, business-to-consumer communications, crisis management, messaging and message integration, go-to-market communications, executive profiling, internal communications, and corporate communications.</p> <p>Rob has a full range of engagements from the development of strategic plans through to tactical development and implementation. He is known for the creation of effective campaigns that integrate public relations, analyst relations and investor relations; executive training programs (media training, presentation training, crisis management training), crisis communications, the oversight of large international projects and channel partner development. Prior to Claritas Communications Inc., Rob held management positions with several multi-national corporations. Previous experience: Director, Corporate Communications, Executive Communications and Internal Communications for Hewlett-Packard, Americas Region. Manager, Corporate and Public Relations for HP Canada. Manager, Corporate and Public Relations, Compaq Canada. Practice Manager, Business-to-Business Technology at Cohn &amp; Wolfe. Manager, Corporate Affairs at Xerox Canada, and Manager, Internal Communications, Xerox Canada.</p>
<p><b>Leverage</b></p>	<p>In order to bridge timing issues and to enhance overall returns for the Partnership, the Partnership may borrow money or obtain third-party guarantees on the security of specific Portfolio Investments or the security of the Partnership's indirect interest in the Portfolio Investments, if applicable. The leverage will be managed in accordance with the credit risk policy.</p>
<p><b>Nature of Class</b></p>	<p>The offering of the Class A and Class F is open.</p> <p>The Class C offering of the Partnership is a closed end offering with a cap of Cdn \$10,000,000 per series. The Class J Offering of the Partnership is a open end</p>

	<p>offering with a cap of US \$30,000,000. The Partnership will accept Limited Partners in Class C and Class J until the cap is reached.</p> <p>The General Partner may increase the caps in its discretion.</p>
<p><b>Revenue Sources</b></p>	<p>The Partnership will generate revenue to fund the Partnership and allow distributions on Units from the following sources:</p> <ul style="list-style-type: none"> <li>i) interest income on mortgages;</li> <li>ii) gain on sale from sales of mortgages;</li> <li>iii) rental and license income from owned real estate;</li> <li>iv) additional use payment from owned real estate;</li> <li>v) return on invested funds, including dividends;</li> <li>vi) share of lender fees for mortgage loans;</li> <li>vii) rezoning real estate properties and selling to builders.</li> </ul>
<p><b>Distributions on Units</b></p>	<p><b>Distributions</b></p> <p>The intention, subject to the discretion of the General Partner to change the terms of distribution and reflect the same in the Offering Memorandum and Schedule A for a Class issued for classes of Units is to make distribution as follows, provided the same will be made solely from revenue and proceeds available to the Partnership after payment of expenses and pari passu and pro rata with other Units. It is intended that Units will be entitled to distributions, on a pro-rated, pari passu basis as amongst all other holders of the same Class of Units, payable after payment of Partnership Expenses (as defined below) pari passu and pro rata with other Units in accordance with the terms below. Rights to distribution may vary by Class and the description in Schedule "A" as to a Class sets out the right to participate as to either (iii) or (iv) and if applicable in (v) which will be as set out in Schedule "A". Distribution will be made monthly, established on last Business day of each month and paid 15 days after).</p> <p>The distribution terms are:</p> <ul style="list-style-type: none"> <li>(i) the general costs and fees for the Partnership are paid first, excluding any management fee payable as a percentage of capital invested;</li> <li>(ii) the Amount Available for Distribution which is net of the costs and fees in Section 3.6(f)(i) will then be calculated and allocated on a pro rata pari passu basis to each Class and the Management Fee for each Class then calculated and paid to the Manager;</li> <li>(iii) next, pari passu the net amount by Class calculated as per Section 3.6(f)(ii) on a per Unit basis will be paid to the investors using the funds available (on a currency separate basis), (some funds may be in reserve in case of shortfall in the following months to smooth out the distributions and avoid a need to claw back in the discretion of the General Partner) until the minimum return on Capital Contribution for each Class is distributed (any balance will be retained to year end);</li> <li>(iv) then an annual true up will be calculated and paid within 60 days of calendar year end; the true up is increase the distribution for each Unit pro rata pari</li> </ul>

	<p>passu until each Unit has received a 10% less Management Fee on Capital Contribution for the Fiscal Year;</p> <p>(v) then to divide the amount remaining (if any) of Amount Available for Distribution over the 10% on Capital Contributed less management and dealer fees firstly 50/50 with the Manager (subject to the Manager reinvesting in Units of the Partnership) (as Manager Bonus) and then equally per Unit over all Units of all Classes.</p> <p>The general plan for distribution is the Partnership intends to make distributions to the Limited Partners all amounts received from each Investment, less the aggregate of: (i) all expenses incurred in connection with the ownership, maintenance, operation, construction and development of the Investments (on an Investment specific basis, including all amounts payable under the Management Agreement and any development and/or general contractor agreements as fees specific for Investment Management); (ii) amounts payable to third party lenders on account of principal, interest and other amounts payable under third party financing facilities in each case on a current basis; (iii) the amount of such capital and operating reserves as are established by the General Partner; (iv) general expenses of legal, accounting and similar third party services; and (iv) the amount of such additional reserves as the Manager or the General Partner, acting reasonably, shall determine to hold and including sale proceeds to the extent not retained for reinvestment and net of the Manager bonus of 50% of any increase in sale value over price paid, the principal repayment amount arising from each Investment, the capital proceeds from sale of Investment and other capital returns from the Activity.</p> <p>Distributions shall generally be made within a reasonable time after the receipt of funds but distributions will be in the discretion of the General Partner. In the event of a capital recall, that the amount contributed by each Limited Partner (in aggregate) will not exceed their initial Committed Capital. For administrative purposes, the Partnership may retain any amounts that the GP or Manager deems prudent, in lieu of a distribution and immediate drawdown, to fund Portfolio Investments or Partnership Expenses.</p> <p>Distributions will be paid out to each Limited Partner at the times and on the basis as described at "Classes".</p> <p>Capital distributions upon termination of the Partnership, after payment of all liabilities of the Partnership, will be made on an equal per Unit basis as per specific class of units.</p> <p>Distributions will be made in Canadian or US dollars on the basis of same currency as was paid on the investment. The portfolio will be managed to balance Canadian and US dollar investments to match the currency risk.</p>
<p><b>Redemption</b></p>	<p><b>Redemption Rights</b></p> <p>Subject to applicable law and the Partnership's right to suspend redemptions as set out below and the specific terms described, a Unit may be submitted for redemption on the monthly redemption basis described above such that the date for redemption will be on or before 60 days after notice (being 30 days notice and 30 days payment). The Redemption Price per Unit is the return of the purchase price paid on subscription.</p> <p>Unless waived by the Partnership, a Limited Partner wishing to redeem Units must deliver to the Partnership at its registered office a Redemption Notice, that the registered Limited Partner desires to have the Partnership redeem. Such notice must be in writing, shall be irrevocable by the Limited Partner and must specify (i) that the Limited Partner desires to have the whole or any part of the Units registered in such</p>

Limited Partner's name unconditionally redeemed by the Partnership (where only a partial redemption, the Limited Partner must specify the number of whole Units to be redeemed) and (ii), subject to the below, the Valuation Date. A Limited Partner who properly surrenders a Unit for redemption will receive payment on or before the 60th day following notice (the "**Redemption Payment Date**"). All Units that have been properly submitted to the Partnership for redemption are deemed to be outstanding until (but not after) the close of business on the applicable Valuation Date, unless the Redemption Price per Unit is not paid on or before the applicable Redemption Payment Date in which event such Units will remain outstanding. From and after the Valuation Date, the Units shall cease to be entitled to distributions and the holders of the Units shall not be entitled to exercise any rights in respect thereof, except to receive the Redemption Price per Unit, unless payment of the Redemption Price per Unit has not been made by the Partnership, in which case the rights of the Limited Partner shall remain unimpaired. If any Units are not redeemed on a particular Valuation Date for any reason, the related redemption requests are considered to expire and holders of such Units will be required to submit a new Redemption Notice.

The "**Redemption Price per Unit**" means the amount that is equal to the subscription price paid less any costs associated with the redemption and less any early redemption fees as described at "Offering Class Attributes". Redemption costs include any costs associated with the redemption or, if the Manager determines that it is not practicable or necessary for the Partnership to sell portfolio assets to fund such redemption, then the aggregate of all brokerage fees, commissions and other transaction costs that the Manager estimates would have resulted from such a sale ("**Redemption Costs**").

The amount of any such Redemption Costs will depend on the circumstances at the time of the redemption, including the number of Units submitted for redemption, the Partnership's available cash, the interest rate under any loan facility, the fair market value of the investments or estimated brokerage fees, commissions and other transaction costs. As a result of the foregoing variables, the amount of Redemption Costs payable by a Limited Partner upon the redemption of Units may vary from time to time. Any estimated Redemption Costs that are deducted by the Partnership but not incurred in connection with any redemption of Units will remain as part of the total assets of the Partnership upon such redemption.

In each case, Redemption Price per Unit will be adjusted by the GP to appropriately reflect any Unit splits, consolidation, stock dividend or similar events. See "*Risk Factors – Risks Relating to the Redemption of Units*" and "*Business of the Corporation – Portfolio – Valuation*".

The Redemption Price per Unit will be payable in the currency the Unit was issued and the Partnership will bear all handling costs, including customary bank charges.

The Partnership has the discretion to reject or defer any redemption application by a Limited Partner where, in the view of the Partnership, such redemption may be contrary to applicable laws.

In the extraordinary circumstance where the request for redemption on any given Valuation Date exceeds 5% of all Units then issued and outstanding, the GP is entitled in its sole discretion to modify redemption rights which may include discounting the redemption price and/or temporarily suspending redemptions for a period of three months. Limited Partners may choose to retract their redemption request upon receiving notice from the Board of a discounted redemption price, however, Limited Partners who retract will be prohibited from redeeming their Units to which their retraction applies for a period of up to 3 months following the date the discounted redemptions are processed.

	<p><b>Suspension, Rejection or Deferral of Redemptions</b></p> <p>The Partnership has the right to suspend, reject or defer redemptions of its Units where:</p> <ul style="list-style-type: none"> <li>(a) the Partnership has a working capital deficiency or such redemption would cause the Partnership to have a working capital deficiency, as determined by the GP;</li> <li>(b) such redemption would cause the Partnership to be in default of its financial obligations under <i>bona fide</i> arm's length loan or credit arrangements to which the Partnership is bound;</li> <li>(c) there are insufficient liquid assets in the Portfolio to fund such redemptions or the liquidation of Portfolio assets would be detrimental to the Partnership; or</li> <li>(d) such redemption is prohibited under applicable laws.</li> </ul> <p>If the GP determines that the Partnership is able to redeem a portion of the Units tendered at any time for redemption, the Partnership will redeem the maximum number of Units that the GP determines the Partnership is then permitted to redeem on a <i>pro rata</i> basis, disregarding fractions, according to the number of Units tendered for redemption</p>
<p><b>General Partner Interest</b></p>	<p>The General Partner is not entitled to share in Partnership revenue or capital appreciation.</p>
<p><b>Manager Interest</b></p>	<p>The Manager is entitled to share Partnership revenue and capital appreciation, over and above the management fee and manager bonus, on a 50/50% basis of all over a 10% (less management and dealer fees) return on Capital Contributed for the Limited Partners.</p> <p>There is a Manager execution fees of 2% of the purchase price for each Investment acquired to compensate for diligence and related at the time of Investment purchase. There is a manger bonus of 50% of any excess of sale price over purchase price for any Investment sold.</p> <p>Any fees paid by mortgagors for mortgages advanced in accordance with reasonable industry practice will be retained by the Manager</p>



<p><b>Example of Manager Participation</b></p>	<p>The following is an example only to illustrate the effect of the Manager participation. There is no representation that results of this nature will occur.</p> <p>As the example:</p> <p>A plaza has been purchased for \$10,000,000 Cdn. Over the years, the manager has made improvements, paid the specified disbursements on the Units. The example assumes that the plaza has been paying a constant return at 8.00% per annum. The asset is sold for the amount of \$15,000,000. The capital gain sum amount is \$5,000,000. The proceeds of sale will be distributed as follows: first to the expenses for the sale, estimated at \$480,000 at the example sale price, then the amount to take the Unit distributions to increase the return from 8% to 10%, less management and dealer fees, for this example an additional \$200,000. The balance then is \$4,530,000. The Manager bonus of 50% equals \$2,165,000 and the rest of the 50% \$2,165,000 will be distributed to the Units.</p> <p>The example below is based on the full year of operation of the specific investment in asset class and the sale happens on December 31 of the year, therefore no detailed daily adjustments were used.</p>
<p><b>Distribution Reinvestment Plan DRIP</b></p>	<p>The Partnership, subject to applicable securities laws, will provide a reinvestment plan (the “DRIP”). Under the DRIP, Limited Partners can reinvest distributions in additional Units of the Partnership and DRIP participants receive a 1% discount on the purchase of Units with reinvested distributions. The Partnership or the GP administers all aspects of the DRIP. The amount of the discount may be adjusted from time to time or discontinued by the GP.</p>
<p><b>Tax Allocation of Income, Expenses, Gains and Losses</b></p>	<p>The income, expenses, gains, and losses of the Partnership for each fiscal period for purposes of the <i>Income Tax Act</i> (Canada) and the regulations thereunder (“<b>Tax Act</b>”), which may vary from the Net Profit and Net Loss of the Partnership as defined in the Limited Partnership Agreement, will be allocated to each Limited Partner in a manner generally consistent with each Limited Partner’s proportionate share of the distributions from the Partnership as outlined above in paragraphs ii) to v) under the section entitled “Distributions”.</p>
<p><b>Management Fee</b></p>	<p>The Partnership will pay the Manager a fee based on a percent of the capital of the Partnership invested at the time of payment which varies by Class, see section “Class”. The Management Fee for Class A is 2.5%, for Class F is 1.5% and for Class C and J is 1% .</p> <p>The Management Fee will commence as of the date of the Partnership’s Initial Closing based or as soon as funds are available for investments on the principal amount of the funds under administration regardless of when a Limited Partner is actually admitted, and shall be payable on the last business day of each quarter, in arrears.</p> <p>Any underpayment of the Management Fee shall be paid by way of payment of the underpayment by the Partnership from the Partnership accounts on the next payment date, and any overpayment of the Management Fee shall be deducted from future Management Fees.</p> <p>Any adjustments to identify fees owing, and, therefore, underpayments and overpayments, to the Management Fee shall be made on the basis of the annual financial statements for the Partnership.</p> <p>The Manager will be entitled to receive and retain lender fees to the extent of 2/3rd of lender fees paid by a borrower to a cap of 2%, the remaining will be for the account of the Partnership.</p>

	<p>The Manager will be paid a 1% purchase price fee for real estate Investments.</p> <p>The Manager will be paid a bonus fee of 50% of the Cash Available for Distribution in excess of a 10% return on Capital to all Limited Partners, which bonus will be invested by the Manager in Class C Units of the Partnership.</p>
<b>Administration Fee</b>	The Partnership will be responsible for asset administration and related fees.
<b>Manager and GP Expenses</b>	The Manager and GP will be responsible for all of their own day-to-day operating and administrative expenses, including overhead and compensation of employees, whether incurred by the GP or the Manager (collectively, the “ <b>Manager and GP Expenses</b> ”). The Partnership will be responsible for third party expenses including those of a broker or administrator.
<b>Offering and Organizational Expenses</b>	The Partnership will be responsible for the Partnership’s offering and organizational expenses such as, but not limited to, legal, accounting, printing, filing, travel, certain selling commissions and other organizational expenses (“ <b>Offering and Organizational Expenses</b> ”).
<b>Partnership Expenses</b>	The Partnership will pay all expenses directly related to its own operations (other than Manager and GP Expenses), including expenses for custodians, outside counsel, accountants and other professional advisors, any insurance, litigation or indemnification expenses, expenses incurred in connection with meetings of the Partnership, any governmental charges levied against the Partnership, as well as all out-of-pocket expenses incurred by the Partnership, the Manager or the GP in connection with sourcing, identifying, managing and disposing of Portfolio Investments, whether or not consummated, including fees and expenses of third party advisors in connection therewith, in each case to the extent that any of the expenses listed in this section are not reimbursed by other parties and third party (including Affiliates of the General Partner or Manager (if at the same rate as charged to other investors in the investment) management or servicing fees paid as to a Portfolio Investment) (collectively, “ <b>Partnership Expenses</b> ”).
<b>Ownership and Servicing of Portfolio Investments</b>	Portfolio Investments may be owned directly by the Partnership or indirectly through wholly owned entities and may be serviced and administered by and in the name of Affiliates of the GP and Manager pursuant to written agreements between the Partnership and the service provider. The cost of any such administration or service will be included in the Management Fee paid by the Partnership.
<b>Liability of Partners</b>	Under the <i>Limited Partnerships Act</i> , a limited partner is not liable for any debts, liabilities, losses or obligations incurred by a limited partnership in excess of his Funded Commitment and any unpaid capital contributions agreed to be paid in respect of his interest in the limited partnership, together with any undistributed income, provided he does not take part in the control or management of the business of the limited partnership. However, if any part of his capital contributions are returned or limited partnership property distributed to such limited partner then such limited partner (including any successor to such limited partner) might, under applicable law, be obligated under some circumstances to return amounts previously distributed to him, to the extent such distributions constitute a return of the amount he had agreed to contribute to the limited partnership at a time when creditors had valid and unsatisfied claims against the limited partnership. Under the terms of the Partnership Agreement, no Limited Partner is permitted to take part in the management of the business of the Partnership. The GP has unlimited liability for the debts, liabilities and obligations of the Partnership.
<b>Indemnification and Liability</b>	The Partnership will indemnify the GP, the Manager and related entities in respect of obligations incurred for the benefit of the Partnership and their respective directors, officers, employees, partners, shareholders, contractors and agents, against any

	<p>loss, damage, liability, deficiency, cost or expense for by reason of their activities on behalf of the Partnership, except to the extent that any claim arises as a result of the indemnities' fraud, gross negligence or wilful breach of its contractual obligations.</p> <p>The indemnity does not impose personal liability for any Limited Partner, other than any liability or indemnity arising pursuant to applicable law.</p>
<p><b>Transfer and Withdrawal of Units</b></p>	<p>A Limited Partner may sell, assign or transfer a Unit interest in the Partnership provided the transfer is in accordance with the requirements of applicable law.</p> <p>The Units are being offered by the Fund on a private placement basis to subscribers who are eligible to purchase securities on an exempt basis from the prospectus requirements of, and subject to compliance with, applicable securities legislation. Under such securities legislation, the transfer or resale of Units is subject to restrictions that will vary depending upon the relevant jurisdiction (including, but not limited to, those set out below). In addition, investors reselling the Units may have reporting and other obligations. Accordingly, investors are advised to seek legal advice with respect to such restrictions.</p> <p>Purchasers of Units may only sell, transfer, assign or otherwise trade their Units where such transaction is made (i) pursuant to an exemption from the prospectus requirements contained in applicable securities legislation or pursuant to an order or ruling of the relevant securities regulatory authority; and (ii) pursuant to an exemption from the registration requirements of applicable securities legislation or through a dealer registered to trade the Units.</p> <p>Since the Fund is not a reporting issuer in any province or territory of Canada, and has no intention of becoming one, if no statutory exemption may be relied upon or if no discretionary order or ruling is obtained, a purchaser of Units will not be able to sell, transfer, assign or otherwise trade such securities and will have to hold the Units for an indefinite period of time, subject only to the redemption rights.</p> <p>The foregoing is a summary only of resale restrictions relevant to purchasers of Units. It is not intended to be exhaustive and all prospective purchasers should consult their professional advisers regarding resale restrictions as applicable to them and the suitability of an investment in Units. Limited Partners must obtain the consent of the General Partner and should seek legal advice prior to effecting any resale of Units.</p>
<p><b>Reporting for Limited Partners and Holders</b></p>	<p>The Partnership will furnish annual financial statements and reports. In addition, each Limited Partner will be provided with the annual tax information reasonably necessary for the completion of tax returns.</p> <p>The Partnership will also provide a quarterly portfolio report.</p>
<p><b>Partner Approvals</b></p>	<p>Certain actions of the Partnership will require pre-approval of the Limited Partners by way of a Standard Vote or a Special Vote. A <b>“Standard Vote”</b> requires approval of Partners representing not less than the majority of the Aggregate Funded Commitments of the Partnership. A <b>“Special Vote”</b> requires approval of Limited Partners representing not less than 66⅔% of the Aggregate Funded Commitments of the Partnership. See Limited Partnership Agreement for details.</p>
<p><b>Certain Tax Consequences: Canada – Limited Partners Holding Units</b></p>	<p>The following is a summary of the principal Canadian federal income tax considerations under the Income Tax Act (Canada) and the regulations thereunder (<b>“Tax Act”</b>) generally applicable, as of the date of this Confidential Information Memorandum, to a Limited Partner who acquires Units pursuant to the Offering. This summary is applicable only to a person who subscribes, as principal, for Units in the Partnership pursuant to the terms of this Confidential Information Memorandum and who, all for the purposes of the Tax Act, is a resident or deemed to be a resident of Canada, holds Units in the Partnership as capital property, has not entered and will not enter into a “derivative forward agreement” (as defined in the Tax Act) with</p>

respect to his, her or its Units, deals at arm's length with the General Partner and the Partnership and is not affiliated with the General Partner or the Partnership. Units will generally be considered to be capital property to the Limited Partner, provided that the Limited Partner does not hold Units in the course of carrying on a business of buying and selling securities and has not acquired Units in one or more transactions considered to be an adventure or concern in the nature of trade.

A Limited Partner, which, all for purposes of the Tax Act, is a person or entity, an interest in which would be a "tax shelter investment" or holds its Units as a "tax shelter investment" 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 Partnership to be a "SIFT partnership", is not eligible to become a Limited Partner, and this summary is not applicable to any such Limited Partner. 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 Limited Partner 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**"), the Tax Proposals and the current published administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**") made publicly available prior to the date hereof. There can be no assurance that the Tax Proposals will be enacted as proposed or at all. Except for the Tax Proposals, 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 decision or action. Furthermore, this summary does not take into account other federal or any provincial, territorial or foreign income tax legislation or considerations which may differ significantly from those described herein. No ruling has been sought from the CRA as to the tax position of the Partnership or Limited Partners.

This summary also assumes that neither Units nor any other "investments" in the Partnership will be listed or traded at any time on a stock exchange or other public market, such that the Partnership 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 Partnership 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 issuer. None of the Units will be listed or traded on a stock exchange, and the General Partner does not anticipate that any Units will trade on a trading system or other organized facility on which securities are listed or traded. In the event that the Partnership 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 Partnership 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 (I) the prescribed rate under the Tax Act as at the time that the indebtedness arose and (II) 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, 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 and to the Partnership.

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 in the Partnership vary according to the status of the Limited Partner, the province or territory in which the Limited Partner resides or carries on business and the Limited Partner’s own particular circumstances. Each Limited Partner should obtain independent advice regarding the income tax consequences under federal and provincial tax legislation of acquiring, holding and disposing of Units based on such Limited Partner’s own particular circumstances.

This summary, except where explicitly so noted, does not apply to the investors who are non-residents of Canada. Investors, particularly non-residents of Canada, should seek their own tax advice.

#### ***Computation of Partnership Income or Loss***

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

#### ***Cash/Income Differences***

Due to potential timing differences between income recognition for tax purposes and actual cash distributions, it is possible that a Limited Partner may incur tax liabilities in excess of actual cash distributions made prior to the date the liability arises or the tax is due. In addition, it is possible that, for income tax purposes, income or gains will be allocated to Limited Partners with respect to cash distributions that are treated as a return of capital contributions under the Partnership’s distribution provisions for the purpose of Tax filings.

#### ***Computation of Income of Limited Partners***

Each Limited Partner will be required to include in its income or loss for tax purposes for a taxation year, subject to the “at-risk” rules discussed below, the Limited Partner’s share of the income or loss for each fiscal year of the Partnership ending in, or at the end of, that taxation year whether or not the Limited Partner has received or will receive a distribution from the Partnership. In general, a Limited Partner’s share of any income or loss of the Partnership 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.

The character of the gains realized by the Partnership on the disposition of investments as either capital gains or income gains will depend largely on factual considerations, and no conclusions on this issue are expressed herein.

#### ***Losses***

Subject to the “at-risk rules” and “alternative minimum tax rules” discussed below, each Limited Partner will be entitled to deduct in computing income for tax purposes for a taxation year the Limited Partner’s share of any losses (other than allowable capital losses) allocated by the Partnership for the fiscal period of the Partnership ending in that taxation year of the Limited Partner and, to the extent the amount of

such losses exceed other income of the Limited Partner for that year, the amount of any such excess losses may be carried back three years and forward 20 years and deducted in computing taxable income for such other years.

A Limited Partner's allocated share of the allowable capital losses of the Partnership for any fiscal period will 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.

#### ***At-Risk Amount***

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 Partnership 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 Partnership at the end of the fiscal period.

The at-risk amount of a Limited Partner in respect of the Partnership is determined in accordance with detailed rules contained in the Tax Act. In general terms, the at-risk amount of a Limited Partner in respect of the Partnership at the end of the fiscal period of the Partnership is (i) the adjusted cost base of the Limited Partner's Units at that time, plus (ii) subject to certain adjustments, the Limited Partner's share of the income from all sources of the Partnership for the fiscal period, less the aggregate of (a) 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 Partnership (or to a person or partnership that does not deal at arm's length with the Partnership) and (b) subject to certain exceptions, any amount or benefit that 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 may be sustained by virtue of being a member of the Fund or holding or disposing of Units. Where a transferee acquires a Unit from a transferor other than the Partnership, the cost to the transferee of such Unit for purposes of determining the relevant at-risk amount is the lesser of the transferee's cost of such Unit and the transferor's adjusted cost base of such Unit. Where the adjusted cost base of the transferor cannot be determined, the at-risk amount of the transferee is nil.

A Limited Partner's share of the losses of the Partnership that is not deductible by a Limited Partner as a result of the at-risk amount rules will be deemed to be the Limited Partner's "limited partnership loss" in respect of the Partnership 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 Partnership to the extent, generally, that the Limited Partner's "at-risk amount" at the end of the Partnership's last fiscal period ending in that year exceeds the Limited Partner's share of any losses of the Partnership from a business or property for that fiscal period in accordance with the rules contained in the Tax Act.

#### ***Disposition or Redemption of a Unit***

Where a Limited Partner disposes of, or is deemed to have disposed of, a Unit, including on the dissolution of the Partnership, the Limited Partner will realize a capital gain (or capital loss) to the extent that the proceeds of disposition of the Unit, net of reasonable costs of disposition, exceed (or are less than) 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 Partnership from any source for all fiscal periods of the Partnership ending before the particular time, less, subject to certain adjustments, the Limited Partner's allocated share of the losses of such Partnership from any source for all fiscal periods of the Partnership 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 Partnership, 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 Partnership 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 its Units, income or loss of the Partnership 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 Units is negative at the end of a fiscal period of the Partnership, 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.

#### ***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 Partnership 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 and Reporting Requirements***

Generally, each Limited Partner will be required to file an income tax return reporting its share of the income or loss of the Partnership. The Partnership will not prepare or file income tax returns on behalf of a Limited Partner nor will it file information returns on behalf of a Limited Partner. The Partnership will provide each Limited Partner with certain information required for income tax purposes pertaining to the investments in Units.

The General Partner has undertaken to file any information or return that may be required to be filed on behalf of the Fund.

Pursuant to the Tax Act, a "specified Canadian entity" is required to file an annual information return in prescribed form detailing such entity's interests in "specified foreign properties", where the aggregate cost amount to such entity of its specified foreign properties exceeds Cdn\$100,000. A specified Canadian entity includes most taxpayers resident in Canada (other than certain investment vehicles and trusts) and a partnership, if Canadian residents are entitled to more than 10% of the income (or loss) of the partnership. As a result, the Limited Partnership will be required to file the

information return where the aggregate cost amount of its specified foreign properties exceeds Cdn\$100,000. The General Partner has agreed to file the annual information return as required.

The reporting rules in the Tax Act are complex and this summary does not purport to explain all circumstances in which reporting may be required by the Fund or by any Limited Partner. Accordingly, Limited Partners should consult their own tax advisors to ensure that all requisite reporting is made. The Partnership may also be required to file U.S. related tax returns.

### **Non-Resident Holder**

This portion of the summary is generally applicable to an individual or entity who, at all relevant times, for purposes of the Tax Act: (i) is not, and is not deemed to be, resident in Canada; (ii) does not use or hold the shares (the “**Shares**”) of an unlimited liability corporation formed in Canada (the “**Canadian Corporate Limited Partner**”) that holds the Class J Units or the Class F Units in connection with carrying on a business in Canada; (iii) holds the Shares as capital property; and iv) deals at arm’s length with, and is not affiliated with, the Canadian Corporate Limited Partner (“**Non-Resident Holder**”). This summary does not apply to an individual or entity that carries on, or is deemed to carry on, an insurance business in Canada and elsewhere and such individuals or entities should consult their own tax advisors.

### **Dividends and Interest**

Dividends paid or credited or deemed under the Tax Act to be paid or credited by a Canadian Corporate Limited Partner to a Non-Resident Holder on the Shares will be subject to Canadian withholding tax at the rate of 25%, subject to any reduction in the rate of withholding to which the Non-Resident Holder is entitled under any applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident. Non-Resident Holders should consult their own tax advisor with respect to the treatment of any dividends payable by the Canadian Corporate Limited Partner and the application of any income tax convention between Canada and the country in which the Non-Resident Holder is resident. Jamaican and United States residents will generally benefit from reduced rates under the bi-lateral agreements between those countries and Canada, which in most instances reduces withholding rates to 15%.

Interest (other than participating debt interest, as defined in the Tax Act) paid or credited to a Non-Resident Holder who deals at arm’s length with the Canadian Corporate Limited Partner for purposes of the Tax Act should not be subject to withholding tax under the Tax Act. Non-Resident Holders should consult their own tax advisor with respect to the treatment of any interest payable by the Canadian Corporate Limited Partner.

### **Disposition of the Shares**

A Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized on a disposition or deemed disposition of a Share, nor will capital losses arising therefrom be recognized under the Tax Act, unless the Share (as applicable) is, or is deemed to be, “taxable Canadian property” of the Non-Resident Holder for the purposes of the Tax Act and the Non-Resident Holder is not entitled to an exemption under an applicable income tax convention between Canada and the



	<p>country in which the Non-Resident Holder is resident.</p> <p>Generally, a Share will not constitute taxable Canadian property of a Non-Resident Holder unless at any time during the 60 month period immediately preceding the disposition more than 50% of the fair market value of such shares was derived, directly or indirectly, from any combination of real or immovable property situated in Canada, “Canadian resource property” (as defined in the Tax Act), “timber resource property” (as defined in the Tax Act), or options in respect of, interests in, or for civil law rights in such properties, whether or not such property exists. Notwithstanding the foregoing, a Share may be deemed to be “taxable Canadian property” in certain other circumstances. Non-Resident Holders should consult their own tax advisors as to whether their Shares constitute “taxable Canadian property” in their own particular circumstances.</p> <p>In cases where a Non-Resident Holder disposes (or is deemed to have disposed) of a Share that is taxable Canadian property to that Non-Resident Holder, and the Non-Resident Holder is not entitled to an exemption under an applicable income tax convention, the Non-Resident Holder will generally realize a capital gain (or capital loss) in the taxation year of the disposition equal to the amount by which the proceeds of disposition of the Share, net of any reasonable costs of disposition, are greater (or are less) than the adjusted cost base to the Non-Resident Holder of the Share immediately before the disposition or deemed disposition.</p> <p>Such Non- Resident Holder will generally be required to include in computing its income for the taxation year of disposition, one-half of the amount of any capital gain (a “taxable capital gain”) realized in such year. Subject to and in accordance with the provisions of the Tax Act, the Non-Resident Holder will be required to deduct one-half of the amount of any capital loss (an “allowable capital loss”) against taxable capital gains realized in the taxation year of disposition. Allowable capital losses in excess of taxable capital gains for the taxation year of disposition may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances specified in the Tax Act.</p>
<p><b>Non-Eligibility for Investment by Deferred Income Plans</b></p>	<p>The Units will not be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered disability savings plans, registered education savings plans or tax-free savings accounts.</p>
<p><b>Certain Investment Considerations</b></p>	<p>An investment in the Partnership involves a significant degree of risk. The following considerations should be carefully evaluated before making an investment in the Partnership:</p> <ul style="list-style-type: none"> <li>● <b>Performance of the Partnership and No Operating History.</b> None of the Partnership, the GP or the Manager has commenced operations. Accordingly, each such entity has no operating history upon which prospective investors may evaluate their performance, although the personnel of the Manager and GP are the same. There can be no assurance that the Partnership will be able to implement its investment strategy and investment approach or achieve its investment objectives or that a LP will receive a return of its capital. As a result, an investor should invest in the Partnership only if the investor can withstand a total loss of its investment.</li> <li>● <b>Illiquid and Long-Term Investments; Risks Inherent in Real Property Mortgage Investments.</b> Real estate based investments are subject to risks inherent in the industry. As to the mortgage investments, the mortgagor (the property owner) could have credit issues and be unable to service the mortgage. If that is the case the investors face the risk of the timing of legal process to seize and sell the property and</li> </ul>

the risk that the value of the property is not enough to repay the investments with the planned returns. Mortgages are longer term investment and the interest rate and returns are locked in at the time of investment. Real estate investments are in general long term investments.

● **Reliance on the GP, Manager and its Key Personnel.** As stated above, neither the GP nor the Manager has any operating history, although the personnel of the Manager and GP are the same. Accordingly, investors will be indirectly relying on the Manager and GP's expertise and judgment in structuring Portfolio Investments and will have no recourse against the GP or Manager other than with respect to certain specific matters as described in the Partnership Agreement. LPs will also be indirectly dependent on certain key individuals who are instrumental in the management of the Partnership and Portfolio Investments.

● **No Market for Limited Partnership Interests or ULC Units.** The transfer of a Unit or ULC Unit is subject to certain restrictions set out in the Partnership Agreement and will be affected by restrictions on resales imposed under applicable securities law. A public market does not currently exist for ULC Units and one is not expected to develop.

● **Indemnification.** The GP, the Manager and related entities and their respective directors, officers, employees, partners, shareholders, contractors and agents will be entitled to indemnification from the Partnership, except in certain circumstances. The assets of the Partnership will be available to satisfy these indemnification obligations, which could materially and adversely impact the amount available for distribution. Further, LPs may be required to return certain distributions to satisfy such obligations, which will survive the dissolution of the Partnership.

● **Changes in Applicable Law.** The Partnership and Portfolio Investees must comply with various legal requirements, including tax laws, environmental laws and other laws, rules and regulations relating to the development of real estate. Should any of those laws, rules or regulations change over the life of the Partnership, the legal requirements to which the Partnership, its Partners and Portfolio Investees may be subject could differ materially from current requirements.

● **Effect of Fees and Expenses on Return.** The Partnership will pay the Management Fee, the Offering and Organizational Expenses and the Partnership Expenses. Such fees and expenses will reduce actual returns to investors. Most of the fees and expenses will be paid regardless of whether the Partnership produces positive investment returns. If the Partnership does not produce significant positive investment returns, these fees and expenses could reduce the amount of the investment recovered by a Limited Partner to an amount less than the amount invested in the Partnership by such Limited Partner.

● **Tax Risk.** Prospective investors are urged to consult with their own tax advisors with respect to their tax situation and the effects on an investment in the Partnership. There can be no assurances that the structure of the Partnership or any investments made by the Partnership will be tax efficient for any particular investor or that distributions by the Partnership in any year to a Limited Partner will exceed the tax payable on the income or gain allocated to such Limited Partner. Further, in general, tax laws, rules and procedures are extremely complex and subject to changes. There is no outline given as to the tax consequences of ULC Unit investment.

● **Failure to Make Capital Contributions.** If a Limited Partner fails to contribute its Commitment when due, and the contributions by non-defaulting Limited Partners and any borrowings by the Partnership are inadequate to cover the defaulted contributions, the Partnership may be unable to properly diversify its investment or may even be unable to pay its obligations when due. As a result, the Partnership may be subjected to significant penalties that could materially adversely affect the returns to the Limited Partners (including non-defaulting Limited Partners). The Partnership

	<p>Agreement provides that a Limited Partner who defaults in respect of its obligation to contribute its Commitment may be subject to certain contractual remedies (including the forfeiture of its Units), in addition to remedies available at law.</p> <p>● <b>General Economic Conditions.</b> General economic conditions may affect the Partnership’s activities. Interest rates, general levels of economic activity, the demand for real estate and other factors may affect the value and number of investments made by the Partnership or considered for prospective investments.</p>
<p><b>Subscription Procedure</b></p>	<p>Subscriptions for Units will be received subject to rejection or allotment, in whole or in part, in the GP’s sole discretion, and the GP reserves the right to close the subscription books for Units at any time without notice. The GP reserves the right to close this offering in stages, with an Initial Closing expected to be in or about <b>December 1, 2019</b>. Each investor will be required to execute a subscription agreement in the form approved by the GP. The subscription agreement will include a power of attorney granting the GP the authority to, amongst other matters, execute the Limited Partnership Agreement on behalf of the Limited Partners. For U.S. persons and entities, please see Investors Who Are Not Canadian Residents above for Subscription Procedures.</p>
<p><b>Purchaser’s Rights of Action - Canadian Residents</b></p>	<p>Securities legislation in the Canadian jurisdictions in which the Partnership will offer Units may require certain purchasers to be provided with rights of action for rescission or damages where a confidential information memorandum or offering memorandum and any amendment thereto contains a “<b>Misrepresentation</b>”. The purchaser’s rights of action are set out in Schedule A, which describes such rights as are applicable in the provinces of Ontario, Alberta and British Columbia. If an investor resides in another province, such investor will be provided with the rights of action applicable to that province, but will in no event be afforded rights of action that are less than the rights afforded to Ontario residents. These rights will not be available for investors not resident in Canada.</p>
<p><b>Confidential Information</b></p>	<p>Subject to applicable law, each Limited Partner and Holder shall keep in strict confidence all information regarding the Partnership, its Portfolio Investments and prospective Portfolio Investments and Portfolio Investees that is provided to such Limited Partners by or on behalf of the Partnership. The Limited Partners shall use this information solely for the purpose of monitoring their investment in the Partnership and shall not disclose such information to any other persons other than their advisors for such purpose.</p>
<p><b>Additional Risk Factors</b></p>	<p><b>Possible Loss of Limited Liability</b></p> <p>Limited Partners may lose their limited liability in certain circumstances. Limited Partners may lose the protection of limited liability as a result of taking part in the control or management of the business of the Fund. Limited Partners considering any act or activity in relation to the Fund except as expressly permitted in the Partnership Agreement should consult with their own legal advisors as to the consequences on limited liability status before engaging in such act or activity.</p> <p>The General Partner will endeavour at all times to cause the operations of the Fund to be conducted so as to minimize any risk of loss of limited liability.</p> <p><b>No Public Ratings</b></p> <p>The Partnership will make investments in debt securities which have not been rated by a public rating agency. While the Manager will rate the investments internally based upon similar criteria as those used by public rating agencies, there can be no assurance that such internal ratings would accurately reflect the ratings made by public rating agencies.</p> <p><b>Risk of Default</b></p>

There can be no assurance that borrowers will not default on loan payments required to be made to the Partnership. There can be a number of factors which affect the ability of a borrower to satisfy its payment obligations, including general economic conditions.

**Lack of Marketability**

There is no public market for the Units nor is any expected to develop. Resale of the Units is restricted by applicable securities legislation.

## Schedule A - Canadian Purchaser's Rights of Action

Securities legislation in the offering jurisdictions either provides certain purchasers or requires certain purchasers to be provided with rights of action for damages or rescission where a confidential information memorandum or offering memorandum and any amendment to it contain a Misrepresentation. Where used herein, "**Misrepresentation**" means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading in light of the circumstances in which it was made. These remedies must be exercised by the purchaser within the time limits prescribed by the applicable securities legislation and are subject to other limitations and defences.

The applicable statutory rights are summarized below. However, each purchaser should refer to provisions of the applicable securities legislation for the particulars of these rights or consult with a legal adviser. The rights of an investor are those available in the jurisdiction of residence, there may be no equivalent rights for investors resident outside of Canada.

### Rights for Purchasers in Alberta, British Columbia and Québec

By purchasing Units hereunder, purchasers in Alberta, British Columbia and Québec are not entitled to statutory rights of rescission and action. Therefore, in consideration of their purchases of Units and upon accepting a purchase confirmation in respect thereof, these purchasers are hereby granted a contractual right of action for damages or rescission that is substantially the same as the statutory right of action, if any, provided to residents of Ontario who purchase Units.

### Rights for Purchasers in Ontario

Ontario Securities Commission Rule 45-501 – *Ontario Prospectus and Registration Exemptions* provides that when an offering memorandum, such as this document, is delivered to an investor to whom securities are distributed in reliance upon the "accredited investor" prospectus exemption in Section 2.3 of National Instrument 45-106 – *Prospectus and Registration Exemptions* ("**NI 45-106**"), the right of action referred to in Section 130.1 ("**Section 130.1**") of the *Securities Act* (Ontario) (the "**Ontario Act**") is applicable, unless the prospective purchaser is:

- (a) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under subsection 473(1) of that act;
- (b) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, *caisse populaire*, financial services corporation, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction in Canada;
- (c) a Schedule III bank, meaning an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);
- (d) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or
- (e) a subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of the subsidiary.

The right of action referred to in Section 130.1 is also applicable to a purchaser to whom securities are distributed in reliance upon the "minimum amount investment" prospectus exemption in Section 2.10 of NI 45-106.

Section 130.1 provides such investors who purchase securities offered by an offering memorandum with a statutory right of action against the issuer of securities for rescission or damages in the event that the offering memorandum or any amendment to it contains a "misrepresentation". In Ontario, the term "misrepresentation" means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading or false in light of the circumstances in which it was made. These remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed by applicable securities laws.

Where the offering memorandum is delivered to a prospective purchaser of securities in connection with a trade made in reliance on either Section 2.3 or Section 2.10 of NI 45-106, and the offering memorandum contains a misrepresentation, the purchaser will have, without regard to whether the purchaser relied on the misrepresentation, a statutory right of action against the Fund for damages or, while the purchaser is still the owner of the securities, for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages, provided that the right of action for rescission will be exercisable by the purchaser only if the purchaser gives notice to the Fund, not more than 180 days after the date of the transaction that gave rise to the cause of action, that the purchaser is exercising such right; or, in the case of any action other than an action for rescission, the earlier of: (i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of the transaction that gave rise to the cause of action.

The Partnership will not be liable for a misrepresentation if it proves that the purchaser purchased securities with knowledge of the misrepresentation.

In an action for damages, the Fund will not be liable for all or any portion of the damages that the Fund proves do not represent the depreciation in value of the securities as a result of the misrepresentation which was relied upon.

In no case will the amount recoverable for a misrepresentation exceed the price at which the securities were offered.

The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

This summary is subject to the express provisions of the Ontario Act and the regulations and rules made under it, and prospective investors should refer to the complete text of those provisions.



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