

No securities regulatory authority has assessed the merits of these securities or reviewed this offering memorandum. Any representation to the contrary is an offence. This is a risky investment. See "Risk Factors" on page 33.

The securities described in this Offering Memorandum are offered for sale only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. This Offering Memorandum is not, and under no circumstances is to be construed as a public offering or advertisement of these securities. The securities offered hereunder will be subject to resale restrictions imposed under the securities laws of the province where they are offered. See "Resale Restrictions" on page 39.

ASG COLLINGWOOD LIMITED PARTNERSHIP (the "Partnership" or the "Issuer")

**OFFERING OF LIMITED PARTNERSHIP UNITS
UP TO A MAXIMUM OF \$2,250,000 (2,250 UNITS)**

\$1,000 per Limited Partnership Unit (each a "Unit")
Minimum subscription: \$25,000 (25 Units)

The Issuer

Address:	162 Cumberland Street, Suite 300 Toronto, Ontario M5R 3N5
Phone number:	(416) 260-3504
E-mail address:	agrossman@asgfinancialcorp.com
Fax number:	(416) 598-0608
Currently listed or quoted?	No. These securities do not trade on any exchange or market.
Reporting issuer?	No
SEDAR filer?	No

The Offering

The offering (the "**Offering**") by the Partnership consists of a maximum of 2,250 Units. The Partnership is a limited partnership formed under the laws of the Province of Ontario. The Units are being offered to allow the Partnership to acquire up to a 90 percent interest in various existing condominium units, townhomes and villas in the vicinity of Collingwood, Ontario for the purpose of selling fractional ownership in such condominium units, townhomes and villas (the "**Project**") and to conduct any ancillary activities related to the Project. This Offering is of Units and not of real estate or subdivided land.

Securities offered:	Limited Partnership Units (" Units ")
Price per security:	\$1,000 per Unit (the "Subscription Price") with a minimum subscription of 25 Units
Minimum/Maximum offering:	There is a minimum offering of 555 Units and a maximum offering of 2,250 Units
Payment terms:	Payment in full on closing
Proposed closing date(s)	May 31, 2007 for first closing, which may be extended by the General Partner. If the maximum offering is not achieved on the first closing, then the Partnership may have subsequent closings until the maximum offering is achieved.
Selling agent:	The selling agent for the Offering is ASG Financial Corp. (the " Agent "); see "Compensation Paid to Sellers and Finders" on page 32.

Resale restrictions

You will be restricted from selling your securities for an indefinite period. See "Resale Restrictions" on page 39. Furthermore, as there is no market for the Units, it may be difficult or even impossible for a subscriber to sell them after purchase. The securities offered hereby should only be considered by those persons who are able to make a long-term investment. Investment in the Units is speculative due to the nature of the Partnership's business. There are no rights for Limited Partners to redeem their Units. See "Terms of the Partnership Agreement" on page 19.

Purchaser's rights

You have two business days to cancel your agreement to purchase these securities. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the agreement. See "Purchaser's Rights" on page 39.

The Partnership conditionally offers the Units for sale by way of private placement to qualified investors who are residents of the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Newfoundland, Nova Scotia and Prince Edward Island. Subscriptions will be received if, as and when accepted, subject to prior sale and satisfaction of the conditions set forth under "Plan of Distribution" and to the right of ASG Collingwood GP Limited (the "**General Partner**") and the Partnership to close the subscription books at any time without notice. The first closing of the Offering will take place at a time to be determined by the Agent and the General Partner. The first closing is expected to take place no later than May 31, 2007 however the General Partner may, in its discretion extend the first closing. If the maximum offering is not achieved on the first closing, then subsequent closings will be held from time to time as determined by the General Partner until the maximum offering is achieved. See "Plan of Distribution" on page 30.

Before making an investment decision respecting the securities described in this Offering Memorandum, you should carefully review and consider this entire Offering Memorandum. You should also consult with your lawyer and investment, accounting and tax advisors concerning this investment. The Partnership will make available to you or your lawyer or your other advisor, during the course of this transaction and prior to sale, the opportunity to ask questions of the Partnership and any person acting on its behalf relating to the terms and conditions of this Offering, and to obtain any additional information necessary to verify the accuracy of the information made available to you or your lawyer or other advisors. **No person is authorized by the Partnership to provide any information or to make any representation other than those contained in this Offering Memorandum in connection with the issue and sale of the securities offered by the Partnership.**

This Offering Memorandum is confidential and has been prepared solely for delivery to and review by selected prospective purchasers of the securities offered hereby. This copy of the Offering Memorandum is personal to the person to whom it is delivered and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire any of the securities offered hereby. Distribution of this Offering Memorandum to any person other than the person to whom it is delivered and those persons, if any, retained to advise such person with respect thereto is unauthorized, and any disclosure of any of its contents without the prior written consent of the General Partner is prohibited. Each prospective purchaser, by accepting delivery of this Offering Memorandum, agrees to the foregoing and undertakes to make no photocopies of or to otherwise reproduce, in whole or in part, this Offering Memorandum, or any documents relating thereto and, if such prospective purchaser does not purchase any of the securities offered hereby or the Offering is terminated, to return promptly this Offering Memorandum and all such documents to the General Partner, if so requested by the General Partner.

Selling Agent:

**ASG Financial Corp.
162 Cumberland Street, Suite 300
Toronto, Ontario M5R 3N5**

An affiliate of the Agent holds 33-1/3% of the participating shares and 50% of the voting shares of the General Partner and may be considered to be related to the Partnership for purposes of applicable securities regulations. The Agent may also be considered to be connected to the Partnership for such purposes as directors and officers of the Agent are also directors and officers of the General Partner. See "Relationship Between Issuer and Agent" on page 33.

OFFERING MEMORANDUM SUMMARY

The following is a summary only and is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this Offering Memorandum.

The Partnership

ASG Collingwood Limited Partnership is a limited partnership formed under the laws of the Province of Ontario. Its general partner is ASG Collingwood GP Limited, a corporation incorporated under the laws of the Province of Ontario.

The Business

The Partnership will acquire up to a 90 percent interest in various existing condominium units, townhomes and villas in vicinity of Collingwood, Ontario, for the purpose of selling fractional ownership in such condominium units, townhomes and villas. The condominium units, townhomes and villas to be acquired are expected to require refurbishment prior to their sale as fractional ownership. Limited Partners will not have input into the negotiations and final terms and conditions of the purchase of any property.

Financing

It is expected that mortgage financing up to 75 percent of the purchase price for a particular property will be obtained upon the purchase of such property. Each of the mortgages is expected to contain mandatory prepayment conditions. Limited Partners will not have input into the negotiations and final terms and conditions of the mortgage financing.

Ownership Structure

The Partnership (up to a 90% interest), Norwood Resorts Inc. or its affiliate (at least a 10% interest), the General Partner and, if applicable, any other owner of an interest in the Project, will enter into a co-tenancy agreement (the "**Co-tenancy Agreement**") which will set out the rights and obligations of the owners and the General Partner in the Project.

Manager

Norwood Resorts Management Inc. (the "**Manager**"), a wholly owned subsidiary of Norwood Resorts Inc., will manage the Project. For its services the Manager will receive agreed upon salaries and will be reimbursed for all reasonable expenses in accordance with a budget approved by the General Partner. The Manager will also receive an incentive fee (manager's special bonus) as herein described. The Manager will own 66-2/3% of the participating shares of the General Partner.

Offering	The Partnership is offering a maximum of 2,250 Units in the Partnership, representing the interests of the Limited Partners in the Partnership for aggregate subscription proceeds of \$2,250,000.
Price	\$1,000 per Unit. The minimum subscription for an investor will be 25 Units
Use of proceeds	All costs of this Offering, including all marketing costs, will be paid by the Partnership out of the proceeds of the Offering. The remainder will be used to purchase up to a 90 percent interest in condominium units, townhomes and villas, to pay those fees summarized in the Offering Memorandum, to pay the Partnership's share of the third party costs incurred prior to acquisition of any property (to be reimbursed upon the first closing of the Offering), to pay the Partnership's share of the renovation expenses proposed for the Project and the balance for working capital. See "Use of Available Funds" on page 9.
Closing	The first closing of the Offering will occur as soon as practicable after the minimum subscription for 500 Units has been obtained. Subsequent closings may occur at the discretion of the General Partner until the maximum subscription of 2,250 Units has been obtained.
Investor Services Agreement	The Agent will be paid an annual fee of \$12,000 payable monthly by the owners of the Project for investor relations services including assisting the Partnership in operational reporting to Limited Partners.
Reinvestment	The Partnership may reinvest that portion of the sales proceeds from the sale of any property that is the capital invested in the property.
General Partner	The General Partner is a single purpose corporation, the shares of which are controlled by an affiliate of the Agent (as to 50% of the votes and 33-1/3% of the equity participation), and by Norwood Resorts Inc. or its affiliate (as to 50% of the votes and 66-2/3% of the equity participation). The percentage shareholdings of the shareholders of the General Partner may change if less than all of the Units are sold.
Distributions	Distributable net cash flow from the Project after payment of all current obligations of the Project, including debt service payments under any financing, the fees charged by the manager and those other fees described in this Offering Memorandum, operating expenses of the Project and operating expenses of the co-tenancy owning the Project, and the creation of a reasonable working capital reserve, as determined by the manager or the owners, will be distributed, to the extent available, to the Partnership, to

the other owners, to the General Partner, and to the Manager in the following manner and priority:

- (a) first, to the owners in proportion to their percentage interests in the co-tenancy, until the Partnership will have received an annual non-compounded cumulative preferred return of 12% on the capital contributed to the co-tenancy which remains outstanding from time to time (which for the Partnership will be the aggregate of the gross subscription proceeds for Units, namely \$1,000 per Unit);
- (b) thereafter, until such time as the limited partners of the Partnership are fully repaid their outstanding capital contributed to the Partnership:
 - (i) 37.5% to the owners in proportion to their percentage interests in the co-tenancy, (for the Partnership, one-half of which will be applied to reduce the outstanding capital contributed by the Limited Partners to the Partnership and the other one-half will be considered profit);
 - (ii) 37.5% to the General Partner; and
 - (iii) 25% to the manager or as the manager may direct as the manager's special bonus (the manager may, but is not obligated, to direct all or any part of the amounts payable to the Limited Partners to be applied against the outstanding capital contributed by them to the Partnership);
- (c) after such time as the Limited Partners of the Partnership are fully repaid their outstanding capital contributed to the Partnership (\$1,000 per Unit) together with a 12% per annum cumulative noncompounding return on their capital contributed to the Partnership:
 - (i) 33.5% to the owners in proportion to their percentage interests in the co-tenancy;
 - (ii) 33.5% to the General Partner; and
 - (iii) 33% to the manager as the manager's special bonus.

The net cash flow from operations of the Project received by the Partnership will be distributed in the following manner and priority:

- (a) first, to pay any expenses of the Partnership;
- (b) second, to pay to the Limited Partners an annual non-compounded cumulative preferred return of 12% on the capital contributed to the Partnership which remains outstanding from time to time;
- (c) thirdly to the Limited Partners until all capital contributed by the Limited Partners to the Partnership which remains outstanding from time to time is fully repaid (it being understood that one-half of the distributions will be applied to reduce the outstanding capital contributed by the Limited Partners to the Partnership and the other one-half will be considered profit);
- (d) the balance, 99.99% to the Limited Partners (on a pro rata basis) and 0.01% to the General Partner.

Net income and loss of the Partnership

The net losses, if any, of the Partnership are to be allocated to the Limited Partners to the extent of the aggregate of the capital contributed by them and their share of undistributed net income of the Partnership. All further net losses are to be allocated to the General Partner. The net income of the Partnership will generally be allocated in a manner consistent and generally in accordance with the amounts and manner in which distributions of operating cash flow and sales and refinance proceeds are made by the Partnership.

Partnership Agreement

The rights and responsibilities of the General Partner respecting the management of the Partnership, allocation of income, gains and losses, and investment decisions are contained in the Partnership Agreement. By executing a Subscription Agreement all subscribers will commit contractually to the Partnership Agreement.

Certain major decisions require approval by 60% of the votes cast at a meeting of Limited Partners.

See "Terms of the Partnership Agreement" on page 19.

Additional capital contribution

If the Partnership experiences a cash flow deficiency and the General Partner is unable to arrange for a loan to the Partnership from a bank, trust company or other lender in respect of such deficiency, the Limited Partners may, by approval of 60% of the votes cast at a meeting of Limited Partners (a special resolution), request each Limited Partner to make an additional capital contribution to the Partnership with the amount to be contributed by each Limited Partner being equal to their proportionate share of the total amount so required by the Partnership. Although there is no obligation on a Limited Partner to make an additional capital contribution to the Partnership, all

additional capital contributions so made by the Limited Partners shall bear interest at such rate (which rate shall be the same for all of the Limited Partners), if any, as shall be determined by the General Partner from time to time. The consequences of a failure to make such a contribution are set out under "Capital Call" on page 22. As well, the Partnership may default under the Co-tenancy Agreement as a result of Limited Partners failing to contribute sufficient capital.

Promoter of the Partnership

ASG Collingwood GP Limited, a corporation incorporated under the laws of the Province of Ontario, the general partner of the Partnership and its shareholders are the promoters. ASG Collingwood GP Limited is controlled by an affiliate of the Agent (as to 33-1/3% of the equity participation and 50% of the votes) and by Norwood Resorts Inc. (as to 66-2/3% of the equity participation and 50% of the votes). See "Directors, Management, Promoters and Principal Holders of the General Partner" on page 15.

Relationship between Issuer and Agent

An affiliate of the Agent holds approximately 50% of the voting shares and 33-1/3% of the participating shares of the General Partner and may be considered to be related to the Partnership for purposes of applicable securities regulations. The Agent may also be considered to be connected to the Partnership for such purposes, as the sole director and officer of the Agent is also a director and officer of the General Partner.

Resale Restrictions

Under applicable securities laws, the resale of the Units is subject to restrictions. Since the Partnership is not a "reporting issuer" under applicable securities laws and it is not contemplated that it will become one, if no exemption is available under applicable securities laws and regulations or an appropriate discretionary order obtained pursuant to applicable securities laws, the Units cannot be sold without a prospectus for an indefinite period of time. See "Resale Restrictions" on page 39.

Risk Factors

Investment in the securities offered hereby is highly speculative due to the nature of the Partnership's business. Investment in the Partnership involves various risks referred to under "Risk Factors" on page 33. These include risks inherent in the ownership of real estate and business investment generally and the marketing and sale of fractional ownership in particular, conflicts, ownership of the various condominium units, townhomes and villas in a co-tenancy, reliance upon the manager for refurbishing the properties acquired, reliance upon the manager for the marketing and sale of fractional ownership in the properties, reliance on the General Partner for decisions to be made by in connection with the Partnership, the lack of a formal market for the Units, no exit mechanism and the resale restrictions and hold periods prescribed by applicable securities laws.

Purchaser's Rights

A purchaser of securities offered hereby will have certain statutory and contractual rights, including, a right of action if there is a misrepresentation in this Offering Memorandum and, a two-day cancellation right. See "Purchaser's Rights" on page 39.

Income Tax Considerations

Note should be made that no opinion has been obtained as to the tax ramifications of an investment in Units. Investors should consult with their own advisers to assess the income tax aspects of investment in Units.

Currencies

All dollar figures in this Offering Memorandum are in Canadian dollars unless otherwise indicated.

Forward Looking Statements

Certain statements in the Offering Memorandum as they relate to the Partnership and its operations are "forward-looking statements". Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects", "does not expect", "is expected", "anticipates", "does not anticipate", "plans", "estimates", "believes", "does not believe" or "intends", or stating that certain actions, events or results "may", "could", "would", "might", or "will" be taken, occur or achieved) are not statements of historical fact and may be "forward-looking statements". Forward-looking statements are based upon expectations, estimates and projections at the time the statements are made that involve a number of risks and uncertainties which would cause actual results or events to differ materially from those presently anticipated. These include, but are not limited to, the risks of the business of the Partnership. The Partnership does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

OFFERING MEMORANDUM

USE OF AVAILABLE FUNDS

Net Proceeds and Available Funds

		Assuming ¹ minimum offering	Assuming maximum offering
A	Amount to be raised by this offering	\$555,000	\$2,250,000
B	Selling commissions and fees ²	\$55,500	\$225,000
C	Estimated offering costs (e.g. legal, accounting, audit) ³	\$150,000	\$150,000
D	Net proceeds: D = A – (B+C)	\$349,500	\$1,875,000
E	Bridge Financing ⁴	\$725,500	–
F	Available Funds	\$1,075,000	\$1,875,000

1. Assumes the Partnership will be acquiring an approximately 70 percent interest in the Project.
2. An affiliate of the Agent holds 50% of the voting shares and 33-1/3% of the participating shares of the General Partner. Directors and officers of the Agent, are also directors and officers of the General Partner.
3. Approximately \$28,000 of the offering expenses payable by the Partnership will be paid to Grunwald & Co. Leo Grunwald is a principal of Grunwald & Co. and is registered as a salesperson with the Agent. An affiliate of the Agent holds approximately 50% of the voting shares and 33-1/3% of the participating shares of the General Partner.
4. If less than 1,350 Units are sold on the first closing then the difference between the amount raised on the first closing of the Offering and the balance of the amount required to be contributed by the Partnership to the co-tenancy may be funded by bridge financing (the "Bridge Financing") which may be secured by a mortgage or other charge registered against the Partnership's interest in any of the properties acquired. The interest rate on the Bridge Financing is not expected to exceed 16% per annum. The Bridge Financing will be treated as a Project expense. The Partnership intends to repay the principal amount of the Bridge Financing from the proceeds of subsequent closings. The Partnership has not received any commitment for the Bridge Financing and accordingly the General Partner is not certain whether the Bridge Financing is obtainable and, if obtained, the rate of the Bridge Financing.

Use of Available Funds

Description of intended use of available funds listed in order of priority	Assuming minimum offering ⁵	Assuming maximum offering
Partnership's share of the purchase of the initial condominium units, townhomes and villas (including land transfer taxes, retail sales taxes, mortgage fees, legal fees) ⁵	\$443,284	\$873,000
Due diligence costs and out of pocket expenses ⁶	\$75,000	\$75,000

Partnership's share of refurbishment of property acquired	\$132,942	\$135,000
Partnership's share of working capital	\$423,774	\$792,000

5. Assumes the Partnership will be acquiring an approximately 70 percent interest in the Project.
6. The Agent will receive certain out-of-pocket and due diligence fees of approximately \$75,000.

Reallocation

The Partnership intends to spend the available funds as stated. The Partnership will reallocate funds only for sound business reasons.

BUSINESS OF THE PARTNERSHIP

Structure

The Partnership is a limited partnership formed, under the laws of the Province of Ontario, under the name "ASG Limited Partnership No. 26" by a declaration filed pursuant to the *Limited Partnerships Act* (Ontario) on December 15, 2004. The Partnership changed its name to ASG Collingwood Limited Partnership by a further declaration filed pursuant to the *Limited Partnerships Act* (Ontario) on May 28, 2007.

The head office and address for service of the Partnership is located at 162 Cumberland Street, Suite 300, Toronto, Ontario, M5R 3N5.

The General Partner of the Partnership is ASG Collingwood GP Limited which was incorporated pursuant to the *Business Corporations Act* (Ontario) on May 18, 2007. The General Partner became the general partner of the Partnership on May 24, 2007 replacing 1555219 Ontario Inc. The General Partner is a single purpose corporation, has no material net worth and no interest other than its ownership interest in the Partnership.

The head office and address for service of the General Partner is located at 162 Cumberland Street, Suite 300, Toronto, Ontario, M5R 3N5.

The Partnership will be one of the owners of the Project. Each one of the owners, including the Partnership, will enter into a co-tenancy agreement which will set out the rights and obligations of the owners in the Project and will provide for the terms of the ongoing ownership, operation and management of the Project.

Our Business

The Partnership will acquire up to a 90 percent interest in various existing condominium units, townhomes and villas in the vicinity of Collingwood, Ontario, for the purpose of selling fractional ownership in such condominium units, townhomes and villas. The condominium units, townhomes and villas to be acquired are expected to require refurbishment prior to their sale as fractional ownership. Limited Partners will not have input into the negotiations and final terms and conditions of the purchase of any property. The actual percentage interest to be acquired in the Project is expected to be determined upon the first closing of the Offering.

Fractional Ownership

Fractional ownership is essentially partial ownership of a property. With fractional ownership, a property is owned and shared by at least two, and often several, owners. This type of ownership

is becoming popular with vacation properties and resorts, where the owners of the property do not expect or desire to use the property all the time. In this fashion the owners share the use of the property and also share in the burden of maintenance expenses.

The fractional ownership industry in the United States, Canada and the Caribbean increased in sales volume to approximately \$1.65 billion in the year 2006. Many of the major hotel resort chains are entering or have entered into the fractional ownership industry. The resort and leisure industry is forecasted to be a fast growing real estate market over the next 15 years, fueled by demographic shifts, wealth creation and inheritance. As well, owners of second homes are finding that they do not have the time to use their second home more than four or five weeks in each year and are having difficulty justifying the expense.

Product

The Partnership, as an owner of up to a 90 percent interest, expects to initially purchase at least three existing one, two or three bedroom condominium units, townhomes or villas in the Collingwood area. The type of property is expected to vary with some being close to Blue Mountain, others close to golf courses and some being close to the waterfront. Each of the properties is expected to be refurbished with new floor covering, painting, new furnishings, new kitchen counter tops and new appliances. The expectation is that fractional ownership will be sold in three, four or five week intervals. Purchasers would have the option to use the property for all of their weeks, use the property for some of their weeks and place their unused weeks into an exchange pool, or exchange all of their weeks through a vacation exchange program. The option exercised may vary from year to year depending on the requirements of an owner in that particular year. Once fractional ownership of a property has been sold, the ownership to the applicable property will be transferred to a not-for-profit association and each purchaser will be a member entitling the purchaser to the usage of the property for its fractional share. The membership in the association will be governed by the by-laws of the association which will ensure that members receive all the benefits of ownership during their permitted period of usage.

Area

Collingwood is located in a four season destination area approximately 148 kilometers from Toronto. Easy to reach, the town of Collingwood is located on the southern shore of Georgian Bay and at the foot of Ontario's highest ski hill, Blue Mountain. Visitation to Collingwood and the surrounding area has increased substantially over the past several years such that currently, approximately 2.5 million visit the area on an annual basis. Visitors to the Collingwood area may enjoy various recreational pursuits, a diverse mix of events and festivals, environmental features definitive of the southern Ontario landscape including the presence of a well-known trail system and the province's longest beach, skiing, boating and various golf courses, as well as a growing adventure experience industry.

The statistical data and other information contained herein has been obtained from publications and other sources assumed to be reliable. The General Partner and the Agent have not independently verified this information.

Financing

It is expected that mortgage financing up to 75 percent of the purchase price for a particular property will be obtained upon the purchase of such property. Each of the mortgages is expected to contain mandatory prepayment conditions. Limited Partners will not have input into the negotiations and final terms and conditions of the mortgage financing. As well, if less than all of the Units are sold on the first closing then the difference between the amount raised on the first closing of the Offering and the balance of the amount required to be contributed by the Partnership to the co-tenancy may be funded by bridge financing which may be secured by a

mortgage or other charge registered against the Partnership's interest in any of the properties acquired. The interest rate on the bridge financing is not expected to exceed 16 percent per annum. The Partnership has not received any commitment for the bridge financing and accordingly the General Partner is not certain whether the bridge financing is obtainable and, if obtained, the terms and conditions of the bridge financing. . Limited Partners will not have input into the negotiations and final terms and conditions of the bridge financing.

Management

The owners will retain the services of Norwood Resorts Management Inc. (the "**Manager**") to manage the Project. The Manager is a wholly owned subsidiary of Norwood Resorts Inc., which will own 66-2/3% of the equity participating shares and 50% of the voting shares of the General Partner, and at least 10% of the Project.

Responsibilities of the Manager include:

- provide such services as are customarily provided by operators of similar businesses
- negotiate the acquisition of condominium units, townhomes and villas
- establish prices and rates for interval sales
- prepare and submit for approval an annual operating budget
- hire, promote, discharge and supervise all personnel to carry on the business
- negotiate all contracts required in the ordinary course of business
- oversee the refurbishment program for the Project
- purchase or arrange for the purchase of all inventories, supplies and appliances which in the normal course of business are necessary to properly operate the business
- apply for and obtain and maintain all licenses and permits required in connection with the management and operation of the business
- ensure compliance with all applicable laws and regulations
- arrange all appropriate insurance including property damage insurance and general liability insurance
- deliver or arrange for delivery of a monthly profit and loss statement
- deliver or arrange for delivery of financial information in order for the accountants to prepare annual financial statements
- arrange and contract for all marketing, advertising and promotion provided for in the annual budget
- pay as and when due gross operating expenses
- generally doing all such acts, matters and things as may be necessary for the operation of the business.

The management agreement may be terminated by the owners in the event that the Manager commits a material breach or default which is not cured. For its services the Manager will

receive agreed upon salaries and will be reimbursed for all reasonable expenses in accordance with a budget approved by the General Partner. The Manager will also receive an incentive fee (manager's special bonus) as herein described.

The principals of the Manager are:

Don Allen- President and Chief Executive Officer- Mr. Allen is a Chartered Accountant and Trustee in Bankruptcy who was a senior partner at a national accounting firm and has held senior management positions, building and growing companies in various industries. In his professional career, he has had extensive experience in real estate and other restructuring situations.

Mark Galligan- Vice-President, Operations and Secretary- Mr. Galligan has over 20 years experience in recreational, residential and commercial development. As a general contractor and developer, his projects were focused in North Central Ontario including Barrie, Midland and Collingwood and exceeded \$300 million over two decades. Mr. Galligan was recently the principal and managing partner of the largest recreational and residential project in the district of Muskoka.

Kevin Watts- Director of Sales- Mr. Watts has 15 years of experience in resort vacation property sales in various international locations.

Paul Barber- Director- Mr. Barber, an engineer by profession, is a real estate developer and general contractor and currently manages approximately \$80 million per year in residential and commercial construction projects for a major Canadian builder and for his own account. He oversees operations of more than 35 corporate sales and construction offices across Canada and the northern United States.

Murray Wood- Director- Mr. Wood is a mortgage agent with IC Funding Financial Corporation, a Canadian real estate finance company. Additionally, he acquires for rehabilitation and remarketing apartment and condominium units for his own account.

Greg MacLeod- Director- Mr. Macleod is a Chartered Accountant, Trustee in Bankruptcy and a founding partner of AIM Performance Strategies Inc., focusing on operational and financial performance optimization. He was a senior partner in a national accounting firm and has had business experience nationally and internationally.

Long Term Objectives

The long term objectives of the Partnership are to sell fractional ownership in condominium units, townhomes and villas acquired by it, attaining significant market share and generating cash flow.

Short Term Objectives and How the Partnership Intends to Achieve Them

<i>What we must do and how we will do it</i>	<i>Target completion date or, if not known, number of months to complete</i>	<i>Our cost to complete Assuming Acquisition of maximum interest</i>
Acquire an interest in three condominium units, townhomes or villas	On or before June 30, 2007	\$619,000
Refurbishment of the properties acquired	Commencement upon the acquisition of a property.	\$185,640

Material Agreements

The following are the only material agreements other than the service contracts which are entered into in the ordinary course of the Partnership's and the General Partner's business:

- (a) Limited partnership agreement for the Partnership (the "**Partnership Agreement**") which is described in more detail under "Terms of the Partnership Agreement" on page 19.
- (b) Co-tenancy agreement (the "**Co-tenancy Agreement**") to be entered into by the Partnership, the General Partner, Norwood Resorts Inc. and any other owner of the Project, which is described in more detail under Terms of Co-tenancy Agreement on page 25. The General Partner will be receiving fees or distributions from owners under the Co-tenancy Agreement and the Manager will be receiving fees or distributions as a special bonus under the Management Agreement as set out in the Co-tenancy Agreement.
- (c) Purchase agreements for the purchase of the various condominium units, townhomes and villas to be acquired by the Partnership and the other owners of the Project. Title to the condominium units, townhomes and villas may be registered in the name of a bare trustee for the benefit of the owners. Limited Partners will not have input into the negotiations or the final terms and conditions of the purchase of any property.
- (d) Mortgage financing for any particular property to be entered into at the time of the acquisition of such property. Limited Partners will not have input into the negotiations or the final terms and conditions of any mortgage financing.
- (e) Investor services agreement (the "**Investor Services Agreement**") to be entered into on or before the first Closing between the Agent and the Partnership. The Agent will be paid an annual fee of \$12,000 payable monthly by the co-tenancy for investor relations services including assisting the Partnership in operational reporting to the Limited Partners. The term of the agreement is five years and thereafter, is automatically renewable from year to year unless terminated by any one of the parties by giving at least six months notice. An affiliate of the Agent holds 33-1/3% of the participating shares and 50% of the voting shares of the General Partner and Allan Grossman, a director and officer of the Agent, and Dan Kowalchuk, an officer of the Agent are directors and officers of the General Partner. Additionally, Leo Grunwald is registered as a salesperson with the Agent and is a principal of Grunwald & Co. which is and will be providing accounting services to the Partnership and will be earning fees for such services. Norwood Resorts Inc. owns 66-2/3% of the participation shares and 50% of the voting shares of the General Partner and certain of its senior officers and directors are directors and officers of the General Partner.
- (f) Agency agreement between the Partnership and the Agent entered into on the date of this Offering Memorandum which is described in more detail under "Plan of Distribution" on page 30.
- (g) Deposit agreement between the Agent and the General Partner entered into on the date of this Offering Memorandum in which the Agent has agreed to hold subscription proceeds and subscription agreements in escrow pending the first Closing. An affiliate of the Agent holds 33-1/3% of the participating shares and

50% of the voting shares of the General Partner and the directors and officers of the Agent are also directors and officers of the General Partner. The Agent will not receive any additional payment for its services under the deposit agreement.

- (h) Management agreement to be entered into between the owners, or a bare trustee titleholder on behalf of the owners and Norwood Resorts Management Inc. which is described in more detail under “Management” on page 12. Norwood Resorts Inc., an affiliate of the Manager, owns 66-2/3% of the participation shares and 50% of the voting shares of the General Partner and certain of its senior officers and directors are directors and officers of the General Partner
- (i) Bridge Financing which may be entered into if any amount less than the maximum offering is raised on the first Closing. The Bridge Financing may be secured by a mortgage or other charge registered against the Partnership’s interest in any property acquired for the Project or only one or more of them. The monthly payments on the Bridge Funding will be a Project expense and will be funded from available cash reserves of the Partnership, and within one year from the first Closing, the Partnership intends to repay the principal balance from the proceeds of subsequent closings. The Partnership has not received any commitment for the Bridge Financing. There is no assurance that the Partnership will achieve the maximum offering and therefore no assurance that the Bridge Financing can be repaid from the net proceeds of subsequent offerings. In that case, the Partnership will use its best efforts to extend or replace the Bridge Financing, but there is no assurance that it will be successful.

DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS OF THE GENERAL PARTNER

Compensation and Securities Held

<i>Name</i>	<i>Positions held (e.g., director, officer, promoter and/or principal holder)</i>	<i>Compensation paid by issuer in the most recently completed financial year (or, if the issuer has not completed a financial year, since inception) and the compensation anticipated to be paid in the current financial year</i>	<i>Number, type and percentage of securities of the issuer held after completion of minimum offering</i>	<i>Number, type and percentage of securities of the issuer held after completion of maximum offering</i>
Dan Kowalchuk	Director, Secretary	None	None	None
Allan Grossman Toronto, Ontario	Director, President	None	None	None
Don Allen	Director, Chief Financial Officer	None	None	None
Mark Galligan	Director, Vice- President	None	None	None
ASG Financial Holdings Inc. ⁷	Promoter, Principal Holder	As 33-1/3% participating shareholder of the General Partner will receive a portion of the fees and distributions payable to the General	None ⁹	None ⁹

		Partner from the co-tenancy and from the Partnership ⁸		
Norwood Resorts Inc. ⁸	Promoter, Principal Holder	As 66-2/3% participating shareholder of the General Partner will receive a portion of the fees and distributions payable to the General Partner from the co-tenancy and from Partnership ⁹	None ⁹	None ⁹

7. ASG Financial Holdings Inc. is an affiliate of the Agent. Allan Grossman, a director and an officer of the Agent is a director and officer of the General Partner. Similarly Dan Kowalchuk, an officer of the Agent is a director and officer of the General Partner. Approximately \$28,000 of the offering expenses payable by the Partnership will be paid to Grunwald & Co. Leo Grunwald, the principal of Grunwald & Co. will receive certain accounting fees. The Agent will receive a fee of \$12,000 per year under the investor services agreement in addition to commissions paid for selling Units. The Agent will receive certain out-of-pocket and due diligence fees of approximately \$75,000 payable by the Partnership.
8. Norwood Resorts Management Inc., a wholly owned subsidiary of Norwood Resorts Inc., is the Manager under the management agreement, and will be receiving fees for its services. Norwood Resorts Inc. will be an owner of at least a 10% interest in Project. Directors and officers of Norwood Resorts Inc. will also be directors and officers of the General Partner.
9. The General Partner, its shareholders, family members, directors, officers, or affiliates may subscribe for Units at any closing.

Management Experience

<i>Name</i>	<i>Principal occupation and related experience</i>
Don Allen	President and Chief Executive Officer, Norwood Resorts Inc.
	Mr. Allen is a Chartered Accountant and a licensed Trustee in Bankruptcy. He is a founding partner of AIM Performance Strategies Inc., which specializes in operational and financial performance improvement for companies experiencing challenges and issues in these areas. Mr. Allen assists management in developing and implementing improvement strategies and practices and continues to help companies as required. Previously Mr. Allen was a senior partner at a national accounting firm in the restructuring advisory practice and was involved in the restructuring of companies in various industries. He has also held senior management positions, building and growing companies in industry. In his professional career, Mr. Allen has had extensive experience in real estate and various other restructuring situations.
Allan S. Grossman	President, ASG Financial Corp. and Chartered Accountant

	<p>Mr. Grossman founded ASG Financial Corp. in 1988. ASG Financial Corp. introduces private investors to strategic opportunities and ambitious entrepreneurs with promising ideas to the right financing sources. Its goal is to enable companies to reach their potential and to enable investors to optimize their returns. Through a worldwide network of financiers, entrepreneurs and professionals, it has facilitated start ups, product/service extension and market expansions for companies in Canada, the US and Israel and has raised more than \$600 million through private placements to "angel" investors, venture capital firms and limited partnership offerings. Mr. Grossman has extensive knowledge of the real estate sector and financing of real estate. Mr. Grossman was a Partner in the accounting firm Horwath Orentstein LLP until June 30, 2005.</p>
Mark Galligan	Vice-President Operations, Norwood Resorts Inc.
	<p>Mr. Galligan's career has focused in three key areas: banking and finance, heavy manufacturing, and for the past two decades, real estate and business development. From early 1994 until March 2007 he was a co-founder and Vice Chair of China CKI Steel Ltd., a vertically integrated steel producer. He has over 20 years experience in recreational, residential and heavy commercial development and managed union and non-union trade's staff exceeding 300 at any one time at multiple sites. As a developer his projects were focused in North Central Ontario including Barrie, Midland and Collingwood, and exceeded \$300 million over two decades. Mr. Galligan was recently a principal and managing partner of one of the largest recreational and residential projects in the District of Muskoka.</p>
Dan Kowalchuk	Chief Financial Officer, ASG Financial Corp., Chartered Accountant
	<p>Mr. Kowalchuk joined Horwath Orenstein LLP in 1981, becoming a chartered accountant in 1985 and a partner in 1993. He works principally with mid sized owner managed businesses with a primary focus in the real estate industry including development, commercial and residential rental operations and retirement homes. In 2003, Mr. Kowalchuk joined ASG Financial Corp. as Chief Financial Officer where his responsibilities included new project due diligence, project monitoring and tax and financial statement compliance for the various projects under its administration. Mr. Kowalchuk was a Partner in the accounting firm Horwath Orenstein LLP until June 30, 2005.</p>

CAPITAL STRUCTURE OF THE PARTNERSHIP
Capital of the Partnership

<i>Description of Security</i>	<i>Number authorized to be issued</i>	<i>Number of outstanding as of May 28, 2006</i>	<i>Number outstanding after minimum offering</i>	<i>Number outstanding after maximum offering</i>
Limited Partnership Units	2,250	One Unit issued to the Initial Limited Partner and to be redeemed at the time of the first Closing	555	2,250

Long Term Debt

<i>Description of long term debt (including whether secured)</i>	<i>Interest Rate</i>	<i>Repayment terms</i>	<i>Amount outstanding on the first Closing</i>
Mortgage Financing (see "Financing on page 11)	To be negotiated	To be negotiated	Will vary based upon the Units sold on the first closing
Bridge Financing (if any). ¹⁰	To be negotiated, interest not expected to exceed 16% per annum	To be negotiated, repayment of principal in full within one year	Up to \$725,500

- ¹⁰. If less than all of the Units are sold on the first Closing, then the difference between the amount raised on the first Closing of the Offering and the balance of the amount required to be contributed to the co-tenancy may be funded by Bridge Financing which may be secured by a mortgage or other charge registered against the Partnership's interest in the properties acquired or one or more of them. The monthly payments on the Bridge Financing will be funded from the Partnership's share of excess cash reserves, and within one year from the first Closing, the Partnership intends to repay the principal balance from the proceeds of subsequent closings. The Partnership has not received any commitment for the Bridge Financing and the terms are still to be negotiated. There is no assurance that the Partnership will achieve the maximum offering and therefore no assurance that the Bridge Financing can be repaid from the proceeds of subsequent offerings. In that case, the Partnership will use its best efforts to extend or replace the Bridge Financing, but there is no assurance that it will be successful. See "Risk Factors" on page 33.

Prior Sales by the Partnership

<i>Date of issuance</i>	<i>Type of security issued</i>	<i>Number of securities issued</i>	<i>Price per security</i>	<i>Total funds received</i>
December 15, 2004	Initial Unit	One	\$1.00	\$1.00

Share Capital of the General Partner

<i>Description of security</i>	<i>Number authorized to be issued</i>	<i>Number outstanding as at the date of this offering memorandum</i>
Common Shares ¹¹	Unlimited	30

Class A Shares ¹²	Unlimited	100
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11. 20 non-voting common shares have been issued to Norwood Resorts Inc. and 10 non-voting common shares have been issued to ASG Financial Holdings Inc.
12. 50 Class A voting shares have been issued to Norwood Resorts Inc. and 50 Class A voting shares have been issued to ASG Financial Holdings Inc.

SECURITIES OFFERED

Term of Securities

The securities offered under this Offering Memorandum are limited partnership units (the “Units”). The authorized capital of the Partnership is 2,250 Units. The securities are subject to the terms and conditions of the Partnership Agreement. The statements in this Offering Memorandum concerning the Partnership Agreement are intended to be only a summary of certain provisions of the Partnership Agreement and do not purport to be complete. A copy of the Partnership Agreement is available for review by each subscriber for Units. Before executing a subscription agreement, you should review with your advisors the provisions of the Partnership Agreement.

Terms of the Partnership Agreement

Units

There are a maximum of 2,250 Units in the Partnership. Except for the nominal interest held by the Initial Limited Partner and the right of the General Partner to receive distributions from the Partnership (see “Distributions” on page 23”), there are no other interests to be issued except as described herein (see “Additional Units” on page 24). The Units have equal voting, distribution, liquidation and other rights and no preference, conversion, exchange, preemptive or redemption rights as against each other. Only registered holders of Units will be entitled to vote or to receive distributions or otherwise to exercise or enjoy the rights of Partnership.

Units may only be subscribed for by persons who are (i) “accredited investors” or “eligible investors” within the meaning of Section 1.1 of Multilateral Instrument 45-106; and (ii) purchasing the Units as principal; or who are otherwise permitted to acquire Units pursuant to applicable securities legislation. If the person is an individual, he must be of the age of majority and have the capacity and competence to enter into and be bound by the Partnership Agreement and to take all actions required pursuant thereto. If the person is a corporation, partnership, unincorporated association or other entity, it must have the legal capacity or competence to enter into and be bound by the Partnership Agreement and to take all actions required pursuant to the Partnership Agreement and certify that all necessary approvals of directors, shareholders, partners, members or others have been given. A representation and warranty to such effect is contained in the Subscription Agreement provided as a part of this Offering Memorandum.

Fiscal Year

The fiscal year of the Partnership will end on December 31 in each year.

Transfer of Units

A Unit may be assigned and transferred by a Limited Partner or his agent duly authorized in writing if the following conditions are satisfied:

- (a) the transferee has delivered to the Registrar and Transfer Agent an executed transfer of the Units in the form of the transfer of Units attached to the Partnership Agreement or in such other form as may be approved by the General Partner and executed in a manner acceptable to the General Partner;
- (b) the transferee has executed a counterpart of the Partnership Agreement or otherwise agrees to be bound by its terms and has executed such other documentation as may reasonably be required by the General Partner;
- (c) the provisions of all applicable securities legislation have been complied with;
- (d) the transferor or transferee has paid or agrees to pay such costs, expenses and disbursements, including legal fees, as are reasonably incurred by the Partnership by reason of the transfer;
- (e) the transferor's Unit certificate issued pursuant to the Limited Partnership Agreement for the Unit(s) being transferred is surrendered to the General Partner;
- (f) the transferee supplies the General Partner with evidence that he has the status required to become a Limited Partner as set out above; and
- (g) such other requirements as may be required by law or may reasonably be required by the General Partner and/or the Registrar and Transfer Agent are satisfied.

Upon compliance with these conditions and updating of the Partnership records, the transferee will become bound as a Limited Partner and will be entitled to all the rights and subject to all of the obligations of a Limited Partner under the provisions of the Partnership Agreement. No transfer of a Unit relieves the transferor from any obligations to the Partnership incurred prior to the transfer becoming effective.

Business of the Partnership

The business of the Partnership is restricted to acquiring up to a 90 percent interest in various existing condominium units, townhomes and villas in the vicinity of Collingwood, Ontario, together with the other owner or owners as described herein, and selling fractional ownership in such condominium units, townhomes and villas. The Partnership may conduct any ancillary activities related to the Project.

Meetings

The General Partner may convene meetings of the Limited Partners at any time and, upon the written request of one or more Limited Partners representing not less than 30% of the Units, the General Partner will be required to convene a meeting. If the General Partner fails or neglects to call such a meeting within 30 days after receipt of such written request, then any such requesting Limited Partner may call the meeting.

Meetings of the Limited Partners will normally be held in the Greater Toronto Area. At least 21 days' notice of any meeting of Limited Partners is required. Such notice will set forth the matters to be considered at the meeting. The quorum for any such meeting is Limited Partners present in person and owning or representing, in person or by proxy, at least 60% of all Units. If a quorum is not present, the meeting will be adjourned for not less than 10 and not more than 21 days and the adjourned meeting will be at the same time and place as the original meeting and at least seven days' notice of the adjourned meeting will be given to the Limited Partners by the General Partner. Such notice need not set forth the matters to be considered unless they are different from those for which the original meeting was called. Each Unit will entitle the holder thereof to one vote at such meetings.

Any business or matter which may be approved at a meeting of Partners may, in lieu thereof, be approved by a majority of votes cast by written ballot pursuant to a poll of the Partners taken by mail. Notice of any such business or matter to be polled will be given to all Partners and such notice will describe the business or matter to be voted upon in sufficient detail to enable a Partner to make a reasoned judgment with respect thereto. Approval of any such business or matter will require, in the case of a decision otherwise requiring approval by Ordinary Resolution, approval by more than one half of the votes so cast by ballot and, in the case of a decision otherwise requiring approval by Special Resolution, approval by at least 60% of the votes so cast by ballot. Ballots must be received by the Partnership within the time limit established by the notice for such receipt, which time limit will in no case be less than 10 days from the date such notice is given to the Partners.

Powers Exercisable Only by Special Resolution

Decisions on the following matters require approval by Special Resolution (i.e. 60% of votes cast) in order to be effective:

- (a) amending the Partnership Agreement, except as otherwise provided therein;
- (b) waiving any default by the General Partner on such terms as the Limited Partners may determine;
- (c) continuing the Partnership in the event that the Partnership is terminated by operation of law;
- (d) agreeing to any compromise or arrangement by the Partnership with any creditor, or class or classes of creditors;
- (e) amending, modifying, altering or repealing any Special Resolution previously passed by the Limited Partners;
- (f) subject to the provisions of the Partnership Agreement removing the General Partner and appointing a new General Partner, unless the General Partner requests that it be removed;
- (g) dissolving or terminating the Partnership;
- (h) approving a settlement of an action against the General Partner as a result of a breach of its duties;
- (i) authorizing the raising of additional capital by the sale of further Units of the Partnership; and
- (j) approving a capital contribution call by the General Partner.

Approving the creation of a security interest, mortgage or charge on any of the condominium units, townhomes and villas acquired by the Partnership and the other owners requires approval by the owners under the Co-tenancy Agreement. Approval of the Limited Partners will not be required in connection with: (i) the mortgage financing described under "Financing" on page 11, or any renewals, replacements or extensions thereof; (ii) the Bridge Financing; or (iii) in respect of amounts borrowed up to an aggregate amount of \$500,000, all of which may be borrowed with the approval of the General Partner alone. For other financing the approval of owners holding at least a 60% interest will be required and the Partnership will vote in favour or against such financing in the same proportions as the Limited Partners vote for or against such financing.

Capital Call

If the Limited Partners by Special Resolution approve a capital contribution call by the General Partner and any Limited Partner does not advance his proportionate share of the capital requested, then the interest of such Limited Partner may, in the discretion of the General Partner, be subordinated to the new capital contributed by those Limited Partners advancing the further capital requested. Such new capital may bear interest at such rate as the General Partner may determine, in its discretion.

Amendment to Partnership Agreement

Under the Partnership Agreement, the General Partner may, without notice to or consent from the Limited Partners, insert provisions into or amend existing provisions of the Partnership Agreement as may be required by any lenders providing financing for the Project provided such amendments do not change the proportionate interest of any Limited Partner in the Partnership and provided such amendments do not impose a direct obligation on any Limited Partner to contribute further capital to the Partnership. Further, the General Partner may, without notice to or consent from the Limited Partners, insert provisions into or amend existing provisions of the Partnership Agreement rectifying any ambiguities, defective provisions or errors or omissions therein, provided that the rights of the Limited Partners are not materially prejudiced thereby.

The Limited Partners are entitled to authorize amendments to the Partnership Agreement by Special Resolution, but no such amendment that adversely affects the rights of the General Partner (other than removal of the General Partner) will be validly made without the consent of the General Partner.

Liability and Managing Powers of Limited Partners

Under the Limited Partnerships Act (*Ontario*), a limited partner is not liable for any debts, liabilities, losses or obligations incurred by a limited partnership in excess of his paid capital contributions 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 General Partner has unlimited liability for the debts, liabilities and obligations of the Partnership.

Powers of General Partner

Subject to those matters requiring an Ordinary Resolution or a Special Resolution under the Partnership Agreement and subject to the Limited Partnerships Act (*Ontario*), the General Partner shall carry on the business of the Partnership, with full power and authority to administer, manage or supervise the management of the affairs and business of the Partnership. The General Partner is liable for debts, liabilities and obligations of the Partnership to the extent required by the Act and other applicable legislation.

Removal

The Partnership Agreement provides that if the General Partner is in material default of its obligations under the Partnership Agreement and such default continues for 30 days following written notice by a Limited Partner to remedy such default (unless the nature of the default is

such that more than 30 days are required for its cure and the General Partner commences to cure such default within such 30 day period and diligently pursues completion of such curative measures) the General Partner can be removed and a successor appointed by Special Resolution. The General Partner may also resign after giving 180 days' written notice to the Partnership. The General Partner continues to receive its share of distributions of the co-tenancy after removal as general partner of the Partnership.

Offices of the Partnership

The current head office of the Partnership is located at 162 Cumberland Street, Suite 300, Toronto, Ontario M5R 3N5.

Accountant

The accountants of the Partnership will be Grunwald & Co., 162 Cumberland Street Toronto, Ontario M5R 3N5, which firm will continue as such for so long as no other accountant has been appointed by the General Partner.

Registrar and Transfer Agent

The General Partner will be the Registrar and Transfer Agent. The register of the Limited Partners will be kept by the General Partner at its principal office located at 162 Cumberland Street, Suite 300, Toronto, Ontario M5R 3N5.

Remuneration of the General Partner

In addition to the fees and distributions described in this Offering Memorandum, the General Partner will be entitled to be remunerated by the Partnership for all expenses incurred by it that are chargeable to the Partnership.

Distributions

Distributable net cash flow from the Project after payment of all current obligations of the Project, including debt service payments under any financing, the fees charged by the manager and those other fees described in this Offering Memorandum, operating expenses of the Project and operating expenses of the co-tenancy owning the Project, and the creation of a reasonable working capital reserve, as determined by the manager or the owners, will be distributed, to the extent available, to the Partnership, to the other owners, to the General Partner, and to the Manager in the following manner and priority:

- (a) first, to the owners in proportion to their percentage interests in the co-tenancy, until the Partnership will have received an annual non-compounded cumulative preferred return of 12% on the capital contributed to the co-tenancy which remains outstanding from time to time (which for the Partnership will be the aggregate of the gross subscription proceeds for Units, namely \$1,000 per Unit);
- (b) thereafter, until such time as the limited partners of the Partnership are fully repaid their outstanding capital contributed to the Partnership:
 - (i) 37.5% to the owners in proportion to their percentage interests in the co-tenancy, (for the Partnership, one-half of which will be applied to reduce the outstanding capital contributed by the Limited Partners to the Partnership and the other one-half will be considered profit);
 - (ii) 37.5% to the General Partner; and

- (iii) 25% to the manager or as the manager may direct as the manager's special bonus (the manager may, but is not obligated, to direct all or any part of the amounts payable to the Limited Partners to be applied against the outstanding capital contributed by them to the Partnership);
- (c) after such time as the Limited Partners of the Partnership are fully repaid their outstanding capital contributed to the Partnership (\$1,000 per Unit) together with a 12% per annum cumulative noncompounding return on their capital contributed to the Partnership:
 - (i) 33.5% to the owners in proportion to their percentage interests in the co-tenancy;
 - (ii) 33.5% to the General Partner; and
 - (iii) 33% to the manager as the manager's special bonus.

The net cash flow from operations of the Project received by the Partnership will be distributed in the following manner and priority:

- (a) first, to pay any expenses of the Partnership;
- (b) second, to pay to the Limited Partners an annual non-compounded cumulative preferred return of 12% on the capital contributed to the Partnership which remains outstanding from time to time;
- (c) thirdly to the Limited Partners until all capital contributed by the Limited Partners to the Partnership which remains outstanding from time to time is fully repaid (it being understood that one-half of the distributions will be applied to reduce the outstanding capital contributed by the Limited Partners to the Partnership and the other one-half will be considered profit);
- (d) the balance, 99.99% to the Limited Partners (on a pro rata basis) and 0.01% to the General Partner.

Additional Units

If the General Partner determines that additional funds are required by the Partnership, the General Partner, at any time and from time to time, may create by special resolution of the Limited Partners on behalf of the Partnership, and may offer for sale and sell, units or interests in the Partnership in addition to the Units then issued and outstanding. Such additional units shall first be offered for sale, on the terms then proposed to be offered to anyone else, to the Limited Partners who are at such time holders of the Units, rateably according to the number of Units held by each. The additional units may be units of a different class than the Units or interests of a different nature than the Units and the holder thereof may be entitled to preferences, priorities or rights over Limited Partners holding Units in the allocation of income or loss and the share of distributions or the return of capital contributed. The General Partner may cause such amendments to be made to the Partnership Agreement, the declaration made under the Limited Partnerships Act (*Ontario*) and the register as may be necessary or appropriate to reflect the additional units or other interests and such preferences, priorities and rights.

Reporting

The Limited Partners will be provided with quarterly reports as to the financial status of the Partnership. The quarterly information will be internally prepared, and will be prepared in the

format of internal management statements. In addition, annual unaudited accounting statements will be provided as soon as reasonably possible after the fiscal year end.

Profits and Losses

The net losses, if any, of the Partnership are to be allocated to the Limited Partners to the extent of the aggregate of the capital contributed by them and their share of undistributed net income of the Partnership. All further net losses are to be allocated to the General Partner. The net income of the Partnership will generally be allocated in a manner consistent and generally in accordance with the amounts and manner in which distributions of cash flow are made by the Partnership.

Dissolution of the Partnership

The Partnership shall be dissolved on the earlier to occur of the following:

- (a) the bankruptcy, dissolution or winding up of the General Partner, unless the General Partner is replaced within 120 days of such bankruptcy, dissolution or winding up;
- (b) the passage of a Special Resolution approving the dissolution and winding up of the Partnership; or
- (c) December 31, 2050.

The General Partner may make a recommendation for approval by Special Resolution that the Partnership be dissolved upon such terms and conditions as the General Partner sees fit and, without limiting the generality of the foregoing, the recommendation of the General Partner may include those terms and conditions which shall govern the relationship among the Limited Partners with respect to their respective interests subsequent to a dissolution of the Partnership.

The Partnership shall terminate following dissolution when the General Partner shall have taken full account of the Partnership's interest in the Partnership assets and liabilities, shall have liquidated the assets as promptly as is consistent with the obtaining of the fair value thereof and shall have applied and distributed the net proceeds therefrom to the Limited Partners in the same proportions and in the same order of priority as profits of the Partnership are distributed to the Partners as described under "Distributions" on page 23.

Terms of the Co-tenancy Agreement

The rights and obligations of the Partnership and the other owners of the Project will be governed by the Co-tenancy Agreement. The General Partner will execute the Co-tenancy Agreement on behalf of the Partnership and on its own behalf at the first closing of this offering. The statements in this Offering Memorandum concerning the Co-tenancy Agreement are intended to be only a summary of certain provisions and do not purport to be complete. A copy of the Co-tenancy Agreement is available for review by each subscriber for Units. Before executing a subscription agreement, you should review with your advisors the provisions of the Co-tenancy Agreement.

The following is a summary of certain material provisions in the Co-tenancy Agreement and does not purport to be complete:

Management and Operation of the Business

Subject to the authority granted to the Manager, overall management and control of the co-tenancy will be vested in a management committee consisting of four representatives of the General Partner, two representatives of each of the shareholders of the General Partner.

Except as otherwise specifically provided, all decisions will be made by such management committee for and on behalf of all owners.

Financing

The owners are obligated to pay in proportion to their interest in the Project, when due, all regularly scheduled installments of principal and interest becoming due under any loan to the owners collectively relative to the Project and otherwise comply with the provisions of the documents securing or evidencing such loan.

Taxes

The owners are obligated to pay or cause to be paid in proportion to their interest in the Project, prior to accrual of interest or penalty charges, all taxes and assessments levied or assessed upon the Project.

Insurance

The owners are obligated to obtain and pay for, in proportion to their interest in the Project, or cause to be obtained and paid for insurance with respect to the Project and the business carried on.

Acquisition

The owners are obligated to perform all obligations incurred in connection with the acquisition of an interest in various condominium units, townhomes and villas and the refurbishment of each such property acquired for the purpose of selling fractional ownership in such property.

Management

The owners will enter into a management agreement with Norwood Resorts Management Inc., as Manager. Except as delegated to the Manager, the management committee of the owners will be entitled to act and make all decisions respecting the Project. Provided, however, that notwithstanding the foregoing, in regard to the creation of a security interest, mortgage or charge in connection with the Project certain financing will require approval of the owners holding at least a 60% interest. Each owner which is a limited partnership or similar entity is required to vote in favour or against such financing in the same proportions as the underlying Limited Partners or investors in such entity, if such financing is required to be approved by the owner's limited partners.

Other

The owners are obligated to do all such other acts and things as shall be reasonable for the acquisition, ownership, operation, refurbishment, management, repair, upkeep, replacement, and sale, of or relating to the Project. The obligations of the owners will be discharged to the extent that such obligations are to be borne by Norwood Resorts Management Inc. under the management agreement.

Expenses

All expenses which are approved and which are incurred in carrying out the purposes and objectives of the owners are to be charged to and borne by the owners in their respective proportions.

Compensation of Manager

No payment will be made to any owner for its services with respect to the Project, unless approved by the management committee or contained in a budget approved by the management committee or under a written agreement, however, proper expenses of the co-tenancy may be reimbursed.

Revenues

Each owner will be entitled to receive its proportionate share of all revenues and financing proceeds arising from or accruing out of the Project after deduction of all expenses.

Cash Requirements for the Project

If funds are required from time to time to pay any expenses of the owners in managing and operating the Project (including a reserve determined by the Manager for future expenses which cannot be paid timely from anticipated future gross cash receipts from the operation of the Project), each owner, within 30 days after a reasonably itemized request therefor is made by the Manager or a member of the management committee, is obligated to deposit in a bank account designated by the Manager its proportionate share of the amount so requested. Failure of an owner to make timely deposit of such sum will be a default by that owner under the terms of the Co-tenancy Agreement.

If an owner fails to deposit funds required to be deposited by that owner, in addition to any other remedies under the Co-tenancy Agreement, and not by way of limitation, one or more of the other owners may advance the funds as a loan to the defaulting owner, without relieving the defaulting owner from being in default, but will have no obligation to do so. Any such loan will be evidenced by a promissory note from the owner to whom such loan is made and will be secured by such owner's interest. Each loan will bear interest at 18% per annum, will be payable on demand and will be paid in any event out of the next instalments of the defaulting owner's share of the cash available for distribution until paid in full as to principal and interest.

Allocation of Profits and Losses and Cash Available for Distribution

In each fiscal period, the net cash flow from the ownership and operation of the Project, as and when received as cash, after payment of all current obligations of the Project including debt service payments under any financing, the fees charged by the manager and those other fees described in this Offering Memorandum, operating expenses of the Project and operating expenses of the co-tenancy, and the creation of a reasonable working capital reserve, as determined by the manager of the Project or the owners, will be distributed, to the extent available, to the Partnership, to the other owners, to the General Partner and to the Manager in the following manner and priority:

- (a) first, to the owners in proportion to their percentage interests in the co-tenancy, until the Partnership will have received an annual non-compounded cumulative preferred return of 12% on the capital contributed to the co-tenancy which remains outstanding from time to time (which for the Partnership will be the aggregate of the gross subscription proceeds for Units, namely \$1,000 per Unit);
- (b) thereafter, until such time as the limited partners of the Partnership are fully repaid their outstanding capital contributed to the Partnership:
 - (i) 37.5% to the owners in proportion to their percentage interests in the co-tenancy, (for the Partnership, one-half of which will be applied to reduce the outstanding

capital contributed by the Limited Partners to the Partnership and the other one-half will be considered profit);

(iv) 37.5% to the General Partner; and

(v) 25% to the manager or as the manager may direct as the manager's special bonus (the manager may, but is not obligated, to direct all or any part of the amounts payable to the Limited Partners to be applied against the outstanding capital contributed by them to the Partnership);

(c) after such time as the Limited Partners of the Partnership are fully repaid their outstanding capital contributed to the Partnership (\$1,000 per Unit) together with a 12% per annum cumulative noncompounding return on their capital contributed to the Partnership:

(i) 33.5% to the owners in proportion to their percentage interests in the co-tenancy;

(ii) 33.5% to the General Partner; and

(iii) 33% to the manager as the manager's special bonus.

The net cash flow from operations of the Project received by the Partnership will be distributed in the following manner and priority:

(a) first, to pay any expenses of the Partnership;

(b) second, to pay to the Limited Partners an annual non-compounded cumulative preferred return of 12% on the capital contributed to the Partnership which remains outstanding from time to time;

(c) thirdly to the Limited Partners until all capital contributed by the Limited Partners to the Partnership which remains outstanding from time to time is fully repaid (it being understood that one-half of the distributions will be applied to reduce the outstanding capital contributed by the Limited Partners to the Partnership and the other one-half will be considered profit);

(d) the balance, 99.99% to the Limited Partners (on a pro rata basis) and 0.01% to the General Partner.

The amount of cash available for distribution in any period will be reduced by any reasonable reserve allowances made by the Manager in its discretion or the management committee for certain anticipated cash disbursements. The cash available for distribution will be determined and if applicable, will be distributed quarterly. Any funds allocated to an owner as part of cash available for distribution or out of funds to be received pursuant to a sale who owes to another owner indebtedness which is secured in whole or in part by the borrowing owner's interest in the Project will be distributed to the lending owner and applied against the indebtedness until the indebtedness is paid in full.

The Partnership and the other owners may reinvest that portion of the sales proceeds from the sale of any property that is the capital invested in the property into the Project and acquire condominium units, townhomes and villas as contemplated for operation of the Project.

Books, Records, Accounting, Reports and Bank Accounts

The financial year will end on December 31.

The books and records and all the documents and papers pertaining to the Project will be kept at the principal office of the Manager or at such other place as is designated by the owners and will be open at all reasonable times to the inspection of, and may be copied by, any owner or its duly authorized representative. The owners will direct the Manager to maintain in accordance with generally accepted accounting principles accurate books and records of account in which will be entered all matters relating to the Project, including all income, expenditures, assets and liabilities thereof. The books of account will be kept in such a manner as to separate clearly all income and expenses and indicate to which sources they are attributable, with all distributions to the owners to be accompanied by a statement identifying the source of such funds.

Within 120 days after the close of each financial year, the Manager will cause to be prepared by a firm of chartered accountants retained by the Manager as a notice to reader engagement, an unaudited financial report which will include a balance sheet as of the end of that financial year and a statement of income or loss and cash flow statement for that financial year. The statement of income or loss will disclose the amount and changes of income or loss and cash available for distribution, and will show, among other things, the amounts of depreciation depletion, amortization, interest and extraordinary interest and extraordinary charges. Each owner will have the right at its own expense to have the books and records pertaining to the Project audited at any time or times.

All funds arising out of, or in connection with, the Project or its operation, prior to distribution to the owners, will be deposited in a dedicated separate bank trust account or accounts established pursuant to the management agreement and will not otherwise be commingled with any other funds of an owner or the Manager.

Term

The Co-tenancy Agreement will be in effect from the date of closing of this offering until the earliest of the following to occur:

- (a) termination of the Co-tenancy Agreement by agreement of the owners and the General Partner;
- (b) an owner having acquired the entire interests in the Project of the other owners and entering into a separate agreement with the General Partner and Manager providing for the payment of their fees in accordance with the Co-tenancy Agreement and Management Agreement, if applicable.

Notwithstanding anything in the Co-tenancy Agreement or any rule of law to the contrary, no owner may terminate the Co-tenancy Agreement except as specifically set out.

Waiver of Partition and Sale Rights

The Co-tenancy Agreement provides that each owner waives the benefit of all provisions of law, now in effect or hereinafter enacted, relating to actions for a partition or sale in lieu of partition and/or administration of real and personal property. The agreement also prohibits each owner from resorting to any action at law or in equity for partition or sale in lieu of partition of the property or seeking administration in respect thereof. See "Risk Factors".

Disposition

An owner may not dispose of or encumber in any way its interest in the Project or the Co-tenancy Agreement or any part of it except, in each case, with the consent of all of the other owners and the General Partner or pursuant to the Co-tenancy Agreement. Any of the owners will be entitled, without the consent of the other owners to transfer its entire interest to another owner. As well, an owner will be entitled without the consent of the other owners to transfer its entire interest to an affiliate and the transferring owner and the transferee affiliate covenants in favour of the other owners that the transferee will remain an affiliate of the transferor so long as the transferee is an owner and that the transferor will continue to be fully responsible for all liability and obligations of the transferee with respect to matters occurring under the Co-tenancy Agreement.

Default and Right to Buy

Owners will have the right, but not the obligation, to purchase, in whatever proportions they deem appropriate among themselves, the entire interest of another owner at fair market value (as determined by the owners, if they agree or otherwise by appraisal under the Co-tenancy Agreement) if any of the events of default set out in the Co-tenancy Agreement have occurred with respect to the selling owner.

Plan of Distribution

This Offering will be sold by ASG Financial Corp. (the "**Agent**") on behalf of the Partnership on a commercially reasonable efforts basis in reliance on certain statutory private placement exemptions pursuant to the terms of the private placement agency agreement between the Partnership and the Agent (the "Agency Agreement") and the Subscription Agreements. (See "Compensation Paid to Sellers and Finders" on page 32.) The Agent is registered under the Securities Act (Ontario) as a limited market dealer. The offering is being made to residents of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Newfoundland, Nova Scotia, and Prince Edward Island only and not to persons resident in other provinces or in the United States. Subscriptions will only be accepted if the Agent and the General Partner are satisfied that you are appropriately qualified.

The Offering is being made in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Newfoundland, Nova Scotia and Prince Edward Island, under the exemptions contained in National Instrument 45-106 (Prospectus and Registration Exemptions). The Alberta, British Columbia, Saskatchewan, Manitoba, Newfoundland, Nova Scotia and Prince Edward Island offering memorandum exemption provides that the registration and prospectus requirements of the *Securities Acts* of those provinces do not apply to a distribution by an issuer of a security of its own issue if the purchaser purchases the security as principal and, at the same time or before the purchaser signs the agreement to purchase the security, the Partnership (a) delivers an offering memorandum to the purchaser in the required form, and (b) obtains a signed risk acknowledgement form from the purchaser. For purchasers resident in Alberta, Manitoba, Saskatchewan and Prince Edward Island, the offering memorandum exemption only applies if the purchaser is an "eligible investor" as defined in National Instrument 45-106. Potential purchasers resident in Alberta, Manitoba, Saskatchewan and Prince Edward Island should refer to the Subscription Agreement for further information about the requirements for qualification as an "eligible investor" and will be required to certify that they are "eligible investors" in the Subscription Agreement.

The British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Newfoundland, Nova Scotia and Prince Edward Island accredited investor exemption provides that the registration and prospectus requirements of the *Securities Acts* of those provinces do not apply to a trade in a security to subscribers resident in those provinces who purchase as principal and who qualify as "accredited investors" as defined in the National Instrument. Potential purchasers should refer to

the Subscription Agreement for further information about the requirements for qualification as an "accredited investor". Purchasers will be required to certify that they are "accredited investors" in the Subscription Agreement.

As well, the British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Newfoundland, Nova Scotia and Prince Edward Island investment amount exemption provides that the registration and prospectus requirements of the *Securities Acts* of those provinces do not apply to a trade in a security to subscribers resident in those provinces who purchase as principal and whose acquisition cost is not less than \$150,000 paid at the time of the trade. The exemption is not available to a person or entity created or used solely to purchase securities in reliance on this exemption.

The Units may only be purchased by persons who are purchasing as principal for their own account and not for the benefit of any other person, for the purpose of investment only and not with a view to or for sale in connection with, any sale or distribution of the Units.

The purchase of Units involves certain risks and is not a suitable investment for all potential purchasers (see "Risk Factors" on page 33). Investment in Units is suitable only for persons who are prepared to hold the Units indefinitely, who are in a position to evaluate the prospective investment on the basis of this Offering Memorandum and such other information as is furnished to them, and who are able to bear the risk of investment loss. Accordingly, no subscription for Units will be accepted from a prospective purchaser unless such person represents that such person meets certain minimum suitability standards set out in the form of subscription agreement accompanying this Offering Memorandum (the "Subscription Agreement"). These suitability standards are minimum requirements for prospective purchasers and satisfaction of such requirements does not necessarily mean that an investment in Units is suitable for you. Subscribers for Units will also become bound by the terms of a deposit agreement which provides that proceeds of subscriptions will be held by the Agent in escrow until all conditions precedent to the first Closing have been satisfied.

Subscriptions received are subject to rejection or allotment by the General Partner in whole or in part. The General Partner reserves the right to close the subscription books at any time without notice. Confirmation of acceptance of a subscription will be forwarded to subscribers promptly after its acceptance. The General Partner is not obliged to accept any subscription. If any subscription is not accepted at any Closing, the money comprising such subscription will be promptly returned to the subscriber, without interest.

In addition to sales commission of 10% payable at Closing which is payable by the Partnership, the Agent will receive certain out-of-pocket and due diligence fees of approximately \$75,000 payable by the Partnership.

Subscription Procedure

The securities offered pursuant to this Offering Memorandum are only available by subscription through the Partnership and the Agent or its subagents. In order to subscribe for the Units, subscribers must complete and forward the following to the Agent:

- (a) two copies of the Subscription Agreement that has been supplied to you, complete with the necessary schedules, duly executed (one copy will be returned); and
- (b) certified cheque or wire transfer for the subscription amount payable to the Agent.

Subscribers in all provinces other than Ontario must also complete and submit to the Agent a Form 45-106F4, Risk Acknowledgement Form in certain circumstances, which form is attached to the Subscription Agreement. This document forms part of the Subscription Agreement.

The subscription proceeds will be held in trust by the Agent for a minimum of two days prior to each Closing and will be returned (without interest) to subscribers immediately following December 31, 2007, if the minimum subscription is not achieved by that date. A subscriber will become a Limited Partner upon acceptance of the subscription by the General Partner on behalf of the Partnership and the execution of the Partnership Agreement provided the conditions precedent to the Closing are satisfied.

Closing

Closing will occur on one or more dates, as determined by the Partnership and the Agent in accordance with regulatory requirements. The first Closing of the Offering will take place after the satisfaction of all conditions precedent for the first Closing. The Offering is subject to the satisfaction of the following conditions:

- (a) a minimum of \$555,000 has been subscribed for and is held by the Agent at least two days prior to the Closing;
- (b) legal counsel to the Partnership confirms that the Partnership has authorized the issuance of Units to the subscribers;
- (c) all of the material agreements to be executed on or before the first Closing shall have been executed and shall then be in effect.

If the first Closing does not occur on or before December 31, 2007, the Agent will return all subscription proceeds immediately to subscribers, without interest.

INCOME TAX CONSEQUENCES AND RRSP ELIGIBILITY

You should consult your own professional advisers to obtain advice on the tax consequences that apply to you. Not all securities are eligible for investment in a registered retirement saving plan (RRSP). You should consult your own professional advisors to obtain advice on the RRSP eligibility of these securities.

None of the Partnership, the General Partner and the Agent shall be responsible for or warrants any income tax consequences. No application has been made to Canada Revenue Agency for an advance income tax ruling with respect to the Partnership.

Prospective investors are urged to consult their own income tax advisers with specific reference to their own income tax situations. Regardless of the tax consequences, a decision to purchase the Units offered should be based primarily on the appraisal of the merits of the investment as such and on an investor's ability to bear any loss which may be incurred.

COMPENSATION PAID TO SELLERS AND FINDERS

Under the Agency Agreement, the Partnership has appointed ASG Financial Corp. as its agent to offer the Units on a commercially reasonable efforts basis, with respect to this private placement. The Agent will receive a cash commission of 10% of the gross proceeds of the Offering (\$100 per Unit) on a Closing. Assuming the minimum offering, the selling commission will be \$55,500 and assuming the maximum offering, the selling commission will be \$225,000.

The subscription proceeds will be held in trust by the Agent for a minimum of two days prior to each closing.

ASG Financial Corp. is an affiliate of ASG Financial Holdings Inc., a holder of 33-1/3% of the participating shares and 50% of the voting shares of the General Partner. The General Partner will receive fees under the Co-tenancy Agreement from distributions and will receive distributions in accordance with the Partnership Agreement. Additionally, the Agent will receive fees under the Investor Services Agreement and will receive certain out-of-pocket and due diligence fees of \$75,000.

ASG Financial Corp. and ASG Financial Holdings Inc. are controlled by Allan S. Grossman. Certain individuals who work with Allan Grossman or their families will share in the profits earned by the Agent and its affiliates including Dan Kowalchuk, Tom Rolfe and Leo Grunwald, a partner of Grunwald & Co., the accountants for the Partnership.

Relationship Between Issuer and Agent

Subject to the management agreement, the General Partner controls the day-to-day management of the business and affairs of the Partnership. However, the rights of the Partnership will be subject to the Co-tenancy Agreement. The Agent is related and connected to the General Partner and accordingly the Agent may be considered to be related and connected to the Partnership. The controlling shareholder of the Agent directly or indirectly controls 33-1/3% of the participating shares and 50% of the voting shares of the General Partner and the Agent may be considered to be related to the Partnership for purposes of applicable securities legislation. The Agent may also be considered to be connected to the Partnership for such purposes as directors and officers of the Agent are also directors and officers of the General Partner. Similarly Dan Kowalchuk is an officer of the Agent and a director and officer of the General Partner. Leo Grunwald is registered as a salesperson with the Agent and is a principal of Grunwald & Co., the accountants for the Partnership.

RISK FACTORS

The purchase of securities hereunder involves a number of risk factors. The risks described below are not the only risks involved with an investment in the Units. If any of the following risks occur, or if others occur, the Partnership's business, operating results and financial condition could be seriously harmed and purchasers may lose all of their investment. In addition to the risk factors set forth elsewhere in this Offering Memorandum, prospective purchasers should consider the following risks associated with a purchase of such securities.

Price of the Units determined arbitrarily - The price of the Units was determined arbitrarily solely by the General Partner. The Partnership makes no representation to prospective investors as to the market value of the Units. All prospective investors are urged to consider the purchase of the Units on its merits as an investment and to consult professional advisers having relevant expertise.

No market for Units and no exit mechanism - There currently is no market whatsoever for the Units and it is expected that there will be no market for the Units. Consequently, holders of such securities may not be able to sell them readily, and Units may not be readily accepted as collateral for a loan. Purchasers should be prepared to hold these securities indefinitely and cannot expect to be able to liquidate their investment even in the case of an emergency. Accordingly, an investment in Units is suitable solely for persons able to make and bear the economic risk of a long-term investment.

Less than full offering - There can be no assurance that this Offering will be completely sold out. If less than all of the 2,250 Units are sold, then less than the maximum proceeds will be available to the Partnership and, consequently, its business plans and prospects could be adversely affected. The Partnership will acquire less than a 90% interest in the Project and there is no certainty that the co-tenancy will be able to raise the equity required for the Project.

Risks of real estate ownership - Investment in real estate in general and the sale of fractional ownership in particular is subject to numerous risks, including the highly competitive nature of the industry, changes in general or local economic or other conditions, changes in property values, interest rates, availability of mortgage funds, increases in real estate tax rates and other operating expenses, increases in the cost of refurbishment of properties acquired, competition from other suppliers of fractional ownership products, the supply of and demand for appropriate condominium units, townhomes, villas and fractional ownership properties, governmental rules and fiscal policies, and events and factors which are beyond the control of the Partnership. There can be no assurance the Project will be operated at economically favourable levels.

Certain significant expenditures, including refurbishment expenses, property taxes, maintenance costs, mortgage payments, insurance costs and related charges, must be made throughout the period of ownership of the properties prior to their sale as fractional ownership, regardless of whether such property is producing any income to offset such expenses. If, as a result of any of these matters, sufficient funds are not generated through the operation of the Project to service any financing, and if a default occurs under mortgage financing, the lender could exercise its rights including, without limitation, foreclosure or sale of the particular property.

Consumer Protection Legislation- The provisions of the Consumer Protection Act, 2002 may apply to the sale of fractional ownership properties acquired by the Partnership and the other owners. In that event, a purchaser of fractional ownership interests in property sold by the Partnership and the other owners may, without any reason, cancel the purchase agreement within 10 days after receiving the written copy of the purchase agreement, and may also cancel an agreement within one year after entering into the agreement if the purchaser does not receive a copy of the agreement that meets certain prescribed requirements. Exercise by a purchaser of the provisions of the Consumer Protection Act, 2002 will adversely affect the business carried on by the Partnership. There is no assurance that the provisions of the Consumer Protection Act, 2002 will not apply to the business carried on by the Partnership.

Potential liability under environmental protection legislation - Environmental and ecological legislation and policies have become increasingly important in recent years. Under various laws, the Partnership could become liable for the costs of removal or remediation of certain hazardous or toxic substances released on or in the properties acquired or disposed of at other locations. The failure to remove or remediate such substances, if any, may adversely affect the Partnership's ability to sell its interest in the particular property or to borrow using its interest in the property as collateral, and could potentially also result in claims against the Partnership by private parties.

Financing and refinancing - There is no assurance that the Partnership and the other owners will be able to obtain financing for the Project upon the terms and conditions expected. In the absence of financing, the Partnership and the other owners may not be able to acquire a sufficient number of condominium units, townhomes and villas and complete the required refurbishment to prudently carry on the business.

There is a possibility that the Partnership and the other owners may be unable to make payments of principal and interest on any mortgage financing. In that case the property securing such financing may be lost through the exercise of power of sale or foreclosure proceedings if the Partnership and the other owners are unable to make the required payments.

There is no assurance or guarantee that any financing will be renewed when it matures or, if renewed, renewed on the same terms and conditions (including the rate of interest). If any mortgage financing cannot be renewed or refinanced at the end of its term, Limited Partners may have to contribute additional capital to the Partnership in order to protect their investment, failing which the mortgagee may realize upon the security granted.

There is no assurance that the Partnership will achieve the maximum offering and therefore no assurance that the Bridge Financing can be repaid from the proceeds of subsequent offerings. Although the Partnership will use its best efforts to extend or replace the Bridge Financing, there is no assurance that it will be extended or replaced or, if extended or replaced, done so on the same terms and conditions (including the rate of interest). As well, there is no assurance that the Partnership will be able to make all interest payments under the Bridge Financing if the Bridge Financing is not repaid from subsequent closings of the offering within a reasonable period of time.

Uninsured losses - The owners or the Manager will arrange for comprehensive insurance, including fire, liability and extended coverage, of the type and in the amounts customarily obtained for properties similar to those to be owned by the Partnership and will endeavour to obtain coverage where warranted against earthquakes and floods. However, in many cases certain types of losses (generally of a catastrophic nature) are either uninsurable or not economically insurable. Should such a disaster occur with respect to the properties acquired by the Partnership or the business carried on by the Partnership, the Partnership could suffer a loss of capital invested and not realize any profits which might be anticipated from the acquisition of the properties and the subsequent sale of fractional ownership interests.

Limited liability - The limited liability of a Limited Partner may be lost if a Limited Partner takes part in the management of the business of the Partnership or through non-compliance with the applicable limited partnership legislation. The Partnership is an Ontario limited partnership and will be subject to Ontario legislation.

Failure to make additional capital contributions - The Partnership Agreement provides that, in certain circumstances, a Limited Partner may be required to make additional capital contributions. If such contributions are not made, those Limited Partners contributing additional capital will receive interest on the contribution in priority to non-contributing Limited Partners and non-contributing Limited Partners will not receive distributions from the Partnership until all additional capital contributions are repaid together with interest. (See "Capital Call" on page 22.) The Co-tenancy Agreement provides that, in certain circumstances the Partnership will be required to make additional capital contributions. Failure to make these additional contributions will be detrimental to the Partnership.

Revenue shortfalls - Revenues from the sale of fractional ownership in properties acquired may not increase sufficiently to meet increases in operating expenses or debt service payments under any mortgage or otherwise or to fund changes in the rates of interest charged in respect of any loans.

Net worth of the General Partner - The General Partner, which has certain obligations to the Partnership and has unlimited liabilities for the obligations of the Partnership, has no material net worth.

Reliance on General Partner - Prospective purchasers assessing the risks and rewards of this investment should appreciate that they will, in large part, be relying on the good faith and expertise of the General Partner. The Partnership Agreement provides that the General Partner may only be removed by a special resolution for an act of fraud, gross negligence in the performance of its duties or if the General Partner fails to perform its duties under the Partnership Agreement in the commercially reasonable manner of a general partner performing similar duties. It is likely that an act of fraud or gross negligence or the failure to meet the performance standard would only be recognized by the General Partner if it were a decision made by a court of law. It may therefore be difficult, time-consuming and expensive to remove the General Partner.

Additional contributions - The Partnership Agreement provides that the General Partner may, if authorized by special resolution, request that further additional capital contributions be made by Limited Partners.

Reliance on management - The Limited Partners will rely upon the expertise of Norwood Resorts Management Inc. to manage the Project. The employees of Norwood Resorts Management Inc. will devote so much of their time to the management as in their judgment is reasonably required and may have conflicts of interest in allocating management time, services and functions among the Project and their other development, investment and/or management activities.

Limited liability - If Limited Partners receive a return of capital from the Partnership, including by way of redemption or a distribution of assets of the Partnership to Limited Partners in their existing form upon a dissolution of the Partnership, Limited Partners may be liable to the Partnership for an amount necessary to discharge the Partnership's liabilities to all creditors who extended credit or whose claims otherwise arose before the return of capital, but such liability will not exceed the capital so returned with interest.

Projections (Future Orientated Financial Information) - The Future Orientated Financial Information (FOFI) contained in this offering memorandum has been prepared using assumptions, including hypotheses, considered reasonable when prepared that reflect the Partnership's planned courses of action for the period covered which are inherently subject to uncertainty and variation depending upon evolving events. Actual results will vary, perhaps materially, from the projected results contained in the Future Orientated Financial Information. There is no representation or warranty that the projections will be realized in whole or in part.

Securities are speculative - The Units offered by this Offering must be considered speculative, generally because of the nature of the Partnership's business and the early stage of its development. The Partnership has no proven history of performance, earnings or success.

Tax matters - The Canadian federal and provincial income tax treatment of business activities, of real estate investments including the purchase of properties for the sale of fractional ownership, and of limited partnerships has a material effect on the advisability of investing in the Units. (Refer to "Income Tax Consequences" on page 32.) The return on investment in a Unit to a Limited Partner is subject to changes in Canadian federal and provincial income tax laws. There can be no assurance that such tax laws will not be changed in a manner which will alter the tax consequences to a subscriber of acquiring, holding and disposing of a Unit.

A Limited Partner is required to include their share of income from the Partnership in computing their income for income tax purposes for each calendar year. It is possible that a Limited Partner's share of the income of the Partnership will exceed the amount of cash distributions from the Partnership to the Limited Partner in a calendar year.

You should note that no opinion has been obtained in respect of the income tax consequences of an investment in Units.

Good faith of management - In assessing the risks and rewards of an investment in Units, potential subscribers should appreciate that they are relying on the good faith and judgment of the directors and officers of the General Partner in administering and managing the business of the Partnership. Although the approval of the Limited Partners is required for certain matters, Limited Partners have no right to take part in the management of the business of the Partnership and the Partnership will be bound by the decisions of the General Partner as provided in the Partnership Agreement. It would be inappropriate for subscribers who are unwilling to rely on the General Partner to this extent to subscribe for Units.

Conflicts of interest - The Partnership is or may be subject to various conflicts of interest. The Partnership does not have independent management and will be relying on the General Partner for the management of the Partnership and the services of Norwood Resorts Management Inc. for the day-to-day management and operations of the Project.

The directors and officers of the General Partner are also directors and officers of other companies and, as such, may have conflicts of interest in allocating management time, services and functions among the Partnership, the Project and their other activities. Investment in the Partnership will not carry with it the right for the Partnership or any Limited Partner to invest in any other property or venture of any of the General Partner, Promoters, the Agent, the Manager, or their associates or affiliates or to share in any profit therefrom.

Potential conflicts of interest will not be resolved through arm's length negotiations but through the exercise of the General Partner's judgment consistent with its fiduciary responsibility to the Limited Partners.

There has been no independent review on behalf of the Limited Partners of the structure, formation and operation of the Partnership and the material contracts related to the Partnership, to the Project and to the Co-tenancy. The price of the Units was determined by the Promoters without negotiation with the Agent. The Partnership is a related issuer and connected issuer of the Agent within the meaning of the Securities Act (Ontario).

The agreements and arrangements relating to compensation between the Partnership, the General Partner, Norwood Resorts Management Inc., and the Agent have not been the result of arm's length negotiations, but are believed to be reasonable in relation to the services performed.

Allan Grossman is the controlling shareholder of the Agent and is an officer and director of the Agent. Commissions are earned by the Agent, as agent on the sale of Units in the Partnership and the Agent will receive fees under the Investor Services Agreement and for certain due diligence and out of pocket expenses. Additionally an affiliate of the Agent will receive distributions as a shareholder of the General Partner. Dan Kowalchuk, Thomas Rolfe and Leo Grunwald will be participating in the distributions received by an affiliate of the Agent as a shareholder of the General Partner. Leo Grunwald is a partner of Grunwald & Co. the accountants for the Partnership and is also registered as a salesperson with the Agent.

The fact of the business connections between the Agent and the General Partner could be viewed as a conflict of interest. Similarly, the business connection between the Agent and its affiliates with Leo Grunwald, a principal of the accountants for the Partnership, could be viewed as a conflict of interest.

Norwood Resorts Inc. is a holder of 66-2/3% of the participating shares and 50% of the voting shares of the General Partner. Don Allen and Mark Galligan are both directors and officers of the General Partner and Norwood Resorts Inc.

Lack of separate legal counsel - The Partnership's lawyers in connection with this Offering are also counsel to the General Partner and the Agent. The Partnership's accountants Grunwald & Co. are also accountants to the General Partner. No counsel has been appointed to represent the subscribers as a group. Counsel for the Partnership and the General Partner is not acting for the subscribers and has not conducted any investigations or review on behalf of subscribers. Neither the Agent nor its legal counsel has conducted any investigations or review into the General Partner, the Partnership nor matters disclosed in this Offering Memorandum and therefore no reliance may be placed thereon by you. **You should retain independent counsel to advise you on all matters relevant to this Offering.**

Characterization of Business Relationship - Characterization of the business relationship between the owners including the Partnership as a "co-tenancy" comprised of participants who

describe themselves as "tenants-in-common" is not necessarily the way in which Canadian courts or Canadian tax authorities may view the relationship. Distinguishing between a "partnership" and a "co-tenancy" is a complex task which requires careful analysis of every attribute of the relationship and a careful examination of the Canadian case law and the administrative practices and policies of Canadian tax authorities. No assurances can be given to investors that the relationship between the Partnership and the other owners will be viewed as a co-tenancy for legal and tax purposes.

Waiver of Partition Rights - One of the legal incidents of co-tenancy is the right to enforce partition and sale under applicable legislation or in equity. Counsel for the Partnership is not aware of any Canadian case law on the subject of whether a contract to waive one's right to partition (in the manner agreed to by the co-tenants under the Co-tenancy Agreement) is enforceable at law. Accordingly, notwithstanding that the Co-tenancy Agreement provides for a such a waiver and, if the waiver is unenforceable at law it is possible that a sale or partition could occur under the authority of a court order at the instance of any of the owners in circumstances that were not contemplated by the parties to the Co-tenancy Agreement. Even if the waiver is enforceable at law, it is possible that, in waiving their rights to enforce a judicial partition and sale, the waiver of such rights (which rights may be viewed as fundamental to a co-tenancy relationship), may result in Canadian courts or Canadian tax authorities viewing the relationship between the co-tenants as a "partnership" instead of as a "co-tenancy" among tenants-in-common.

Risks of Conflicting Interests and Impasse - The investment by the Partnership (directly or indirectly) in the co-tenancy could subject the Partnership to risks not otherwise present, including, (i) the possibility that the other owners may have economic interests different from the Partnership and that another owner might be in a position to take actions contrary to the interests of the Partnership and (ii) special tax risks, such as possible challenge by Canadian tax authorities of allocation of income and expense items (which could affect the computation of income of the Partnership). In addition, there is a potential risk of impasse on decisions of fundamental importance notwithstanding that the Co-tenancy Agreement provides for such decisions to be made by the management committee or delegated to the Manager (with some exceptions), as the management committee, or the Manager might choose to refrain from exercising decisions of fundamental importance in the face of opposition from one or more of the other owners.

Non-Completion - There is a possibility that the refurbishment of a particular property as contemplated may never be completed. Completion of the refurbishment of a particular property is also subject to ordinary risks of non-completion faced by the construction industry for reasons beyond the control of the Partnership or Co-tenancy.

Litigation - There is a possibility that condominium owners in those buildings and projects in which the Partnership acquires property may consider the business of the Partnership to be contrary to their best interest and the enjoyment of their property. In that event, they may attempt to arrange for an amendment to the condominium bylaws or take court action in order to stop the Partnership from selling fractional ownership.

REPORTING OBLIGATIONS

The General Partner, or its agent in that behalf, will be responsible for the preparation of unaudited annual financial statements of the Partnership as at the end of each fiscal year of the Partnership. The General Partner has designated Grunwald & Co. as the accountants of the Partnership and the General Partner may from time to time appoint a replacement firm of

chartered accountants to act as the accountants as it deems appropriate. The General Partner, or its agent in that behalf, will make a copy of such annual financial statements available to each Limited Partner within 120 days after the end of each fiscal year together with the report, if any, of the accountants on those financial statements. All financial statements shall be prepared in accordance with generally accepted accounting principles applied on a consistent basis. Additionally, the Limited Partners will be provided with quarterly reports as to the financial status of the Partnership. The quarterly information will be prepared in the format of internal management statements, without independent review. The General Partner, or its agent in that behalf, will make a copy of such quarterly reports available to each Limited Partner within 60 days of each quarter year.

RESALE RESTRICTIONS

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

Unless permitted under the securities legislation, you cannot trade the Units before the date that is 4 months and a day after the date the Partnership becomes a reporting issuer in the Canadian province or territory in which you reside.

As the Partnership does not intend to become a reporting issuer, unless a further exemption is relied upon, such Units may be required to be held for an indefinite period of time.

For purchasers in Manitoba, you must not trade the Units without the prior written consent of the regulator in Manitoba unless:

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

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

PURCHASER'S RIGHTS

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

Two day cancellation right

You can cancel your agreement to purchase these securities. To do so, you just send a notice to us by midnight on the second business day after you sign the agreement to buy the securities.

Statutory rights of action in the event of a misrepresentation

British Columbia and Alberta

If there is a misrepresentation in this Offering Memorandum, you (as a resident of British Columbia or Alberta) have a statutory right to sue:

- (a) the Partnership to cancel your agreement to buy these securities, or

- (b) the Partnership, every director of the General Partner at the date of this Offering Memorandum, and every person who signed this Offering Memorandum, for damages.

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

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the securities. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and three years after you signed the agreement to purchase the securities.

Manitoba

If you reside in Manitoba and if there is a misrepresentation in this Offering Memorandum, you have a contractual right to sue the Partnership:

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

This contractual right to sue is available to you whether or not you relied on the misrepresentation. However, in an action for damages, the amount you recover will not exceed the price that you paid for your securities and will not include any part of the damages that the Partnership proves does not represent the depreciation in value of the securities resulting from the misrepresentation. The Partnership has a defence if it proves that you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must begin your actions to cancel the agreement within 180 days after you signed the agreement to purchase the securities. You must begin your action for damages within the earlier of 180 days after learning of the misrepresentation and 3 years after you signed the agreement to purchase the securities.

Saskatchewan

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

- (a) the Partnership to cancel your agreement to buy these securities, or
- (b) for damages against the Partnership, every person who was a promoter or director of the General Partner at the date of this Offering Memorandum, every person who or company that signed this Offering Memorandum, and every person who sold you securities on behalf of the Partnership under the Offering Memorandum.

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

In addition, if the Partnership disseminates any advertising or sales literature (as those terms are defined The Securities Act, 1988 (Saskatchewan) (the "Saskatchewan Act") in connection with this offering that contains a misrepresentation at the time of your purchase of the securities, then you have a statutory right to sue:

- (a) the Partnership to cancel your agreement to buy these securities, or
- (b) for damages against the Partnership, every promoter or director of the General Partner at the time the advertising or sales literature was disseminated and every one who, at the time the advertising or sales literature was disseminated, sells the securities on behalf of the Partnership in the offering with respect to which the advertising or sales literature was disseminated.

This additional right to sue is available to you whether or not you relied on the misrepresentation. The persons whom you have a right to sue will have several defences available to them. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

Where an individual makes a verbal statement to you that contains a misrepresentation relating to the securities and the verbal statement is made either before or contemporaneously with your purchase of the securities, then you have an additional right to sue the individual who made the verbal statement whether or not you relied on the misrepresentation, if it was a misrepresentation at the time of your purchase. The persons whom you have a right to sue will have several defences available to them. In particular, the individual will have a defence if you knew of the misrepresentation when you purchased the securities.

If you purchase the securities from a vendor trading in contravention of the securities laws of Saskatchewan, then you may elect to cancel the contract and to recover all monies or other consideration paid by you to the vendor under the trade.

If the Offering Memorandum was not delivered before you purchased these securities, then you have a statutory right to sue to cancel your agreement to buy these securities or for damages against the Partnership or any dealer who failed to deliver the Offering Memorandum to you before you purchased these securities.

If you intend to rely on any of the foregoing rights, then you must do so within strict time limitations. You must begin your action to cancel the agreement within 180 days after you signed the agreement to purchase the securities. You must begin your action for damages within the earlier of one year after learning of the misrepresentation and 6 years after you signed the agreement to purchase the securities.

Ontario

Pursuant to Section 130.1 of the Securities Act (Ontario) and Section 6.2 of Rule 45-501 of the Ontario Securities Commission, when the Partnership delivers this Offering Memorandum to an investor resident in Ontario to whom Units are sold, the investor has a statutory right of action against the Partnership or any seller of the Units for rescission or damages. The aforesaid right of action is in addition to and without derogation from any other right or remedy available at law or in equity to the purchaser but is subject to certain defences set forth in Section 130.1 of the Securities Act (Ontario). This right of action may be summarized as follows:

In the event that this Offering Memorandum, together with any amendment thereto, contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in light of the circumstances in which it was made (a "misrepresentation") and was a misrepresentation on the date of investment, an investor to

whom this Offering Memorandum was delivered and who purchased Units offered hereunder, while still the owner of the Units, will be deemed to have relied on such misrepresentation and shall have, subject as hereinafter provided, a right of action against the Partnership or any seller of the Units (such liability being "joint and severable"), exercisable on written notice given to the Partnership no later than 180 days subsequent to the date of investment, in the case of rescission, and no later than the earlier of (i) 180 days after the investor first had knowledge of the facts giving rise to the cause of action and (ii) three years after the date of the investment, in the case of damages, provided that:

- (a) the Partnership or any seller of the Units shall not be held liable if the investor purchased the Units with knowledge of the misrepresentation;
- (b) in an action for damages, the Partnership or any seller of the Units is not liable for all or any portion of such damages that it proves does not represent the depreciation in value of the Units as a result of the misrepresentation relied upon;
- (c) in no case shall the amount recoverable exceed the price at which the Units were sold to the investor; and
- (d) the right herein conferred is in addition to any other right or remedy available at law or in equity to the investor.

Nova Scotia

If you reside in Nova Scotia and if there is a misrepresentation in this Offering Memorandum or any advertising or sales literature (as defined in the Securities Act (Nova Scotia) for this Offering, you have a statutory right to sue:

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

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

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement or commence your actions for damages within 120 days after you purchased the Units.

Newfoundland

If you reside in Newfoundland and if there is a misrepresentation in this Offering Memorandum, you have a contractual right to sue the Partnership:

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

This contractual right to sue is available to you whether or not you relied on the misrepresentation. However, in an action for damages, the amount you may recover will not exceed the price that you paid for your securities and will not include any part of the damages that the Partnership proves does not represent the depreciation in value of the securities resulting from the misrepresentation. The Partnership has a defence if it proves that you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the securities. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and three years after you signed the agreement to purchase the securities.

Prince Edward Island

If you reside in Prince Edward Island and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

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

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

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you purchase the securities. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and three years after you purchase the securities.

General

The securities laws of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Newfoundland, Nova Scotia and Prince Edward Island are complex. Reference should be made to the full text of the provisions summarized above relating to contractual and statutory rights of action. Subscribers should consult their own legal advisers with respect to their rights and the remedies available to them. The rights discussed above are in addition to and without derogation from any other rights or remedies which subscribers may have at law.

FINANCIAL STATEMENTS OF THE LIMITED PARTNERSHIP AND THE GENERAL PARTNER

The following financial statements are attached:

- (a) Financial Projection for the Partnership consisting of a projected Balance Sheet, Statement of Limited Partners Capital, Statement of Income and Statement of Cash Flow for First Two Years of Operations.
- (b) Balance Sheet for the General Partner as at May 28, 2007.
- (c) Balance Sheet for the Partnership as at May 28, 2007.

DATED: May 28, 2007

This Offering Memorandum does not contain a misrepresentation.

Allan Grossman, President

Don Allen, Treasurer

On behalf of all the directors of ASG Collingwood GP Limited

Dan Kowalchuk, Director

Don Allen, Director

On behalf of ASG Financial Holdings Inc., a Promoter

Per: _____
Allan Grossman

On behalf of Norwood Resorts Inc., a Promoter

Per: _____
Don Allen