

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 37.

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 42.

SIMCOE DEVELOPMENT FUND LIMITED PARTNERSHIP (the "Partnership" or the "Issuer")

**OFFERING OF LIMITED PARTNERSHIP UNITS
UP TO A MAXIMUM OF \$4,625,000 (4,625 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 4,625 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 advance mortgage loans secured by real property located in Ontario which loans are to be used for the purposes of acquiring, servicing and developing real property, and subsequently selling serviced lots to builders. The mortgage loans are expected to have certain investment characteristics of equity ownership. This Offering is of Units and not of real estate or subdivided land or mortgages.

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 600 Units and a maximum offering of 4,625 Units
Payment terms:	Payment in full on closing
Proposed closing date(s)	March 31, 2006 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 36.

Resale restrictions

You will be restricted from selling your securities for an indefinite period. See "Resale Restrictions" on page 42. 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 and only limited rights to request early dissolution of the Partnership. See "Terms of the Partnership Agreement" on page 27.

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 43.

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 Simcoe Land 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 March 31, 2006 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 34.

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 owns and controls 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 an officer of the Agent is also a director and officer of the General Partner. See "Relationship Between Issuer and Agent" on page 37.

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 BUSINESS

The Partnership's business will be the lending of mortgage loans to Simcoe Canada Land Development Inc. or corporations controlled by the principals of Simcoe Canada Land Development Inc. (the "Borrowers"), secured by real property located in Ontario for the purposes of acquiring, servicing and developing such real property and subsequently selling serviced lots to builders. The mortgage loans are expected to have certain characteristics of equity participation. Investors will not have an opportunity to evaluate any of the loans to be advanced by the Partnership or the properties to be acquired by the Borrowers with the loan proceeds other than as specifically set out. See "Business of the Partnership" on page 14.

Bass Lake Land

On October 28, 2004, Estates of Bass Lake Inc. (a corporation controlled by the principals of Simcoe Canada Land Development Inc.) purchased from four separate vendors approximately 41.26 acres of land (the "Bass Lake Land") in the Township of Severn (formerly the Township of Orillia) for the purposes of servicing and developing the land for a proposed residential subdivision consisting of 40 lots and 1.7 acres of commercially zoned land.

Revised draft plan approval for the proposed subdivision was obtained by Estates of Bass Lake Inc. in August, 2005 and a detailed storm water management report prepared by the engineering consultants retained by Estates of Bass Lake Inc. was submitted for approval to the Township of Severn and the Ministry of Environment. A pre-servicing agreement will be entered into between the Township of Severn and Estates of Bass Lake Inc. immediately after the first Closing in order to commence the installation of municipal services to the Bass Lake Land. Approval has also been given to the tree removal plan to remove trees from the road allowances within the proposed subdivision.

Bass Lake Financing

Upon the acquisition of the Bass Lake Land by Estates of Bass Lake Inc., a mortgage in the amount of \$600,000 was granted on the land. Such mortgage bears interest at the rate of 5.5% per annum until October 28, 2006 and 6% per annum thereafter until October 28, 2007 when it matures. Based upon the assumption that the fair market value of the Bass Lake Land is at least \$2,000,000 as at November 1, 2005 (an independent appraisal will be obtained prior to the advance of this mortgage loan), the Partnership will advance to Estate of Bass Lake Inc. a second mortgage loan up to \$1,200,000 bearing simple interest at the rate of 12% per annum (noncompounding) payable from the first available cashflow from the project which is expected to be

from the sale of serviced building lots to builders. Additionally, as part of such mortgage loan, the Partnership will participate in net sale proceeds from the sale of the Bass Lake Land after deduction of expenses of acquisition, servicing and development acceptable to the General Partner. The principals of Simcoe Canada Land Development Inc. or a corporation controlled by them will advance to Estates of Bass Lake Inc. the sum of \$375,000 as a loan bearing interest at prime plus 2% per annum. The balance of the financing required for the servicing and development of the Bass Lake Land is to be obtained from the sale of all or part of the Bass Lake Land and third party financing which may have priority to the Partnership's mortgage, if required. See "Risk Factors" on page 37.

Bass Lake Servicing

Estates of Bass Lake Inc. will retain Simcoe Canada Land Development Inc. to perform the servicing and development management of the Bass Lake Land, including arranging any debt financing required for all such services and development. The current budget for the servicing and development of the Bass Lake Land is approximately \$1,455,000 which includes a payment of \$2,000 per month to Simcoe Canada Land Development Inc. for out of pocket expenses incurred in connection with the servicing and development management of the Bass Lake Land and a due diligence fee and out of pocket expenses of \$25,000 payable to the Agent. Estates of Bass Lake Inc. will also receive a draw of \$150,000 payable monthly over the expected duration of the servicing and development of the Bass Lake Land which will be applied against its share of profits from the Bass Lake Land.

Bass Lake Sale

At the date of this Offering Memorandum no agreement for the sale of any part of the Bass Lake Land has been entered into with any builder.

Alcona Land

On August 31, 2005, Estates of Alcona Inc. (a corporation controlled by the principals of Simcoe Canada Land Development Inc.) purchased from three separate vendors approximately 18.63 acres of land (the "Alcona Land") in the Town of Innisfil for the purposes of servicing and developing the land for a proposed residential subdivision consisting of 75 lots.

Application for draft plan approval for the proposed subdivision was made by Estates of Alcona Inc. although not yet obtained and a detailed storm water management report prepared by the engineering consultants retained by Estates of Alcona Inc. was submitted for approval to the Town of Innisfil and the Ministry of Environment.

Alcona Financing

Upon the acquisition of the Alcona Land by Estates of Alcona Inc., mortgages in the aggregate amount of approximately \$720,000 were granted on the land. Such mortgages bear interest at the rate of 5% per annum until August 31, 2006, 5.5% per annum from September 1, 2006 until August 31, 2007 and 6% per annum thereafter until August 31, 2008 when they mature. Based upon the assumption that the fair market value of the Alcona Land is at least \$3,000,000 as at November 1, 2005 (an independent appraisal will be obtained prior to the advance of this mortgage loan), the Partnership will advance to Estate of Alcona Inc. a second mortgage loan up to \$2,000,000 bearing simple interest at the rate of 12% per annum (noncompounding) payable from the first available cashflow from the project which is expected to be from the sale of serviced building lots to builders. Additionally, as part of such mortgage loan, the Partnership will participate in net sale proceeds from the sale of the Alcona Land after deduction of expenses of acquisition, servicing and development acceptable to the General Partner. The principals of Simcoe Canada Land Development Inc. or a corporation controlled by them will advance to the Estates of Alcona Inc. the sum of \$625,000 as a loan bearing interest at prime plus 2% per annum. The balance of the financing required for the servicing and development of the Alcona Land is to be obtained from the sale of all or part of the Alcona Land and third party financing which may have priority to the Partnership's financing, if required. See "Risk Factors" on page 37.

Alcona Servicing

Estates of Alcona Inc. will retain Simcoe Canada Land Development Inc. to perform the servicing and development management of the Alcona Land, including arranging any debt financing required for all such services and development. The current budget for the servicing and development of the Alcona Land is approximately \$2,661,700 which includes a payment of \$2,000 per month to Simcoe Canada Land Development Inc. for out of pocket expenses incurred in connection with the servicing and development management of the Alcona Land and a due diligence fee and out of pocket expenses of \$25,000 payable to the Agent. Estates of Alcona Inc. will also receive a draw of \$150,000 payable monthly over the expected duration of the servicing and development of the Alcona Land which will be applied against its share of profits from the Alcona Land.

Alcona Sale

Estates of Alcona Inc. has entered into an agreement to sell the Alcona Land to 1626353 Ontario Limited for the price of \$7,140,000 subject to certain adjustments and subject to certain conditions including that building permits would be available if the purchaser makes proper submission, on the basis that servicing of the Alcona Land

is completed. The purchase price is payable \$500,000 upon the later of March 31, 2006 and final draft plan approval, \$928,000 on closing, and the balance by granting a first mortgage of approximately \$5,712,000 with a 3 year term, which will not bear interest for the first 6 months and thereafter bears interest at the lower of 10.5% per annum and prime plus 2% per annum.

Elmvale Land

On August 31, 2005, Simcoe Canada Land Development Inc. entered into an agreement to purchase approximately 27 acres of land (the "Elmvale Land") in the Township of Springwater for the purposes of acquiring, servicing and developing the land for a proposed residential subdivision consisting of 134 lots. Simcoe Canada Land Development Inc. will assign all of its rights to acquire the Elmvale Land to a separate entity (the "Elmvale Owner"). The purchase price for the acquisition of the Elmvale Land is \$3,350,000 subject to usual adjustments. Upon acquisition the Elmvale Owner will be required to pay \$335,000. and the balance of the purchase price will be satisfied by granting a mortgage to the vendor. Simcoe Canada Land Development Inc. will be entitled to receive a fee of \$350,000 for finding the project, one half of which will be deferred.

Draft plan approval for the proposed subdivision was originally obtained by the vendor in 1999 and has been extended to February 17, 2007.

Title to the Elmvale Land may be registered in the name of a nominee corporation which will hold title as bare trustee for the Elmvale Owner.

Elmvale Financing

Upon the acquisition of the Elmvale Land by the Elmvale Owner, the Elmvale Owner will grant a mortgage in the amount of approximately \$3,015,000 on the land. Such mortgage will be for a term of 3 years, will bear interest at the rate of 6% per annum with the first three months interest free. The Partnership will advance to the Elmvale Owner a second mortgage loan up to \$800,000 bearing simple interest at the rate of 12% per annum (noncompounding) payable from the first available cashflow from the project which is expected to be from the sale of serviced building lots to builders. Additionally, as part of such mortgage loan, the Partnership will participate in net sale proceeds from the sale of the Elmvale Land after deduction of expenses of acquisition, servicing and development acceptable to the General Partner. The balance of the financing required for the servicing and development of the Elmvale Land is to be obtained from the sale of all or part of the Elmvale Land and third party financing which may have priority to the Partnership's financing, if required. See "Risk Factors" on page 37.

Elmvale Servicing

The Elmvale Owner will retain Simcoe Canada Land Development Inc. to perform the servicing and development management of the Elmvale Land, including arranging any debt financing required for all such services and development. The current budget for the servicing and development of the Elmvale Land is approximately \$3,265,000 which includes a payment of \$2,000 per month to Simcoe Canada Land Developments Inc. for out of pocket expenses incurred in connection with the servicing and development management of the Elmvale Land, a due diligence fee and out of pocket expenses of \$25,000 payable to the Agent, and the finders fee of \$350,000 payable to Simcoe Canada Land Development Inc. The Elmvale Owner will also receive a draw of \$150,000 payable monthly over the expected duration of the servicing and development of the Elmvale Land which will be applied against its share of profits from the Elmvale Land.

Elmvale Sale

Simcoe Canada Land Development Inc. has entered into an agreement to sell 48 lots of the proposed 134 lots comprising the Elmvale Land to Morra Bros. Contracting Limited for the price of \$3,120,000 subject to certain adjustments and subject to certain conditions including that building permits would be available if the purchaser makes proper submission, on the basis that servicing of the Elmvale Land is completed. The purchase price is payable \$312,000 prior to closing, \$312,000 on closing, and the balance by granting a second mortgage of approximately \$2,496,000 with a 3 year term, which will not bear interest for the first 6 months and thereafter bears interest at the lower of 6% per annum and prime plus 1% per annum. The sale agreement will be assigned to the Elmvale Owner upon the acquisition by the Elmvale Owner of the Elmvale Land.

First Right of Refusal

Simcoe Canada Land Development Inc. and its principals have agreed to offer the Partnership the right to finance all servicing and development projects in which they are involved. The General Partner, on behalf of the Partnership will determine whether the Partnership will participate in such project, as well as the vehicle through which any investment will be made.

Due Diligence Services

The Agent will be paid a due diligence fee of \$25,000 for each development project which the Partnership finances.

THE OFFERING**Issuer**

Simcoe Development Fund Limited Partnership, a limited partnership formed under the laws of the Province of Ontario

Amount	A maximum of \$4,625,000
Units	A maximum of 4,625 Units in the Partnership, representing the interests of the Limited Partners in the Partnership.
Price	\$1,000 per Unit.
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 pay those fees summarized in the Offering Memorandum and to finance certain acquisition, servicing and development costs relating to the interests in real property. See "Use of Available Funds" on page 13.
Closing	The first closing of the Offering will take place after the satisfaction of all conditions precedent for the closing of the Offering.
Investor Services Agreement	The Agent will be paid an annual fee of \$12,000 payable monthly for investor relations services including assisting the Partnership in operational reporting to Limited Partners.

SIMCOE DEVELOPMENT FUND LIMITED PARTNERSHIP

The Partnership	Simcoe Development Fund Limited Partnership (the " Partnership ") is a limited partnership formed under the laws of the Province of Ontario. Its general partner is Simcoe Land GP Limited (the " General Partner "), a corporation incorporated under the laws of the Province of Ontario.
Business of the Partnership	The business of the Partnership is to provide mortgage financing to Simcoe Canada Land Development Inc. or to corporations controlled by the principals of Simcoe Canada Land Development Inc. secured by real property in Ontario for the purposes of acquiring, servicing, developing, owning and subsequently selling such serviced land to builders. See "Business of the Partnership" on page 14.
General Partner	The General Partner is a single purpose corporation, the shares of which are controlled by an affiliate of the Agent.
Initial Capital contribution	The initial capital contribution of the Limited Partners is \$1,000 for each Unit.
Distribution of Sale Proceeds	All net sale proceeds from the sale of any land after payment of all obligations applicable to that land, including debt payments under any mortgage financing having priority to the mortgage financing of the Partnership, expenses of servicing, development and sale and the

creation of a reasonable working capital reserve, as determined by the General Partner and Simcoe Canada Land Development Inc. with respect to a particular project, will be distributed, to the extent available, to the Partnership and to the owner of such land in the following manner and priority:

- (a) first, to the Partnership until the Partnership will have been repaid its mortgage loan advanced for that applicable land development project together with simple interest at the rate of 12% per annum (noncompounding) on the principal amount of the mortgage loan to such land development project which remains outstanding from time to time;
- (b) second, the repayment to the corporation controlled by the principals of Simcoe Canada Land Development Inc. of its loan, if any, to such development project together with interest thereon at the rate of prime plus 2% per annum;
- (c) third, to the corporation controlled by the principals of Simcoe Canada Land Development Inc. which beneficially owns the development project until it will have been repaid all capital contributed to the applicable land development project together with an annual non-compounded, cumulative preferred return of 12% on all capital contributed to such land development project which remains outstanding from time to time inclusive of the draws aggregating \$150,000 previously received;
- (d) the balance, 57% to the Partnership and 43% to the corporation controlled by the principals of Simcoe Canada Land Development Inc. which beneficially owns the development project.

During the five year period after the first closing of this offering, unless the General Partner determines otherwise, only net profits will be distributed by the Partnership to its partners and the capital will be available to be advanced as loans for further land development projects. Any net profit received by the Partnership from net sale proceeds for a particular project will be distributed at such time in the order and priority set out below:

- (a) distribution on the Units to the Limited Partners of an annual non-compounded cumulative preferred return of 12% on the capital contributed to the Partnership for that particular project which remains outstanding from time to time;

- (b) the balance of net profits for that particular project for a particular calendar year net of any losses for that particular year for any other projects will be distributed approximately 87.72% to the Limited Partners and approximately 12.28% to the General Partner.

After such five year period, net sale proceeds for that particular project received by the Partnership will be distributed at such time in the order and priority set out below:

- (a) distribution on the Units to the Limited Partners of an annual non-compounded cumulative preferred return of 12% on the capital contributed to the Partnership which remains outstanding from time to time;
- (b) repayment of all capital contributed by the Limited Partners to the Partnership and not yet repaid;
- (c) the balance of net sale proceeds received by the Partnership approximately 87.72% to the Limited Partners and approximately 12.28% 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 net sale 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 27.

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 30. As well, the Partnership may default under its obligation to finance a particular project as a result of Limited Partners failing to contribute sufficient capital. The General Partner is authorized to raise an additional \$1,375,000 by the sale of Units at no less than \$1,000 per Unit on terms acceptable to the General Partner, without the approval of Limited Partners.

Promoter of the Partnership

Simcoe Land 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. Simcoe Land GP Limited is controlled by an affiliate of the Agent. See "Directors, Management, Promoters and Principal Holders of the General Partner" on page 24.

Relationship between Issuer and Agent

An affiliate of the Agent holds all of the 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.

Pari Passu Loan

The Partnership may advance only a portion of any proposed mortgage loan with the balance of such loan advanced by another lender pari passu with the Partnership and such other lender participating in the profits of a particular development project in proportion to the principal amount of the loan advanced. In such event the mortgage may be registered in the name of the General Partner, in the name of the other lender or in the name of another entity for the benefit of the lenders.

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 42.

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 37. These include risks inherent in the financing of real estate and business investment generally and financing land development in particular, servicing and development risks, conflicts, second ranking financing is generally considered a higher risk than primary financing, illiquidity of real estate, fluctuations in real property values, assumptions based upon the timing of the requirement to pay certain expenses and the timing of sales proceeds, reliance upon Simcoe Canada Land Development Inc. and on the General Partner, 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 43.

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.

OFFERING MEMORANDUM

USE OF AVAILABLE FUNDS

Net Proceeds and Available Funds

		Assuming minimum offering ¹	Assuming maximum offering
A	Amount to be raised by this offering	\$600,000	\$4,625,000
B	Selling commissions and fees ²	\$60,000	\$462,500
C	Estimated offering costs (e.g. legal, accounting, audit) ³	\$40,000	\$102,000
D	Net proceeds: $D = A - (B+C)$	\$500,000	\$4,060,500

1. Assumes the Partnership will initially be financing a portion of the Bass Lake Land only.
2. An affiliate of the Agent owns and controls the shares of the General Partner. Allan Grossman the sole director and an officer of the Agent is also a director and officer of the General Partner. Dan Kowalchuk an officer of the Agent is also a director and officer of the General Partner.
3. A portion of the offering expenses attributable to accounting fees will be paid to Grunwald & Co. for accounting services. Leopold Grunwald is a principal of Grunwald & Co. and is also registered as a salesperson with the Agent.

Use of Available Funds

Description of intended use of available funds listed in order of priority	Assuming minimum offering	Assuming maximum offering
Mortgage Loan Advance to Estates of Bass Lake Inc.	\$500,000	\$1,200,000
Mortgage Loan Advance to Estates of Alcona Inc.	\$0	\$2,000,000
Mortgage Loan Advance to Elmvale Owner	\$0	\$800,000
Partnership's share of Due Diligence Costs ⁴	\$10,000	\$35,500
Partnership's share of Professional Fees	\$ 7500	\$25,000

4. To the extent that the General Partner has paid these arm's length third party costs and expenses prior to the first closing, the General Partner will be reimbursed such payments on the first closing. The Agent will

receive certain out-of-pocket and due diligence fees of approximately \$35,000 payable by the Partnership in addition to the due diligence fees it is to receive for each project.

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. 12" by a declaration filed pursuant to the *Limited Partnerships Act* (Ontario) on December 19, 2003. The Partnership changed its name to Simcoe Development Fund Limited Partnership by a further declaration filed pursuant to the *Limited Partnerships Act* (Ontario) on December 30, 2005.

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 Simcoe Land GP Limited which was incorporated pursuant to the *Business Corporations Act* (Ontario) on December 28, 2005. The General Partner became the general partner of the Partnership on December 28, 2005 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.

Our Business

The business of the Partnership is to participate as mortgage lender in development projects of Simcoe Canada Land Development Inc. or corporations controlled by the principals of Simcoe Canada Land Development Inc., including financing the acquisition of land in Ontario for the purposes of servicing and developing such land and subsequently selling serviced lots to builders.

The mortgage loans are expected to have investment characteristics similar to equity ownership. In addition to interest on the loan advanced, the Partnership intends to participate in a portion of the income earned by the developer. For the most part, the mortgage loans advanced by the Partnership are expected to be secured as a second mortgage or charge upon the land being developed and accordingly will rank behind existing or proposed prior security on such land. The mortgage may take the form of a mortgage, deed of trust, charge or other security interest of or in the land or any ancillary property.

Investors will not have an opportunity to evaluate any of the land to be financed with the offering proceeds other than as specifically set out in this Offering Memorandum. It is expected that capital invested in the Partnership will not be distributed to investors during the five year period after the first closing of this offering but instead will be reinvested in additional land development projects.

Bass Lake Land

On October 28, 2004, Estates of Bass Lake Inc. (a corporation controlled by the principals of Simcoe Canada Land Development Inc.) purchased from four separate vendors approximately 41.26 acres of land (the "**Bass Lake Land**") in the Township of Severn (formerly the Township of Orillia) for the purposes of servicing and developing the land for a proposed residential subdivision consisting of 40 lots and 1.7 acres of commercially zoned land. The aggregate purchase price for the four parcels of land was approximately \$750,000. (subject to adjustments) of which \$150,000. was paid upon the acquisition of the land and the balance was paid by granting to the vendors a mortgage in the principal amount of \$600,000. The value of the Bass Lake Land has been substantially enhanced by Simcoe Canada Land Development Inc. since its acquisition including significant engineering and planning services.

Revised draft plan approval for the proposed subdivision was obtained by Estates of Bass Lake Inc. in August, 2005 and a detailed storm water management report prepared by the engineering consultants retained by the vendor was submitted for approval to the Township of Severn and the Ministry of Environment. A pre-servicing agreement will be entered into between the Township of Severn and Estates of Bass Lake Inc. immediately after the first Closing in order to commence the installation of municipal services to the Bass Lake Land. Approval has also been given to the tree removal plan to remove trees from the road allowances within the proposed subdivision.

Bass Lake Financing

Upon the acquisition of the Bass Lake Land by Estates of Bass Lake Inc., a mortgage in the aggregate amount of \$600,000 was granted on the land. Such mortgage bears interest at the rate of 5.5% per annum until October 28, 2006 and 6% per annum thereafter until October 28, 2007 when it matures. Interest for the period from October 29, 2005 to and including October 28, 2006 is payable in one payment on October 28, 2006 and interest for the period from October 29, 2006 to and including October 28, 2007 is payable in one payment on October 28, 2007.

Based upon the assumption that the fair market value of the Bass Lake Land is at least \$2,000,000 as at November 1, 2005, the Partnership will advance to Estate of Bass Lake Inc. a second mortgage loan up to \$1,200,000 bearing simple interest at the rate of 12% per annum (noncompounding) payable from the first available cashflow from the project which is expected to be from the sale of serviced building lots to builders. Additionally, as part of such mortgage loan, the Partnership will participate in net sale proceeds from the sale of the Bass Lake Land after deduction of expenses of acquisition, servicing and development acceptable to the General Partner. An appraisal will be undertaken by an independent appraiser as at November 1, 2005 in order to determine the fair market value of the Bass Lake Land. The Estates of Bass Lake Inc. has represented to the Partnership that it holds good and marketable title to the Bass Lake Land free and clear of encumbrances other than as permitted and that the Bass Lake Land is zoned to permit the construction and development of the proposed residential subdivision and commercial property.

The principals of Simcoe Canada Land Development Inc. or a corporation controlled by them will advance to Estates of Bass Lake Inc. the sum of \$375,000 as a loan bearing interest at prime plus 2% per annum repayable only after the receipt by the Partnership of the repayment of the principal amount of its loan together with simple interest at the rate of 12% per annum (noncompounding). The balance of the financing required for the servicing and development of the Bass Lake Land is to be obtained from the sale of all or part of the Bass Lake Land and third

party financing, which may have priority to the Partnership's financing, if required. See "Risk Factors" on page 37.

Bass Lake Servicing

Estates of Bass Lake Inc. will retain Simcoe Canada Land Development Inc. to perform the servicing and development management of the Bass Lake Land, including arranging any debt financing required for all such services and development. The current budget for the servicing and development of the Bass Lake Land is approximately \$1,455,000 which includes a payment of \$2,000 per month to Simcoe Canada Land Development Inc. for out of pocket expenses incurred in connection with the servicing and development management of the Bass Lake Land and a due diligence fee and out of pocket expenses of \$25,000 payable to the Agent. The final actual budget may vary from the current budget. Estates of Bass Lake Inc. will also receive a draw of \$150,000 payable monthly over the expected duration of the servicing and development of the Bass Lake Land which will be applied against its share of distributions from the Bass Lake Land. The services of Simcoe Canada Land Development Inc. include:

- using all reasonable efforts to obtain draft approval or any amendments to such approval, from the appropriate municipal and governmental authorities, of plans of subdivision in accordance with the proposed plan for the Bass Lake Land, satisfaction of conditions of approval and registration of such plans of subdivision;

- negotiating and settling, as required, all subdivision, site plan, pre-servicing and servicing agreements with all governmental authorities and ensure compliance with all applicable regulations, obtaining contracts for the installation of services and supervising such installation;

- managing, supervising, administrating and coordinating all development and servicing in accordance with the plans for the Bass Lake Land;

- seeking purchasers for the serviced lots.

All reasonable expenses incurred by Simcoe Canada Land Development Inc. in connection with such services except for certain head office overhead expenses will be reimbursed excluding those expenses intended to be covered by the payment of \$2,000 per month. Any agreements entered into by Simcoe Canada Land Development Inc. under the servicing and development agreement will be executed on behalf of and in the name of Estates of Bass Lake Inc.

Estates of Bass Lake Inc. may terminate the servicing and development agreement if Simcoe Canada Land Development Inc. is in material default of its obligations and the default is not cured after notice is given.

Bass Lake Sale

At the date of this Offering Memorandum no agreement for the sale of any part of the Bass Lake Land has been entered into with any builder.

Bass Lake Area

The Bass Lake Land is bounded by existing residential lands to the northeast, Highway 12 to the southwest, and an abandoned gravel pit to the south. Currently approximately 70% of the land can be classified as woodlands and the remaining 30% pasture and unimproved land.

The Township of Severn is a new municipally, founded on January 1, 1994, through the restructuring of Simcoe County. Many of the new permanent households in the Township of Severn were formerly seasonal homes. Total residential construction value for the year 2004 within the Township was \$24 million and total commercial/industrial construction value for that year was approximately \$13 million. The Bass Lake Land is approximately 115 kilometres north of Toronto adjacent to the City of Orillia. Access is provided by two major highways, Highway 400-11 and Highway 12. The City of Orillia is situated on the shores of Lakes Simcoe and Couchiching and is considered the business centre for the immediately surrounding economic region. Orillia enjoys the benefits of its proximity to the Greater Toronto Area while retaining its distinctive small town character. Orillia is a leading port-of-call on the Trent Severn Waterway System, a 385 kilometre recreational waterway linking Lake Ontario and Georgian Bay.

The statistical data 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.

Alcona Land

On August 31, 2005, Estates of Alcona Inc. (a corporation controlled by the principals of Simcoe Canada Land Development Inc.) purchased from three separate vendors approximately 18.63 acres of land (the "Alcona Land") in the Town of Innisfil for the purposes of servicing and developing the land for a proposed residential subdivision consisting of 75 lots. The aggregate purchase price for the three parcels of land was approximately \$1,130,000 (subject to adjustments) of which approximately \$410,000 was paid upon the acquisition of the land and the balance was paid by granting to the vendors mortgages in the aggregate amount of approximately \$720,000. The value of the Alcona Land has been substantially enhanced by Simcoe Canada Land Development Inc. since its acquisition and prior to acquisition including significant engineering and planning services.

Application for draft plan approval for the proposed subdivision was made by the vendor although not yet obtained and a detailed storm water management report prepared by the engineering consultants retained by the vendor was submitted for approval to the Town of Innisfil and the Ministry of Environment.

Alcona Financing

Upon the acquisition of the Alcona Land by Estates of Alcona Inc., mortgages in the aggregate amount of approximately \$720,000 were granted on the land. Such mortgages bear interest at the rate of 5% per annum until August 31, 2006, 5.5% per annum from September 1, 2006 until August 31, 2007 and 6% per annum thereafter until August 31, 2008 when they mature. For each mortgage interest for the period from September 1, 2005 to and including August 31, 2006 is payable in one payment on August 31, 2006, interest for the period from September 1, 2006 to and including August 31, 2007 is payable in one payment on August 31, 2007 and interest for the period from September 1, 2007 to and including August 31, 2008 is payable in one payment on August 31, 2008.

Based upon the assumption that the fair market value of the Alcona Land is at least \$3,000,000 as at November 1, 2005, the Partnership will advance to Estate of Alcona Inc. a second mortgage loan up to \$2,000,000 bearing simple interest at the rate of 12% per annum (noncompounding) payable from the first available cashflow from the project which is expected to be from the sale of serviced building lots to builders. Additionally, as part of such mortgage loan, the Partnership will participate in net sale proceeds from the sale of the Alcona Land after

deduction of expenses of acquisition, servicing and development acceptable to the General Partner. An appraisal will be undertaken by an independent appraiser as at November 1, 2005 in order to determine the fair market value of the Alcona Land. The Estates of Alcona Inc. has represented to the Partnership that it holds good and marketable title to the Alcona Land free and clear of encumbrances other than as permitted and that the Alcona Land is zoned to permit the construction and development of the proposed residential subdivision.

The principals of Simcoe Canada Land Development Inc. or a corporation controlled by them will advance to Estates of Alcona Inc. the sum of \$625,000 as a loan bearing interest at prime plus 2% per annum repayable only after the receipt by the Partnership of the repayment of the principal amount of its loan together with simple interest at the rate of 12% per annum (noncompounding). The balance of the financing required for the servicing and development of the Alcona Land is to be obtained from the sale of all or part of the Alcona Land and third party financing, if required. See "Risk Factors" on page 37.

Alcona Servicing

Estates of Alcona Inc. will retain Simcoe Canada Land Development Inc. to perform the servicing and development management of the Alcona Land, including arranging any debt financing required for all such services and development. The current budget for the servicing and development of the Alcona Land is approximately \$2,661,700 which includes a payment of \$2,000 per month to Simcoe Canada Land Development Inc. for out of pocket expenses incurred in connection with the servicing and development management of the Alcona Land and a due diligence fee and out of pocket expenses of \$25,000 payable to the Agent. Estates of Alcona Inc. will also receive a draw of \$150,000 payable monthly over the expected duration of the servicing and development of the Alcona Land which will be applied against its share of distributions from the Alcona Land. The services of Simcoe Canada Land Development Inc. include:

- using all reasonable efforts to obtain draft approval or any amendments to such approval, from the appropriate municipal and governmental authorities, of plans of subdivision in accordance with the proposed plan for the Alcona Land, satisfaction of conditions of approval and registration of such plans of subdivision;

- negotiating and settling, as required, all subdivision, site plan, pre-servicing and servicing agreements with all governmental authorities and ensure compliance with all applicable regulations, obtaining contracts for the installation of services and supervising such installation;

- managing, supervising, administrating and coordinating all development and servicing in accordance with the plans for the Alcona Land;

- seeking purchasers for the serviced lots as required.

All reasonable expenses incurred by Simcoe Canada Land Development Inc. in connection with such services except for certain head office overhead expenses will be reimbursed excluding those expenses intended to be covered by the payment of \$2,000 per month. Any agreements entered into by Simcoe Canada Land Development Inc. under the servicing and development agreement will be executed on behalf of and in the name of Estates of Alcona Inc.

Estates of Alcona Inc. may terminate the servicing and development agreement if Simcoe Canada Land Development Inc. is in material default of its obligations and the default is not cured after notice is given.

Alcona Sale

Estates of Alcona Inc. has entered into an agreement to sell the Alcona Land to 1626353 Ontario Limited for the price of \$7,140,000 subject to certain adjustments and subject to certain conditions including that building permits would be available if the purchaser makes proper submission, on the basis that servicing of the Alcona Land is completed. The purchase price is payable \$500,000 upon the later of March 31, 2006 and final draft plan approval, \$928,000 on closing, and the balance by granting a first mortgage of approximately \$5,712,000 with a 3 year term, which will not bear interest for the first 6 months and thereafter bears interest at the lower of 10.5% per annum and prime plus 2% per annum.

Although the General Partner has no knowledge of the financial condition of the purchaser, it is likely that the purchaser of the Alcona Land is a single purpose corporation with no material net worth and there is a risk that the purchaser may not complete the purchase if market conditions change.

Alcona Area

The Alcona Land is located between Addullam Avenue and Spring Street, north of Lebanon Drive in the Town of Innisfil. The land is comprised primarily of mixed forests throughout with some cleared areas towards the south of the land and is bisected by the southern branch of Goodfellow Creek. The land is currently vacant except for an existing residential dwelling located on the south side of Spring Street and south of the creek and a second dwelling located off Addullam Avenue.

The Town of Innisfil is located on the west shore of Lake Simcoe approximately 80 kilometres north of Toronto and is serviced by Highways 400-11 and Highway 27. The Alcona Land is just south of the City of Barrie, one of the fastest growing municipalities in Canada with an annual growth rate of approximately 4%. Innisfil has a total permanent population of approximately 28,700 and an estimated seasonal population of another 4,000 people. Innisfil's permanent population target for 2011 is 40,000.

The statistical data 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.

Elmvale Land

On August 31, 2005, Simcoe Canada Land Development Inc. entered into an agreement to purchase approximately 27 acres of land (the "Elmvale Land") in the Township of Springwater for the purposes of acquiring, servicing and developing the land for a proposed residential subdivision consisting of 134 lots. Simcoe Canada Land Development Inc. has agreed to assign all of its rights to acquire the Elmvalle Land to a separate entity (the "Elmvale Owner"). The purchase price for the acquisition of the Elmvalle Land is \$3,350,000 subject to usual adjustments. Upon acquisition the Elmvalle Owner will be required to pay \$335,000. and the

balance of the purchase price will be satisfied by granting a mortgage to the vendor. Simcoe Canada Land Development Inc. will be entitled to receive a fee of \$350,000 for finding the project, of which \$175,000. is payable upon the acquisition of the Elmvale Land and the other \$175,000 is payable from profits after receipt by the Partnership of the repayment of its mortgage loan to the Elmvale Owner together with simple interest on the principal outstanding at the rate of 12% per annum (noncompounding).

Draft plan approval for the proposed subdivision was originally obtained by the vendor in 1999 and has been extended to February 17, 2007.

Title to the Elmvale Land may be registered in the name of a nominee corporation which will hold title as bare trustee for the Elmvale Owner.

Elmvale Financing

Upon the acquisition of the Elmvale Land by the Elmvale Owner, the Elmvale Owner will grant a mortgage in the amount of approximately \$3,015,000 on the land. Such mortgage will be for a term of 3 years, will bear interest at the rate of 6% per annum with the first three months interest free.

The Partnership will advance to the Elmvale Owner a second mortgage loan up to \$800,000 bearing simple interest at the rate of 12% per annum (noncompounding) payable from the first available cashflow from the project which is expected to be from the sale of serviced building lots to builders. Additionally, as part of such mortgage loan, the Partnership will participate in net sale proceeds from the sale of the Elmvale Land after deduction of expenses of acquisition, servicing and development acceptable to the General Partner.

The balance of the financing required for the servicing and development of the Elmvale Land is to be obtained from the sale of all or part of the Elmvale Land and third party financing which may have priority to the Partnership's financing, if required. See "Risk Factors" on page 37.

Elmvale Servicing

The Elmvale Owner will retain Simcoe Canada Land Development Inc. to perform the servicing and development management of the Elmvale Land, including arranging any debt financing required for all such services and development. The current budget for the servicing and development of the Elmvale Land is approximately \$3,265,000 which includes a payment of \$2,000 per month to Simcoe Canada Land Developments Inc. for out of pocket expenses incurred in connection with the servicing and development management of the Elmvale Land, a due diligence fee and out of pocket expenses of \$25,000 payable to the Agent, and the finders fee of \$350,000 payable to Simcoe Canada Land Development Inc. The Elmvale Owner will also receive a draw of \$150,000 payable monthly over the expected duration of the servicing and development of the Elmvale Land which will be applied against its share of distributions from the Elmvale Land. The services of Simcoe Canada Land Development Inc. include:

-using all reasonable efforts to obtain draft approval or any amendments to such approval, from the appropriate municipal and governmental authorities, of plans of subdivision in accordance with the proposed plan for the Elmvale Land, satisfaction of conditions of approval and registration of such plans of subdivision;

-negotiating and settling, as required, all subdivision, site plan, pre-servicing and servicing agreements with all governmental authorities and ensure compliance with all applicable regulations, obtaining contracts for the installation of services and supervising such installation;

-managing, supervising, administrating and coordinating all development and servicing in accordance with the plans for the Elmvale Land;

-seeking purchasers for the serviced lots as required.

All reasonable expenses incurred by Simcoe Canada Land Development Inc. in connection with such services except for certain head office overhead expenses will be reimbursed excluding those expenses intended to be covered by the payment of \$2,000 per month. Any agreements entered into by Simcoe Canada Land Development Inc. under the servicing and development agreement will be executed on behalf of and in the name of the Elmvale Owner or a bare trustee on its behalf.

The Elmvale Owner may terminate the servicing and development agreement if Simcoe Canada Land Development Inc. is in material default of its obligations and the default is not cured after notice is given.

Elmvale Sale

Simcoe Canada Land Development Inc. has entered into an agreement to sell 48 lots of the proposed 134 lots comprising the Elmvale Land to Morra Bros. Contracting Limited for the price of \$3,120,000 subject to certain adjustments and subject to certain conditions including that building permits would be available if the purchaser makes proper submission, on the basis that servicing of the Elmvale Land is completed. The purchase price is payable \$312,000 upon commencement of installation of deep servicing for the development by Simcoe Canada Land Development Inc. of the lots being purchased, a further \$312,000 on closing, and the balance by granting a second mortgage of approximately \$2,496,000 with a 3 year term, which will not bear interest for the first 6 months and thereafter bears interest at the lower of 6% per annum and prime plus 1% per annum.

The sale agreement will be assigned to the Elmvale Owner upon the acquisition by the Elmvale Owner of the Elmvale Land. Although the General Partner has no knowledge of the financial condition of the purchaser, it is likely that the purchaser of the Elmvale Land is a single purpose corporation with no material net worth and there is a risk that the purchaser may not complete the purchase if market conditions change.

Elmvale Area

The Township of Springwater is a municipality located approximately 100 kilometres northwest of Toronto between the City of Barrie and the Town of Wasaga Beach. Highway 400 runs through the southeastern portion of the municipality and forms part of its eastern boundary. The Township is a collection of urban and rural communities. The population of over 16,000 is concentrated in nine urban settlement areas. Elmvale is located at the junction of County Roads 19, 27 and 92 in the northern part of Springwater. Elmvale's commercial district serves its 1700 residents and tourist traffic destined for the cottage areas at Orr Lake and along the shores of Georgian Bay. The Elmvale Land is located adjacent to a large school and within walking distance to the commercial district as well as open parkland and sports fields.

The statistical data 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

Simcoe Canada Land Development Inc.

Jack Zafrani and Igal Sudman, the principals of Simcoe Canada Land Development Inc. are experienced in the real estate development industry with a track record of successfully managing the development of various land development projects. Simcoe Canada Land Development Inc. has focused its development efforts in Simcoe County and most recently include the following in their current portfolio of development projects:

- Victoria Harbour - a residential development of 65 lots. Phase I which is a parcel of 17 lots was successfully completed on schedule and within budget. Phases II and III are also on schedule
- Thornton - a residential development of 56 lots in Phase I and 17 lots in Phase II
- Barrie - a residential development of 31 lots
- Barrie - a residential development of 99 lots

Simcoe Canada Land Development Inc. and its principals have agreed to offer the Partnership the right to finance all servicing and development projects in which they are involved for a period of five years after the first closing upon substantially the same terms and conditions as the Bass Lake Land, the Alcona Land and the Elmvale Land. The General Partner, on behalf of the Partnership will determine whether the Partnership will participate in such project, as well as the vehicle through which any investment will be made. Limited partners will not have input into the decision to participate in any subsequent development projects. Simcoe Canada Land Development Inc. will be obligated to maintain at all times at least \$500,000 of equity in the aggregate in projects in which the Partnership finances.

Long Term Objectives

The long term objectives of the Partnership are to invest and reinvest the funds of the Partnership in various mortgage loans to Simcoe Canada Land Development Inc. or corporations controlled by the principals of Simcoe Canada Land Development Inc. secured by real property located in Ontario (in addition to the Bass Lake Land, the Alcona Land and the Elmvale Land) for the purpose of acquiring, servicing and developing such real property and subsequently selling serviced lots to builders. Limited partners will not have input in the decision to advance loans in any subsequent development projects.

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</i>
Advance of Mortgage Loan to Estates of Bass Lake Inc.	On or before March 31, 2006	up to \$1,200,000

Service the Bass Lake Land	18 months	\$1,455,000
Advance of Mortgage Loan to Estates of Alcona Inc.	On or before April 30, 2006	up to \$2,000,000
Service the Alcona Land	20 months	\$2,661,700
Advance of Mortgage Loan to Elmvale Owner	On or before May 31, 2006	up to \$800,000
Service the Elmvale Land	30 months	\$3,265,000

The proceeds of the offering will not be sufficient to accomplish all of the proposed objectives and there is not assurance that alternate financing will be available. The financing required by Estates of Bass Lake Inc., Estates of Alcona Inc. and the Elmvale Owner to complete the servicing and development is expected to be obtained through the sale of serviced lots, from deposits for such sales and from third party financing which may have priority to the Partnership's financing, if required.

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 27.
- (b) Elmvale purchase agreement for the purchase by the Elmvale Owner of the Elmvale Land which is described in more detail under "Elmvale Land" on page 19. The vendor is unrelated to the General Partner and its directors, officers and shareholders, and is unrelated to Simcoe Canada Land Development Inc. and its directors, officers and shareholders. Simcoe Canada Land Development Inc. will receive a finder's fee of \$350,000 in connection with the acquisition of the Elmvale Land.
- (c) Bass Lake mortgage financing in the aggregate amount of \$600,000 granted by the vendors to Estates of Bass Lake Inc. upon the acquisition of the Bass Lake Land and which is described in more detail under "Bass Lake Financing" on page 15.
- (d) Bass Lake mortgage financing to be provided by the Partnership to Estates of Bass Lake Inc. in the amount of up to \$1,200,000 and which is described in more detail under "Bass Lake Financing" on page 15.
- (e) Bass Lake loan in the amount of \$375,000 to be advanced to Estates of Bass Lake Inc. by a corporation controlled by the principals of Simcoe Canada Land Development Inc. bearing interest at prime plus 2% per annum repayable only after receipt by the Partnership of the principal amount of its mortgage loan for the Bass Lake Land and simple interest thereon at the rate of 12% per annum (noncompounding).

- (f) Alcona mortgage financing in the aggregate amount of \$720,000 granted by the vendors to Estates of Alcona Inc. upon the acquisition of the Alcona Land and which is described in more detail under "Alcona Financing" on page 17.
- (g) Alcona mortgage financing to be provided by the Partnership to Estates of Alcona Inc. in the amount of up to \$2,000,000 and which is described in more detail under "Alcona Financing" on page 17.
- (h) Alcona loan in the amount of \$625,000 to be advanced to the Estates of Alcona Inc. by a corporation controlled by the principals of Simcoe Canada Land Development Inc. bearing interest at prime plus 2% per annum repayable only after receipt by the Partnership of the principal amount of its mortgage loan for the Alcona Land and simple interest thereon at the rate of 12% per annum (noncompounding).
- (i) Elmvale mortgage financing to be granted by the vendor of the Elmvale Land upon the acquisition of the Elmvale Land by the Elmvale Owner and which is described in more detail under "Elmvale Financing" on page 19.
- (j) Elmvale mortgage financing to be provided by the Partnership to the Elmvale Owner in the amount of up to \$800,000 and which is described in more detail under "Elmvale Financing" on page 19.
- (k) 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 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 owns and controls the General Partner. Grunwald & Co. will receive fees for accounting services and Leopold Grunwald a partner of Grunwald & Co. is also registered as a salesperson with the Agent.
- (l) 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 34.
- (m) 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. Allan Grossman, the sole director of the Agent is also a director and officer of the General Partner. Dan Kowalchuk, an officer of the Agent is also a director and officer of the General Partner. The Agent will not receive any additional payment for its services under the deposit agreement.
- (n) Servicing and development management agreement to be entered into with respect to each property financed by the Partnership on or prior to the advance of such mortgage loan, between the applicable owner, or a bare trustee titleholder on behalf of the owner, and Simcoe Canada Land Development Inc. which is described in more detail under "Bass Lake Servicing", "Alcona Servicing" and "Elmvale Servicing" on pages 15, 18 and 20. Simcoe Canada Land

Development Inc. is controlled by Jack Zafrani and Igal Sudman. See “Simcoe Canada Land Developments Inc.” on page 21.

- (o) Right of first refusal agreement to be entered into effective on the first closing between Simcoe Canada Land Development Inc. and its principals and the Partnership granting the Partnership the right to participate in all servicing and development projects in which they are involved for a period of five years after the first closing upon substantially the same terms and conditions as the Bass Lake Land, the Alcona Land and the Elmvale Land.
- (p) Due diligence services agreement entered into on the date of this Offering Memorandum between the Agent and the Partnership. The Agent will oversee certain parts of the due diligence process prior to the acquisition of each property and will receive a fee of \$25,000 including certain of its out of pocket expenses upon the acquisition of such property. The due diligence services agreement excludes the out of pocket expenses to be reimbursed and due diligence fees of approximately \$35,000 payable upon the first Closing of this offering. The term of the agreement is five years and thereafter is automatically renewable from year to year unless terminated by either party giving at least six months notice. An affiliate of the Agent owns and controls the General Partner.
- (q) Agreement between each owner of property being financed by the Partnership and the General Partner permitting the General Partner to appoint a signatory to the bank account of the owner.

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

Compensation and Securities Held

<i>Name and municipality of principal residence</i>	<i>Positions held (e.g., director, officer, promoter and/or principal holder) and the date of obtaining that position</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 Markham, Ontario	Director, Secretary December 28, 2005	None	None	None
Allan Grossman Toronto, Ontario	Director, President December 28, 2005	None	None	None
ASG Financial Holdings Inc. ⁵	Promoter, Principal Holder	As shareholder of the General Partner will receive a portion of the fees and distributions payable to the General Partner from the Partnership ⁵	None ⁶	None ⁶

5. ASG Financial Holdings Inc. is an affiliate of the Agent. Allan Grossman, the sole director and an officer of the Agent is a director and officer of the General Partner. 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 \$25,000 payable for each project and certain out-of-pocket and due diligence fees of \$35,000 upon the first Closing of this offering.

Grunwald & Co. will receive \$35,000 for accounting services provided to the Partnership. Leopold Grunwald a partner of Grunwald & Co. is also registered as a salesperson with the Agent.

6. 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>
Allan S. Grossman	President, ASG Financial Corp. and Chartered Accountant
	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. Until June 30, 2005 Mr. Grossman was also a partner of Horwath Orenstein LLP.
Dan Kowalchuk	Chief Financial Officer, ASG Financial Corp. and Chartered Accountant
	In 2003, Mr. Kowalchuk joined ASG Financial Corp. as Chief Financial Officer where his responsibilities include new project due diligence, project monitoring and tax and financial statement compliance for the various projects under its administration. Mr. Kowalchuk joined Horwath Orenstein LLP in 1981, becoming a chartered accountant in 1985 and a partner in 1993. He worked 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 until June 30, 2005.

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 December 30, 2005</i>	<i>Number outstanding after minimum offering</i>	<i>Number outstanding after maximum offering</i>
Limited Partnership Units	6,000	One Unit issued to the Initial Limited Partner and to be redeemed at the time of the first Closing	600	4,625

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>
Bass Lake Mortgage from vendor (see "Bass Lake Financing" on page 15)	5.5% until October 28, 2006 6% until October 28, 2007	Interest only payable annually Matures October 28, 2007	\$600,000
Bass Lake Participating Mortgage from Partnership (see "Bass Lake Financing" on page 15)	12 % simple interest plus participation in 57% of certain profits		\$1,200,000
Unsecured loan to Estates Bass Lake Inc.	Prime plus 2%	Out of profits	\$375,000
Alcona Mortgage from vendor (see "Alcona Financing" on page 17)	5% until August 31, 2006 5.5% from September 1, 2006 until August 31, 2007 6% from September 1, 2007 until August 31, 2008	Interest only payable annually Matures August 31, 2008	\$720,000
Alcona Participating Mortgage from Partnership (see "Alcona Financing" on page 17)	12% simple interest plus participation in 57% of certain profits		\$2,000,000
Unsecured loan to Alcona Owner	Prime plus 2%	Out of profits	\$625,000
Elmvale Mortgage from vendor (see "Elmvale Financing" on page 19)	6%	Interest only Matures March 31, 2009	\$3,015,000
Elmvale Participating Mortgage from Partnership (see "Elmvale Financing" on page 19)	12% simple interest plus participation in 57% of certain profits		\$800,000

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>
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December 19, 2003	Initial Unit	One	\$1.00	\$1.00
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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 ⁷	Unlimited	100

⁷. All 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 4,625 Units, however the authorized capital may be increased to 6,000 Units in the discretion of the General Partner. 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 4,625 Units in the Partnership, however such maximum may be increased to 6,000 Units in the discretion of the General Partner. 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 32”), there are no other interests to be issued except as described herein (see “Additional Units” on page 33). 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 National 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 financing real property development in Ontario including the acquisition, servicing and developing of such real property for the subsequent sale of serviced lots as described herein. The Partnership may conduct any ancillary activities related to such business.

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 in excess of an additional \$1,375,000 (which may be raised by the General Partner without the authorization of Limited Partners); and
- (j) approving a capital contribution call by the General Partner.

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. There is no obligation on a Limited Partner to contribute any further capital to the Partnership and the Limited Partner's interest in the Partnership will not be otherwise adversely affected if he does not advance his proportionate share of the capital contribution.

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 business of the Partnership 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 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.

The books, records and documentation of the Partnership will be available for inspection by any Limited Partner or his duly authorized representative at the expense of such Limited Partner during normal business hours and after reasonable notice at the principal office of the Partnership.

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 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, Suite 300, 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

All net sale proceeds from the sale of any land after payment of all obligations applicable to that land, including debt payments under any mortgage financing having priority to the mortgage financing provided by the Partnership, expenses of servicing, development and sale and the creation of a reasonable working capital reserve, as determined by the General Partner and Simcoe Canada Land Development Inc. with respect to a particular project, will be distributed, to the extent available, to the Partnership and to the other owner of such land in the following manner and priority:

- (a) first, to the Partnership until the Partnership will have been repaid its mortgage loan advanced to the applicable land development project together with simple interest at the rate of 12% per annum (noncompounding) on the principal amount of the mortgage loan to such land development project which remains outstanding from time to time;
- (b) second, the repayment to the corporation controlled by the principals of Simcoe Canada Land Development Inc. of its loan, if any, to such development project together with interest thereon at the rate of prime plus 2% per annum;
- (c) third, to the corporation controlled by the principals of Simcoe Canada Land Development Inc. which beneficially owns the development project until it will have been repaid all capital contributed to the applicable land development project together with an annual non-compounded, cumulative preferred return of 12% on all capital contributed to such land development project which remains outstanding from time to time inclusive of the draws aggregating \$150,000 previously received;
- (d) the balance 57% to the Partnership and 43% to the corporation controlled by the principals of Simcoe Canada Land Development Inc. which beneficially owns the development project.

During the five year period after the first closing of this offering, unless the General Partner determines otherwise, only net profits will be distributed by the Partnership to its partners and the capital will be available to be advanced as loans for further land development projects. Any net profit received by the Partnership from net sale proceeds for a particular project will be distributed at such time in the order and priority set out below:

- (a) distribution on the Units to the Limited Partners of an annual non-compounded cumulative preferred return of 12% on the capital contributed to the Partnership for that particular project which remains outstanding from time to time;
- (b) the balance of net profits for that particular project for a particular year net of any losses for that particular year for any other projects will be distributed approximately 87.72% to the Limited Partners and approximately 12.28% to the General Partner.

After such five year period, net sale proceeds for that particular project received by the Partnership will be distributed at such time in the order and priority set out below:

- (a) distribution on the Units to the Limited Partners of an annual non-compounded cumulative preferred return of 12% on the capital contributed to the Partnership which remains outstanding from time to time;
- (b) repayment of all capital contributed by the Limited Partners to the Partnership and not yet repaid;
- (c) the balance of net sale proceeds received by the Partnership approximately 87.72% to the Limited Partners and approximately 12.28% to the General Partner.

Additional Units

The General Partner is authorized to raise an additional \$1,375,000 by the sale of Units at no less than \$1,000 per Unit on terms acceptable to the General Partner, without the approval of the Limited Partners. Additionally, 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 excess of such \$1,375,000 of additional capital. 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 net profits and sales proceeds 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, 2025.

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 32.

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 36.) 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, Ontario, 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 37). 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%, the Agent will receive certain out-of-pocket and due diligence fees of approximately \$35,000 on the first Closing of this Offering and \$25,000 for each project upon the acquisition of the particular land.

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.

Certain Subscribers in all provinces other than Ontario must also complete and submit to the Agent a Form 45-106F4, Risk Acknowledgement Form, which 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, 2006, 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 \$1,400,000. 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; and
- (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, 2006, 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). Assuming the minimum offering, the selling commission will be \$140,000 and, assuming the maximum offering, the selling commission will be \$462,500.

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 all of the shares of the General Partner. The General Partner will receive distributions under the Partnership Agreement. Additionally, the Agent will receive fees under the Investor Services Agreement and will receive certain initial out-of-pocket and due diligence fees of approximately \$35,000. and certain out-of-pocket and due diligence fees under the Due Diligence Services Agreement of approximately \$25,000 for each property financed by the Partnership.

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

The General Partner controls the day-to-day management of the business and affairs of the Partnership. The controlling shareholder of the Agent directly or indirectly owns all 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 the sole director and an officer of the Agent is also a director and officer of the General Partner and another officer of the Agent is also a director and officer of the General Partner.

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 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, as these are the funds required to finance the Partnership's mortgage loans to the three initial projects.

Risks of real estate investment - Investment in real estate in general and unserviced land for development in particular, including financing of real estate by way of mortgages, is subject to numerous risks. Secondary financing which will be carried on by the Partnership is far riskier than primary financing. When a charge on real estate is in second position (or in certain circumstances third position) it is possible for the holder of the first mortgage, if the borrower is in default under the terms of such first mortgage, to take a number of actions against the borrower and ultimately against the real estate to realize upon the first priority security to the detriment of the Partnership's subordinate position, including causing the real estate to be sold. If sufficient proceeds are not realized from such sale to repay the Partnership's mortgage loan, the Partnership may lose its investment or part of its investment to the extent of such deficiency. In addition all investments in unserviced land for development, whether by direct investment or by way of mortgage loans are subject to numerous risks, including the highly competitive nature of the business, changes in general or local economic or other conditions, changes in neighbourhood property values, interest rates, availability of mortgage funds, increases in real estate tax rates, increases in municipal levies and other operating and servicing expenses, competition from other development properties, the supply of and demand for housing, requirements imposed by governmental authorities relating to storm water management and drainage, water allocation from the municipality, requirements for draft plan approval, the possibility of competitive overbuilding, governmental rules and fiscal policies, and events and factors which are beyond the control of the Partnership. There can be no assurance that servicing costs will remain at current feasible levels.

Certain significant expenditures, including property taxes, servicing costs, mortgage payments, insurance costs and related charges, must be made throughout the period of ownership of and development of a property acquired and may increase regardless of whether such property can be sold at an increased price sufficient to offset such increased expenses.

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 any of 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 any of the properties acquired as a result of enforcing its mortgage, and could potentially also result in claims against the Partnership by private parties.

The Partnership and the General Partner are not aware of any material non-compliance, liability or other claim in connection with the initial properties to be acquired, nor of any environmental

condition with respect to the initial properties to be acquired which the Partnership believes would involve material expenditure.

Financing and refinancing – The financing required for the servicing and development of each of the Bass Lake Land, the Alcona Land and the Elmvale Land is to be obtained, in part, from the sale of all or a part of the applicable property. There is no assurance that any part of the Bass Lake Land, the Alcona Land or the Elmvale Land will be sold or sold on a timely basis in order to fund servicing and development costs for the projects notwithstanding that Estates of Alcona Inc. has entered into an agreement to sell the Alcona Land and Simcoe Canada Land Development Inc. has entered into an agreement to sell a part of the Elmvale Land. The owners of the properties financed by the Partnership may require other third party financing in order to fund servicing and development costs, which third party financing may have priority to the financing of the Partnership. There is no assurance that such funding will be available, or if available, will be available on satisfactory terms and conditions, and at reasonable rates.

There is no assurance that the owners of future projects will be able to obtain, in addition to the mortgage financing from the Partnership, mortgage financing for future development projects if required. In the absence of such additional mortgage financing, the Partnership and the owners may not be able to complete future development projects.

There is a possibility that the owners may be unable to make payments of principal and interest on prior ranking mortgage financing for the initial projects and any subsequent projects. In that case the properties acquired may be lost through the exercise of power of sale or foreclosure proceedings if the owners are unable to make the required payments or the Partnership does not advance further funds.

There is no assurance or guarantee that the projects will be completed and sold within the time periods projected. There is no assurance or guarantee that any mortgage financing for any project will be renewed when it matures or, if renewed, renewed on the same terms and conditions (including the rate of interest). If any prior ranking 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 prior ranking mortgagee may realize upon the security granted.

There is no assurance that the Partnership will achieve the maximum offering.

Future Financing - Limited Partners will not have an opportunity to evaluate any of the properties to be financed by the Partnership other than the Bass Lake Land, the Alcona Land and the Elmvale Land, as described in this Offering Memorandum. During the first five years after the first Closing only net profits will be distributed and the capital will be reinvested in such projects as determined by the General Partner.

Uninsured losses - The owners of each project will arrange for appropriate insurance coverage, of the type and in the amounts customarily obtained for properties similar to those to be financed by the Partnership and will endeavour to obtain other coverage where warranted. 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 any property, the Partnership could suffer a loss of capital invested and not realize any profits which might be anticipated from the development and servicing of such property.

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.

Failure to make additional capital contributions - The Partnership Agreement provides that, in certain circumstances, a Limited Partner may be requested 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 30.) In certain circumstances it may be crucial for the Partnership to advance additional funds to a development project. Failure to make these additional contributions will be detrimental to the Partnership.

Revenue shortfalls - Revenues from the projects undertaken may not increase sufficiently to meet increases, if any, in servicing and development expenses or debt service payments under mortgage financing or otherwise or to fund changes in the variable rates of interest charged in respect of such 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. Other than with respect to certain extraordinary matters, the Partnership will be bound by the decisions 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 in respect of property in Ontario. 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 Simcoe Canada Land Development Inc. to manage the servicing and development of each development property financed by the Partnership. The principals of Simcoe Canada Land Development 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 projects financed by the Partnership and their other development, investment and/or management activities. It would be inappropriate for subscribers who are unwilling to rely on the expertise of Simcoe Canada Land Development Inc. and its principals to subscribe for Units.

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 financing the servicing and development of land and of limited partnerships has a material effect on the advisability of investing in the Units. (Refer to "Income Tax Consequences" on page 36.) 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 Simcoe Canada Land Development Inc. under the servicing and development management agreement and for the day-to-day management and operations of the land development projects financed by the Partnership.

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, projects involving the Partnership 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,

Promoter, the Agent, Simcoe Canada Land Development Inc., 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 projects and to the project partnerships. The price of the Units was determined by the Promoter 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, 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 the Due Diligence Services Agreement. 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 after the Closing and is also registered as a salesperson with the Agent.

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

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, the project general partners, the project partnerships, nor matters disclosed in this Offering Memorandum on behalf of subscribers 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.**

Risks of Conflicting Interests and Impasse - The Partnership may finance development projects together with other lenders on a pari passu basis with each lender receiving its proportionate share of the benefits of the financing. Such financing with another lender could subject the Partnership to risks not otherwise present, including the possibility that the other lender may have economic interests different from the Partnership and that another lender might be in a position to take actions contrary to the interests of the Partnership. In addition, there is a potential risk of impasse on decisions of fundamental importance as one lender might choose to refrain from exercising decisions of fundamental importance.

Enforcing Rights Against Foreign Entities - Some or all of the partners of a pari passu lender may be resident or located outside Canada and a substantial portion of their assets may also be located outside Canada. It may not be possible to effect service of process upon such persons in Canada and there may be difficulty in pursuing legal or equitable remedies, and enforcing judgments, against such persons and their assets.

Non-Completion – There is a possibility that a project may never be fully serviced and developed, notwithstanding that the first Closing has occurred and the owner of the land has paid a portion of the fees to Simcoe Canada Land Development Inc. under the servicing and development management agreement. Completion of servicing and development is also subject to ordinary risks of non-completion faced by the construction industry for reasons beyond the control of the Partnership or the owner of the particular land.

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 90 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), 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

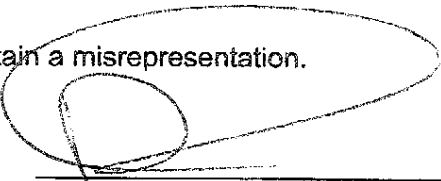
The following financial statements are attached:

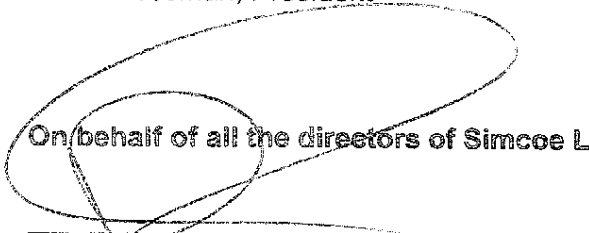
- (a) Financial Projection for the Partnership consisting of a projected Balance Sheet, Statement of Limited Partners Capital, Statement of Income and Statement of Cash Flow for First Two Years of Operations.
- (b) Balance Sheet for the General Partner as at March 1, 2006.
- (c) Balance Sheet for the Partnership as at March 1, 2006.

DATED: March 1, 2006

This Offering Memorandum does not contain a misrepresentation.



Allan Grossman, President


Dan Kowalchuk, Chief Financial Officer


On behalf of all the directors of Simcoe Land GP Limited
Dan Kowalchuk, Director


Allan Grossman, Director

On behalf of ASG Financial Holdings Inc., a Promoter

Per: 
Allan Grossman