

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 36.

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 41.

GREATER HALIFAX LIMITED PARTNERSHIP (the "Partnership" or the "Issuer")

OFFERING OF LIMITED PARTNERSHIP UNITS
UP TO A MAXIMUM OF \$9,700,000 (388 UNITS)

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

The Issuer

Address:	595 Bay Street, Suite 300 Toronto, Ontario M5G 2C2
Phone number:	(416) 260-3504
E-mail address:	agrossman@asgfinancialcorp.com
Fax number:	(416) 598-0608
Currently listed or quoted?	No
Reporting issuer?	No
SEDAR filer?	No

The Offering

The offering (the "**Offering**") by the Partnership consists of a maximum of 388 Units. The Partnership is a limited partnership formed under the laws of the Province of Ontario. The Units are being offered to allow the Partnership to acquire, own and operate income producing residential and commercial properties located in the Greater Halifax area of Nova Scotia (the "**Properties**") and to conduct any ancillary activities related to the Properties. The Properties consist of 622 residential apartment units of approximately 651,621 square feet in the aggregate and 10 commercial units of approximately 19,963 square feet in the aggregate. The residential apartment units consist of 9 bachelor, 226 one bedroom, 328 two bedroom and 59 three bedroom residential apartment units and 10 commercial units in 13 separate buildings. The Partnership may acquire, own and operate less than all of the Properties. This Offering is of Units and not of real estate or subdivided land.

Securities offered:	Limited Partnership Units (" Units ")
Price per security:	\$25,000 per Unit (the "Subscription Price") with a minimum subscription of 1 Unit
Minimum/Maximum offering:	There is a minimum offering of 188 Units and a maximum offering of 388 Units
Payment terms:	Payment in full on closing
Proposed closing date(s)	October 27, 2004, 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 35.

Resale restrictions

You will be restricted from selling your securities for an indefinite period. See "Resale Restrictions" on page 41. 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 26.

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 41.

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 Greater Halifax 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 October 27, 2004, 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 32.

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.
595 Bay Street, Suite 300
Toronto, Ontario M5G 2C2**

An affiliate of the Agent holds 25% 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. See "Relationship Between Issuer and Agent" on page 36.

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 acquisition, ownership and operation of the Properties as described below. The Partnership may acquire less than all of the Properties. See "Business of the Partnership" on page 27.

The Properties

The Properties consist of 9 bachelor, 226 one bedroom, 328 two bedroom and 59 three bedroom residential apartment units and 10 commercial units in 13 separate buildings located in well established neighbourhoods in the Greater Halifax area of Nova Scotia.

Acquisition of the Properties

The Properties are currently owned by APL Properties Limited and Tri-Arm Holdings Limited (the "**Vendors**"). The Vendors are unrelated to the General Partner and its directors, officers and shareholders.

Silverstone Equities Inc. (a company controlled by James McClintock) has entered into an agreement of purchase and sale (the "**Purchase Agreement**") with the Vendors for the Properties being acquired and an additional residential apartment building (the "**Other Building**"). That portion of the Purchase Agreement relating to the Properties will be assigned to the Partnership and that portion of the Purchase Agreement relating to the Other Building will be assigned to an unrelated party. The allocation of the purchase price between the Properties and the Other Building has been determined solely by the General Partner, based upon criteria it utilized in negotiating the purchase price under the Purchase Agreement and which the General Partner considers reasonable.

The Purchase Agreement provides that the aggregate purchase price for the Properties and the Other Building is \$34,275,000 (subject to usual adjustments) and the General Partner has allocated \$30,693,000 as the purchase price of the Properties. The General Partner will receive the entire benefit of the assignment of the Other Building. The purchase price payable to each of the Vendors (less the deposits aggregating approximately \$800,000 previously paid or to be paid by the General Partner) is to be paid on the date of acquisition of the Properties. The amount of the deposits will be reimbursed to the General Partner together with any interest on the

deposits credited to the Partnership, on closing of this offering.

The acquisition of the Properties is scheduled to take place on October 27, 2004. Title to the Properties may be registered in the name of one or more corporations which will hold title as bare trustee for the Partnership. The purchase of one or more of the Properties may be completed prior to the first closing of this Offering and to the extent that the General Partner or another entity advances the cash portion of the purchase price for any of the Properties, such advance will be repaid upon the first closing of this Offering.

If the right to acquire any one or more of the Properties is assigned to an unrelated party prior to the first closing of this Offering, any net profits relating to such assignment will be shared equally, 50% by the General Partner and 50% by the Limited Partners. The General Partner, in its sole discretion, will determine whether to assign the right to acquire any of the Properties to an unrelated party. The Limited Partners will not share in any of the net profits relating to the assignment of the right to acquire the Other Building.

See "Purchase Agreement" on page 16.

Financing

Silverstone Equities Inc has received a commitment from Column Canada Financial Corp. for mortgage financing in the aggregate principal amount of \$27,480,000 with respect to the Properties and the Other Building. The General Partner expects that the mortgage financing for the Properties will be approximately \$23,940,540. Such mortgage financing is to be a first mortgage registered against title to all of the Properties which will have the following terms:

Principal amount:	\$23,940,540
Term:	Five years
Interest rate:	125 basis points over certain Government of Canada bond rates determined 2 days prior to funding
Monthly payments: (estimated)	\$146,100
Amortization:	25 years
Prepayment rights:	no pre-payment rights

The terms of the mortgage financing are more particularly described under the heading "Financing" on page 17.

Acquisition Services Agreement The General Partner is to be paid a fee of \$300,000 for finding the Properties, negotiating the acquisition of the Properties, arranging for the engagement of lawyers and consultants in connection with the acquisition of the Properties, advancing the deposit required for the purchase of the Properties (which deposit is repayable upon the first closing of the Offering) and for paying third party costs to be incurred prior to the acquisition of the Properties (which will be reimbursed upon the first closing of the Offering).

Manager McClintock Property Management Inc. (the “**Manager**”), a corporation controlled by James McClintock, will manage the Properties acquired by the Partnership. For its services the Manager will receive an annual management fee of 4% of the gross revenue from the Properties acquired and applicable federal and provincial sales taxes thereon for normal and predictable management services, payable monthly. Any project undertaken by the Manager over \$25,000 for any of the Properties will be considered capital in nature and the Manager will additionally be compensated 6% of the contract price for overseeing such project. The Manager intends to subcontract all of the normal and predictable management services to an unrelated property manager and the Manager expects to pay the property manager, out of the fees it receives from the Partnership, a fee of approximately 3.5% of the gross revenue from the Properties and applicable federal and provincial sales taxes. The Manager will supervise, assess and review the property manager’s performance with respect to the operation and maintenance of the Properties acquired.

THE OFFERING

Issuer Greater Halifax Limited Partnership, a limited partnership formed under the laws of the Province of Ontario

Amount A maximum of \$9,700,000

Units A maximum of 388 Units in the Partnership, representing the interests of the Limited Partners in the Partnership.

Price \$25,000 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 purchase the Properties being acquired, to pay those fees summarized in the Offering Memorandum and the balance for working capital. See “Use of Available Funds” on page 11.

Closing

The first closing of the Offering will take place after the satisfaction of all conditions precedent for the closing of the Offering including the acquisition of the Properties being acquired by the Partnership.

If less than the maximum offering is raised on the first closing of the Offering, then the balance of the amount required to purchase the Properties being acquired may be funded by bridge financing (the "**Bridge Financing**") which may be secured by a second mortgage or other charge registered against the Properties being acquired. The interest rate on the Bridge Financing payable by the Partnership will not exceed 16% per annum. The monthly payments on the Bridge Financing will be funded from the cash flow from the Properties and it is expected that the principal balance of the Bridge Financing will be repaid from the net proceeds of subsequent closings of the Offering. No commitment for the Bridge Financing has been received but if such financing is required and is not obtained at an interest rate payable by the Partnership not exceeding 16% per annum, then the acquisition of the Properties being acquired would not be completed. There is no assurance that the Partnership will achieve the maximum offering and therefore no assurance that the Bridge Financing can be repaid from the proceeds of subsequent offerings. In that case, the Partnership will use its best efforts to extend or replace the Bridge Financing, but there is no assurance that it will be successful. See "Risk Factors" on page 36.

Syndication Services Agreement The General Partner is to be paid a fee of \$75,000 for the following services:

- (a) arranging for the engagement of lawyers, accountants and consultants to assist the Partnership in raising investment capital under this Offering;
- (b) providing consulting services relating to the issuance of Units, including advice on the terms of the Offering, reviewing and analyzing the financial information contained in the Offering Memorandum and assisting in the development and structure of the Offering; and
- (c) providing consulting services with respect to organizing and co-ordinating marketing for the Units.

Investor Services Agreement The Agent and Romspen Investment Corporation will each be paid an annual fee of \$6,000 payable monthly for investor relations services including assisting the Partnership in operational reporting to Limited Partners.

GREATER HALIFAX LIMITED PARTNERSHIP

The Partnership	Greater Halifax Limited Partnership (the " Partnership ") is a limited partnership formed under the laws of the Province of Ontario. Its general partner is Greater Halifax 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 acquire, own and operate those of the Properties being acquired. See "Business of the Partnership" on page 12.
General Partner	The General Partner is a single purpose corporation, the shares of which are controlled by an affiliate of the Agent (as to 25%), a corporation controlled by James McClintock (as to 25%) and a corporation controlled by Romspen Investment Corporation (as to 50%).
Initial Capital contribution	The initial capital contribution of the Limited Partners is \$25,000 for each Unit.
Distribution of operating cash flow	<p>All net cash flow from operations of the Properties acquired after payment of all current obligations of the Properties acquired, including debt service payments under the mortgage financing and the Bridge Financing (if any), the fee charged by the manager of the Properties acquired, and those other fees described in this Offering Memorandum, and the creation of a reasonable working capital, capital improvement and capital repair reserve, as determined by the manager of the Properties or the General Partner will be distributed, to the extent available, in the following manner and priority:</p> <ul style="list-style-type: none">(a) first, to pay any expenses of the Partnership;(b) second, to pay to the Limited Partners: (i) a preferred return at the rate of 16% per annum on the capital contributed to the Partnership for the 3 month period commencing with the first Closing of the Offering; and (ii) thereafter an annual non-compounded cumulative preferred return of 8% on the capital contributed to the Partnership which remains outstanding from time to time;(c) the balance, 70% to the Limited Partners (on a pro rata basis) and 30% to the General Partner.
Distribution of sale proceeds and refinancing proceeds	Any net sale proceeds or net proceeds of a mortgage refinancing, as and when received as cash at any time in

respect of the Properties acquired will be distributed at such time in the order and priority set out below:

- (a) distribution on the Units to the Limited Partners of: (i) a preferred return at the rate of 16% per annum on the capital contributed to the Partnership for the 3 month period commencing with the first Closing of the Offering; and (ii) thereafter an amount equal to an annual non-compounded cumulative preferred return of 8% on the capital contributed to the Partnership which remains outstanding from time to time; in both cases to the extent not previously paid out of net cash flow;
- (b) repayment of all capital contributed by the Limited Partners to the Partnership and not yet repaid; and
- (c) 70% of the balance to the Limited Partners and 30% of the balance to the General Partner.

Net income and loss of the Partnership

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

Partnership Agreement

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

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

See "Terms of the Partnership Agreement" on page 26.

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 institutional 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 29.

Promoter of the Partnership

Greater Halifax 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. Greater Halifax GP Limited is controlled by an affiliate of the Agent (as to 25%), a corporation controlled by James McClintock (as to 25%) and a corporation controlled by Romspen Investment Corporation (as to 50%). See "Directors, Management, Promoters and Principal Holders of the General Partner" on page 22.

Relationship between Issuer and Agent

An affiliate of the Agent holds approximately 25% of the voting shares of the General Partner and may be considered to be related to the Partnership for purposes of applicable securities regulations. The Agent may also be considered to be connected to the Partnership for such purposes, as the sole director and officer of the Agent is also a director and officer of the General Partner.

Resale Restrictions

Under applicable securities laws, the resale of the Units is subject to restrictions. Since the Partnership is not a "reporting issuer" under applicable securities laws and it is not contemplated that it will become one, if no exemption is available under applicable securities laws and regulations or an appropriate discretionary order obtained pursuant to applicable securities laws, the Units cannot be sold without a prospectus for an indefinite period of time. See "Resale Restrictions" on page 41.

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 36. These include risks inherent in the business of real estate investment generally, conflicts, reliance upon the manager of the Properties 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 41.

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	Assuming maximum offering
A	Amount to be raised by this offering	\$4,700,000	\$9,700,000
B	Selling commissions and fees (excluding trailer fee) ¹	\$470,000	\$970,000
C	Estimated offering costs (e.g. legal, accounting, audit) ²	\$100,000	\$100,000
D	Net proceeds: $D = A - (B+C)$	\$4,130,000	\$8,630,000
E	Current working capital (or working capital deficiency) of issuer as at September 30, 2004	\$ 0	\$ 0
F	Bridge Financing ³	\$4,500,000	\$ 0
G	Available funds: $G = D + E + F$ (assuming minimum offering)	\$8,630,000	\$8,630,000

¹ The Agent shall additionally be entitled to receive a trailer fee equal to \$125 per Unit per annum which will be paid by the Partnership from net cash flow of the Properties acquired. An affiliate of the Agent holds 25% of the shares of the General Partner. Allan Grossman the sole director and officer of the Agent is also a director and officer of the General Partner.

² Approximately \$25,000 of the offering expenses will be paid to Horwath Orenstein LLP. Allan Grossman, a partner of Horwath Orenstein LLP is a director, officer and controlling shareholder of the Agent and is a director and officer of the General Partner. An affiliate of the Agent holds approximately 25% of the voting shares of the General Partner.

³ If any amount less than the maximum offering is raised on the first closing of the Offering then the balance of the amount required to purchase the Properties being acquired will be funded by bridge financing (the "Bridge Financing") which may be secured by a second mortgage or other charge registered against the Properties acquired. The interest rate on the Bridge Financing payable by the Partnership will not exceed 16% per annum. The monthly payments on the Bridge Financing will be funded from the cash flow from the Properties, and within one year from the first closing of this Offering, the Partnership intends to repay the principal balance from the proceeds of subsequent closings. The Partnership has not received any commitment for the Bridge Financing, but if such financing is required and is not obtained at an interest rate payable by the Partnership not exceeding 16% per annum, then the acquisition of the Properties and the first closing of this Offering would not be completed.

Use of Available Funds

Description of intended use of available funds listed in order of priority	Assuming minimum offering	Assuming maximum offering
Balance of purchase price (approximate figure subject to usual real estate adjustments)	\$5,952,460	\$5,952,460
Land Transfer Tax	\$460,395	\$460,395
Mortgage Placement and Arrangement Fees ⁴	\$350,000	\$350,000
Due Diligence Costs ⁴	\$125,000	\$125,000
Professional Fees for acquisition of the Properties ⁴	\$75,000	\$75,000
Acquisition Services Agreement fee paid to the General Partner ⁵	\$300,000	\$300,000
Syndication Services Agreement fee paid to the General Partner ⁵	\$75,000	\$75,000
Repayment to General Partner of deposits ^{5 6}	\$800,000	\$800,000
Unallocated working capital (including closing adjustments such as taxes and security deposits, vacancy and capital reserve)	\$492,145	\$492,145

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.

5. The General Partner is a company controlled by an affiliate of the Agent, a corporation controlled by James McClintock and a corporation controlled by Romspen Investment Corporation.

6. This amount will be repaid to the General Partner on the first Closing.

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. 6" by a declaration filed pursuant to the *Limited Partnerships Act* (Ontario) on December 19, 2003. The Partnership changed its name to

Greater Halifax Limited Partnership by a further declaration filed pursuant to the *Limited Partnerships Act* (Ontario) on September 29, 2004.

The head office and address for service of the Partnership is located at 595 Bay Street, Suite 300, Toronto, Ontario, M5G 2C2.

The General Partner of the Partnership is Greater Halifax GP Limited which was incorporated pursuant to the *Business Corporations Act* (Ontario) on September 29, 2004. The General Partner became the general partner of the Partnership on September 29, 2004 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 595 Bay Street, Suite 300, Toronto, Ontario, M5G 2C2.

Our Business

The business of the Partnership is to acquire, own and operate 622 residential apartment units of approximately 651,621 square feet in the aggregate and 10 commercial units of approximately 19,963 square feet in the aggregate. The residential apartment units consist of 9 bachelor, 226 one bedroom, 328 two bedroom and 59 three bedroom residential apartment units in 13 separate buildings.

Clayton Park Towers

The Clayton Park Towers is an 11 storey building located at 210 Willet Street in Halifax and was constructed in or about 1973 on an approximately 2.7 acre site. There are two elevators servicing 122 residential apartment units (121 one bedroom apartment units and one two bedroom apartment unit) aggregating approximately 81,344 square feet and one commercial unit of approximately 656 square feet, with another approximately 11,390 square feet of common area. The Clayton Park Towers includes 181 surface parking spaces and approximately 68 covered parking spaces. The building structure is reinforced poured concrete, concrete block walls with clay brick veneer and includes a common area roof top, sundeck and party room. The roof was replaced in 1999 and the building is heated by electric baseboards. The General Partner has allocated \$6,002,000 of the purchase price to this building.

Woburn Manor

Woburn Manor is located at 238 Bedford Highway in Halifax and was constructed in or about 1970 on an approximately 1 acre site. One elevator services 53 residential apartment units (5 bachelor apartment units, 42 one bedroom apartment units and 6 two bedroom apartment units) aggregating approximately 33,986 square feet and approximately 6,420 square feet of common area. Woburn Manor includes approximately 67 surface parking spaces and approximately 40 underground spaces. The building structure is reinforced poured concrete foundation, wood framed with clay brick veneer. There are 44 apartment units with private balconies. The roof was replaced in 2001 and the building is heated by oil-fired hot water boiler furnace with radiant baseboard units. The General Partner has allocated \$2,634,000 of the purchase price to this building.

Terrace View

Terrace View is an 11 storey building located at 41 Cowie Hill Road, Halifax and was constructed in or about 1970 on an approximately 2.1 acre site. There are two elevators servicing 106 residential apartment units (22 one bedroom apartment units and 84 two bedroom apartment units) aggregating approximately 80,070 square feet and one commercial unit of approximately 1,562 square feet, with another approximately 35,309 square feet of common area. Terrace View includes 106 surface parking spaces. The building structure is reinforced poured concrete, concrete block walls with clay brick veneer and includes a common balcony on each floor. The building is heated by oil-fired hot water boiler with radiant baseboard units. The General Partner has allocated \$5,184,000 of the purchase price to this building.

Lakewood Manor

Lakewood Manor is a complex of two 3 storey buildings located at 79 and 81 Lakecrest Drive, Dartmouth and was constructed in or about 1970 on an approximately 5.3 acre site. There are 143 residential apartment units (20 one bedroom apartment units, 64 two bedroom apartment units and 59 three bedroom apartment units) aggregating approximately 132,481 square feet and another approximately 33,680 square feet of common area. Lakewood Manor includes 191 surface parking spaces. Each building structure is poured concrete foundation, wood frame with clay brick veneer and most apartments (other than on the ground floor) have private balconies. The roof on one of the buildings was recently replaced and both buildings are heated by oil-fired hot water boiler furnace with radiant baseboard units. The General Partner has allocated \$2,799,000 of the purchase price to 79 Lakecrest Drive and \$2,849,000 of the purchase price to 81 Lakecrest Drive.

Quinella Court

Quinella Court is a 3 storey building located at 9 Walker Connector Road, Lower Sackville and was constructed in or about 1986 on an approximately 1.6 acre site. There are 35 residential apartment units (1 one bedroom apartment units and 34 two bedroom apartment units) aggregating approximately 39,475 square feet and another approximately 11,225 square feet of common area. Quinella Court includes 67 surface parking spaces. The building structure is concrete slab on grade, tilt-up concrete panel walls with exposed aggregate facade and private balconies for all second and third floor residential apartment units. The building is heated by electric baseboard throughout. The General Partner has allocated \$1,766,000 of the purchase price to this building.

Lexington Court

Lexington Court is a 3 storey building located at 25 Walker Connector Road, Lower Sackville and was constructed in or about 1989 on an approximately 1.6 acre site. There are 45 residential apartment units (all two bedroom) aggregating approximately 42,570 square feet and two commercial units aggregating approximately 1,456 square feet with another approximately 6,206 square feet of common area. Lexington Court includes 93 surface parking spaces. The building structure is concrete slab on grade, tilt-up concrete panel walls with exposed aggregate facade and private balconies for all second and third floor residential apartment units. The building is heated by electric baseboard. The General Partner has allocated \$2,294,000 of the purchase price to this building.

Paige Plaza

Paige Plaza is a complex of four 3 storey buildings located at 15-23 Walker Connector Road, Lower Sackville and was constructed in or about 1990 on an approximately 2.3 acre site. There are 65 residential apartment units (13 one bedroom apartment units and 52 two bedroom apartment units) aggregating approximately 60,788 square feet and 4 commercial units aggregating approximately 7,556 square feet with another approximately 17,249 square feet of common area. Paige Plaza includes 115 surface parking spaces. The building structure is poured concrete, wood framing with metal siding and includes balconies for 44 of the residential apartment units. The buildings are heated by electric baseboards. The General Partner has allocated \$4,116,000 of the purchase price to this complex.

70 Cobequid Road

This is a two and three storey building located at 70 Cobequid Road, Lower Sackville and was constructed in or about 1978 on an approximately 0.9 acre site. There are 34 residential apartment units (3 bachelor apartment units, 6 one bedroom apartment units and 25 two bedroom apartment units) aggregating approximately 28,064 square feet and one commercial unit of approximately 2,687 square feet and approximately 11,687 square feet of common area. This property includes 58 surface parking spaces. The building structure is poured concrete foundation, wood framed with clay brick veneer. The building is heated by oil-fired hot water boiler furnace with radiant baseboard units. The General Partner has allocated \$1,572,000 of the purchase price to this building.

108 Cobequid Road

This is a two and three storey building located at 108 Cobequid Road, Lower Sackville and was constructed in or about 1976 on an approximately 0.8 acre site. There are 19 residential apartment units (1 bachelor apartment unit, 1 one bedroom apartment unit and 17 two bedroom apartment units) aggregating approximately 16,958 square feet and one commercial unit of approximately 6,046 square feet, with another approximately 2,724 square feet of common area. The property includes 43 surface parking spaces. The building structure is poured concrete foundation, wood framed with clay brick veneer. The building is heated by oil-fired hot water boiler furnace with radiant baseboard units, recently upgraded. The General Partner has allocated \$1,477,000 of the purchase price to this building.

Halifax is geographically located in Nova Scotia, in Atlantic Canada. The Port of Halifax is a sophisticated deep-water port and is ideally suited to 21st century sea-going trade and commerce. The Port of Halifax is the first westbound and the last eastbound port of call on the continent, offering short ocean voyage times for trade across the North Atlantic, through the Mediterranean, into the Suez and around the world. There are approximately 23,000 kilometers of controlled access highways in Nova Scotia which join with the New Brunswick TransCanada Highway to points in Canada and the United States.

The current manager of the Properties has indicated that the historic residential vacancy rate for the Properties is approximately 3.0 %. Overall, the availability of private rental apartments has remained low in the Halifax Census Metropolitan Area (CMA) as reported by the Canada Mortgage and Housing Corporation ("CMHC"). During 2003 the vacancy rate was 2.3% in the Halifax CMA. The rate remains in the range of what CMHC considers healthy (i.e. between 2% and 3.5%) and is a clear indication that demand for rental housing remains high. The CMHC also reported an overall residential apartment vacancy rate of 2.4% for two bedroom apartments and 4.0% for three bedroom apartments in the Halifax area in 2003.

Average gross rents at the Properties during 2003 were approximately \$670 per residential unit per month, in line with the CMHC reported averages, which was \$675 for the Halifax area for 2003.

Local Market and Economic Outlook

Halifax is one of the fastest growing and strongest economic areas in Canada and the demand for housing is expected to continue to increase. While the national vacancy rate was climbing, the rental market vacancy rate for Metro Halifax fell to 2.3 per cent from 2.7 per cent from 2002. With fewer vacant apartments available for lease landlords were able to raise monthly rents accordingly. Between 1996 and 2001 the Metro Halifax population increased 4.7%. Overall in Halifax there are slightly more than 55,000 renter households, comprising about 38 per cent of all living arrangements in Metro. Halifax has a larger share of total households in tenancy than other large urban areas in Atlantic Canada, such as St. John's, Moncton, Fredricton, Saint John and Charlottetown.

The economy of Halifax has experienced strong growth over the past decade and was recently ranked first among mid-sized cities (population of 250,000 – 750,000) in North America , in overall cost competitiveness by KPMG. The Competitive Alternatives Report compares business costs in 121 cities in North America, Europe and Asia-Pacific. This report measured 17 industries with cost comparisons based on 27 significant components, such as wages, transportation, utilities and taxes. Among international centres, Halifax ranked fourth in overall cost competitiveness with its areas of strength including research and development, software development, and back office/call centres.

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.

Purchase Agreement

The Properties are currently owned by APL Properties Limited and Tri-Arm Holdings Limited (the "**Vendors**"). The Vendors are unrelated to the General Partner and its directors, officers and shareholders.

Silverstone Equities Inc. (a company controlled by James McClintock) has entered into an agreement of purchase and sale dated June 10, 2004 as amended July 13, 2004 (the "**Purchase Agreement**") with the Vendors for the Properties being acquired and an additional residential apartment building (the "**Other Building**"). Except as described in this Offering Memorandum, that portion of the Purchase Agreement relating to the Properties will be assigned to the Partnership and that portion of the Purchase Agreement relating to the Other Building will be assigned to an unrelated party. The allocation of the purchase price between the Properties and the Other Building has been determined solely by the General Partner, based upon criteria it utilized in negotiating the purchase price under the Purchase Agreement and which the General Partner considers reasonable.

The Purchase Agreement provides that the Properties include all goods, equipment and chattels owned by the Vendors in the Properties and used in connection with the Properties. The Purchase Agreement is conditional upon the purchaser being able to arrange suitable financing, the purchaser being satisfied with the Vendors' representations as to income and expenses regarding the Properties and the purchaser being satisfied with the condition of the structural and operating condition of the building systems for the Properties. Additionally, the Purchase

Agreement provides the purchaser with the opportunity to examine title and the Vendors are required to remove any valid objection. All conditions will have been waived or satisfied at or prior to the first Closing of this Offering.

The Purchase Agreement provides that the aggregate purchase price for the Properties and the Other Building is \$34,275,000 (subject to usual adjustments) and the General Partner has allocated \$30,693,000 as the purchase price of the Properties. The General Partner will receive the entire benefit of the assignment of the Other Building. The purchase price payable to each of the Vendors (less the deposits aggregating approximately \$800,000 previously paid or to be paid by the General Partner) is to be paid on the date of acquisition of the Properties. The amount of the deposits will be reimbursed to the General Partner together with any interest on the deposits credited to the Partnership, on closing of this offering.

The acquisition of the Properties is scheduled to take place on October 27, 2004 and the \$30,693,000 purchase price for the Properties will be paid, in part, by the mortgage financing for the Properties in the principal amount of approximately \$23,940,540. Title to the Properties may be registered in the name of one or more corporations which will hold title as bare trustee for the Partnership. The purchase of one or more of the Properties may be completed prior to the first closing of this Offering and to the extent that the General Partner or another entity advances the cash portion of the purchase price for any of the Properties, such advance will be repaid upon the first closing of this Offering.

If the right to acquire any one or more of the Properties is assigned to an unrelated party prior to the first closing of this Offering, any net profits relating to such assignment will be shared equally, 50% by the General Partner and 50% by the Limited Partners. The General Partner, in its sole discretion, will determine whether to assign the right to acquire any of the Properties to an unrelated party. The Limited Partners will not share in any of the net profits relating to the assignment of the right to acquire the Other Building.

Expenses have and will be incurred to complete the acquisition of the Properties, including land transfer taxes, mortgage placement and arrangement fees, due diligence costs, legal and other professional fees and other fees and expenses which have been described in this Offering Memorandum.

Financing

Silverstone Equities Inc has received a commitment from Column Canada Financial Corp. for mortgage financing in the aggregate principal amount of \$27,480,000 with respect to the Properties and the Other Building. The General Partner expects that the mortgage financing for the Properties will be approximately \$23,940,540. Such mortgage financing is to be a first mortgage registered against title to all of the Properties which will have the following terms:

Principal amount: \$23,940,540 Individual loan amounts may be registered against each property as determined by the lender. At the option of the lender, the aggregate loan will be divided into loan tranches and each loan within a tranche will be cross collateralized and/or cross defaulted.

Term: Five years

Interest rate:	125 basis points over certain Government of Canada bond rates, determined 2 days prior to funding. The interest rate, when fixed, will be compounded semi-annually, not in advance.
Monthly payments: (estimated)	\$146,100
Amortization:	25 years
Prepayment rights:	No pre-payment rights. Any time after two years the mortgage can be moved to qualifying replacement collateral for the balance of the term.
Tax Reserves:	The lender requires that a tax account be established for realty taxes. The lender may require reserve accounts for certain purposes such as deferred maintenance, replacement reserves, structural repairs, tenant inducements and leasing commissions.
Assumption:	If the loan is not in default, the Partnership can apply for assumption by a purchaser subject to certain conditions including an assumption fee of one quarter of 1% of the loan balance at the time of assumption.

Management

The Partnership will retain the services of McClintock Property Management Inc.(the "Manager") to manage the Properties acquired and supervise and direct the day-to-day operations of the Properties acquired. The Manager will receive an annual management fee equal to 4.0% of the gross revenue from the Properties acquired (plus applicable federal and provincial sales taxes thereon) for normal and predictable management services, payable monthly. Any project undertaken by the Manager over \$25,000 will be considered capital in nature and the Manager will be compensated 6% of the contract price for overseeing such project.

Responsibilities of the Manager include:

- (a) collecting and receiving rentals and generally dealing with the tenants;
- (b) ensuring that the Properties are properly serviced with utilities and making arrangements for the general cleaning, window cleaning, rubbish hauling and landscaping;
- (c) maintaining all heating, air conditioning and lighting equipment and making or causing to be made all repairs and alterations arising in the ordinary course of the operation of the Properties;
- (d) paying as and when due gross operating expenses;
- (e) securing tenants for vacant units and negotiating the renewal of existing leases; and
- (f) generally doing all such acts, matters and things as may be necessary for the operation of the Properties.

The Manager will be responsible for undertaking on behalf of the Partnership the ongoing provision of services relating to the financial aspects of the Properties, including collection of revenues and payment of all expenses properly incurred in connection with such duties and remittance of the excess funds to the Partnership. Any variation in excess of \$15,000 monthly in the overall budget for the Properties will require the approval of the General Partner on behalf of the Partnership.

A management agreement will be executed on the closing of this offering for a term of five years and thereafter will continue from year to year unless terminated by the Manager or the Partnership at least 90 days prior to the expiration of the term. The Manager and the Partnership will each have the option of terminating the management agreement in the event that all of the Properties acquired are sold or if the other commits a material breach or default which is not cured.

The Manager intends to subcontract all of the normal and predictable management services to an unrelated property manager and the Manager expects to pay such property manager out of the fees it receives from the Partnership, a fee of approximately 3.5% of the gross revenue from the Properties and applicable federal and provincial sales taxes. The Manager will supervise, assess and review the property manager's performance with respect to the operation and maintenance of the Properties acquired.

The Manager and its principals are a real estate group with a 25-year track record of successfully acquiring and managing commercial and residential properties. The group has a strong and experienced management team with extensive experience in all aspects of evaluating, purchasing and operating income properties including apartment buildings and commercial properties. Founded in 1955 as J.P. McClintock Investments Limited, since its inception the group has successfully bought and sold over thirty apartment buildings and commercial properties in southwestern Ontario, valued at well over \$200 million. Today, affiliates of the Manager own and manage a portfolio of nine commercial and residential properties, located throughout the Golden Horseshoe of southwestern Ontario – Canada's economic heartland.

The Manager and its principals take a rigorous approach to evaluating investment opportunities including substantial financial, operational and structural due diligence. The management of the General Partner and the Manager have profitably bought and sold numerous apartment buildings and its principals have established an excellent reputation as credible purchasers – an extremely important attribute to acquiring properties.

The Manager has also proven its ability to undertake and manage major capital projects including retrofits, upgrades and new construction. The Manager has successfully managed numerous retrofits and renovations of its properties valued in multi-millions of dollars.

Long Term Objectives

The long term objectives of the Partnership are to hold the Properties as a long term investment generating cash flow.

Short Term Objectives and How the Partnership Intends to Achieve Them

<i>What we must do and how we will do it</i>	<i>Target completion date or, if not known, number of months to complete</i>	<i>Our cost to complete</i>
Acquire the Properties	On or before October 27, 2004	\$30,693,000

Material Agreements

The following are the only material agreements other than the leases of the Properties and 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 26.
- (b) Purchase Agreement for the purchase of the Properties and the Other Building, which is described in more detail under "Purchase Agreement" on page 16. The Vendors are unrelated to the General Partner and its directors, officers and shareholders.
- (c) Assignment Agreement to be entered into on or before the first Closing between Silverstone Equities Inc., a corporation controlled by James McClintock (a director and President of the General Partner) and the Partnership which is described in more detail under "Purchase Agreement" on page 16. An affiliate of Silverstone Equities Inc. is the manager of the Properties and another affiliate is a 25% shareholder of the General Partner. This is an assignment of that portion of the Purchase Agreement between the Vendors and Silverstone Equities Inc. relating to the Properties and described under "Purchase Agreement" on page 16. The allocation of the purchase price between the Properties to be acquired by the Partnership and the Other Properties has been determined solely by the General Partner.
- (d) Mortgage financing to be entered into effective on the acquisition of the Properties and which is described in more detail under "Financing" on page 17.
- (e) Bridge Financing which may be entered into effective on the acquisition of the Properties if any amount less than the maximum offering is raised on the first Closing. The Bridge Financing may be secured by a second mortgage or other charge registered against the Properties on the first Closing. The monthly payments on the Bridge Financing will be funded from cashflow from the Properties, and within one year from the first Closing, the Partnership intends to repay the principal balance from the proceeds of subsequent closings. The Partnership has not received any commitment for the Bridge Financing, but if such financing is required and is not obtained at an interest rate to the Partnership not exceeding 16% per annum, then the Offering would not be completed. There is no assurance that the Partnership will achieve the maximum offering and therefore no assurance that the Bridge Financing can be repaid from the proceeds of subsequent offerings. In that case, the Partnership

will use its best efforts to extend or replace the Bridge Financing, but there is no assurance that it will be successful.

- (f) Acquisition services agreement (the "**Acquisition Services Agreement**") between the Partnership and the General Partner entered into on the date of this Offering Memorandum. The General Partner is to be paid a fee of \$300,000 for finding the Properties, negotiating the acquisition of the Properties, arranging for the engagement of lawyers and consultants in connection with the acquisition of the Properties, advancing the deposit required for the purchase of the Properties (which deposit is repayable upon the first closing of the Offering) and for paying third party costs to be incurred prior to the acquisition of the Properties (which will be reimbursed upon the first closing of the Offering).
- (g) Syndication services agreement (the "**Syndication Services Agreement**") between the Partnership and the General Partner entered into on the date of this Offering Memorandum. The General Partner is to be paid a fee of \$75,000 (assuming the maximum offering) for:(i) arranging for the engagement of lawyers, accountants and consultants to assist the Partnership in raising investment capital under this Offering;(ii) providing consulting services relating to the issuance of Units, including advice on the terms of the Offering, reviewing and analyzing the financial information contained in the Offering Memorandum and assisting in the development and structure of the Offering; and (iii) providing consulting services with respect to organizing and co-ordinating marketing for the Units.
- (h) Investor services agreement (the "**Investor Services Agreement**") to be entered into on or before the first Closing between the Agent, Romspen Investment Corporation and the Partnership. The Agent and Romspen Investment Corporation will each be paid an annual fee of \$6,000 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 holds 25% of the shares of the General Partner and Allan Grossman, the sole director and officer of the Agent is a partner of Horwath Orenstein LLP, which is and will be providing accounting services to the Partnership and will be earning fees for such services. A wholly owned subsidiary of Romspen Investment Corporation owns 50% of the shares of the General Partner and certain senior officers of Romspen Investment Corporation are directors and officers of the General Partner.
- (i) 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 32.
- (j) Deposit agreement between the Agent and the General Partner entered into on the date of this Offering Memorandum in which the Agent has agreed to hold subscription proceeds and subscription agreements in escrow pending the first Closing. An affiliate of the Agent holds 25% of the shares of the General Partner and the sole director and 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.

- (k) Management agreement to be entered into effective on the acquisition of the Properties, between the Partnership and McClintock Property Management Inc., which is described in more detail under “Management” on page 18. McClintock Property Management Inc. is controlled by James McClintock, an affiliate of Silverstone Equities Inc., the assignor under the assignment agreement, and an affiliate of J. W. McClintock Management Inc., which holds 25% of the shares of the General Partner. James McClintock is a director and officer of the General Partner.

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>
James McClintock Puslinch, Ontario	Director, President	None	None	None
Allan Grossman Toronto, Ontario	Director, Vice-President	None	None	None
Arthur Resnick Toronto, Ontario	Director, Secretary	None	None	None
Sheldon Esbin Toronto, Ontario	Director, Treasurer	None	None	None
2049187 Ontario Ltd. ⁷	Promoter, Principal Holder	As 50% shareholder of the General Partner will receive a portion of the fees and distributions payable to the General Partner from the Partnership ¹⁰	None ¹¹	None ¹¹
J.W. McClintock Management Inc. ⁸	Promoter, Principal Holder	As 25% shareholder of the General Partner will receive a portion of the fees and distributions payable to the General Partner from the Partnership ¹⁰	None ¹¹	None ¹¹
ASG Financial Holdings Inc. ⁹	Promoter, Principal Holder	As 25% shareholder of the General Partner will receive a portion of the fees and distributions payable to the General Partner from the Partnership ¹⁰	None ¹¹	None ¹¹

⁷ 2049187 Ontario Ltd. Is a wholly owned subsidiary of Romspen Investment Corporation. Romspen Investment Corporation will receive a fee of \$6,000 per year under the investor services agreement.

- 8 J.W. McClintock Management Inc. is an affiliate of the Manager. The Manager will receive management fees of 4% of gross revenue plus HST for managing the Properties and out of that fee is expected to pay approximately 3.5% of gross revenue plus HST to an unrelated property manager. The assignment of a portion of the Purchase Agreement to the Partnership is from Silverstone Equities Inc., an affiliate of J.W. McClintock Management Inc. and the Manager. James McClintock controls each of J.W. McClintock Management Inc., Silverstone Equities Inc. and McClintock Property Management Inc. and is a director and officer of the General Partner.
- 9 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 and a partner of Horwath Orenstein LLP, the accountants for the Partnership. Approximately \$25,000 of the offering expenses will be paid to Horwath Orenstein LLP. The Agent will receive a fee of \$6,000 per year under the investor services agreement in addition to commissions paid for selling units.
- 10 The General Partner is to receive the acquisition services agreement fee of \$300,000 and the Syndication Services Agreement fee of \$75,000 in addition to distributions of cashflow, sale proceeds and refinancing proceeds. The General Partner is also to receive all the benefit of the assignment of that portion of the Purchase Agreement relating to the Other Building to an unrelated party.
- 11 The General Partner, its shareholders, family members, directors, officers, or affiliates intend to subscribe for approximately 10% of the issued Units at each closing.

Management Experience

<i>Name</i>	<i>Principal occupation and related experience</i>
James W. McClintock	Chief Executive Officer, Silverstone Equities Inc. President, McClintock Property Management Inc.
	James W. McClintock has over 22 years of property management experience in both residential and commercial properties. He has been an active participant in the real estate market directing the operations of Silverstone Equities Inc. and its affiliated entities for many years. In addition, Mr. McClintock has operated a legal practice in Mississauga, McClintock, Ingle & O'Connor from 1986 to 2002 focusing on Corporate/Real Estate. He has been a successful entrepreneur in land development and business management. McClintock has an undergraduate degree in Economics from the University of Toronto and an LLB from the University of Ottawa. He is a member of the bar in Ontario. James W. McClintock is also a director and officer of the General Partner.
Allan S. Grossman	President, ASG Financial Corp. and Chartered Accountant, Partner in the firm of Horwath Orenstein LLP, Toronto
	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.
Arthur Resnick	Vice-President, Romspen Investment Corporation
	After 25 years of practicing law, Arthur Resnick evolved his practice into lending and asset management. Mr. Resnick continues to be a member of the Law Society of Upper Canada in Ontario but does not practice law. Mr. Resnick dedicates his full time and attention to Romspen Investment Corporation, which has a 30 year track record of sourcing, underwriting and managing a portfolio of commercial mortgage loans. Romspen Investment Corporation presently manages a loan portfolio of approximately \$166,000,000. Together with an affiliated entity, Romspen Investment Corporation also manages approximately 1.5 million square feet of investment real estate.
Sheldon Esbin	President, Romspen Investment Corporation
	After 25 years of practicing law, Sheldon Esbin evolved his practice into lending and asset management. Mr. Esbin continues to be a member of the Law Society of Upper Canada in Ontario but does not practice law. Mr. Esbin dedicates his full time and attention to Romspen Investment Corporation, which has a 30 year track record of sourcing, underwriting and managing a portfolio of commercial mortgage loans. Romspen Investment Corporation presently manages a loan portfolio of approximately \$166,000,000. Together with an affiliated entity, Romspen Investment Corporation also manages approximately 1.5 million square feet of investment real estate.

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 September 30., 2004</i>	<i>Number outstanding after minimum offering</i>	<i>Number outstanding after maximum offering</i>
Limited Partnership Units	388	One Unit issued to the Initial Limited Partner and to be redeemed at the time of the first Closing	188	388

Long Term Debt

<i>Description of long term debt (including whether secured)</i>	<i>Interest Rate</i>	<i>Repayment terms</i>	<i>Amount outstanding on the first Closing</i>
Mortgage financing (see "Financing on page 17)	125 basis points over the 5 year Canada Bond rate as determined 2 days	Blended monthly payments of principal and interest of \$146,100 based on an	\$23,940,540

	prior to funding	interest rate of 5.5%	
Bridge Financing (if any) ¹²	To be negotiated	Interest only at a rate payable by the Partnership not exceeding 16% per annum; repayment of principal in full in one year	\$4,500,000

¹² If any amount less than the maximum offering is raised on the first Closing, then the balance of the amount required to purchase the Properties acquired will be funded by the Bridge Financing which may be secured by a second mortgage or other charge registered against the Properties on the first Closing. The monthly payments on the Bridge Financing will be funded from the cash flow from the Properties, and within one year from the first Closing, the Partnership intends to repay the principal balance from the proceeds of subsequent closings. The Partnership has not received any commitment for the Bridge Financing and the terms are still to be negotiated, but if it such financing is required and is not obtained at an interest rate payable by the Partnership not exceeding 16% per annum, then the first Closing would not take place. There is no assurance that the Partnership will achieve the maximum offering and therefore no assurance that the Bridge Financing can be repaid from the proceeds of subsequent offerings. In that case, the Partnership will use its best efforts to extend or replace the Bridge Financing, but there is no assurance that it will be successful. See "Risk Factors" on page 36.

Prior Sales by the Partnership

<i>Date of issuance</i>	<i>Type of security issued</i>	<i>Number of securities issued</i>	<i>Price per security</i>	<i>Total funds received</i>
December 19, 2003	Initial Unit	One	\$1.00	\$1.00

Share Capital of the General Partner

<i>Description of security</i>	<i>Number authorized to be issued</i>	<i>Number outstanding as at the date of this offering memorandum</i>
Common Shares ¹³	Unlimited	100
Class A Shares –voting shares which do not participate in profits	Unlimited	0

¹³ 50 common shares have been issued to 2049187 Ontario Ltd., 25 common shares have been issued to J.W. McClintock Management Inc. and 25 common 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 388 Units. The securities are subject to the terms and conditions of the Partnership Agreement. The statements in this Offering Memorandum concerning the Partnership Agreement are intended to be only a summary of certain provisions of the Partnership Agreement and do not purport to be complete. A copy of

the Partnership Agreement is available for review by each subscriber for Units. Before executing a subscription agreement, you should review with your advisors the provisions of the Partnership Agreement.

Terms of the Partnership Agreement

Units

There are a maximum of 388 Units in the Partnership. Except for the nominal interest held by the Initial Limited Partner and the right of the General Partner to receive distributions from the Partnership (see “Distributions” on page 31”), there are no other interests to be issued except as described herein (see “Additional Units” on page 31). The Units have equal voting, distribution, liquidation and other rights and no preference, conversion, exchange, preemptive or redemption rights as against each other. Only registered holders of Units will be entitled to vote or to receive distributions or otherwise to exercise or enjoy the rights of Partnership.

Units may only be subscribed for by persons who are (i) “accredited investors” or “eligible investors” within the meaning of Section 1.1 of Multilateral Instrument 45-103; and (ii) purchasing the Units as principal. If the person is an individual, he must be of the age of majority and have the capacity and competence to enter into and be bound by the Partnership Agreement and to take all actions required pursuant thereto. If the person is a corporation, partnership, unincorporated association or other entity, it must have the legal capacity or competence to enter into and be bound by the Partnership Agreement and to take all actions required pursuant to the Partnership Agreement and certify that all necessary approvals of directors, shareholders, partners, members or others have been given. A representation and warranty to such effect is contained in the Subscription Agreement provided as a part of this Offering Memorandum.

Fiscal Year

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

Transfer of Units

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

- (a) the transferee has delivered to the Registrar and Transfer Agent an executed transfer of the Units in the form of the transfer of Units attached to the Partnership Agreement or in such other form as may be approved by the General Partner and executed in a manner acceptable to the General Partner;
- (b) the transferee has executed a counterpart of the Partnership Agreement or otherwise agrees to be bound by its terms and has executed such other documentation as may reasonably be required by the General Partner;
- (c) the provisions of all applicable securities legislation have been complied with;
- (d) the transferor or transferee has paid or agrees to pay such costs, expenses and disbursements, including legal fees, as are reasonably incurred by the Partnership by reason of the transfer;

- (e) the transferor's Unit certificate issued pursuant to the Limited Partnership Agreement for the Unit(s) being transferred is surrendered to the General Partner;
- (f) the transferee supplies the General Partner with evidence that he has the status required to become a Limited Partner as set out above; and
- (g) such other requirements as may be required by law or may reasonably be required by the General Partner and/or the Registrar and Transfer Agent are satisfied.

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

Business of the Partnership

The business of the Partnership is restricted to acquiring, owning and operating the Properties as described herein. The Partnership may conduct any ancillary activities related to the Properties and may acquire, own and operate less than all of the Properties.

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 two 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;
- (j) approving the creation of a security interest, mortgage or charge on any of the Properties, except the first mortgage financing described under "Financing" on page 17, or any renewals, replacements or extensions thereof and except in respect of the Bridge Financing to be advanced if less than all Units are acquired on the First Closing or any renewals, replacements or extensions thereof and except for increases in mortgage financing up to an aggregate of 75% of the then fair market value of the property based upon an independent appraisal obtained by the General Partner and except in respect of amounts borrowed by the General Partner on behalf of the Partnership up to an aggregate amount of \$7500,000, which amount may be borrowed by the General Partner on behalf of the Partnership, and security provided therefore, without approval by the Limited Partners;
- (k) approving a capital contribution call by the General Partner; and
- (l) during the first five years after the first Closing, a sale or exchange of any one of the Properties acquired.

After the first five years of owning any of the Properties, the sale or exchange of any of the Properties may be completed if approved by Limited Partners by Ordinary Resolution.

Two of the Properties are registered as condominiums and one or more of the other Properties may be converted into condominiums. The sale of the individual apartment units will only require the consent of the General Partner and not Limited Partners.

Capital Call

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

Amendment to Partnership Agreement

Under the Partnership Agreement, the General Partner may, without notice to or consent from the Limited Partners, insert provisions into or amend existing provisions of the Partnership Agreement as may be required by any lenders providing financing for the Properties 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.

Offices of the Partnership

The current head office of the Partnership is located at 4275 Village Centre Court, Suite 200, Mississauga, Ontario L4Z 1V3

Accountant

The accountants of the Partnership will be Horwath Orenstein LLP, 595 Bay Street, Suite 300, Toronto, Ontario MSG 2C2, which firm will continue as such for so long as no other accountant has been appointed by the General Partner following an Ordinary Resolution.

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 4275 Village Centre Court, Suite 200, Mississauga, Ontario L4Z 1V3. A copy of the register of Limited Partners will be provided to Limited Partners by the General Partner upon request.

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 cash flow from operations of the Properties acquired after payment of all current obligations of the Properties acquired, including debt service payments under the Mortgage financing and the Bridge Financing (if any), the fee charged by the manager of the Properties acquired, and those other fees described in this Offering Memorandum, and the creation of a reasonable working capital, capital improvement and capital repair reserve, as determined by the manager of the Properties or the General Partner will be distributed, to the extent available, in the following manner and priority:

- (a) first, to pay any expenses of the Partnership;
- (b) second, to pay to the Limited Partners: (i) a preferred return at the rate of 16% per annum on the capital contributed to the Partnership for the 3 month period commencing with the first Closing of the Offering; and (ii) thereafter an annual non-compounded cumulative preferred return of 8% on the capital contributed to the Partnership which remains outstanding from time to time;
- (c) the balance, 70% to the Limited Partners (on a pro rata basis) and 30% to the General Partner.

Any net sale proceeds or net proceeds of a mortgage refinancing, as and when received as cash at any time in respect of the Properties acquired will be distributed at such time in the order and priority set out below:

- (a) distribution on the Units to the Limited Partners of: (i) a preferred return at the rate of 16% per annum on the capital contributed to the Partnership for the 3 month period commencing with the first Closing of the Offering; and (ii) thereafter an amount equal to an annual non-compounded cumulative preferred return of 8% on the capital contributed to the Partnership which remains outstanding from time to time; in both cases to the extent not previously paid out of net cash flow;
- (b) repayment of all capital contributed by the Limited Partners to the Partnership and not yet repaid; and
- (c) 70% of the balance to the Limited Partners and 30% of the balance to the General Partner.

Additional Units

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

the Limited Partnerships Act (*Ontario*) and the register as may be necessary or appropriate to reflect the additional units or other interests and such preferences, priorities and rights.

Reporting

The Limited Partners will be provided with quarterly reports as to the financial status of the Partnership. The quarterly information will be internally prepared, and will be prepared in the format of internal management statements. In addition, annual unaudited accounting statements will be provided as soon as reasonably possible after the fiscal year end.

Profits and Losses

The net losses, if any, of the Partnership are to be allocated to the Limited Partners to the extent of the aggregate of the capital contributed by them and their share of undistributed net income of the Partnership. All further net losses are to be allocated to the General Partner. The net income of the Partnership will generally be allocated in a manner consistent and generally in accordance with the amounts and manner in which distributions of operating cash flow and sales and refinance 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, 2050.

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

The Partnership shall terminate following dissolution when the General Partner shall have taken full account of the Partnership's interest in the Partnership assets and liabilities, shall have liquidated the assets as promptly as is consistent with the obtaining of the fair value thereof and shall have applied and distributed the net proceeds therefrom to the Limited Partners in the same proportions and in the same order of priority as profits of the Partnership are distributed to the Partners as described under "Distributions" on page 31.

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 35.) The Agent is registered under the Securities Act (Ontario) as a limited market dealer. The offering is being made to residents of

British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Newfoundland, Nova Scotia, and Prince Edward Island only and not to persons resident in other provinces or in the United States. Subscriptions will only be accepted if the Agent and the General Partner are satisfied that you are appropriately qualified.

The Offering is being made in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Newfoundland, Nova Scotia and Prince Edward Island, under the exemptions contained in Multilateral Instrument 45-103 (Capital Raising 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 Multilateral Instrument 45-103. 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 Offering is being made in the Province of Ontario under Ontario Securities Commission Rule 45-501.

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 Multilateral 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.

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 36). 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.

Subscription Procedure

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

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

Subscribers in all provinces other than Ontario must also complete and submit to the Agent a Form 45-103F3, 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 April 30, 2005, 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 \$4,700,000 has been subscribed for and is held by the Agent at least two days prior to the Closing;
- (b) legal counsel to the Partnership confirms that the Partnership has authorized the issuance of Units to the subscribers;
- (c) all of the material agreements to be executed on or before the first Closing shall have been executed and shall then be in effect; and
- (d) the Partnership, or one or more corporations as bare trustee for the Partnership, complete the purchase of any of the Properties, on or before the Closing.

If only the minimum subscription is achieved on the first Closing, then the balance of the amount required to purchase the Properties will be funded by the Bridge Financing which may

be secured by a second mortgage or other charge registered against the Properties on the first Closing. The monthly payments on the Bridge Financing will be funded from the cash flow from the Properties, and within one year from the first Closing, the Partnership intends to repay the principal balance from the proceeds of subsequent closings. The Partnership has not received any commitment for the Bridge Financing, but if it such financing is required and is not obtained at an interest rate to the Partnership not exceeding 16% per annum, then the first Closing would not take place.

If the first Closing does not occur on or before April 30, 2005, 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 (\$2,500 per Unit) and will additionally be entitled to receive a trailer fee equal to \$125 per Unit per annum which will be paid by the Partnership from net cashflow of the Properties acquired. Assuming the minimum offering, the selling commission (excluding the trailer fee) will be \$470,000 and, assuming the maximum offering, the selling commission (excluding the trailer fee) will be \$970,000.

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

ASG Financial Corp. is an affiliate of ASG Financial Holdings Inc., a 25% shareholder of the General Partner. The General Partner will receive fees under the Acquisition Services Agreement and the Syndication Services Agreement and will receive distributions in accordance with the Partnership Agreement. Additionally, the Agent will receive fees under the Investor Services Agreement.

ASG Financial Corp. and ASG Financial Holdings Inc. are controlled by Allan S. Grossman who is also a partner of Horwath Orenstein LLP which will receive fees for services provided to the Partnership. Certain partners of Horwath Orenstein LLP who work with Allan Grossman or their families will share in the profits earned by the Agent and its affiliates including Paul Dunnett, Henry Goldbach, Gary Marcus, Jeremy Cole and Dan Kowalchuk.

Relationship Between Issuer and Agent

Subject to the Management Agreement, the General Partner controls the day-to-day management of the business and affairs of the Partnership. The controlling shareholder of the Agent directly or indirectly controls 25% of the shares of the General Partner and 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 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 388 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 purchase, own and operate the Properties by the Partnership.

Risks of real estate ownership - Investment in real estate is subject to numerous risks, including the highly competitive nature of the real estate industry, changes in general or local conditions, fluctuations in occupancy and rental rates, failure of tenants to pay rent, changes in neighbourhood property values, interest rates, availability of mortgage funds, increases in real estate tax rates and other operating expenses, competition from other rental properties, the supply of and demand for rental accommodation, the possibility of competitive overbuilding and of the inability to obtain full occupancy of the Properties, governmental rules and fiscal policies, including rent control legislation, which limit potential rent increases, and events and factors which are beyond the control of the Partnership.

Certain significant expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges, must be made throughout the period of ownership of real estate regardless of whether such real estate is producing sufficient income to offset such expenses. If, as a result of any of these matters, sufficient funds are not generated

through the operation of the Properties to service any mortgages on the Properties, and if a default occurs under such mortgages, the lender could exercise its rights including, without limitation, foreclosure or sale of the Properties.

Potential liability under environmental protection legislation - Environmental and ecological legislation and policies have become increasingly important in recent years. Under various laws, the Partnership could become liable for the costs of removal or remediation of certain hazardous or toxic substances released on or in the Properties or any of them 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 or to borrow using the Properties as collateral, and could potentially also result in claims against the Partnership by private parties.

Notwithstanding the above, the Partnership and the General Partner are not aware of any material non-compliance, liability or other claim in connection with the Properties, nor of any environmental condition with respect to such Properties which the Partnership believes would involve material expenditure.

Financing and refinancing - There is no assurance that the Partnership will be able to obtain mortgage financing for the Properties. In the absence of mortgage financing, the Partnership may not be able to acquire the Properties.

There is a possibility that the Partnership may be unable to make payments of principal and interest on the first mortgage financing. In that case some or all of the Properties may be lost through the exercise of power of sale or foreclosure proceedings if the Partnership is unable to make the required payments.

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

There is no assurance that the Partnership will achieve the maximum offering and therefore no assurance that the Bridge Financing can be repaid from the proceeds of subsequent offerings. Although the Partnership will use its best efforts to extend or replace the Bridge Financing, there is no assurance that it will be extended or replaced or, if extended or replaced, done so on the same terms and conditions (including the rate of interest).

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

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 required to make additional capital contributions. If such contributions are not made, those Limited Partners contributing additional capital will receive interest on the contribution in priority to non-contributing Limited Partners and non-contributing Limited Partners will not receive distributions from the Partnership until all additional capital contributions are repaid together with interest. (See " Capital Call" on page 29.)

Revenue shortfalls - Revenues from the Properties may not increase sufficiently to meet increases in operating expenses or debt service payments under the mortgage 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. The Partnership Agreement provides that the General Partner may only be removed by a two-thirds vote (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 property manager performing similar duties in respect of property in Nova Scotia similar to the Properties. 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 the Manager to manage the Properties. The employees of the management company will devote so much of their time to the management of the Properties as in their judgment is reasonably required and may have conflicts of interest in allocating management time, services and functions among the Properties and their other development, investment and/or management activities.

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

Projections (Future Orientated Financial Information) - The Future Orientated Financial Information (FOFI) contained in this offering memorandum has been prepared using assumptions, including hypotheses, that reflect the Partnership's planned courses of action for the period covered given the judgment of the General Partner as to the most probable set of economic conditions. Actual results will vary, perhaps materially, from the projected results contained in the Future Orientated Financial Information.

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 and of limited partnerships has a material effect on the advisability of investing in the Units. (Refer to "Income Tax Consequences" on page 35.) 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 and the services of the Manager for the day-to-day management and operations of the Partnership and the Properties.

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 and their other activities. Investment in the Partnership will not carry with it the right for the Partnership or any Limited Partner to invest in any other property or venture of any of the General Partner, Promoters, the Agent, the Manager, or their associates or affiliates or to share in any profit therefrom.

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

There has been no independent review on behalf of the Limited Partners of the structure, formation and operation of the Partnership and the material contracts related thereto. 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, the Manager, the Agent and Romspen Investment Corporation have not been the result of arm's length negotiations, but are believed to be reasonable in relation to the services performed.

Allan Grossman, a partner of Horwath Orenstein LLP ("Horwath") 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. Additionally an affiliate of the Agent will receive distributions as a shareholder of the General Partner. Thomas Rolfe will be participating in the distributions received by an affiliate of the Agent as a shareholder of the General Partner. Certain Horwath partners who work with Allan Grossman or their families share in the profits earned by the Agent including the following individuals: Paul Dunnett, Henry Goldbach, Gary Marcus, Jeremy Cole and Dan Kowalchuk. The Agent uses the administrative and overhead support and premises of Horwath to conduct the business of the Agent and in return, the Agent pays Horwath administrative and overhead fees and rent. In addition, Horwath partners and staff perform professional services for the Agent and Horwath charges professional fees to the Agent for those services.

The fact of the business connections between Allan Grossman, the Agent and Horwath and the fact that various forms of remuneration are paid directly to Horwath and its partners could be reviewed as a conflict of interest.

An affiliate of the Manager is a 25% shareholder of the General Partner and another affiliate of the Manager entered into the Purchase Agreement for the Properties. James McClintock is a director of the Manager and the General Partner.

A corporation controlled by Romspen Investment Corporation is a 50% shareholder of the General Partner and two of the senior officers of Romspen Investment Corporation are also directors and officers of the General Partner.

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

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 Horwath Orenstein LLP 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 90 days after the end of each fiscal year together with the report, if any, of the accountants on those financial statements. All financial statements shall be prepared in accordance with generally accepted accounting principles applied on a consistent basis.

Additionally, the Limited Partners will be provided with quarterly reports as to the financial status of the Partnership. The quarterly information will be prepared in the format of internal management statements, without independent review. The General Partner, or its agent in that behalf, will make a copy of such quarterly reports available to each Limited Partner within 60 days of each quarter year.

RESALE RESTRICTIONS

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

Unless permitted under the securities legislation, you cannot trade the Units before the earlier of the date that is 4 months and a day after the date the Partnership

- (a) becomes a reporting issuer in the Canadian province or territory in which you reside, or
- (b) first becomes a reporting issuer in Alberta, British Columbia, Manitoba, Nova Scotia, Ontario, Quebec or Saskatchewan, and a SEDAR filer.

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

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

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

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

PURCHASER'S RIGHTS

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

Two day cancellation right

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

Statutory rights of action in the event of a misrepresentation

British Columbia and Alberta

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

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

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

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

Manitoba

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

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

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

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

Saskatchewan

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

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

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

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

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

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

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

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

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

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

within the earlier of one year after learning of the misrepresentation and 6 years after you signed the agreement to purchase the securities.

Ontario

Pursuant to Section 130.1 of the Securities Act (Ontario) and Section 4.1 of Rule 45-501 of the Ontario Securities Commission, when the Partnership delivers this Offering Memorandum to an investor resident in Ontario to whom Units are sold, the investor has a statutory right of action against the Partnership or any seller of the Units for rescission or damages. The aforesaid right of action is in addition to and without derogation from any other right or remedy available at law or in equity to the purchaser but is subject to certain defences set forth in Section 130.1 of the Securities Act (Ontario). This right of action may be summarized as follows:

In the event that this Offering Memorandum, together with any amendment thereto, contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in light of the circumstances in which it was made (a "misrepresentation") and was a misrepresentation on the date of investment, an investor to whom this Offering Memorandum was delivered and who purchased Units offered hereunder, while still the owner of the Units, will be deemed to have relied on such misrepresentation and shall have, subject as hereinafter provided, a right of action against the Partnership or any seller of the Units (such liability being "joint and severable"), exercisable on written notice given to the Partnership no later than 180 days subsequent to the date of investment, in the case of rescission, and no later than the earlier of (i) 180 days after the investor first had knowledge of the facts giving rise to the cause of action and (ii) three years after the date of the investment, in the case of damages, provided that:

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

Nova Scotia

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

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

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

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

Newfoundland

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

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

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

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

Prince Edward Island

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

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

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

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

General

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

FINANCIAL STATEMENTS OF THE LIMITED PARTNERSHIP AND THE GENERAL PARTNER

The following financial statements are attached:

- (a) Financial Projection for the Partnership consisting of a projected Balance Sheet, Statement of Limited Partners Capital, Statement of Income and Statement of Cash Flow for First Two Years of Operations.
- (b) Projected Balance Sheet for the General Partner as at October 27, 2004.
- (c) Balance Sheet for the General Partner as at September 30, 2004.
- (d) Projected Balance Sheet for the Partnership as at October 27, 2004.

DATED: September 30, 2004

This Offering Memorandum does not contain a misrepresentation.

James McClintock, Chief Executive Officer

Sheldon Esbin, Chief Financial Officer

On behalf of the directors of Greater Halifax GP Limited

Per: _____
Allan Grossman

Per: _____
Arthur Resnick

On behalf of 2049187 Ontario Ltd, a Promoter

**On behalf of J.W. McClintock
Management Inc., a Promoter**

Per: _____
Sheldon Esbin

Per: _____
James McClintock

On behalf of ASG Financial Holdings Inc, a Promoter

Per: _____
Allan Grossman