CAROL EALEY
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires: 03/12/2015

Carol Ealey

This is Exhibit "**H**" referred to in the Affidavit of Neil Narfason, sworn on February 1, 2013.

H-1

CLERK OF THE COURT
FILED
APR 05 2012
JUDICIAL CENTRE

Clerk's Stamp

COURT FILE NUMBER	1101-17318
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANTS	IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c.C-36, AS AMENDED AND IN THE MATTER OF THE BUSINESS CORPORATIONS ACT, R.S.A. 2000, c. B-9 AND IN THE MATTER OF LEGACY COMMUNITIES INC., AIRDRIE CAPITAL CORPORATION, AIRDRIE COUNTRY ESTATES INC., RAILSIDE CAPITAL INC., RAILSIDE INDUSTRIAL PARK INC., FOUNDATION PLACE CAPITAL INC. and FOUNDATION PLACE INC.
DOCUMENT	**SECOND REPORT OF THE MONITOR (LEGACY & AIRDRIE SOURCES AND USES OF FUNDS)** **APRIL 5, 2012**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**<u>MONITOR</u>** Ernst & Young Inc. 1000, 440 - 2nd Avenue SW Calgary, Alberta T2P 5E9 Attention: Neil Narfason / Cassie Hern Telephone: 403-206-5067 / (403) 206-5005 Fax: 403-206-5075 Email: Neil.Narfason@ca.ey.com Cassie.Hern@ca.ey.com

TABLE OF CONTENTS OF THE SECOND REPORT

INTRODUCTION

1. On December 21, 2011, Legacy Communities Inc. ("Legacy") and Airdrie Capital Corporation and Airdrie Country Estates Inc. (collectively the "Airdrie") sought and obtained protection from their creditors under the Companies' Creditors Arrangement Act, R.S.C. 1985 c. C-36, as amended, (the "CCAA") pursuant to an order of this Honourable Court (the "Initial Order").

2. Pursuant to the Initial Order, Ernst & Young Inc. was appointed monitor of Legacy & Airdrie (the "Monitor").

3. The purpose of this second report (the "Second Report") of the Monitor is to provide this Honourable Court with the Monitor's comments in respect of the sources and uses of funds for both Legacy & Airdrie from the inception of these entities to November 30, 2011.

4. Capitalized terms not defined in this Second Report are as defined in the Initial Order.

5. All references to dollars are in Canadian currency unless otherwise noted.

BACKGROUND

6. Background for Legacy and Airdrie and their operations is contained in the materials filed in support of the application for the Initial Order including the December 20, 2011 affidavit of Mr. Ron Aitkens (the "December 20 Aitkens Affidavit") and the January 12, 2012 Affidavit of Mr. Ron Aitkens (the "January 12 Aitkens Affidavit"). These documents, together with other information regarding this CCAA proceeding, have been posted by the Monitor on its website at: www.ey.com/ca/foundationgroup.

TERMS OF REFERENCE

7. In preparing this Second Report, the Monitor has relied upon unaudited financial information, company records and discussions with management of the Company.

The Monitor has not performed an audit, review or other verification of such information.

SOURCES & USES OF FUNDS SCOPE

8. The Monitor has reviewed the bank statements, cancelled cheques, deposit books and other source documents to determine the sources and uses of funds ("SUF") since the inception of both Legacy and Airdrie.

9. Based on the review of the source documentation and with the assistance of management, the Monitor classified each transaction into categories including: funds raised, investments, operating costs, and payments to affiliated entities.

10. The Monitor then reviewed the respective offering memorandums ("OM") and formed expectations regarding the expected use of the capital raised through each OM. The actual receipts and disbursements flowing through the entities were then compared to those expectations.

11. Where variances were noted, additional information has been requested which may change the classification of certain transactions and the results of the SUF analysis presented below. The Legacy and Airdrie SUF's are substantially complete and are based both on underlying records/documentation and on the information provided by management and reviewed to date. Certain information remains outstanding which, when received, may result in a change in the classification of certain receipts and disbursements.

LEGACY SUF

12. The Legacy project raised approximately $35.4 million from over 1,400 investors through the three Legacy OMs. The funds raised were to be used to purchase four parcels of land totalling approximately 500 acres located four miles west of the Calgary city limits on Highway 8.

13. The Monitor's SUF analysis is provided as Appendix "A". A high level summary of the SUF is outlined below:

Legacy Communities Inc.		
For the period of October 1, 2005 to November 30, 2011		
($Cdn, Unaudited)		
Cash Inflows		$ 35,248,003
Cash Outflows		
Investments and Assets		
Purchased Lands	$ 5,541,355	
Option and Option Lands	12,400,000	
1252064 Alberta Ltd. - Promissory Note 1 – Panama	4,664,880	
1252064 and 1330075 Alberta Ltd. - Promissory Note 2 – Balsam Lake, Ontario	2,723,766	
1252064 Alberta Ltd. - Promissory Note 3 – Liberty Crossing, Red Deer	1,350,000	
1252064 Alberta Ltd. - Promissory Note 4 – Liberty Crossing, Red Deer	590,000	
Water license	937,583	28,207,584
Operating and Administrive Costs		4,337,869
Payments to Affiliated Entities and Unknown Transactions		2,694,000
Net Cash Inflows/(Outflows)		$ 8,551

Overview

14. Based on the SUF analysis, the Monitor expected an additional $2.4 million in Legacy's bank account compared to actual. The variance is a result of disbursements in respect of:

a) $329,000 net variance between funds designated to purchase land ($9 million) and funds reallocated to other investments ($9.3 million);

b) $938,000 towards the purchase of two water licenses related to the Legacy lands which have not been paid in full;

c) $549,000 additional payments of management fees to affiliated entities; and

d) $664,000 of unknown disbursements of which approximately $466,000 may be related to the original Legacy land acquisition costs.

Receipts and Disbursements

15. Net funds received by Legacy from investors after administrative and commissions total approximately $35.2 million.

16. The land related expenditures are comprised of approximately:

    a) $5.6 million for the purchase of 100 acres ("Purchased Lands");

    b) $8.9 million for the purchase of an option agreement which entitles Legacy to the option to purchase 400 acres ("Option Lands"); and

    c) $3.5 million for the purchase of 100 acres of the above mentioned Option Lands.

17. The $9 million option to purchase the remaining 300 acres of Option Lands expires in 2017. The option agreement was obtained through the purchase of the outstanding shares of 1109211 Alberta Ltd., an arms length third party.

18. The variance between actual and expected costs in respect of the Purchased Lands is approximately $58,000 less than expected. The Monitor has requested a copy of the statement of adjustment to confirm the actual price paid for the Purchased Lands which may result in changes in the SUF analysis.

19. Approximately $9.3 million of funds available that were to be used towards the purchase of the Option Lands (the "Option Funds") were paid to affiliated entities 1252064 Alberta Ltd. ("125"), 1330075 Alberta Ltd. ("133") and Harvest Capital Management Inc. ("HCMI"). The December 20 Aitkens Affidavit indicated that the Option Funds were invested in properties in Panama, Ontario (Balsam Lake), and Red Deer, Alberta (Liberty Crossing). The Monitor has requested a repayment plan for the Option Funds to be provided by 125, 133 and HCMI.

20. The Monitor has confirmed that $4,664,880 was paid to 125 in respect of the Panama investment, and the funds were subsequently paid to a law firm in

Panama. The Inspectorship will allow the Inspector to verify the assets of 125 that can be used to repay Legacy for the Option Funds.

21. Legacy has purchased two water licenses for approximately $1.95 million, of which, approximately $1.01 million remains outstanding. One of the water licenses was purchased from an affiliated entity, 133, and has an outstanding balance of $125,000.

22. Legacy also made payments to affiliated entities for management fees totalling approximately $2.1 million. This amount represents an overpayment of approximately $549,000 from our expectations. Expected management fees are calculated as 1% of total capital raised, subject to certain management fee limits depending on the OM. The Monitor reviewed the Management Agreements for each of the three OMs which further revealed that in addition to the 1% of capital raised, costs incurred for services provided by Management would be reimbursed by Legacy. As Inspector of certain affiliated entities, the Monitor will be in a position to assess whether funds were used in accordance with the Management Agreements. The Monitor has asked Harvest Group for the supporting documentation for these payments to assess whether they related to reimbursable costs.

23. The Monitor was unable to confirm certain disbursements totalling approximately $664,000. One payment for $465,665 may pertain to the cost of the Purchased Lands as the payment was made in 2005. However, as supporting documentation has not been provided, this has yet to be confirmed.

AIRDRIE SUF

24. The Airdrie project raised approximately $14.7 million from approximately 679 investors through the Airdrie OM. The funds raised were to be used to purchase 160 acres of land located southwest of the City of Airdrie ("Airdrie Lands").

25. The Monitor's SUF analysis is provided as Appendix "B". A high level summary of the SUF is outlined below:

Combined Airdrie Capital Corporation and Airdrie Country Estates Analysis For the period of October 1, 2005 to November 30, 2011 ($Cdn, Unaudited)	
Cash Inflows	$ 14,746,482
Cash Outflows	
Land purchase and debt assumption - 1252064 Alberta Ltd.	12,000,000
Operating and Administrive Costs	1,520,875
Payments to Affiliated Entities and Unknown Transactions	1,219,108
Net Cash Inflows/(Outflows)	$ 6,498

Overview

26. Based on the SUF analysis, the Monitor expected an additional $208,000 in Airdrie's bank account compared to actual. The variance is primarily a result of disbursements in respect of approximately:

    a) $475,500 additional payments of management fees;

    b) $145,500 underpayment of commissions;

    c) $62,000 of unknown deposits which increased the expected bank balance; and

    d) $60,000 underpayment of administrative fees to Eyelogic Systems Inc. ("Eyelogic).

Receipts and Disbursements

27. Net funds received by Airdrie from investors after administrative and commissions total approximately $14.7 million.

28. The Airdrie Lands were purchased from 125 for $12 million. As disclosed in the OM, 125 purchased these lands for $5.6 million.

29. Management fees paid to affiliated entities were greater than expected by approximately $475,500. Expected management fees are calculated as 1% of

total capital raised plus the repayment of $15,000 incurred prior to the OM. Similar to the Legacy Management Agreements, The Monitor reviewed the Airdrie Management Agreement and confirmed that in addition to the 1% fee, Airdrie was to reimburse costs incurred for services provided by Management. As Inspector of certain affiliated entities, the Monitor will be in a position to assess whether funds were used in accordance with the Management Agreements. The Monitor has asked Harvest Group for the supporting documentation for these payments to assess whether they related to reimbursable costs.

30. Commissions represent 10% of capital raised. The variance indicates that commissions were underpaid by approximately $145,500. However, as third parties earning commissions have been paid in full, the underpayment may be to an affiliated entity reducing the additional payment of management fees.

31. Supporting documentation has not been provided in regards to unknown deposits totalling $62,000. As funds raised through the OMs have been identified on the bank statements, the unknown deposits may be from an affiliated entity that may offset the overpayment of management fees.

32. The underpayment to Eyelogic represents unpaid fees as at November 30, 2011 and is considered to be an unsecured claim under the CCAA proceedings.

MONITOR/INSPECTOR NEXT STEPS

33. The Monitor continues to work with management to fully complete the Legacy and Airdrie SUF analysis and will provide relevant updates to the Court as required. The remaining work is not considered significant given the Legacy and Airdrie SUF's are considered to be substantially complete.

34. The Monitor was recently appointed, by the Court, Inspector of certain related entities, 125, 133 and HCMI. The Inspector will have full access to review the books and records of these entities as required.

35. In addition, the Monitor has been appointed over Railside Capital Inc. and Railside Industrial Park Inc. (collectively "Railside") and Foundation Place Capital Inc. and Foundation Place Inc. (collectively "Foundation Place") and is currently working on preparing SUF's for these entities and will report to this Court upon substantial completion.

36. Specifically, the Inspector and Monitor will be looking to report on:

a) The use of the Legacy funds advanced to 125, 133 and HCMI;

b) The assets and liabilities of 125, 133 and HCMI;

c) The Railside and Foundation Place SUF's; and

d) If the management fees paid were over and above the expected levels whether they were in fact related to the repayment of project specific expenditures.

Dated at Calgary, this 5th day of April, 2012.

ERNST & YOUNG INC.
in its capacity as
Monitor of Legacy & Airdrie

Neil Narfason, CA•CIRP, CBV
Senior Vice-President

Cassie Hern, CA
Manager

APPENDIX A

Legacy Communities Inc.
Summary and Comparison of Actual and Expected Receipts and Disbursements
For the period of October 1, 2005 to November 30, 2011
($Cdn, Unaudited)

	Notes	Actual	Expected	Variance
Cash Inflows				
Gross investment from Bondholders per Affidavit of Ron Aitkens	1	35,361,800 10	35,361,800 10	-
Less various costs	2	125,188 50	125,188.50	-
Net investments deposited per bank statement		35,236,611 60	35,236,611 60	-
Interest earned	3	11,391 78	11,391 78	-
Total Cash Inflows		35,248,003 38	35,248,003.38	-
Cash Outflows				
Investments and Assets				
Purchased Lands	4	5,541,355 21	5,600,000 00	(58,644 79)
Option and Option Lands	5	12,400,000 00	21,400,000 00	(9,000,000 00)
1252064 Alberta Ltd - Promissory Note 1 – Panama	6	4,664,880 00	-	4,664,880 00
1252064 and 1330075 Alberta Ltd. - Promissory Note 2 – Balsam Lake, Ontario	7	2,723,765 98	-	2,723,765 98
1252064 Alberta Ltd - Promissory Note 3 – Liberty Crossing, Red Deer	7	1,350,000 00	-	1,350,000 00
1252064 Alberta Ltd - Promissory Note 4 – Liberty Crossing, Red Deer	7	590,000 00	-	590,000 00
Water license	8	937,582 72	-	937,582 72
		28,207,583 91	27,000,000 00	1,207,583 91
Operating and Administrive Costs				
Commissions	9	3,597,394 12	3,536,180 01	61,214 11
Olympia Trust		29,467 52	29,467 52	-
Eyelogic - Administration Fees	10	226,142 37	226,142 37	-
Pre-development costs - Project Management	11	332,651 12	500,000 00	(167,348 88)
Alberta and BC securities commission		8,475 90	8,475 90	-
Legal costs		69,926 09	69,926 09	-
Insurance		7 750 00	7,750 00	-
Property taxes		12,231 22	12,231 22	-
Bank charges		901 87	901 87	-
Advertising	12	38,904 09	-	38,904 09
Appraisals	12	9,580 85	-	9,580 85
Other costs	12	4,443 44	-	4,443 44
		4,337,868 59	4,391 074 98	(53,206 39)
Payments to Affiliated Entities and Unknown Transactions				
FCC or affiliated entity - Management Fees	13	2,030,354 06	1,481,416 01	548,938 05
Unknown disbursement - Purchased Lands	14	465,665 00	-	465,665 00
Unknown disbursements	14	197,980 82	-	197,980 82
		2,693,999 88	1,481,416 01	1,212,583 87
Total Cash Outflows		35,239,452.38	32,872,490 99	2,366,961.39
Net Cash Inflows/(Outflows)		**8,551.00**	**2,375,512.39**	**(2,366,961.39)**

Legacy Communities Inc.
Notes to the Summary and Comparison of Actual and Expected Receipts and Disbursements
For the period of October 1, 2005 to November 30, 2011
($Cdn, Unaudited)

1 Legacy is reconciling the difference between the investor listing provided to the Monitor and the amount noted in the Affidavit of Ron Aitkens ("Affidavit")
2 Closing costs associated with the funds raised.
3 Interest earned on funds invested in GICs.
4 Actual costs are less than expected. The Monitor has requested the statement of adjustment and statement of receipts and disbursements in order to reconcile the variance. The $300,000 deposit paid prior to receiving investor funds may be a contributing factor. Refer to Note 14
5 The Monitor has identified two payments totalling $11.3 million relating to the option and land purchase and has requested supporting documentation for one payment totalling $1.1 million. Based on the timing of the payments, it appears the payment may relate to the purchase of the shares of 1109211 Alberta Ltd. who is the entity that is a party to the Option to Purchase Agreement. The Monitor has recently received a copy of the share certificate of 1109211 Alberta Ltd. to confirm that Legacy is a shareholder of the entity and a copy of the Purchase and Sale Agreement which confirms the total purchase price for the options and lands are $27 million. The breakdown of the Purchase Price is noted below. In addition, the Monitor will review the sources and uses of 1109211 Alberta Ltd and its minute book.

	Amount ($)	Acres
Purchased Lands	5,600,000	103.00
Shares of 1109211 Alberta Ltd.	8,900,000	
Option Lands	3,500,000	100.00
Outstanding Option Lands	9,000,000	297.64
Total Purchase Price	27,000,000	500.64
Land and Option disbursements	(18,000,000)	(203.00)
Outstanding balance	9,000,000	297.64

The Option Lands for which Legacy paid $3.5 million relates to Meridian 5, Range 3, Township 24, Section 10, Quarter SW which comprises a total of 151.83 acres. Legacy and the Pointen's are joint tenants to an undivided 34.14% or 51.83 acres. The remaining 100 acres are owned by Legacy.

6. Per the Promissory Note, a total of $4,924,880 was to be paid to Harvest Capital Management, however, actual funds were paid to the designated affiliate 1252064 Alberta Ltd. ("125") totalling $4,664,880. These funds were paid on September 24, 2007 and on September 25, 2007, $4,664,880 was wired to Castro & Berguido International Inc. in Panama. The Monitor requested an explanation regarding the difference between the amount on the Promissory Note and the amount that was paid to 125 and Panama. HCM was unable to provide an explanation. In addition, it is unclear as to why the Promissory Note was issued in the name of HCM when the funds were paid to 125.
7. The Monitor was able to confirm that payments were made to 125 and affiliated entities. The Monitor has assumed that the amounts were used as noted in the Promissory Notes, Upon appointment as Inspector of 125, the Monitor will be in a position to review the books and records to determine whether the funds were invested as noted.
8. Legacy has purchased two water licenses and paid a total of $937,582. The balance outstanding on the licenses totals $1,012,500 plus interest. One of the water licenses was purchased from 1330075 Alberta Ltd ("133"), an affiliated entity and $125,000 remains outstanding. The purchase and sale agreements have been reviewed and amounts paid for the water licenses agree to the purchase price noted in the agreements.

	Total	1330075 Alberta Ltd.	Allen's Trout Farm Inc.
Purchase Price	1,950,000	950,000	1,000,000
Payments	(937,500)	(825,000)	(112,500)
Outstanding Payments	1,012,500	125,000	887,500

Legacy Communities Inc.
Notes to the Summary and Comparison of Actual and Expected Receipts and Disbursements
For the period of October 1, 2005 to November 30, 2011
($Cdn, Unaudited)

9. Commissions are calculated as 10% of total capital raised. The variance indicates there is an overpayment of commissions.
10. Expectations require an adjustment for outstanding and unpaid Eyelogic invoices. The Monitor has requested a copy of the Eyelogic Statement of Account as at November 30, 2011.
11. Project management fees were paid to Canadian Clean Technology Institute Inc. (owned by former Legacy Director Abbas Zaidi) and Canadian Global Environmental Technologies (owned by former Legacy Director Bruce Jank). Pursuant to OM 1 under section 1.6, the pre-development and planning costs were estimated at $500,000. The Monitor has requested copies of the consulting agreements for review.
12. The Management Agreement between Legacy and FCC dated October 29, 2007 was reviewed by the Monitor. The terms of the agreement state that FCC is to provide marketing, advertising, sales services and management services. Legacy is to compensate FCC by reimbursing FCC for out of pocket expenses incurred in providing the services in addition to an annual fee of 1% of capital raised. Copies of the OM 1 and OM 2 FCC management agreements have been requested for review.
13. Expected management fees were calculated for each OM separately as management fees may have been limited to a specific amount depending on the OM. As a result, the calculations for each OM is slightly different. Total fees calculated are from July 15, 2005 to November 30, 2011. Fees are calculated at 1% of capital raised and are due on an annual basis. It appears that actual fees paid is higher than expected. Pursuant to conversations with Ron Aitkens, a portion of the variance may be a result of payments made by FCC or affiliated entities on behalf of Legacy. Upon appointment as Inspectors of 125, 133, and HCM, the Monitor will be in a position to review the books and records to determine whether the funds were used for services noted in the management agreement. Payments were made to the following affiliated entities:

Foundation Capital Corporation	233,467.95
Harvest Capital Management Inc.	121,000.00
Harvest Group LP	(62,106.45)
Harvest Water Inc.	1,758.54
1252064 Alberta Ltd.	1,460,000.00
1330075 Alberta Ltd.	276,234.02
	2,030,354.06

14. Unknown payments represent payments made by Legacy to unknown recipients. One payment for $465,665 may relate to the Purchase Lands as it cleared the bank in December 2005. Supporting documentation has been requested for review.

APPENDIX B

Combined Airdrie Capital Corporation and Airdrie Country Estates Analysis
Summary and Comparison of Actual and Expected Receipts and Disbursements
For the period of October 1, 2006 to November 30, 2011
($Cdn, Unaudited)

	Notes	Actual	Combined Expected	Variance
Cash Inflows				
Gross investment from Bondholders	1	14,723,762.00	14,723,762.00	-
Equity investment	1	14,738.50	14,738.50	-
Less: various costs		54,468.64	54,468.64	-
Net investments deposited per bank statement	2	14,684,031.86	14,684,031.86	-
Loan from ACC	3	11,413,150.00	11,942,231.40	(529,081.40)
Net loan to ACE	3	(11,413,150.00)	(11,942,231.40)	529,081.40
Unknown transactions - Deposits	4	62,450.00	-	62,450.00
Total Cash Inflows		14,746,481.86	14,684,031.86	62,450.00
Cash outflows				
Land purchase and debt assumption - 1252064 Alberta Ltd.	3	12,000,000.00	12,000,000.00	-
Operating and Administrive Costs				
Commissions	5	1,326,880.00	1,472,376.20	(145,496.20)
Eyelogic	6	96,476.24	156,674.05	(60,197.81)
Alberta and BC securities commission		6,939.61	6,939.61	-
Olympia Trust	7	78,756.36	78,756.36	-
Legal fees		9,667.64	9,667.64	-
Bank charges		1,324.42	1,324.42	-
Other minor costs		830.95	830.95	-
		13,520,875.22	13,726,569.23	(205,694.01)
Payments to Affiliated Entities and Unknown Transactions				
FCC or affiliated entity - Management Fees	8	1,218,793.35	743,258.87	475,534.49
Unknown transactions - Payments	4	315.00	-	315.00
		1,219,108.35	743,258.87	475,849.49
Total Cash Outflows		14,739,983.57	14,469,828.10	270,155.48
Net Cash Inflows/(Outflows)		6,498.29	214,203.76	(207,705.48)

Combined Airdrie Capital Corporation and Airdrie Country Estates Analysis
Notes to the Summary and Comparison of Actual and Expected Receipts and Disbursements
For the period of October 1, 2006 to November 30, 2011
($Cdn, Unaudited)

1. Total investments as noted in the Affidavit of Ron Aitkens ("Affidavit") agrees to the bondholder listing provided to the Monitor.
2. Represents net funds raised through the Offering Memorandums ("OM").
3. The loan transaction is between Airdrie Capital Corporation ("ACC") and Airdrie Country Estates ("ACE"). Pursuant to the Affidavit, ACE was to purchase the Lands from 1252064 Alberta Ltd. ("125") with the loan proceeds from ACC. Our review of the bank transactions indicate that funds loaned to ACE was less than expected by approximately $530,000. The Monitor is currently waiting for a response regarding the variance as it suggests the ACE did not have the funds necessary to make the purchase. Upon review of the ACC bank account, 125 was the recipient of funds. As a result, the Monitor has assumed that the shortfall of funds paid to 125 by ACE was paid by ACC directly. The Monitor has requested a copy of the purchase and sale agreement, statement of adjustment, and statement of receipts and disbursement for review.
4. The sources of the receipts and the recipients of the disbursements are unknown. The Monitor has requested supporting documentation for review.
5. The variance reflects an underpayment of commissions.
6. Fees owing to Eyelogic have not been paid in full. The outstanding balance has been agreed to the December 1, 2011 Statement of Account.
7. Olympia Trust fees are higher than those paid in Legacy Communities Inc. The Monitor has requested the Olympia Trust agreement and invoices for review.
8. The variance indicates that management fees were overpaid. Pursuant to conversations with Ron Aitkens, a portion of the variance may be a result of payments made by FCC or affiliated entities on behalf of Airdrie. The Management Agreement states that Airdrie is to reimburse FCC or an affiliated entity for out of pocket expenses. As the recently Court-appointed Inspectors of 125, 133, and HCM, the Monitor will be in a position to review the books and records to determine whether the funds were towards services noted in the management agreement. Management fees were paid to the following affiliated entities:

Foundation Capital Corporation	132,701.00
Harvest Capital Management Inc.	71,000.00
Harvest Group LP	(23,407.65)
1252064 Alberta Ltd.	1,038,500.00
	1,218,793.35

CAROL EALEY
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires: 03/12/2015

Carol Ealey

This is Exhibit “**I**” referred to in the Affidavit of Neil Narfason, sworn on February 1, 2013.

Government of Alberta ■ Corporation/Non-Profit Search
Corporate Registration System

Date of Search: 2013/01/24
Time of Search: 11:46 AM
Search provided by: MCCARTHY TETRAULT LLP

Service Request Number: 19141668
Customer Reference Number: 027052- 444385

Corporate Access Number: 2011768179
Legal Entity Name: FOUNDATION CAPITAL CORPORATION

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Registration Date: 2005/06/15 YYYY/MM/DD
Date of Last Status Change: 2012/11/16 YYYY/MM/DD

Registered Office:
Street: #4 4002 9 AVE. N.
City: LETHBRIDGE
Province: ALBERTA
Postal Code: T1H 6T8

Records Address:
Street: #4 4002 9 AVE. N.
City: LETHBRIDGE
Province: ALBERTA
Postal Code: T1H 6T8

Directors:

Last Name: AITKENS
First Name: RONALD
Street/Box Number: 70 PHEASANT ROAD N
City: LETHBRIDGE
Province: ALBERTA

Postal Code: T1H 4X4

Voting Shareholders:

Last Name: AITKENS
First Name: RONALD
Street: 70 PHEASANT ROAD N.
City: LETHBRIDGE
Province: ALBERTA
Postal Code: T1H 4X4
Percent Of Voting Shares: 75

Last Name: LOCKHART
First Name: BRADLEY
Street: 2701 9 AVENUE NORTH
City: LETHBRIDGE
Province: ALBERTA
Postal Code: T1H 1J6
Percent Of Voting Shares: 25

Details From Current Articles:

<u>The information in this legal entity table supersedes equivalent electronic attachments</u>

Share Structure:	SEE ATTACHED SCHEDULE "A"
Share Transfers Restrictions:	NO SHARES OF THE CAPITAL OF THE CORPORATION SHALL BE TRANSFERRED WITHOUT THE SANCTION OF A MAJORITY OF THE DIRECTORS OF THE CORPORATION AS EVIDENCED BY A RESOLUTION IN WRITING OF THE DIRECTORS.
Min Number Of Directors:	1
Max Number Of Directors:	15
Business Restricted To:	NONE
Business Restricted From:	NONE
Other Provisions:	SEE ATTACHED SCHEDULE "B"

Holding Shares In:

Legal Entity Name
AIRDRIE COUNTRY ESTATES INC.
AIRDRIE CAPITAL CORPORATION
ROCKY VIEW CAPITAL CORP.
ROCKY VIEW ESTATES CORP.

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2012	2012/11/16

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2005/06/15	Incorporate Alberta Corporation
2012/08/02	Status Changed to Start for Failure to File Annual Returns
2012/11/16	Enter Annual Returns for Alberta and Extra-Provincial Corp.

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2005/06/15
Other Rules or Provisions	ELECTRONIC	2005/06/15

This is to certify that, as of this date, the above information is an accurate reproduction of data contained within the official records of the Corporate Registry.

CAROL EALEY
NOTARY
PUBLIC
STATE OF COLORADO
My Commission Expires: 03/12/2015
Carol Ealey

This is Exhibit "**J**" referred to in the Affidavit of Neil Narfason, sworn on February 1, 2013.

J-1

VICTORIA LAND TITLE OFFICE TITLE NO: FB363799
FROM TITLE NO: FA58685

APPLICATION FOR REGISTRATION RECEIVED ON: 29 JULY, 2010
ENTERED: 07 AUGUST, 2010

REGISTERED OWNER IN FEE SIMPLE:
HARBOUR VIEW LANDING INC. (AN ALBERTA CORPORATION)
18, 11410 - 27 STREET SE
CALGARY, AB
T2Z 3R6

TAXATION AUTHORITY:
COURTENAY ASSESSMENT AREA

DESCRIPTION OF LAND:
PARCEL IDENTIFIER: 001-130-307
LOT 2, DISTRICT LOT 216, COMOX DISTRICT, PLAN 31808 EXCEPT THOSE PARTS
IN PLANS 36029 AND 39408

LEGAL NOTATIONS:

NOTICE OF INTEREST, BUILDERS LIEN ACT (S.3(2)), SEE CA1712873
FILED 2010-08-30

CHARGES, LIENS AND INTERESTS:
NATURE OF CHARGE
CHARGE NUMBER DATE TIME

RIGHT OF WAY-RESTRICTIVE COVENANT
211002G 1957-09-19 14:29
REGISTERED OWNER OF CHARGE:
BRITISH COLUMBIA HYDRO AND POWER AUTHORITY
211002G
REMARKS: INTER ALIA

COVENANT
H29315 1979-04-05 08:32
REGISTERED OWNER OF CHARGE:
PROVINCIAL AGRICULTURAL LAND COMMISSION
H29315
REMARKS: PART, SECTION 215 L.T.A., INTER ALIA

STATUTORY RIGHT OF WAY
M30670 1983-03-18 14:27
REGISTERED OWNER OF CHARGE:
THE REGIONAL DISTRICT OF COMOX-STRATHCONA
M30670
REMARKS: PART PLAN 39407, INTER ALIA

COVENANT
M30675 1983-03-18 14:28
REGISTERED OWNER OF CHARGE:
HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA

J-2

M30675
Date: 21-Jan-2013 TITLE SEARCH PRINT Time: 09:39:19
Requestor: (PS34484) MCCARTHY TETRAULT Page 002 of 002
Folio: 027052/444385 TITLE - FB363799

REMARKS: PART PLAN 39407, SECTION 215 L.T.A.
INTER ALIA

MORTGAGE
FB363800 2010-07-29 14:36
REGISTERED OWNER OF CHARGE:
HARBOUR VIEW CAPITAL INC.
(AN ALBERTA CORPORATION)
FB363800

"CAUTION - CHARGES MAY NOT APPEAR IN ORDER OF PRIORITY. SEE SECTION 28, L.T.A."

DUPLICATE INDEFEASIBLE TITLE: NONE OUTSTANDING

TRANSFERS: NONE

PENDING APPLICATIONS: NONE

*** CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN ***

J-3

PARCEL IDENTIFIER (PID): 001-130-307

SHORT LEGAL DESCRIPTION:S/31808/////2
MARG:REM *
TAXATION AUTHORITY:
1 COURTENAY ASSESSMENT AREA

FULL LEGAL DESCRIPTION: CURRENT
LOT 2, DISTRICT LOT 216, COMOX DISTRICT, PLAN 31808 EXCEPT THOSE PARTS
IN PLANS 36029 AND 39408

MISCELLANEOUS NOTES:
39407 SRW

AFB/IFB: MN: Y PE: 0 SL: 1 TI: 1

CAROL EALEY
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires: 03/12/2015
Carol Ealey

This is Exhibit "**K**" referred to in the Affidavit of Neil Narfason, sworn on February 1, 2013.

BRITISH COLUMBIA
BC Registry Services

Mailing Address:
PO Box 9431 Stn Prov Govt
Victoria BC V8W 9V3
www.corporateonline.gov.bc.ca

Location:
2nd Floor - 940 Blanshard Street
Victoria BC
250 356-8626

BC Company Summary

For

0747618 B.C. LTD.

Date and Time of Search: **January 21, 2013 09:34 AM Pacific Time**

Currency Date: November 19, 2012

ACTIVE

Incorporation Number: BC0747618

Name of Company: 0747618 B.C. LTD.

Recognition Date and Time: Incorporated on February 01, 2006 04:04 PM Pacific Time

In Liquidation: No

Last Annual Report Filed: February 01, 2012

Receiver: No

REGISTERED OFFICE INFORMATION

Mailing Address:
800 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3H1
CANADA

Delivery Address:
800 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3H1
CANADA

RECORDS OFFICE INFORMATION

Mailing Address:
800 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3H1
CANADA

Delivery Address:
800 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3H1
CANADA

DIRECTOR INFORMATION

Last Name, First Name, Middle Name:
Aitkens, Ron

Mailing Address:
4 - 4002 - 9TH AVENUE N.
LETHBRIDGE AB T1H 6T8
CANADA

Delivery Address:
4 - 4002 - 9TH AVENUE N.
LETHBRIDGE AB T1H 6T8
CANADA

OFFICER INFORMATION AS AT February 01, 2012

Last Name, First Name, Middle Name:
Aitkens, Ron

Office(s) Held: (President)

Mailing Address:
4 - 4002 - 9TH AVENUE N.
LETHBRIDGE AB T1H 6T8
CANADA

Delivery Address:
4 - 4002 - 9TH AVENUE N.
LETHBRIDGE AB T1H 6T8
CANADA

CAROL EALEY
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires: 03/12/2015

Carol Ealey

This is Exhibit "**L**" referred to in the Affidavit of Neil Narfason, sworn on February 1, 2013.

Offering Memorandum

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

Date:	**January 30, 2009**
The Issuer:	**Harbour View Capital Inc. (the "Corporation" or the "Issuer")**
Address:	#18, 11410 – 27th Street SE Calgary, AB, T2Z 3R6
Phone #:	(403) 253-5822
Fax #	(403) 253-5820
Email:	info@foundationcapital.ca

Currently listed or quoted? No. These securities do not trade on any exchange or market.

Reporting Issuer? No.

SEDAR filer? No.

The Offering

Securities Offered	6.0% Redeemable Bonds (referred to herein as the "Bonds" the "bonds" or the "securities")
Price Per Security	$100 per Bond
Minimum Offering	$1,800,000 (18,000 Bonds)
Maximum Offering	$14,000,000 (140,000 Bonds)
Minimum Subscription Per Investor	$10,000 (100 Bonds)
Payment Terms	Payment in full by certified cheque, trust cheque, or bank draft of the subscription price is to be made with the delivery of a duly executed and completed subscription agreement. **See Item 5.2 Subscription Procedures.**
Proposed Closing Date(s)	Closings will take place periodically at the Corporation's discretion with the closing of the minimum Offering of $1,800,000 to occur on or before April 30, 2009.

Tax Consequences: There are important tax consequences to these securities. **See Item 6 Income Tax Consequences and Deferred Plan Eligibility.**

Purchaser's rights: **You have 2 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 Item 11 Purchasers' Rights.**

Resale restrictions: **You will not be able to sell these securities except in very limited circumstances. You may never be able to resell these securities. See Item 10 Resale Restrictions.**

Selling Agents: The Corporation reserves the right, as allowed by applicable securities legislation, to retain agents to help effect sales of the Bonds. If an agent is retained, the agent will be paid aggregate fees and commissions of up to 10% of the gross proceeds realized on the Bonds sold by such agent. The Corporation may compensate its employees and consultants up to 10% of the gross proceeds realized on the sale of the Bonds for soliciting subscriptions for the Bonds with respect to Bonds not sold by an agent. The Corporation may compensate its Officer and Director up to 10% of the gross proceeds realized on the sale of the Bonds with respect to the Bonds not sold by an agent.

TABLE OF CONTENTS

NOTE REGARDING FORWARD LOOKING STATEMENTS

This Offering Memorandum contains forward-looking statements. These statements relate to future events or the Corporation's future performance as well as the future performance of the LP's. All statements other than statements of historical fact are forward looking statements. Forward looking statements are often, but not always, identified by the use of words such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "targeting", "intend", "could", "might", "continue", or the negative of these terms or other comparable terminology. These statements are only predictions. In addition, this Offering Memorandum may contain forward-looking statements attributed to third party industry sources. Undue reliance should not be placed on these forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward looking statements will not occur and may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The forward-looking statements contained in this Offering Memorandum are expressly qualified by this cautionary statement. The Corporation is not under any duty to update any of the forward-looking statements after the date of this Offering Memorandum to conform such statements to actual results or to changes in the Corporation's expectations except as otherwise required by applicable legislation.

GLOSSARY OF TERMS

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

"0747618" means 0747618 B.C. Ltd.

"1252064" means 1252064 Alberta Ltd.

"CRA" means Canada Revenue Agency.

"Deferred Plan" means any one of or collectively an RRSP, RRIF, RESP and a TFSA.

"Foundation" means Foundation Capital Corporation, a party related to the Corporation by common Officers, Directors and shareholders.

"HVL" means Harbour View Landing Inc., party related to the Corporation by common Officers, Directors and shareholder.

"HVL Loan" or "Loan" proposed loan by the Corporation to HVL as more particularly described in Item 2.15.1 herein.

"HVL Offering" means an Offering of Class B common shares by HVL dated January 30, 2009.

"KMC" means KMC Capital Inc.

"Lands" means those certain lands owned by 0747618 which are located near the City of Courtenay, British Columbia, which are more particularly described in Item 2.5 herein.

"RESP" means Registered Education Savings Plan as defined under the Tax Act.

"RRIF" means Registered Retirement Income Fund as defined under the Tax Act.

"RRSP" means Registered Retirement Savings Plan as defined under the Tax Act.

"Target" means Target Capital Inc. a publicly traded company listed on the TSX Venture Exchange, trading under the symbol "TCI".

"Tax Act" means the Income Tax Act [Canada].

"TFSA" means a Tax-Free Savings Account as defined under the Tax Act.

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

ITEM 1 - USE OF NET PROCEEDS

1.1 Net Proceeds and Available Funds

The following table discloses the net proceeds of this offering (the "Offering"):

		Assuming Minimum Offering	Assuming Maximum Offering
A	Amount to be raised pursuant to this Offering	$1,800,000	$14,000,000
B	Selling commissions (1)	$180,000	$1,400,000
C	Estimated costs of this Offering (2)	$23,205	$23,205
D	Financing Costs (3)	$9,000	$47,500
E	Net proceeds: E= A – (B + C +D)	$1,587,795	$12,529,295

(1) Assuming 10% of the gross proceeds of this Offering will be paid for selling commissions based upon minimum and maximum Offering amounts.

(2) The estimated costs include legal, consulting and accounting costs associated with this Offering which have been paid to KMC, a related party.* All offering costs have been advanced to KMC on the Corporation's behalf by a related party and will be reimbursed from the proceeds.

(3) The Corporation has entered into an agreement with Target** pursuant to which the Corporation shall pay Target a percentage of funds raised from this Offering. **See Item 2.15.3 Administration Agreement with Target Capital Inc.**

* The President of Target is also the president of KMC. The CEO of Target is the sole shareholder of KMC. The Corporation has engaged KMC to assist in structuring the terms of this Offering and to engage legal and tax counsel on behalf of the Corporation in the preparation of this Offering. KMC will be paid a consulting fee in the amount of $23,205 for performing these services, a portion of which KMC will use to pay all legal and accounting costs associated with the Offering on the Corporation's behalf.

** Target presently holds 60% of the issued and outstanding Class A Preferred shares of the Corporation

1.2 Use of Net Proceeds

The following table provides a detailed breakdown of how the Corporation will use the net proceeds of this Offering in the proceeding 12 months from the date of this Offering Memorandum:

Description of intended use of available funds listed in order of priority	Assuming Minimum Offering	Assuming Maximum Offering
The majority of the net proceeds of this Offering shall be loaned by the Corporation to HVL, a related party*, for the following purposes:		
(a) To allow HVL to acquire the Lands pursuant to the HVL Purchase Agreement. **See Item 2.3 Our Business** and **Item 2.4 HVL Purchase Agreement.**	$1,587,795	$9,750,000
(b) As a working capital facility to be used by HVL in the development of the Lands. **See Items 2.5 The Lands, 2.6 Development of the Lands** and **2.7 Capital Requirements of Development of the Lands.**	Nil	$2,779,295
Total	**$1,587,795**	**$12,529,295**

* Ron Aitkens, the sole Officer and Director of the Corporation, is also the sole Officer and Director of HVL. As of the date of this Offering, Ron Aitkens owns 100% of the issued and outstanding Class A common shares of HVL and owns 40% of the issued and outstanding Class A Preferred shares of the Corporation.

1.3 Reallocation

The Corporation intends to use the net proceeds of this Offering as stated. The Corporation will reallocate the net proceeds of this Offering only for sound business reasons.

1.4 Working Capital Deficiency

The Corporation currently has a working capital deficiency. The sum of $23,205 has been advanced to the Corporation by Foundation, a related party, to pay for the costs of this Offering and will be repaid from the net proceeds of the Offering.

1.5 Future Cash Calls

An investor in these securities will not be required to make any additional funds available to the Corporation in addition to their subscription amount.

ITEM 2 - BUSINESS OF THE CORPORATION

2.1 Structure

The Corporation is a corporation incorporated under the *Business Corporations Act* (Alberta) pursuant to a certificate of incorporation dated January 13, 2009. The Corporation's head office address and registered office is located at #18, 11410 – 27th Street SE, Calgary, Alberta, T2Z 3R6. The Corporation is controlled by Target, a publicly traded company listed on the TSX Venture Exchange, trading under the symbol "TCI" Please see **www.sedar.com** for further information with respect to Target.

2.2 Voting Control – Target

Voting control of the Corporation by Target is to ensure that the Bonds issued pursuant to this Offering are a qualified RRSP investment. **See Item 6 Income Tax Consequences and Deferred Plan Eligibility.**

Target's control and interest in the Corporation is to earn administration fees and not to participate in the profits of the Corporation pursuant to its agreement with the Corporation (the "Target Agreement"). **See Item 2.15.3 Administration Agreement with Target Capital Inc.** Specifically:

(a) Target's shares in the Corporation are non-participating as they are not entitled to dividends;

(b) The Target Agreement states that Target cannot acquire any additional shares in the Corporation without the approval of the majority of the minority of shareholders of the Corporation;

(c) Target cannot increase the administration fees pursuant to the Target Agreement without the approval of the majority of the minority shareholders of the Corporation;

(d) Target will not sell its shares of the Corporation while the Target Agreement is in force and will, at the termination of the Target Agreement, return all of its shares to treasury of the Corporation for six hundred dollars; and

(e) Target will not benefit from its position as shareholder except as described in the Target Agreement and should it receive any benefit in addition to the administration fee, that benefit will be returned to the Corporation in return for the sum of ten dollars.

An investor in the securities offered under this Memorandum should understand that Target's assets and management are not in any way committed to the activities of the Corporation other than voting its shares at shareholder meetings of the Corporation. Target does not encourage or discourage an investment in the Corporation.

2.3 Our Business

The Corporation is in a start up phase of development and has not carried out business prior to this Offering and has no development history. Since the date of incorporation, the Corporation has been engaged in preparation for this Offering, which has included, among other things, putting in place a management team, a Board of Directors and retaining legal counsel.

The Corporation is raising funds pursuant to this Offering for the purpose of advancing the HVL Loan to HVL to allow HVL to purchase and potentially develop the Lands.. **See Items 2.5 The Lands** and **2.4 HVL Purchase Agreement.**

HVL is presently proceeding with an Offering of its Class B common shares pursuant to the HVL Offering. Proceeds from the HVL Offering will be used by HVL in conjunction with the HVL Loan to acquire and develop the Lands.

2.3.1 Offering Structure

Subscribers pursuant to the HVL Offering will also be subscribers under this Offering. The purpose of creating two separate issuers (the Corporation and HVL) and two separate offerings (this Offering and the HVL Offering) is to allow subscribers to participate indirectly in an investment in the financing and development of the Lands through holding Class B Shares in HVL and Bonds in the Corporation.

Funds from Deferred Plans may be used to purchase Bonds pursuant to this Offering based on the advice of Collins Barrow Calgary LLP. **See Item 6 Income Tax Consequences and Deferred Plan Eligibility.**

Participation of investors within the HVL Offering is to allow resulting profit, if any, to be distributed to Class B shareholders of HVL after HVL has repaid to the Corporation all sums due and owing pursuant to the HVL Loan.

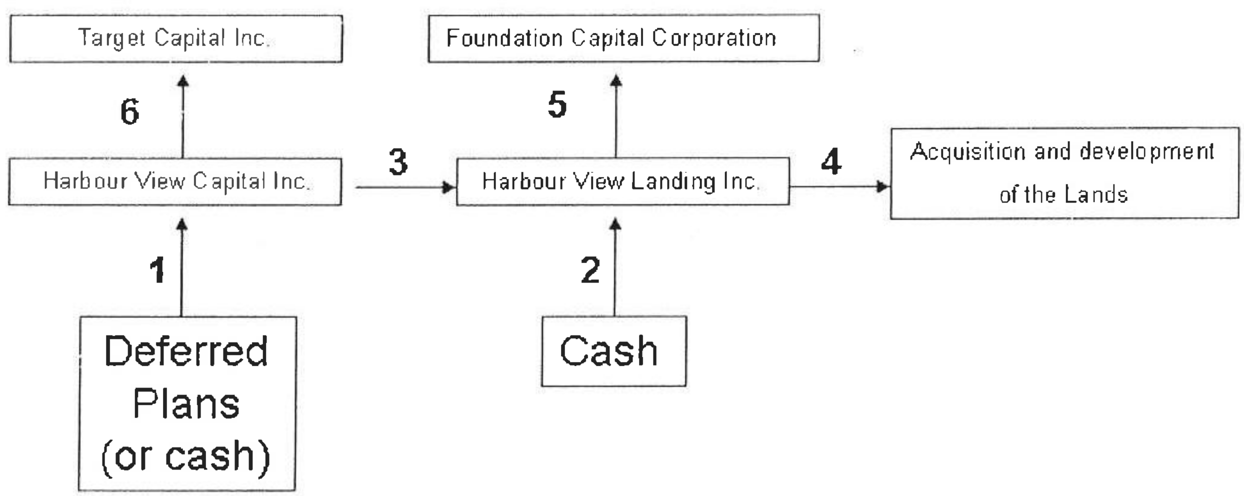
Shares held by HVL Class B shareholders will be held outside of a subscriber's Deferred Plan as such Shares are not as of the date of this Memorandum an eligible investment for Deferred Plans.

No advance income tax ruling has been applied for or received with respect to the income tax consequences described in this Offering Memorandum or the HVL Offering. **See Item 8 Risk Factors.**

Subscribers should consult their own legal and tax advisors for advice with respect to this Offering and the HVL Offering.

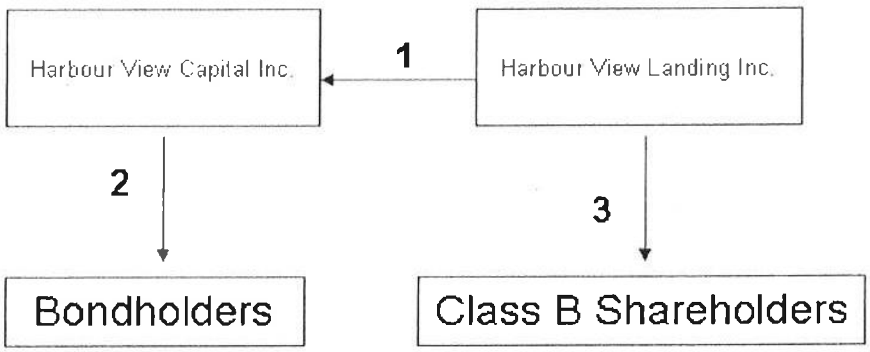
2.3.2 Investment Flow Chart

The following represents the investment of funds from a Subscriber pursuant to this Offering and the HVL Offering after the cost and commissions with respect to these Offerings have been paid.



1. Subscribers purchase bonds in the Corporation.
2. Subscribers purchase Class B Shares in HVL.
3. The Corporation lends net proceeds of its Offering to HVL pursuant to the HVL Loan.
4. HVL uses proceeds from the HVL Offering in conjunction with the HVL Loan to acquire and develop the Lands.
5. HVL pays Foundation Capital Corporation a management fee of 1% of the HVL Loan proceeds advanced to it, to a maximum of $200,000 per annum.
6. The Corporation pays finance fees to Target. **See Item 2.15.3 Administration Agreement with Target Capital Inc.**

The following represents the proposed distribution of funds by the Corporation and HVL upon development and sale of the Lands by HVL.



1. Upon sale of the Lands, HVL repays the HVL Loan principal and interest to the Corporation.
2. The Corporation pays interest and principal owed to bondholders.
3. Remaining profits, if any, are distributed to Class B shareholders ofHVL by way of dividend.

2.4 HVL Purchase Agreement

HVL has entered into the Purchase Agreement with 0747618, a related party, pursuant to which HVL has agreed to purchase the Lands for the purchase price of $9,750,000 plus GST if applicable (the "Purchase Price").

The Purchase Agreement contains the following terms:

(a) The Closing Date of the Purchase Agreement is May 15, 2009.

(b) An initial deposit of $1,000 has been paid on the HVL's behalf by the officer and director of HVL and will be repaid by HVL to him from the proceeds of this Offering and the Loan.

(c) The Purchase Agreement is conditional upon HVL obtaining a minimum of $1,599,000 in financing to acquire the Lands on or before May 15, 2009.

(d) In the event that HVL does not have sufficient funds to advance the Purchase Price in full to 0747618 on the Closing Date, HVL shall advance to 0747618 a minimum of $1,599,000 from funds obtained by HVL pursuant to the HVL Loan or other financing sources. 0747618 shall grant HVL a mortgage representing the balance of the Purchase Price up to $8,150,000 at an interest rate of 0% per annum, for a term of one year from the Closing Date (the "VTB"). The VTB, if granted, shall be subordinate to the Corporation's mortgage granted by HVL as security for the HVL Loan. **See Item 2.15.2 Loan Agreement with Harbour View Landing Inc.**

*Ron Aitkens, the sole Officer and Director of the Corporation, is an Officer, Director and shareholder of 0747618.

2.4.1 History of Ownership

1252064 acquired all of the issued and outstanding shares of 0747618 from an arms-length party, for a purchase price of $4,600,000 in June of 2008. The principal purpose in 1252064's acquisition of the shares in 0747618 was to acquire the Lands.

A profit of $5,150,000 will be realized by 1252064 and/or 0747618 upon the sale of the Lands to the Corporation. The Subscription Agreement to be signed by Subscribers pursuant to this Offering will contain a specific consent to the acquisition of the Lands by the Corporation and acknowledgments that the acquisition of the Lands by the Corporation is not a breach of fiduciary or other duty and will not give rise to any obligation by either of 0747618 or 1252065 or their respective Officers, Directors or shareholders nor Ron Aitkens to account to the Corporation for any profit made on the sale of the Lands by 0747618 and/or 1252064 to the Corporation.

2.5 The Lands

The parcel comprising the Lands consists of 9.68 Hectares (23.92 Acres), more or less, border the City of Courtney boundary's along Anderton Road. The Lands are within close proximity to the BC Ferries Little Regional District along the Comox Peninsula of Electoral Area "B".

The area in which the Lands are located is predominantly a rural residential area with a mixture of small residential holdings and large residential and agricultural holdings. Jackson Drive, which forms a large portion of the Lands road frontage is a particularly desirable residential subdivision located opposite the subject with its mainly executive class custom homes on half acre lots offering ocean and Costal Mountain views. The surrounding residential area along Wilkinson Road and below the Lands, in terms of topography, is comprised of waterfront sites which were originally constructed as holiday cottages, but the area is now in transition by way of redevelopment and upgrades with the residential influence remaining intact.

Other properties within the immediate area are larger acreage holdings, some of which are within the Agricultural Land Reserve. The Lands benefit from being in close proximity to the waterfront and are a short commute to Courtenay and Comox. The area is convenient to shopping and recreational facilities as well as schools and public transportation.

Topography and Site Description

The Lands occupy an elevated position overlooking Georgia Strait and the BC Ferries Little River Terminal. The majority of the site tends to be relatively level with only a modest slope downward from the west to the east where there is a bank located along the northeastern boundary of the property down to Wilkinson Road, and along the southeastern boundary down to Ellenor Road. The site has been logged over the past few years leaving the site interspersed with a small amount of tree cover and vegetation. Ocean views are available from the northeastern portion of the site boundary line.

Utilities and Street Improvements

The area has water service from the Comox Strathcona Regional District Water Supply. There is a communal septic system that serves the existing residents on Jackson Drive; however the site would require individual and/or communal septic systems. Storm drainage is presently by way of open ditch system. Hydro, telephone and cablevision are available in the neighbourhood.

The Lands are zoned CR-1 (Country Residential One) pursuant to the Comox Valley zoning bylaw.

The legal description of the Lands is:

Lot 2, District Lot 216, Comox District

Plan 31808, except those parts in Plans 36029 and 39408

Containing 9.68 Hectares (23.92 Acres) more or less

Title to the Lands is currently held in the name of 0747618 and is subject to the following encumbrances:

REGISTRATION NUMBER AND PARTICULARS

RIGHT OF WAY – RESTRICTIVE COVENANT - 211002G – 1957/09/19 – BRITISH COLUMBIA HYDRO AND POWER AUTHORITY

COVENANT – H29315 – 1979/04/05 – PROVINCIAL AGRICULTURAL LAND COMMISSION

STATUTORY RIGHT OF WAY – M30670 – 1983/03/18 – THE REGIONAL DISTRICT OF COMOX-STRATHCONA

COVENANT – M30675 – 1983/03/18 – HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA

*MORTGAGE – CA896290 – 2008/08/27 – 1035938 ALBERTA LTD./VERTEX VENTURES INC.

It is not anticipated that these encumbrances will have any effect on the proposed subdivision and sale of the Lands.

Those encumbrances which have an "*" next to them are to be discharged by 0747618 pursuant to the purchase agreement between 0747618 and the Corporation. Pursuant to the Purchase Agreement, 0747618 is responsible for ensuring the discharge of these encumbrances by 0747618.

The Lands are not connected to any utilities or services. It is anticipated that as part of the subdivision and development, the Lands will be connected to utility and service providers in the area.

There are no known environmental liabilities or hazards in relation to the Lands.

The Lands are presently undeveloped.

2.6 Development of the Lands

Upon acquisition of the Lands, HVL intends to develop the Lands into a residential subdivision to include up to approximately 150 multifamily and single family units. The overall design contemplated by HVL is a seaside residential resort which includes condominium apartments, townhomes, patio homes and some single family residences (the "Project").

Amenities of the Project considered may include an owner's club house, a pool, and fitness facilities. The property directly to south has now been converted into an estate winery. Some preliminary discussions regarding cross promotional opportunities have taken place, and further discussions will be required.

HVL may sell the units comprising the Lands on a fractional or whole basis.

Approvals

The Lands are presently zoned Country Residential Zone 1 (CR-1) based on the Comox-Strathcona Regional District Zoning Bylaw No. 2781, 2005. The principal allowable uses under this classification include residential use, and of any lot over 4,000 square meters (1 acre) agricultural use is permitted. Subdivision requirements under this current zoning also allow for a minimum lot area of 2.0 hectares or 4.94 acres.

The regional District of Comox-Strathcona of which this property belongs to has just finished its municipal elections. There is now a new area councillor in place. It was determined that no land use applications would effectively be dealt with by the then area councillor until the election had taken place.

HVL, upon acquisition of the Lands will now undertake to make the necessary applications to effect a land use re-designation of the Lands from Country Residential Zone 1 to a new land use which will accommodate the proposed development of the Project.

In order to allow for the development of the Lands to include both multifamily and single family units in a residential sea side resort setting, the regional District of Comox-Strathcona would have to approve a concept plan for the Lands and agree to a land use re-designation of the Lands.

In order to achieve above approvals, HVL would hold various "open house" type community meetings. These meetings would engage the neighbours who may be directly affected by the development as well as the approving authority. Through these sessions, HVL will evaluate the responses provided by the community. These responses will then guide the various consultants (architects, planners, engineers) in the ultimate and final design of the concept plan which will be submitted to the Regional District of Comox/Strathcona for approval. The approval of the concept plan will require the current land use designation (zoning) to be amended to a new designation accommodating what the concept plan includes.

The rezoning is expected to take 18 to 24 months. HVL expects that development approval of the Project, if obtained, would be forthcoming in about 24 to 30 months from the date of this Memorandum, with construction on the Project expected to start within 36 months from the date of this Memorandum.

2.7 Capital Requirements of Development of the Lands

The preliminary estimate of the Development Costs has been estimated as to be $38,312,500 based on the following:

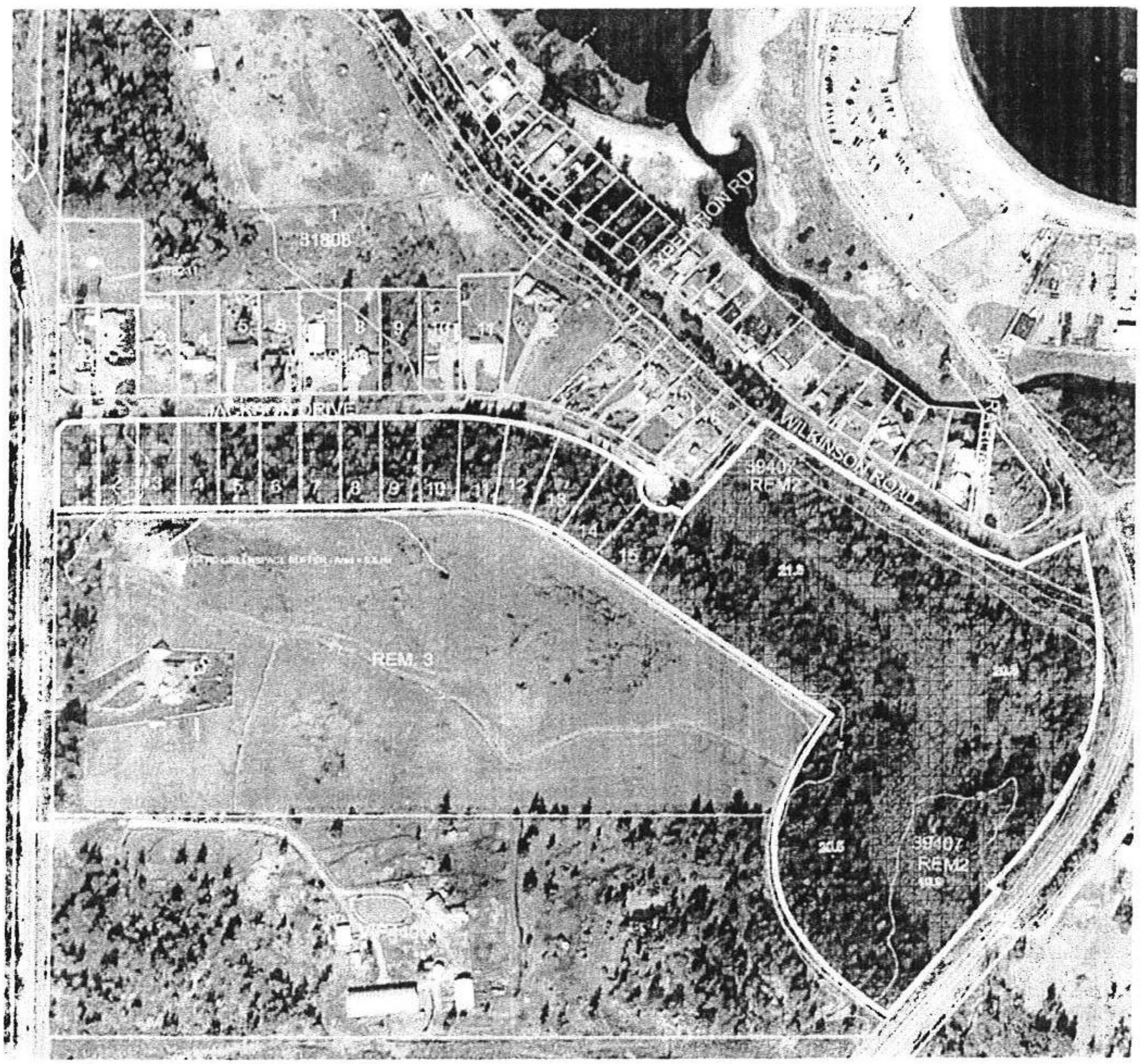
Servicing costs - 15 lots @ $30,000 per lot	$450,000
Building Costs:	
Hard Costs - $1,000 per unit @ 200 square feet for 150 units	$30,000,000
Furniture design for the club house	$200,000
Soft costs	$7,662,500
Total	**$38,312,500**

The estimated Development Costs are subject to certain uncertainties and factors which could cause actual results or events to differ materially from these estimates. Although the Corporation believes that the estimates provided by HVL are reasonable, no assurance can be given that the estimates are in all material respects correct or that they will not be greater than anticipated. As such, the estimated Development Costs are expressly qualified in their entirety by this cautionary statement. **See Item 8 Risk Factors.**

The final Development Costs will not be determined until after the necessary approvals have been obtained and the Development Costs are put to tender.

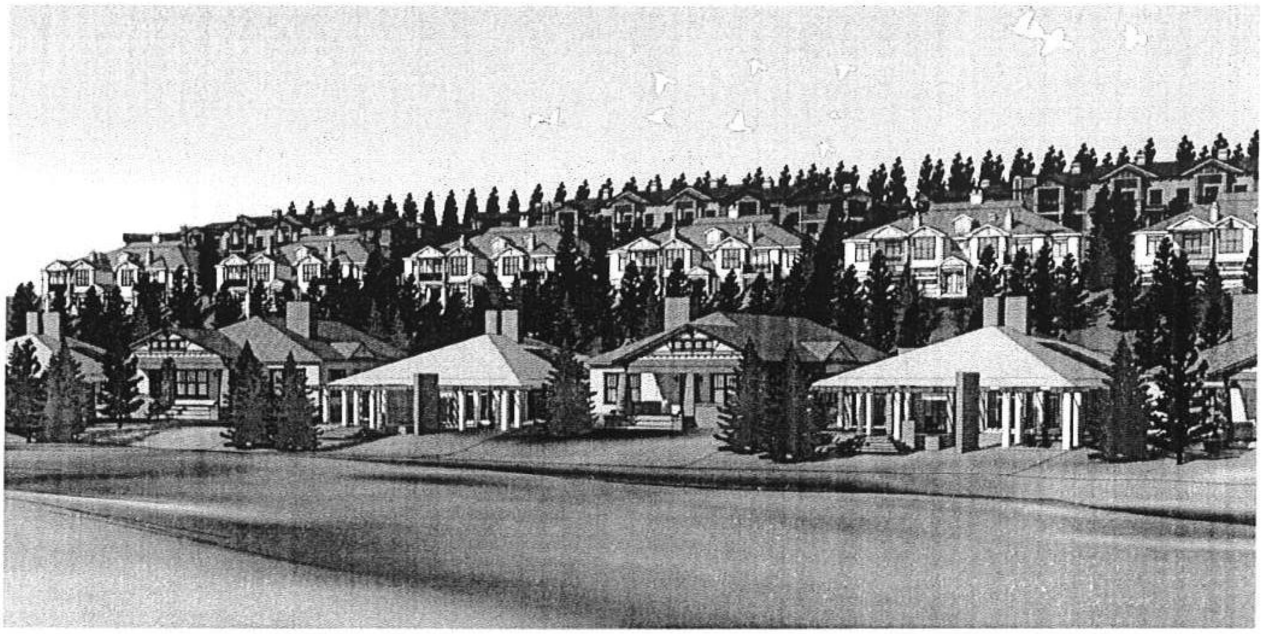
2.8 Photograph of the Lands

The following is an aerial view of the Lands taken from Google Earth.



2.9 Development Rendering

The following is a rendering of the proposed subdivision of the Lands.*



* The final development plan is expected to vary from this rendering. Subscribers should note that this representation was prepared on behalf of 0747618 with respect to a preliminary development plan with respect to the use of the Lands relative to the concept plan to be proposed. The final form of the development will not be determined until the municipal authority gives final approval to the concept plan and subsequently the development plan.

2.10 HVL Financing

The funds loaned to HVL pursuant to the HVL Loan will not be sufficient to fund the entire development of the Lands by HVL. HVL intends to obtain institutional or other third party financing to fund the development of the Lands. The terms and conditions of any future financing are not presently known to HVL. HVL may also seek to raise funds for the development of the Lands from future issues of equity of HVL.

2.11 Development of Business

To facilitate the acquisition and development of the Lands, the Corporation has agreed to lend funds to HVL pursuant to the HVL Loan. **See Item 2.15.2 Loan Agreement with Harbour View Landing Inc.**

2.12 Long Term Objectives

The Corporation's long term goal is to raise up to $14,000,000 the net proceeds of which will be advanced to HVL pursuant to the HVL Loan and to manage the collection of interest and principal from the HVL Loan and to provide a return to purchasers of Bonds pursuant to this Offering.

2.13 Short Term Objectives and How the Corporation Intends to Achieve Them

The Corporation's goal for the next four (4) months is to raise up to $1,800,000 for the purpose of loaning the net proceeds to HVL.

The following outlines the Corporation's short-term objectives and the methods and costs associated with the achievement thereof.

What we must do and how we will do it	Target completion date or, number of months to complete	Our cost to complete
Raise up to $1,800,000 and advance the net proceeds pursuant to the HVL Loan.	4 months	$209,705

* Includes commissions payable on the minimum amount of the Offering at 10% of the gross proceeds thereof, legal, consulting and accounting costs associated with this Offering which have been paid to KMC, together with fees payable to Target. **See Item 1.1 Net Proceeds and Available Funds, and Item 2.15.3 Administration Agreement with Target Capital Inc.**

2.14 Insufficient Proceeds and Cash Reserves

The net proceeds raised from this Offering will be committed to the HVL Loan. The Corporation does not intend to hold any significant cash reserves, other than those amounts necessary to pay for all administration and operating expenses incurred by the Corporation in the conduct of its business. The proceeds of this Offering may not be sufficient to accomplish all of the Corporation's proposed objectives.

2.15 Material Agreements

The following are the key terms of all material agreements which the Corporation has or expects to enter into and which can reasonably be regarded as presently being material to the Corporation or a prospective purchaser of Bonds being offered pursuant to this Offering.

2.15.1 HVL Purchase Agreement

See Item 2.4 HVL Purchase Agreement.

2.15.2 Loan Agreement with Harbour View Landing Inc.

The Corporation expects to enter into a loan agreement with HVL, some of the anticipated terms of which are summarized below:

(a) **Loan Amount:** $1,800,000 to $14,000,000. The Loan amount will be contingent upon the amount of funds raised pursuant to this Offering.

(b) The Corporation will not be required to advance the Loan unless it raises the minimum Offering of $1,800,000 pursuant to this Offering.

(c) **Interest Rate:** 6.5% per annum.

(d) **Maturity Date:** April 30, 2014.

(e) **Payments:** There shall be no payments of principal or interest made by HVL during the term of the Loan. HVL shall make a lump sum payment of the principal amount and all accrued interest on April 30, 2014.

(f) **Security:** The Loan shall be secured by way of a first mortgage against title to the Lands (subject to the qualification set forth below) together with such other commercially reasonable security as shall be agreed to between the Corporation and HVL. The Corporation's mortgage will be subordinated to development financing obtained by HVL with respect to development of the Lands.

(g) **Additional Terms:** All fees, costs, interest and commissions incurred by the Corporation with respect to this Offering and the Loan shall be payable by HVL to the Corporation and shall form part of the principal of the Loan.

(h) **Prepayment:** The Loan may be repaid by HVL in part or in full at anytime without notice or penalty.

2.15.3 Administration Agreement with Target Capital Inc.*

The Corporation has entered into an agreement with Target dated January 30, 2009, some of the terms of which are summarized below:

(a) Target shall vote its shares at shareholders meetings of the Corporation.

(b) The Corporation shall pay Target an annual administration fee equal to 1/2 of 1% on funds raised between $500,000 and $5,000,000 from Deferred Plans pursuant to this Offering and 1/4 of 1% on any funds raised from Deferred Plans in excess of $5,000,000.

(c) The term of the Target Agreement shall expire on April 30, 2014.

(d) The Target Agreement is renewable upon mutual agreement between Target and the Corporation.

(e) **See Item 2.2 Voting Control – Target** for additional terms of the Target Agreement.

*As of the date of this Offering, Target owns 60% of the issued and outstanding Class A Preferred shares in the Corporation. **See Item 3.1 Compensation and Securities Held.**

ITEM 3 - DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

3.1 Compensation and Securities Held

The following table provides specified information about each Director, Officer and promoter of the Corporation and each Principal Holder. Where the Principal Holder is not an individual, the following table provides the name of any person that directly or indirectly, beneficially owns or controls more than 50% of the voting rights of the Principal Holder. The Corporation has not completed its first financial year and no compensation has been paid since its inception:

Name and municipality of principal residence	Position held	Compensation paid by the Corporation since inception and the compensation anticipated to be paid in current financial year	Number, type and percentage of securities held after completion of the minimum Offering	Number, type and percentage of securities held after the completion of the maximum Offering
Target Capital Inc. Calgary, Alberta	Shareholder	$47,500[(1)]	60,000 Class A Preferred Shares (60%)	60,000 Class A Preferred Shares (60%)
Ron Aitkens Lethbridge, Alberta	President, Director and Shareholder	Nil	40,000 Class A Preferred Shares (40%)	40,000 Class A Preferred Shares (40%)

(1) Assuming the maximum fee payable pursuant to the Target Agreement. **See Item 2.15.3 Administration Agreement with Target Capital Inc.**

3.2 Management Experience

The names and principal occupations of each of the Directors and Officers of the Corporation over the past five years are as follows:

Name and Position	Principal Occupation and Related Experience
Ron Aitkens President and Director	Ron Aitkens has held his Certified Financial Planner (CFP) designation since 2001. In 1994, Mr. Aitkens founded Harvest Financial Services, the first company in the Harvest Group of Companies, all of which have been involved in the offering of investment products to its clients. In 2000, Mr. Aitkens formed Harvest Capital Management Inc., which offers commercial real estate syndications to investors by way of limited partnerships. In 2005, Mr. Aitkens founded Foundation Capital Corporation which has actively been involved in the offering of multiple Alberta based real estate investments. Since inception, Foundation Capital Corporation has and is involved in the syndication of the following investment offerings to its clients: Legacy Communities Inc. – Holding and potential development of 503 acres of raw land in the Elbow Valley area of Calgary, AB. Airdrie Country Estates Inc. - Holding and potential development of 160 acres of raw land located Southeast of the City of Airdrie, AB. Rocky View Estates Corp. - Holding and potential development of 150 acres of raw land located Southwest of the City of Airdrie, AB. Spruce Ridge Estates Inc. - Acquisition, holding and development of a master planned community of 923 acres of raw land near the town of Priddis, AB. Foundation Place Inc. - Development of a commercial building on 17th Avenue/Macleod Trail S. in Calgary, AB. Railside Industrial Park Inc. – Development of an industrial park adjacent to the town of Millet, AB. Stoney View Crossing Inc. – Proposed development of 815 residential lots in a newly annexed area in the City of Calgary, AB.

3.3 Penalties, Sanctions and Bankruptcy

There are no penalties or sanctions that have been in effect during the last ten (10) years against an Officer, Director or control person of the Corporation or against a company of which any of the foregoing was an Officer, Director or control person. Subject to the following, no declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors or appointment of a receiver, receiver manager, or trustee to hold assets, has been in effect during the last ten (10) years with regard to those individuals or any companies of which any of those individuals was an Officer, Director or control person at that time.

ITEM 4- CAPITAL STRUCTURE

4.1 Share Capital

Description of Security	Number authorized to be issued	Number outstanding as at January 30, 2009	Number outstanding assuming completion of minimum Offering	Number outstanding assuming completion of maximum Offering
Class A Preferred Shares	Unlimited	100,000	100,000	100,000
Class B Common Shares	Unlimited	Nil	Nil	Nil

<u>**Class A Preferred Shares and Class B Common Shares**</u>

There are special rights and restrictions attached to the Class A Preferred Shares (the "Class A Shares") and the Class B Common Shares (the "Class B Shares") of the Corporation. The following is a brief summary of certain of these rights and restrictions:

(a) The Corporation is authorized to issue an unlimited number of Class A Preferred Shares having attached thereto, as a class, the following rights, privileges, restrictions and conditions:

<u>**Voting Rights**</u> - The holders of the Class A Shares shall be entitled to receive notice of, to attend and to vote at all meetings of the shareholders of the Corporation. Each Class A Share shall confer on the holder thereof the right to one vote in person or by proxy at all meetings of shareholders of the Corporation.

<u>**Dividend Entitlement**</u> - The holders of Class A Shares are not entitled to participate in the profits of the Corporation and are not entitled to receive any dividends.

<u>**Entitlement on Dissolution or Winding-Up**</u> - In the event of a reduction of capital or the liquidation, dissolution or winding-up of the Corporation or other distribution of property or assets of the Corporation among its shareholders for the purpose of winding-up its affairs (a "Winding-Up Event"):

(i) Prior to the Class A shareholders receiving any consideration in the occurrence of a Winding-Up Event, any bondholders of the Corporation at the time of such Event shall be entitled to receive from the Corporation an amount equal to the face value of their bond together with any accrued interest thereon up to the date of payment (the "Redemption Amount") in priority to any distribution of any of the Corporation's assets or property to the Class A Shareholders. If the Corporation does not have sufficient property or assets to pay the aggregate of the Redemption Amount then each bondholder will be entitled to their pro rata share of the Corporation's property or assets in priority to the Class A shareholders; and

(ii) The holders of the Class A Shares shall be entitled to receive an amount equal to the aggregate amount paid up capital on the Class A Shares held by them respectively after repayment of the aggregate Redemption Amount and in the event that there is not sufficient property or assets to return the entire amount of paid up capital thereon to all shareholders, the amount available for distribution shall be distributed to the shareholders on a pro rata basis according to the number of Class A Shares owned by each shareholder.

(b) The Corporation is authorized to issue an unlimited number of Class B Common Shares having attached thereto, as a class, the following rights, privileges, restrictions and conditions:

<u>**Voting Rights**</u> - The holders of the Class B Shares shall not be entitled to receive notice of, to attend or vote at any meetings of the shareholders of the Corporation.

<u>**Dividend Entitlement**</u> - The right, subject to any preferential rights attaching to any other class or series of shares of the Corporation, to receive dividends as, when and if declared on the Class B shares by the Corporation. No dividend may be

declared or paid on the Class B shares if payment of the dividend would cause the realizable value of the Corporation's assets to be less than the aggregate of its liabilities and the amount required to redeem any bonds issued by the Corporation then outstanding having attached thereto a right of redemption or retraction.

Entitlement on Dissolution or Winding-Up - The right, subject to any preferential rights attaching to any bonds issued by the Corporation, to share in the remaining property of the Corporation upon dissolution after all the Class A Shareholders have received payment of the aggregate amount of paid up capital held by each Class A shareholder.

4.2 Long Term Debt

As of January 30, 2009, the Corporation has no outstanding long term debt. In the event the Corporation is successful in raising funds pursuant to this Offering, it will have the following **unsecured debt obligations** to subscribers through the issue of Bonds offered by the Corporation pursuant to this Offering:

Description of Security	Number authorized to be issued	Number outstanding as at January 30, 2009	Number outstanding assuming completion of minimum Offering	Number outstanding assuming completion of maximum Offering
Redeemable Bonds	140,000	Nil	18,000 (1) Representing a debt obligation of $1,800,000 to subscribers under this Offering plus 6% interest thereon	140,000 (1) Representing a debt obligation of $14,000,000 to subscribers under this Offering plus 6% interest thereon

(1) **See Item 5.1 Terms of Securities** for the terms of the Bonds offered pursuant to this Offering.

4.3 Prior Sales

As of January 30, 2009 there are 100,000 Class A Preferred Shares of the Corporation issued and outstanding.

Date of issuance	Type of security issued	Number of Securities issued	Price per share	Total funds received
January 13, 2009	Class A Preferred Shares	40,000	$0.01 per 1 Class A Preferred Share	$400
January 14, 2009	Class A Preferred Shares	60,000	$0.01 per 1 Class A Preferred Share	$600

ITEM 5 - SECURITIES OFFERED

5.1 Terms of Securities

Securities: The securities being offered pursuant to this Offering are fixed rate redeemable Bonds. The price of each Bond is $100. The minimum number of Bonds that may be purchased by a subscriber is one hundred (100) Bonds for a minimum investment of $10,000. There is no maximum number of Bonds allocated to any Purchaser.

Term and Redemption: The Maturity Date of the Bonds is April 30, 2014. Subject to the Corporation's right of early redemption, the Corporation shall redeem the Bonds on the Maturity Date through the payment of the principal amount of the Bonds and all accrued and unpaid interest thereon to the date of payment of such sums.

Early Redemption: The Corporation may redeem Bonds at any time during the term of the Bonds by providing the bondholder with 90 days written notice of its intention to do so, through the payment of the principal amount of the Bonds and all accrued and unpaid interest thereon to the date of payment.

Interest: Each Bond will entitle the holder thereof to simple interest at a fixed rate of 6.0% per annum to accrue from the date of issue of the Bonds until April 30, 2014. Interest payments shall be paid to Bondholders at such times and in such manner as the Corporation in its sole discretion determines. Notwithstanding the foregoing, and subject to the Corporation's right of early redemption, all accrued and unpaid interest accruing between the date of issue of the Bonds and April 30, 2014, shall be paid by the Corporation to the bondholders on April 30, 2014.

Obligations Unsecured: The Corporation's debt obligations represented by the Bonds are unsecured obligations and will rank pari passu amongst themselves and with all other unsecured and unsubordinated obligations of the Corporation except for such preferences as provided for under applicable law.

Funding of Redemption: Management of the Corporation shall have sole discretion in how the Corporation will fund or finance the redemption of the Bonds. Management may decide to use its existing cash on hand if any, raise additional capital or equity in the Corporation, or borrow money to accomplish the redemption of the Bonds or use a combination of the above methods. There is no assurance that any of the above methods of funding the redemption of the Bonds will be successful or if accomplished will raise enough funds to redeem all of the Bonds. It is possible that the Corporation may not have the financial ability to redeem all or any Bonds upon maturity. In this event the provisions contained under the heading "Entitlement on Liquidation, Dissolution and Winding Up" of Item 4 Capital Structure may apply.

Limited Recourse: Recourse under the Bonds will be limited to the principal sum of the Bonds plus any unpaid and outstanding accrued interest thereon. There is no additional recourse by the bondholder for any deficiency in value of the Bonds in the event of non-payment or default by the Corporation of redemption of the Bonds at maturity.

An investor in the Bonds should understand that Target's assets and management are not in any way committed to the activities of the Corporation and Target does not encourage or discourage participation in this Offering.

5.2 Subscription Procedures

(a) Subscription Documents

Subscribers wishing to subscribe for Bonds will be required to enter into a Subscription Agreement with the Corporation which will contain, among other things, representations, warranties and covenants by the subscriber that it is duly authorized to purchase the Bonds, that it is purchasing the Bonds as principal and for investment and not with a view to resale, and as to its corporate or other status to purchase the Bonds, and that the Corporation is relying on an exemption from the requirements to provide the Subscriber with a prospectus and to sell securities through a person or company registered to sell securities under applicable securities laws and as a consequence of acquiring the securities pursuant to this exemption, certain protections, rights and remedies, provided by applicable securities laws, including statutory rights of rescission or damages, will not be available to the Subscriber.

Reference is made to the Subscription Agreement attached as Schedule A to this Offering Memorandum for the terms of these representations, warranties and covenants.

In order to subscribe for Bonds, a purchaser must complete, execute and deliver the following documentation to Foundation Capital Corporation at #18, 11410 – 27th Street SE, Calgary, Alberta, T2Z 3R6:

1. one (1) completed and signed copy of the Subscription Agreement (including any schedules attached thereto);
2. a certified cheque, trust cheque, or bank draft in an amount equal to the Aggregate Subscription Amount (as set forth in the Subscription Agreement), payable to "Douglas Alger Law in Trust";
3. completed and executed copies of the appropriate investor qualification form(s). The appropriate form(s) to be completed depend on your place of residence and on the amount of your investment:
   (i) if you are resident in British Columbia, Alberta, Saskatchewan or Manitoba, you must submit one (1) completed and signed copy of the Risk Acknowledgment Form attached to the Subscription Agreement as Schedule B;
   (ii) if you are resident in Alberta, Saskatchewan or Manitoba and your subscription for Bonds is for more than $10,000, you must submit one (1) completed and signed copy of the Representation Letter attached to the Subscription Agreement as Schedule C; and
   (iii) if you are resident in Ontario and you are purchasing Bonds as an "accredited investor" (as such term is defined by NI 45-106, you must submit one (1) completed and signed copy of the Accredited Investor Representation Letter attached to the Subscription Agreement as Schedule D.

Subject to applicable securities laws, and the Purchaser's two-day cancellation right, a subscription for Bonds, evidenced by a duly completed Subscription Agreement delivered to the Corporation, shall be irrevocable by the Subscriber. **See Item 11 Purchasers' Rights.**

Subscriptions for Bonds will be received, subject to rejection and allotment, in whole or in part, and subject to the right of the Corporation to close the subscription books at any time, without notice. If a subscription for Bonds is not accepted, all subscription proceeds will be promptly returned to the Subscriber without interest.

The closing of the minimum Offering of $1,800,000 will occur on or before April 30, 2009. However, prior closings may occur periodically as determined by the Corporation. It is expected that certificates representing the Bonds will be available for delivery within a reasonable period of time after the relevant closing date (s). If the minimum Offering of $1,800,000 is not met prior to April 30, 2009, collected funds will be returned to the respective parties by no later than 15 days after the applicable date without interest.

The subscription funds will be held until midnight of the second business day subsequent to the date that each Subscription Agreement is signed by the Subscriber.

(b) Distribution

The offering is being conducted:

(i) in the Provinces of British Columbia, Alberta, Saskatchewan and Manitoba pursuant to the exemptions from the prospectus requirements afforded by Section 2.9 of NI 45-106; and

(ii) in the Province of Ontario pursuant to the exemption from the prospectus requirements afforded by Section 2.3 of NI 45-106.

The exemption pursuant to Section 2.9 of NI 45-106 is available for distributions to investors in British Columbia, Alberta, Saskatchewan or Manitoba purchasing as principals, who receive this Offering Memorandum prior to signing the Subscription Agreement and who sign a Risk Acknowledgment Form attached to the Subscription Agreement as Schedule B.

In addition, Alberta, Manitoba and Saskatchewan investors relying on the exemption set out in Section 2.9 of NI 45-106 must also sign the Representation Letter attached to the Subscription Agreement as Schedule C if their subscription for Bonds is for more than $10,000.

The exemption pursuant to Section 2.3 of NI 45-106 is available for distributions to investors in the Province of Ontario purchasing as principal and who are "accredited investors" as defined in NI 45-106 and that sign the Accredited Investor Representation Letter attached to the Subscription Agreement as Schedule D.

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

The exemptions from the registration requirements contained in the applicable securities laws of each of the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, and Ontario allow the Corporation to offer the Bonds for sale directly to the investors.

ITEM 6- INCOME TAX CONSEQUENCES AND DEFERRED PLAN ELIGIBILITY

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

6.1 Summary of Principal Federal Income Tax Consequences

Qualified Investments for Deferred Plans

The Tax Act and the Regulations thereunder provide generally that a Bond or similar obligation of a Canadian corporation (as defined in the Tax Act) which is controlled directly or indirectly by one or more corporations whose shares are listed on a prescribed stock exchange in Canada will constitute a "qualified investment" for an RRSP, RRIF, RESP, or TFSA (each, a "Deferred Plan").

The Corporation is a Canadian corporation. As a result, **the Bonds will constitute a qualified investment for Deferred Plans provided the shares of Target are listed on a stock exchange referred to in section 3200 of the Regulations and as long as Target controls the Corporation.** There is no agreement which restricts the ability of Target to vote its shares of the Corporation or appoint a majority of the Board of Directors of the Corporation. As such, Target should be considered to control the Corporation.

There are additional requirements for a TFSA in order for the Bonds not to be a "prohibited investment" which would be subject to a special tax. The Bonds will be a "prohibited investment" if the TFSA account holder does not deal at "arm's length" with the Corporation or the account holder is a "specified shareholder" of the Corporation as defined in the Tax Act, generally a person who has a 10% or greater interest in the Corporation together with non-arm's length persons. Assuming the TFSA account holder meets the above requirements, the Bonds will not be a "prohibited investment".

The income tax information herein was provided by Collins Barrow Calgary LLP, Chartered Accountants, and it is based on the current provisions of the Income Tax Act, the Regulations thereunder and known administrative practices of the CRA.

ITEM 7 - COMPENSATION PAID TO SELLERS AND FINDERS

The Corporation reserves the right, as allowed by applicable securities legislation, to retain agents to help effect sales of the Bonds. If an agent is retained, the agent will be paid aggregate fees and commissions of up to 10% of the gross proceeds realized on the Bonds sold by such agent. The Corporation may compensate its employees and consultants up to 10% of the gross proceeds realized on the sale of the Bonds for soliciting subscriptions for the Bonds with respect to Bonds not sold by an agent. The Corporation may compensate its Officer and Director up to 10% of the gross proceeds realized on the sale of the Bonds with respect to the Bonds not sold by an agent.

ITEM 8 - RISK FACTORS

The purchase of Bonds pursuant to this Offering should only be made after consulting with independent and qualified sources of investment and tax advice. Investment in the Bonds at this time is highly speculative. The Corporation's business involves a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Purchasers of Bonds must rely on the ability, expertise, judgement, discretion, integrity and good faith of the management of the Corporation. This Offering is suitable for investors who are willing to rely solely upon the management of the Corporation and who could afford a total loss of their investment.

In addition to factors set forth elsewhere in this Offering Memorandum, potential Subscribers should carefully consider the following factors, which are inherent to the ownership of the Bonds. The following is a summary only some of the risk factors involved in an investment in the Bonds. Prospective investors should review the risks with their legal and financial advisors.

Investment and Issuer Risk

1. The Corporation does not have any operational history and no history of earnings. Accordingly, there is no operating history upon which to base an evaluation of the Corporation and its business and prospects. The Corporation is in the early stage of its business and therefore is subject to all risks associated with early stage companies, including: start up losses, uncertainty of revenues, markets and profitability, the need to raise additional funding, the evolving and unpredictable nature of the Corporation's business. There can be no assurance that the Corporation will be successful in doing what it is required to do to overcome these risks. No assurance can be given that the Corporation's business activities will be successful.
2. An investment in the Bonds of the Corporation is an illiquid investment. **There is currently no market through which the Bonds of the Corporation may be sold.** The Corporation is not a "reporting issuer" in any jurisdiction, and a prospectus has not qualified the issuance of the Bonds. The Bonds are subject to a number of restrictions respecting transferability and resale, including a restriction on trading imposed by applicable securities laws. Until the restriction on trading expires, you will not be able to trade the Bonds unless you comply with an exemption from the prospectus and registration requirements under securities legislation. **See Item 10 Resale Restrictions.**
3. The Bonds offered pursuant to this Offering Memorandum are unsecured and are not insured against loss through the Canadian Deposit Insurance Corporation or any other insurance company or program.
4. The Corporation will have a limited amount of working capital as the majority of the proceeds from this Offering will be advanced to HVL pursuant to the HVL Loan.
5. The Corporation may find it necessary in the future to obtain additional debt or equity to support ongoing operations. There can be no assurance that additional financing will be available to the Corporation when needed or on terms acceptable to the Corporation.
6. The tax consequences associated with an investment in Bonds may be subject to changes in federal and provincial tax laws. There can be no assurance that the tax laws will not be changed in a manner that will fundamentally alter the income tax consequences to investors holding or disposing of Bonds. In the event that Target ceases to control the Corporation or is deemed not to control the Corporation for the purposes of the Tax Act, there may be adverse tax consequences to a subscriber for Bonds. Upon such an event occurring, the Bonds will cease to constitute qualified investments for Deferred Plan purposes unless the Corporation can arrange to contemporaneously transfer the Class A Shares of the Company to another corporation resident in Canada whose shares are listed on a prescribed Canadian stock exchange, or make other suitable investment arrangements to maintain Deferred Plan eligibility for the Bonds. If the Bonds cease to be eligible Deferred Plan investments, an annuitant under a Deferred Plan which acquires or holds Bonds may be required to include in his or her income the fair market value of the Bonds acquired by the Deferred Plan, may incur penalties, and may have the registration of the Deferred Plan revoked. There is also a risk that CRA may reassess the returns of Subscribers relating to their investments in the Bonds.

No advance income tax ruling has been applied for or received with respect to the income tax consequences described in the Offering Memorandum. **See Item 6 Income Tax Consequences and Deferred Plan Eligibility.**

7. The Director and Officer of the Corporation will not be devoting all of his time to the affairs of the Corporation, but will be devoting such time as required to effectively manage the Corporation. The Director and Officer of the Corporation is engaged and will continue to be engaged in the search for business prospects on his own behalf and on behalf of others.

   The Director and Officer of the Corporation is also the sole Director, Officer and will be the sole voting shareholder of HVL. As a result, there may be an inherent conflict of interest with respect to the Officer and Director of the Corporation in the event of a default by HVL under the HVL Loan.

   There are potential conflicts of interest to which the Director and Officer of the Corporation may be subject in connection with the operations of the Corporation. Situations may arise where the Director and Officer will be in direct competition with the Corporation. Conflicts, if any, will be subject to the procedures and remedies under the Business Corporations Act (Alberta).

8. Subscribers under this Offering will not have the benefit of a review of this Offering Memorandum by any regulatory authorities.

9. The Loan by the Corporation to HVL will be secured by a postponable first mortgage on the Lands. **See Item 2.15.2 Loan Agreement with Harbour View Landing Inc.** In the event that HVL defaults in obligations under the HVL Loan, the Corporation will have to enforce its security registered against HVL's assets. There may be intervening encumbrances or other interests of other third parties that may stand in priority to the Corporation's security, which may prevent the Corporation from realizing on or enforcing some or all of its security against the assets of HVL. There may be principals at law or at equity that may prevent the Corporation from enforcing some or all of it security against HVL or its assets. The assets of HVL may not have a sufficient value to satisfy any outstanding debt obligations to the Corporation.

10. The Corporation's short and long term objective is to raise funds to loan to HVL to facilitate the purchase and development of the Lands. A return on investment for a purchaser of Bonds is dependant upon HVL's ability to meet its obligations of principal and interest pursuant to the HVL Loan. As a result, there is no assurance or guarantee that the Corporation and, correspondingly, the purchasers of Bonds pursuant to this Offering will earn a return on their investment.

11. Recent developments in the financial markets that had a significant adverse impact on the value of real estate properties, the availability of debt financing and general economic conditions. The market conditions may have a significant affect on the ability of HVL to develop and/or maximize any real estate projects undertaken by them so as to be able to repay the HVL Loan.

12. The following are some of the risk factors included in the HVL Offering Memorandum that are inherent to the HVL Offering. As the sole asset of the Corporation will be the HVL Loan, these factors are also inherent with respect to an investment in the Bonds. These factors as well as other factors referred to in this Memorandum could adversely affect HVL's ability to repay the Loan. Subscribers should review these risks with their legal and financial advisors. Capitalized terms below are defined in the HVL Offering Memorandum.

All references below to "Corporation" are to HVL.

1. Risks of Real Property Ownership

Real estate investments are generally subject to varying degrees of risk depending on the nature of the property. Such risks include changes in general economic conditions (such as the availability and cost of mortgage funds), local conditions (such as the supply of other properties in the area), government regulation (such as taxation of property and environmental legislation) and the attractiveness of properties to potential purchasers. In addition, each segment in the real estate industry is capital intensive and is typically sensitive to interest rates. Any income generated by the sale of the Lands is dependent upon general economic conditions and, accordingly, the ability of the Corporation to repay its financing may be affected by changes in those conditions. The Corporation will be required to make certain significant expenditures with respect to the Lands including, but not limited to, the payment of property taxes, mortgage payments, insurance costs and related charges which must be made regardless of whether or not the Lands are producing sufficient income to service such expenses. In addition, the Lands will be used as security to obtain financing for the acquisition of the Lands. If the Corporation is unable or unwilling to meet the payment obligations on such loans, losses could be sustained as a result of the exercise by the lenders of their rights of foreclosure or sale.

2. Investment Not Liquid

Real property investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for and for the perceived desirability of the investment. Such illiquidity may tend to limit the Corporation's ability *to vary its asset base promptly in response to changing economic or investment conditions.*

3. Environmental Matters

Under various environmental laws, ordinances and regulations, the current or previous owner or operator of real property may be liable for the costs of removal or remediation of hazardous or toxic substances on, under or in such property. Such laws could impose liability whether or not the Corporation knew of, or was responsible for, the presence of such hazardous or toxic substances. The presence of hazardous or toxic substances, or the failure to remove or remediate such substances, if any, could adversely affect the Corporation's ability to sell the Lands or to borrow using the Lands as collateral and could potentially also result in claims against the Corporation. The Corporation is not aware of any material non-compliance with environmental laws with respect to the Lands. The Corporation is also not aware of any claims in connection with the breach of environmental laws involving the Lands.

4. Market Risks

The economic performance and value of the Lands will be subject to all of the risks associated with investing in real estate, including, but not limited to:

- *changes in the national, regional and local economic climate;*
- *local conditions, including an oversupply of properties like the Lands, or a reduction in demand for properties like the Lands;*
- *the attractiveness of all or parts of the Lands to purchasers;*
- *competition from other available properties; and*
- *changes in laws and governmental regulations, including those governing usage, zoning, the environment and taxes.*

5. Operating History

The Corporation is newly formed and does not have a record of achievement to be relied upon. The Corporation's operations are subject to all the risks inherent in the establishment of a new business enterprise, including a lack of operating history. The Corporation cannot be certain that its investment strategy will be successful. The likelihood of the success of the Corporation must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business and real estate investment. If the Corporation fails to address any of these risks or difficulties adequately, its business will likely suffer. Future profits, if any, will depend upon various factors, including the marketability of the Lands, government regulations and enforcement and general economic conditions. There is no assurance that the Corporation will ultimately develop and sell the Lands for a profit.

6. Reliance on Management

Decisions regarding the management of the Corporation's affairs will be made exclusively by its Officer and Director. Accordingly, investors must carefully evaluate the personal experience and business performance of the Officer and Director of the Corporation. The Corporation may retain independent contractors to provide services to the Corporation. These contractors will have no fiduciary duty to the Corporation.

7. Major Asset

The Lands represents the major asset of the Corporation and therefore the Corporation's financial performance is directly tied to the value of this particular asset. The Corporation does not have a large portfolio of diverse real estate assets, therefore, its success is dependent on the success of the development and sale of the Lands for profit.

8. Debt Financing

If the Corporation obtains debt financing, it will be subject to the risks associated with debt financing, including the risk that mortgage indebtedness secured by the Lands will not be able to be refinanced or that the terms of refinancing will not be as favourable as the terms of existing indebtedness.

9. Interest Rate Fluctuations

Financing by the Corporation may include indebtedness with interest rates which may fluctuate over time and which will result in fluctuations in the Corporation's cost of borrowing.

10. Permits and Approvals

If any of the required permits are not obtained, the Corporation may be unable to complete development of the Lands and and may be forced to sell the Lands. Failure by the Corporation to obtain such approvals may result in the sale price of Lands being substantially less than the aggregate amount of the HVL Loan, resulting in a reduced return (or loss) of a Subscriber's investments in the Bonds offered by the HVL Offering.

ITEM 9 - REPORTING OBLIGATIONS

9.1 Reporting to Bondholders

The Corporation is not a reporting issuer in any jurisdiction. It is therefore not required to disclose material changes which occur in its business and affairs, nor is it required to file with the securities regulatory authorities or to provide to bondholders audited interim financial statements or audited year end financial statements.

Financial or other information relating to the Corporation and provided to you in the future may not by itself be sufficient for you to assess the performance of your investment.

ITEM 10 - RESALE RESTRICTIONS

The Bonds are subject to a number of resale restrictions under securities legislation, including a restriction on trading. Unless or until the restriction on trading expires, you will not be able to trade the Bonds unless you are eligible to rely on and comply with an exemption from the prospectus and registration requirements under securities legislation. For information about these resale restrictions you should consult a lawyer.

The certificates representing Bonds issued pursuant to this Offering will be inscribed with the following legend:

Unless permitted under securities legislation, the holder of this security cannot trade these securities before the date that is four (4) months and a day after the date the Corporation became a reporting issuer in any province or territory of Canada.

The Corporation has no intention of becoming a reporting issuer in any province or territory of Canada.

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

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

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

ITEM 11 - PURCHASERS' RIGHTS

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

Two Day Cancellation Right for a Subscriber

You can cancel your agreement to purchase the Bonds. To do so, you must send a notice to the Corporation before midnight on the second business day after you sign the Subscription Agreement in respect of the Bonds.

Rights of Action in the Event of a Misrepresentation

Applicable securities laws in the Offering Jurisdictions provide you with a remedy to sue to cancel your agreement to buy these securities or for damages if this Offering Memorandum, or any amendment thereto, contains a misrepresentation. Unless otherwise noted, in this section, a "misrepresentation" means an untrue statement or omission of a material fact that is required to be stated or that is necessary in order to make a statement in this Offering Memorandum not misleading in light of the circumstances in which it was made.

These remedies are 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. In addition, these remedies, or notice with respect thereto, must be exercised or delivered, as the case may be, by you within the strict time limit prescribed in the applicable securities laws.

The applicable contractual and statutory rights are summarized below and will be embodied in the Subscription Agreement to be executed and delivered by you to the Corporation prior to the issuance of the Bonds. By its execution of the Subscription Agreement, the Corporation will be deemed to have granted these rights to you. Subscribers should refer to the applicable securities laws of their respective Offering Jurisdiction for the particulars of these rights or consult with professional advisors.

Rights for Subscribers in the Provinces of Alberta and British Columbia

A Subscriber of Bonds pursuant to this Offering Memorandum who is a resident in Alberta and British Columbia has, in addition to any other rights the Subscriber may have at law, a right of action for damages or rescission against the Corporation if this Offering Memorandum, together with any amendments hereto, contains a misrepresentation. In Alberta and British Columbia, a Subscriber has additional statutory rights of action for damages against every director of the Corporation at the date of this Offering Memorandum and every Person or company who signed this Offering Memorandum.

If this Offering Memorandum contains a misrepresentation, which was a misrepresentation at the time the Bonds were purchased, the Subscriber will be deemed to have relied upon the misrepresentation and will, as provided below, have a right of action against the Corporation for damages or alternatively, while still the owner of any of the Bonds purchased by that Subscriber, for rescission, in which case, if the Subscriber elects to exercise the right of rescission, the Subscriber will have no right of action for damages against the Corporation, provided that:

(a) no Person or company will be liable if it proves that the Subscriber purchased the securities with knowledge of the misrepresentation;

(b) in the case of an action for damages, the defendant will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation;

(c) in no case will the amount recoverable in any action exceed the price at which the securities were purchased by the Subscriber under this Offering Memorandum; and

(d) in the case of a Subscriber resident in Alberta, no Person or company, other than the Corporation, will be liable if such Person or company is entitled to rely upon certain statutory provisions set out in subsections 204(3)(a) — (e) of the *Securities Act* (Alberta).

In British Columbia and Alberta, no action may be commenced more than:

(a) in the case of an action for rescission, more than 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of any other action, other than an action for rescission, more than the earlier of (i) 180 days after the Subscriber first had knowledge of the facts giving rise to the cause of action; or (ii) three (3) years after the date of the transaction that gave rise to the cause of action.

Subscribers should refer to the applicable provisions of the securities legislation for particulars of the rights or consult with a lawyer.

Statutory Rights of Action for Subscribers in the Province of Saskatchewan

In the event that this Offering Memorandum and any amendment thereto or advertising or sales literature used in connection therewith delivered to a purchaser of the securities resident in Saskatchewan contains an untrue statement of a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of the securities (herein called a "**material fact**") or omits to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made (herein called a "**misrepresentation**"), a purchaser will be deemed to have relied upon that misrepresentation and will have a right of action for damages against the Corporation, the promoters and "directors" (as defined in *The Securities Act, 1988* (Saskatchewan)) of the Corporation, every person or company whose consent has been filed with this Offering Memorandum or amendment thereto but only with respect to reports, opinions or statements that have been made by them, every person who signed this Offering Memorandum or any amendment thereto, and every person who, or company that, sells the securities on behalf of the Corporation under this Offering Memorandum or amendment thereto.

Alternatively, where the purchaser purchased the securities from the Corporation, the purchaser may elect to exercise a right of rescission against the Corporation.

In addition, where an individual makes a verbal statement to a prospective purchaser that contains a misrepresentation relating to the securities and the verbal statement is made either before or contemporaneously with the purchase of the securities, the purchaser has a right of action for damages against the individual who made the verbal statement.

No persons or company is liable, nor does a right of rescission exist, where the persons or company proves that the purchaser purchased the securities with knowledge of the misrepresentation. In an action for damages, no persons or company will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied on.

No action shall be commenced to enforce these rights more than:

(a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of any action, other than an action for rescission, the earlier of one year after the purchaser first had knowledge of the facts giving rise to the cause of action or six years after the date of the transaction that gave rise to the cause of action.

These rights are (i) in addition to, and do not derogate from, any other right the purchaser may have at law; and (ii) subject to certain defences as more particularly described in *The Securities Act, 1988* (Saskatchewan).

Statutory Rights of Action for Subscribers in the Province of Manitoba

In the event that this Offering Memorandum (including any amendment hereto) delivered to a purchaser of Bonds resident in Manitoba, contains a misrepresentation and it is a misrepresentation at the time of purchase, the purchaser shall be deemed to have relied upon the misrepresentation and shall have, in addition to any other rights they may have at law: (a) a right of action for damages against (i) the Corporation, (ii) every director of the Corporation at the date of this Offering Memorandum (collectively, the "**Directors**"), and (iii) every person or company who signed this Offering Memorandum (collectively, the "**Signatories**"); and (b) a right of rescission against the Corporation.

If a misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into this Offering Memorandum, the misrepresentation is deemed to be contained in this Offering Memorandum.

A purchaser may elect to exercise a right of rescission against the Corporation, in which case the purchaser will have no right of action for damages against the Corporation, Directors or Signatories.

The Corporation, the Directors and Signatories will not be liable if they prove that the purchaser purchased Bonds with knowledge of the misrepresentation.

All persons or companies referred to above that are found to be liable or accept liability, are jointly and severally liable. A person or company who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person who is jointly and severally liable to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable.

A Director or Signatory will not be liable:

(a) if they prove this Offering Memorandum was sent or delivered to the purchaser without their knowledge or consent and, on becoming aware of its delivery, gave reasonable notice to the Corporation that it was delivered without their knowledge and consent;

(b) if they prove that, after becoming aware of a misrepresentation in this Offering Memorandum, they withdrew their consent to this Offering Memorandum and gave reasonable notice to the Corporation of their withdrawal and the reasons therefore;

(c) if, with respect to any part of this Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, opinion or statement of an expert ("**Expert Opinion**"), such person proves they did not have any reasonable grounds to believe and did not believe that there was a misrepresentation or that the relevant part of this Offering Memorandum did not fairly represent the Expert Opinion or was not a fair copy of, or an extract from, such Expert Opinion; or

(d) with respect to any part of this Offering Memorandum not purporting to be made on an expert's authority, or not purporting to be a copy of, or an extract from an Expert Opinion, unless the Director or Signatory (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation, or (ii) believed there had been a misrepresentation.

In an action for damages, the Corporation, the Directors and Signatories will not be liable for all or any part of the damages that they prove do not represent the depreciation in value of the Bonds as a result of the misrepresentation relied upon. The amount recoverable under the right of action shall not exceed the price at which the Bonds were offered for sale.

A purchaser of Bonds to whom this Offering Memorandum was not delivered prior to such purchase in circumstances where such Offering Memorandum was required to be delivered has a right of rescission or a right of action for damages against the Corporation or any dealer who failed to deliver the Offering Memorandum within the prescribed time.

A purchaser of Bonds to whom the Offering Memorandum is required to be sent may rescind the contract to purchase the Bonds by sending a written notice of rescission to the Corporation not later than midnight on the second day, excluding Saturdays and holidays, after the purchaser signs the agreement to purchase the Bonds.

Unless otherwise provided under applicable securities legislation, no action shall be commenced to enforce a right of action unless the right is exercised:

(a) in the case of rescission, not later than 180 days from the day of the transaction that gave rise to the cause of action; or

(b) in the case of an action, other than an action for rescission, the earlier of (i) 180 days from the day the purchaser first had knowledge of the facts giving rise to the cause of action; or (ii) two years from the day of the transaction that gave rise to the cause of action.

The rights discussed above are in addition to, and without derogation from, any other right or remedy which purchasers may have at law and are intended to correspond to the provisions of *The Securities Act* (Manitoba) and are subject to the defences contained therein.

Statutory Rights of Action of Purchasers in Ontario in the Event of a Misrepresentation

Section 130.1 of the *Securities Act* (Ontario) provides that in the event that this Offering Memorandum, together with any amendments thereto, is delivered to an investor in Bonds resident in Ontario and contains a misrepresentation, the investor will have a right of action against the Corporation for damages or rescission as follows. For these purposes a "misrepresentation" means an untrue statement of a material fact or omits to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made:

(a) the right of action for rescission or damages will be exercisable by an investor resident in Ontario only if the investor gives written notice to the Corporation, not later than 180 days after the date on which payment was made for the securities (or after the initial payment was made for the securities, where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to or concurrently with the initial payment), that the investor is exercising this right, or alternatively, in an action for damages, the right of action will be exercisable by an investor only if the investor gives notice to the Corporation not later than the earlier of:

  (i) 180 days after the investor first had knowledge of the facts giving rise to the cause of action; or

  (ii) three years after the date of the transaction giving rise to the cause of action.

(b) the Corporation will not be liable if it proves that the investor purchased the securities with knowledge of the misrepresentation;

(c) in the case of an action for damages, the Issuer will not be liable for all or any portion of such damages that it proves does not represent the depreciation in value of the securities as a result of the misrepresentation relied upon;

(d) in no case will the amount recoverable in any action exceed the price at which the securities were sold to the investor; and

(e) the rights of action for rescission or damages are in addition to and without derogation from any other right the investor may have at law.

Reference is made to the *Securities Act* (Ontario) for the complete text of the provisions under which these rights are conferred and this summary is subject to the express provisions of the *Securities Act* (Ontario).

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.

ITEM 12 - FINANCIAL STATEMENTS

Harbour View Capital Inc.

Interim Un-Audited Financial Statements

January 30, 2009

Harbour View Capital Inc.

Balance Sheet

January 30, 2009

		Un-Audited
Assets		
CURRENT		
Cash	$	1,000
Liability and Shareholder's deficit		
CURRENT	$	23,205
Shareholder's deficit		
SHARE CAPITAL (NOTE 5)	$	1,000
DEFICIT	($	23,205)
	($	22,205)
	$	1,000

APPROVED BY THE BOARD:

Ron Aitkens, Director

Harbour View Capital Inc.

Statement of Loss and Deficit

For the period from January 13, 2009 (date of incorporation) to January 30, 2009

Un-audited

Expenses		
Professional Fees	$	23,205
Net Loss	$	23,205
Deficit, Beginning of Period		-
Deficit, End of Period	$	23,205

1. Company Operations

Harbour View Capital Inc. (the "Corporation") was incorporated on January 13, 2009 pursuant to the Business Corporations Act (Alberta). To date, the Corporation has retained professional services to prepare for the Offering discussed in an Offering Memorandum.

2. Significant Accounting Policies

The financial statements of the Corporation have been prepared by management in accordance with generally accepted accounting principles in Canada. The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates. The financial statements have, in the opinion of management, been properly prepared using careful judgement with reasonable limits of materiality and within the framework of significant policies described below.

The Corporation has not commenced commercial activities and has not identified accounting policies or practices except as listed below:

3. Measurement Uncertainty

The preparation of financial statements, in accordance with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

4. Income Taxes

The Corporation uses the liability method of accounting for future income taxes. Under the liability method, future income tax assets and liabilities are determined based on temporary differences (differences between the accounting basis and the tax basis of the assets and liabilities), and are measured using the currently enacted, or subsequently enacted tax rates and laws expected to apply when these differences reverse. A valuation allowance is recorded against any future income tax assets if it is more likely than not that the asset will not be realized.

5. Due to Related Parties

During the period, the Corporation received a loan of $23,205 from a related party. The loan is payable on demand with no fixed terms of repayment or interest payments to be charged on the principal amount.

6. Income Taxes

At January 30, 2009, the Corporation has non-capital losses of $23,205 which can be carried forward to reduce future year's taxable income for Canadian tax purposes, the benefit of which has not been recognized in the financial statements. These losses expire commencing in 2016.

7. Share Capital

(a) Authorized

Unlimited Class A Preferred shares; and

Unlimited Class B Common Shares.

(b) Issued

100,000 Class A Preferred Shares for $1,000

8. Financial Instruments

The Corporation financial statements consist of a loan payable to a related party whose book values approximate their fair values due to their short-term nature. It is management's opinion that the Corporation is not exposed to significant interest or credit risk arising from those financial statements.

ITEM 13 - DATE AND CERTIFICATE

Dated: January 30, 2009

This Offering Memorandum does not contain a misrepresentation.

Ron Aitkens, President

ON BEHALF OF THE BOARD OF DIRECTORS OF HARBOUR VIEW CAPITAL INC.

Ron Aitkens, Director

ON BEHALF OF THE PROMOTER OF HARBOUR VIEW CAPITAL INC.

Ron Aitkens

SCHEDULE A

SUBSCRIPTION FOR BONDS

TO: Harbour View Capital Inc. (the "Corporation")

The undersigned (hereinafter referred to as the "Subscriber") hereby irrevocably subscribes for and agrees to purchase the number of Bonds ("Bonds") of the Corporation set forth below for the aggregate subscription price set forth below, representing a subscription price of CDN $100 per Bond, upon and subject to the terms and conditions set forth in "Terms and Conditions of Subscription for Bonds of Harbour View Capital Inc." attached hereto (the "Subscription Agreement"). **In addition to this face page, the Subscriber must also complete all applicable schedules attached hereto.**

____
Full Legal Name of Subscriber (please print)

By: ______________________________
Signature of Subscriber or its Authorized Representative

____
Official Title or Capacity (please print)

____
Name of Signatory (please print name of individual whose signature appears above if different than name of Subscriber)

____
Subscriber's Address (including postal code)

____
Date of Execution

____
Social Insurance Number / Business Number

____
Telephone Number (including area code)

____
Email Address

Aggregate Subscription Amount: $ ______________

Number of Bonds: ______________

If the Subscriber is signing as agent for a principal and is not a trust corporation or, in Alberta or British Columbia, a portfolio manager in any case, purchasing as a trustee or an agent for accounts fully managed by it, complete the following and ensure that the applicable schedules attached hereto are completed in respect of such principal:

____
Name of Principal

____

____
Principal's Address (including postal code)

____
Telephone Number (including area code)

____
Email Address

Register the Bonds (if different from address above) as follows:

____
Name

____
Account reference, if applicable

____

____
Address (including postal code)

Deliver the Bonds (if different from address given) as follows:

____
Name

____
Account reference, if applicable

____
Contact Name

____

____
Address (including postal code)

____
Telephone Number (including area code)

FOR OFFICE USE ONLY

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

Per: ______________________________ Date: ______________ No.:

This is the first page of an agreement comprised of 10 pages (excluding the Schedules hereto).

PLEASE MAKE SURE THAT YOUR SUBSCRIPTION INCLUDES:

1. A signed copy of this Subscription Agreement; and
2. A certified cheque, trust cheque, or bank draft in an amount equal to the Aggregate Subscription Amount, payable to "Douglas Alger Law in Trust"; and
3. A properly completed and duly executed copy of the appropriate investor qualification form(s):
   (a) **if resident in British Columbia, Alberta, Saskatchewan and Manitoba**, two (2) copies of the Risk Acknowledgement in the form attached to this Subscription Agreement as Schedule "B" (one copy may be retained for your records);
   (b) **if resident in Alberta, Manitoba or Saskatchewan**, if your subscription is for more than $10,000, one (1) copy of the Eligible Investor Certificate in the form attached to this Subscription Agreement as Schedule "C"; and
   (c) **if resident in Ontario and you are purchasing Bonds as an "accredited investor" (as such term is defined by NI 45-106),** one (1) completed and signed copy of the Accredited Investor Representation Letter attached to the Subscription Agreement as Schedule "D".

PLEASE DELIVER YOUR SUBSCRIPTION TO:

Foundation Capital Corporation

#18, 11410 – 27th Street SE, Calgary, AB, T2Z 3R6

TERMS AND CONDITIONS OF SUBSCRIPTION FOR

BONDS OF HARBOUR VIEW CAPITAL INC.

Definitions. In this Subscription Agreement:

(a) "Aggregate Subscription Amount" means the aggregate dollar amount of the subscription under this Subscription Agreement;

(b) "Closing Date" means the dates on which Bonds are issued by the Corporation pursuant to the Offering Memorandum;

(c) "Corporation" means Harbour View Capital Inc., a corporation incorporated under the *Business Corporations Act* (Alberta);

(d) "Offering" means the offering of the Corporation's Bonds pursuant to the Offering Memorandum;

(e) "Offering Memorandum" means the Offering Memorandum of the Corporation dated January 30, 2009; and

(f) "Bonds" means Bonds of the Corporation offered pursuant to the Offering Memorandum.

Acknowledgements of the Subscriber. The Subscriber acknowledges (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) that:

(a) this subscription is subject to rejection or acceptance by the Corporation in whole or in part, and is effective only upon acceptance by the Corporation;

(b) the Corporation reserves the right, as allowed by applicable securities legislation, to retain agents to help effect sales of the Bonds. If an agent is retained, the agent will be paid aggregate fees and commissions of up to 10% of the gross proceeds realized on the Bonds sold by such agent. The Corporation may compensate its employees and consultants up to 10% of the gross proceeds realized on the sale of the Bonds for soliciting subscriptions for the Bonds with respect to Bonds not sold by an agent. The Corporation may compensate its Officer and Director up to 10% of the gross proceeds realized on the sale of the Bonds with respect to the Bonds not sold by an agent;

(c) the Bonds subscribed for by the Subscriber hereunder form part of a larger issue and sale by the Corporation of up to 140,000 Bonds at a subscription price of $100 per Bond (the "Offering");

(d) the Subscriber acknowledges that the Lands are or were owned by 0747618 Alberta Ltd., a corporation owned and controlled by Ron Aitkens, the sole officer, director and shareholder of the Corporation. The Subscriber further acknowledges that the Lands will be sold to the Harbour View Landing Inc. by 0747618 Alberta Ltd. The Subscriber consents to the Corporation lending funds to Harbour View Landing Inc. pursuant to the Loan referred to in the Offering Memorandum and agrees that the advance of the Loan will not constitute a breach of fiduciary or other duty and that neither 0747618 Alberta Ltd. nor Ron Aitkens shall be liable to or required to account to or indemnify the Corporation or the Subscriber in connection with the sale of the Lands by 0747618 Alberta Ltd. to Harbour View Landing Inc. or the advance of the Loan by the Corporation to Harbour View Landing Inc.;

(e) **the Subscriber is responsible for obtaining such legal advice as it considers appropriate in connection with the execution, delivery and performance by it of this Subscription Agreement.**

Representations, Warranties and Covenants of the Subscriber. By executing this Subscription Agreement, the Subscriber (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) represents, warrants and covenants to the Corporation (and acknowledges that the Corporation and its counsel are relying thereon) that:

(a) if the Subscriber is an individual, the Subscriber is of the full age of majority in the jurisdiction in which this Subscription Agreement is executed and is legally competent to execute and deliver this Subscription Agreement, to perform all of its obligations hereunder, and to undertake all actions required of the Subscriber hereunder;

(b) if the Subscriber is not an individual, the Subscriber has the requisite power, authority, legal capacity and competence to execute and deliver this Subscription Agreement, to perform all of its obligations hereunder, and to undertake all actions required of the Subscriber hereunder, and all necessary approvals of its Directors, partners, Shareholders, trustees or otherwise with respect to such matters have been given or obtained;

(c) if the Subscriber is a body corporate, the Subscriber is duly incorporated and validly subsisting under the laws of its jurisdiction of incorporation;

(d) this Subscription Agreement has been duly and validly authorized, executed and delivered by, and constitutes a legal, valid, binding and enforceable obligation of, the Subscriber;

(e) if the Subscriber is acting as agent or trustee for a principal, the Subscriber is duly authorized to execute and deliver this Subscription Agreement and all other necessary documents in connection with such subscription on behalf of such principal, and this Subscription Agreement has been duly authorized, executed and delivered by or on behalf of, and constitutes a legal, valid, binding and enforceable obligation of, such principal;

(f) the execution, delivery and performance by the Subscriber of this Subscription Agreement and the completion of the transactions contemplated hereby do not and will not result in a violation of any law, regulation, order or ruling applicable to the Subscriber, and do not and will not constitute a breach of or default under any of the Subscriber's constating documents (if the Subscriber is not an individual) or any agreement to which the Subscriber is a party or by which it is bound;

(g) (the Subscriber confirms that the Subscriber (and, if the Subscriber is not purchasing as principal, each beneficial purchaser for whom the Subscriber is acting) is:

(i) **resident in or otherwise subject to the applicable securities laws of British Columbia, Alberta, Manitoba or Saskatchewan,** it is purchasing the Bonds as principal for its own account and not for the benefit of any other person and it has received or been provided with a copy of the Offering Memorandum **and has duly completed and executed two (2) copies of the Risk Acknowledgement in the form attached hereto as Schedule "B" (one copy for each of the Corporation and the Subscriber) and if a resident of Alberta, Manitoba or Saskatchewan and you are subscribing for more than $10,000 in Bonds, has duly completed and executed a copy of the Representation Letter in the form attached hereto as Schedule "C"; or**

(ii) **resident in or otherwise subject to the applicable securities laws of Ontario**, it is purchasing the Bonds as principal for its own account and not for the benefit of any other person and is an "**accredited investor**", as such term is defined in National Instrument 45-106 - "Prospectus and Registration Exemptions" ("NI 45-106"), and has concurrently executed and delivered a Representation Letter in the form attached as **Schedule D** to this Subscription Agreement with Appendix A to Schedule D completed.

(h) has such knowledge in financial and business affairs as to be capable of evaluating the merits and risks of its investment in the Bonds;

(i) is capable of assessing the proposed investment in the Bonds as a result of the Subscriber's own experience or as a result of advice received from a person registered under applicable securities legislation; and

(ii) is able to bear the economic risk of loss of its investment in the Bonds;

(i) the Subscriber understands that no securities commission, stock exchange, governmental agency, regulatory body or similar authority has made any finding or determination or expressed any opinion with respect to the merits of investing in the Bonds;

(j) the Subscriber acknowledges that no prospectus has been filed by the Corporation with any securities commission or similar regulatory authority in any jurisdiction in connection with the issuance of the Bonds and the issuance is exempted from the prospectus requirements available under the provisions of applicable securities laws and as a result:

(i) the Subscriber may be restricted from using some of the civil remedies otherwise available under applicable securities laws;

(ii) the Subscriber may not receive information that would otherwise be required to be provided to it under applicable securities laws; and

(iii) the Corporation is relieved from certain obligations that would otherwise apply under applicable securities laws;

(k) the Subscriber confirms that neither the Corporation or any of its representative Directors, employees, Officers or affiliates, have made any representations (written or oral) to the Subscriber:

(i) regarding the future value of the Bonds;

(ii) that any person will resell or repurchase the Bonds;

(iii) that the Bonds will be listed on any stock exchange or traded on any market; or

(iv) that any person will refund the purchase price of the Bonds other than as provided in this Subscription Agreement;

(l) the Subscriber confirms that it has been advised to consult its own legal and financial advisors with respect to the suitability of the Bonds as an investment for the Subscriber, the tax consequences of purchasing and dealing with the Bonds, and the resale restrictions and "hold periods" to which the Bonds are or may be subject under applicable securities legislation or stock exchange rules, and has not relied upon any statements made by or purporting to have been made on behalf of the Corporation with respect to such suitability, tax consequences, and resale restrictions;

(m) except for the Subscriber's knowledge regarding its subscription for Bonds hereunder, the Subscriber has no knowledge of a "material fact" or a "material change" (as those terms are defined in the *Securities Act* (Alberta)) in the affairs of the Corporation that has not been generally disclosed;

(n) the Subscriber is resident in the jurisdiction indicated on the face page of this Subscription Agreement as the "Subscriber's Address" and the purchase by and sale to the Subscriber of the Bonds, and any act, solicitation, conduct or negotiation directly or indirectly in furtherance of such purchase and sale (whether with or with respect to the Subscriber or any beneficial purchaser) has occurred only in such jurisdiction;

(o) the Subscriber acknowledges that it and/or the Corporation may be required to provide applicable securities regulatory authorities or stock exchanges with information concerning the identities of the beneficial purchasers of the Bonds and the Subscriber agrees that, notwithstanding that the Subscriber may be purchasing the Bonds as agent for an undisclosed principal, the Subscriber will provide to the Corporation, on request, particulars as to the identity of such undisclosed principal as may be required by the Corporation in order to comply with the foregoing;

(p) the Subscriber understands that it will not resell the Bonds except in accordance with limited exemptions available under applicable securities legislation, regulatory policy and stock exchange rules, and that the Subscriber is solely responsible for (and the Corporation is not in any way responsible for) the Subscriber's compliance with applicable resale restrictions;

(q) the Subscriber acknowledges that it is aware that there is no market upon which the Bonds trade and there is no assurance that any of the Bonds will be listed and posted for trading on a stock exchange or dealer network in the future;

(r) the Subscriber understands that the sale of the Bonds is conditional upon such sale being exempt from the requirements to file and obtain a receipt for a prospectus, and the requirement to sell securities through a registered dealer, or upon the issuance of such orders, consents or approvals as may be required to enable such sale to be made without complying with such requirements, and that as a consequence of acquiring the Bonds pursuant to such exemptions, certain protections, rights and remedies provided by applicable securities legislation, including statutory rights of rescission or damages in the event of a misrepresentation may not be available to the Subscriber in connection with the purchase and sale of the Bonds;

(s) the Subscriber understands that any certificates representing the Bonds will bear a legend indicating that the resale of such securities is restricted;

(t) other than the Offering Memorandum, the Subscriber has not received or been provided with, nor has it requested, nor does it have any need to receive, any Offering Memorandum, or any other document (other than the annual financial statements, interim financial statements or any other document (excluding offering memoranda, prospectuses or other offering documents) the content of which is prescribed by statute or regulation) describing the business and affairs of the Corporation, which has been prepared for delivery to and review by prospective purchasers in order to assist them in making an investment decision in respect of the purchase of Bonds pursuant to the offering;

(u) the Subscriber is not a "U.S. Person" (as that term is defined by Regulation S under the U.S. Securities Act, which definition includes, but is not limited to, an individual resident in the United States, an estate or trust of which any executor or administrator or trustee, respectively, is a U.S. Person and any partnership or corporation organized or incorporated under the laws of the United States) and is not acquiring the Bonds for the account or benefit of a U.S. Person or a person in the United States;

(v) the Bonds have not been Offered to the Subscriber in the United States, and the individuals making the order to purchase the Bonds and executing and delivering this Subscription Agreement on behalf of the Subscriber were not in the United States when the order was placed and this Subscription Agreement was executed and delivered;

(w) the Subscriber undertakes and agrees that it will not offer or sell any of the Bonds in the United States unless such Securities are registered under the U.S. Securities Act and the securities laws of all applicable states of the United States, or an exemption from such registration requirements is available;

(x) the Subscriber acknowledges that, in addition to any other requirements under applicable securities legislation to which a disposition of any of the Bonds by the Subscriber may be subject, the Subscriber may, depending on the nature of the disposition, be required to file a report of exempt trade within ten (10) days of a disposition by the Subscriber of the Bonds;

(y) if required by applicable securities legislation, regulations, rules, policies or orders or by any securities commission, stock exchange or other regulatory authority, the Subscriber will execute, deliver, file and otherwise assist the Corporation in filing such reports, undertakings and other documents with respect to the issue of the Bonds;

(z) except as disclosed in writing to the Corporation, the Subscriber does not act jointly or in concert with any other person or company for the purposes of acquiring securities of the Corporation;

(aa) the Subscriber is not a non-resident for the purposes of the *Income Tax Act* (Canada);

(bb) the Subscriber is not a "control person" of the Corporation, as that term is defined in the *Securities Act* (Alberta), will not become a "control person" of the Corporation by purchasing the number of Bonds subscribed for under this Subscription Agreement and does not intend to act jointly or in concert with any other person to form a control group in respect of the Corporation;

(cc) the Subscriber has not relied upon any verbal or written representation as to fact or otherwise made by or on behalf of the Corporation except as expressly set forth herein or in the Offering Memorandum;

(dd) the funds representing the Aggregate Subscription Amount which will be advanced by the Subscriber to the Corporation hereunder will not represent proceeds of crime for the purposes of the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) (the "PCMLA") and the Subscriber acknowledges that the Corporation may in the future be required by law to disclose the Subscriber's name and other information relating to this Subscription Agreement and the Subscriber's subscription hereunder, on a confidential basis, pursuant to the PCMLA. To the best of its knowledge: (i) none of the subscription funds to be provided by the Subscriber: (A) have been or will be derived from or related to any activity that is deemed criminal under the law of Canada, the United States of America, or any other jurisdiction; or (B) are being tendered on behalf of a person or entity who has not been identified to the Subscriber; and (ii) it shall promptly notify the Corporation if the Subscriber discovers that any of such representations ceases to be true, and to provide the Corporation with appropriate information in connection therewith;

(ee) the Subscriber acknowledges that the Corporation may complete additional financings in the future in order to develop the proposed business of the Corporation and to fund its ongoing development. There is no assurance that such financing will be available and if available, on reasonable terms. Any such future financings may have a dilutive effect on current shareholders or security holders, including the Subscriber; and

(ff) **the Subscriber acknowledges that an investment in the Bonds is subject to a number of risk factors. In particular, the Subscriber acknowledges that the Corporation is not a reporting issuer in any province of Canada and, as such, the applicable hold period may never expire. Accordingly, there is currently no market for any of the Bonds and one may never develop. It may be difficult or even impossible for a Subscriber to sell any of the Bonds. Resale of such Bonds will require the availability of exemptions from the prospectus requirements of applicable Securities legislation, or the application for a discretionary order of the securities commission or similar regulatory authority in the subscriber's province of residence permitting the trade. The Subscriber covenants and agrees to comply with t relevant securities legislation, orders or policies concerning the purchase, holding of, and resale of the Bonds.**

Timeliness of Representations, etc. The Subscriber agrees that the representations, warranties and covenants of the Subscriber herein will be true and correct both as of the execution of this Subscription Agreement and as of the Closing Time (as defined herein), and will survive the completion of the distribution of the Bonds and any subsequent disposition by the Subscriber of any of the securities.

Indemnity. The Subscriber acknowledges that the Corporation and its counsel are relying upon the representations, warranties and covenants of the Subscriber set forth herein in determining the eligibility (from a Securities law perspective) of the Subscriber (or, if applicable, the eligibility of another on whose behalf the Subscriber is contracting hereunder to subscribe for Bonds) to purchase Bonds under the Offering, and hereby agrees to indemnify the Corporation and its Directors, Officers, employees, advisers, affiliates, Shareholders and agents (including their respective legal counsel) against all losses, claims, costs, expenses, damages or liabilities that they may suffer or incur as a result of or in connection with their reliance on such representations, warranties and covenants. The Subscriber undertakes to immediately notify the Corporation of any change in any statement or other information relating to the Subscriber set forth herein that occurs prior to the Closing Time.

Deliveries by Subscriber prior to Closing. The Subscriber agrees to deliver to the Corporation not later than 5:00 p.m. (Mountain standard time) on the day that is two business days before any Closing Date of which the Subscriber receives notice:

(a) this duly completed and executed Subscription Agreement;

(b) a certified cheque or bank draft made payable to "Douglas Alger Law in Trust" in an amount equal to the Aggregate Subscription Amount, or payment of the same amount in such other manner as is acceptable to the Corporation;

(c) properly completed and duly executed copies of the appropriate investor qualification form(s) as described on page 2 of this Subscription Agreement; and

(d) such other documents as may be requested by the Corporation as contemplated by this Subscription Agreement.

Consent to Collection of Personal Information. If the Subscriber is an individual, the Subscriber acknowledges that the Subscriber has provided, in this Subscription Agreement, to the Corporation information (the "**Personal Information**") of a personal nature that may or may not be protected under applicable privacy legislation. This information is being collected, used and may be disclosed by the Corporation for the following purposes (the "**Purposes**"):

(a) in order to complete the Offering;

(b) to be kept in the corporate records of the Corporation, on its Securities registers and Bondholders lists, maintained by the Corporation and/or the Corporation's transfer agent;

(c) to be disclosed to securities/tax regulatory authorities or other government bodies as required and in accordance with applicable securities laws and tax laws;

(d) as long as the Subscriber is a Shareholder of the Corporation, to be disclosed to other third parties held to an obligation of confidentiality to the Corporation such as its legal counsel, its accountants, transfer agent, securities depository, or any other entity for: (i) the purpose of sending financial statements and other disclosure documentation required to be sent by law to the Shareholders of the Corporation, and/or (ii) in the context of a proposed merger, business combination, acquisition, takeover bid or such other major transaction involving the Corporation and such other third party; and

(e) to enforce the obligations contemplated by this Subscription Agreement.

The Subscriber or the person subscribing for the Bonds on behalf of a disclosed beneficial purchaser hereby consents to the collection, use and disclosure by the Corporation of the Personal Information for the Purposes.

Certain securities commissions have been granted the authority to indirectly collect this personal information pursuant to securities legislation and this personal information is also being collected for the purpose of administration and enforcement of securities legislation. In Ontario, the Administrative Assistant to the Director of Corporate Finance, Suite 1903, Box 5520 Queen Street West, Toronto, Ontario M5H 3S8, Telephone (416) 593-8086, Facsimile: (416) 593-8252 is the public official who can answer questions about the indirect collection of personal information. The Subscriber's personal information may be disclosed by the Corporation or its counsel to: (a) stock exchanges, securities commissions or securities regulatory authorities; (b) the Corporation's registrar and transfer agent; (c) taxation authorities; (d) any of the other parties involved in the offering, including legal counsel. By executing this Subscription Agreement, the Subscriber is deemed to be authorizing and consenting to the foregoing collection (including the indirect collection of personal information), use and disclosure of the Subscriber's personal information as set forth above. The Subscriber also consents to the filing of copies or originals of any of the Subscriber's documents described in this Subscription Agreement as may be required to be filed with any stock exchange, securities commission or securities regulatory authority in connection with the transactions contemplated hereby.

Partial Acceptance or Rejection of Subscription. The Corporation may, in its absolute discretion, accept or reject the Subscriber's subscription for Bonds as set forth in this Subscription Agreement, in whole or in part, and the Corporation reserves the right to allot to the Subscriber less than the amount of Bonds subscribed for under this Subscription Agreement.

(a) Notwithstanding the foregoing, the Subscriber acknowledges and agrees that the acceptance of this Subscription Agreement will be conditional upon among other things, the sale of the Bonds to the Subscriber being exempt from any prospectus and Offering memorandum requirements of applicable Securities laws. The Corporation will be deemed to have accepted this Subscription Agreement upon the delivery at Closing of the certificates representing the Bonds to the Subscriber or upon the direction of the Subscriber in accordance with the provisions hereof.

(b) If this Subscription Agreement is rejected in whole, any certified cheque(s) or bank draft(s) delivered by the Subscriber to the Corporation on account of the Aggregate Subscription Amount for the Bonds subscribed for will be promptly returned to the Subscriber without interest. If this Subscription Agreement is accepted only in part, a cheque representing the amount by which the payment delivered by the Subscriber to the Corporation exceeds the subscription price of the number of Bonds sold to the Subscriber pursuant to a partial acceptance of this Subscription Agreement, will be promptly delivered to the Subscriber without interest.

Time and Place of Closing. The sale of the Bonds will be completed at the offices of the Corporation in Calgary, Alberta at 10:00 a.m. (Mountain standard time) or such other time as the Corporation may determine (the "Closing Time") on the Closing Date. The Corporation reserves the right to close the Offering in multiple tranches, so that one or more closings may occur after the initial closing.

Subject to Regulatory Approval. The obligations of the parties hereunder are subject to all required regulatory approvals being obtained.

Representations and Warranties of the Corporation. The Corporation hereby represents and warrants to the Subscriber (and acknowledges that the Subscriber is relying thereon) that:

(a) the Corporation has the full corporate right, power and authority to execute and deliver this Subscription Agreement and to issue the Bonds to the Subscriber;

(b) the Corporation is duly incorporated and validly subsisting, and is qualified to carry on business in each jurisdiction in respect of which the carrying out of the activities contemplated hereby make such qualification necessary;

(c) the Corporation has complied or will comply with all applicable corporate and securities laws in connection with the Offer and sale of the Bonds;

(d) upon acceptance by the Corporation, this Subscription Agreement shall constitute a binding obligation of the Corporation enforceable in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors' rights generally and to the general principles of equity including the fact that specific performance is available only in the discretion of the court; and

(e) the execution, delivery and performance of this Subscription Agreement by the Corporation and the issue of the Bonds to the Subscriber pursuant hereto does not and will not constitute a breach of or default under the constating documents of the Corporation, or any law, regulation, order or ruling applicable to the Corporation, or any agreement to which the Corporation is a party or by which it is bound.

No Partnership. Nothing herein shall constitute or be construed to constitute a partnership of any kind whatsoever between the Subscriber and the Corporation.

Governing Law. The contract arising out of acceptance of this Subscription Agreement by the Corporation shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein. The parties irrevocably attorn to the exclusive jurisdiction of the courts of the Province of Alberta.

Time of Essence. Time shall be of the essence of this Subscription Agreement.

Entire Agreement. This Subscription Agreement represents the entire agreement of the parties hereto relating to the subject matter hereof, and there are no representations, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein.

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

Counterpart. This Subscription Agreement may be executed in one or more counterparts each of which so executed shall constitute an original and all of which together shall constitute one and the same agreement.

Severability. The invalidity, illegality or unenforceability of any provision of this Subscription Agreement shall not affect the validity, legality or enforceability of any other provision hereof.

Survival. The covenants, representations and warranties contained in this Subscription Agreement shall survive the closing of the transactions contemplated hereby, and shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.

Interpretation. The headings used in this Subscription Agreement have been inserted for convenience of reference only and shall not affect the meaning or interpretation of this Subscription Agreement or any provision hereof. In this Subscription Agreement, all references to money amounts are to Canadian dollars.

Amendment. Except as otherwise provided herein, this Subscription Agreement may only be amended by the parties hereto in writing.

__Costs__. The Subscriber acknowledges and agrees that all costs incurred by the Subscriber (including any fees and disbursements of any special counsel retained by the Subscriber) relating to the sale of the Bonds to the Subscriber shall be borne by the Subscriber.

__Withdrawal__. The Subscriber, on its own behalf and, if applicable, on behalf of others for whom it is contracting hereunder, agrees that this subscription is made for valuable consideration and may not be withdrawn, cancelled, terminated or revoked by the Subscriber, on its own behalf and, if applicable, on behalf of others for whom it is contracting hereunder.

__Assignment__. Neither party may assign all or part of its interest in or to this Subscription Agreement without the consent of the other party in writing.

__Language__. The Subscriber acknowledges that it has consented to and requested that all documents evidencing or relating in any way to the sale of the Bonds be drawn up in the English language only. **Le souscripteur reconnaît par les présentes avoir consenti et exigé que tous les documents faisant foi ou se rapportant de quelque manière à la vente des bons de souscription spéciaux soient rédigés en anglais seulement.**

SCHEDULE B

FORM 45-106F4

TO BE COMPLETED BY BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, AND MANITOBA RESIDENTS

RISK ACKNOWLEDGEMENT

I acknowledge that this is a risky investment:

- I am investing entirely at my own risk.
- No securities commission has evaluated or endorsed the merits of these securities or the disclosure in the Offering Memorandum.
- The person selling me these securities is not registered with a securities regulatory authority and has no duty to tell me whether this investment is suitable for me.
- I will not be able to sell these securities except in very limited circumstances.
- I may never be able to sell these securities.
- I could lose all the money I invest.
- The Bonds offered pursuant to this Offering Memorandum are unsecured and are not insured against loss through the Canadian Deposit Insurance Corporation or any other insurance company or program.

I am investing $____________ in total; this includes any amount I am obliged to pay in future.

The Corporation reserve the right, as allowed by applicable securities legislation, to retain agents to help affect sales of the Bonds. If an agent is retained, the agent will be paid aggregate fees and commissions of up to 10% of the gross proceeds realized on the Bonds sold by such agent. The Corporation may compensate its employees and consultants up to 10% of the gross proceeds realized on the sale of the Bonds for soliciting subscriptions for the Bonds with respect to Bonds not sold by an agent. The Corporation may compensate its Officer and Director up to 10% of the gross proceeds realized on the sale of the Bonds with respect to the Bonds not sold by an agent.

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

____________________,20__
Date

____
Signature of Purchaser

____
Print name of Purchaser

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

WARNING

You have 2 business days to cancel your purchase

To do so, send a notice to Harbour View Capital Inc. stating that you want to cancel your purchase. You must send the notice before midnight on the 2nd business day after the closing at which you agree to purchase the securities. You can send the notice by fax or email or deliver it in person to Harbour View Capital Inc. at its business address. Keep a copy of the notice for your records.

The Issuer:	**Harbour View Capital Inc. (the "Corporation" or the "Issuer")**
Address:	#18, 11410 – 27th Street SE Calgary, AB T2Z 3R6
Phone #:	(403) 253-5822
Fax #:	(403) 253-5820
Email:	info@foundationcapital.ca

You are buying Exempt Market Securities

They are called exempt market securities because two parts of securities law do not apply to them. If an issuer wants to sell exempt market securities to you:

(i) the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and

(ii) the securities do not have to be sold by an investment dealer registered with a securities commission.

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

You will receive an Offering Memorandum

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

You will not receive advice

You will not get professional advice about whether the investment is suitable for you. But you can still seek that advice from an adviser or investment dealer registered with a securities commission. Contact the Investment Dealers Association of Canada (website at www.ida.ca) for a list of registered investment dealers in your area.

The securities you are buying are not listed

The securities you are buying are not listed on any stock exchange, and they may never be listed.

You may never be able to sell these securities.

The issuer of your securities is a non-reporting issuer

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

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

Alberta Securities Commission
4th Floor, 300 - 5th Avenue S.W.
Calgary, AB T2P 3C4
Phone: (403) 297-6454
Fax: (403) 297-6156
http://www.albertasecurities.com

British Columbia Securities Commission
701 West Georgia Street
P.O. Box 10142, Pacific Centre
Vancouver, BC V7Y 1L2
Phone (604) 899-6500
Fax: (604) 899-6506
http://www.bcsc.bc.ca

Saskatchewan Financial Services Commission
6th Floor, 1919 Saskatchewan Drive
Regina, SK S4P 3V7
Telephone: (306) 787-5879
Facsimile: (306) 787-5899

The Manitoba Securities Commission
1130 – 405 Broadway Avenue
Winnipeg, MB R3C 3L6
Telephone: (204) 945-2548
Facsimile: (204) 945-0330

Instruction:

The purchaser must sign 2 copies of this form.

The purchaser and the issuer must each receive a signed copy.

SCHEDULE B

FORM 45-106F4

TO BE COMPLETED BY BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, AND MANITOBA RESIDENTS

RISK ACKNOWLEDGEMENT

I acknowledge that this is a risky investment:

- I am investing entirely at my own risk.
- No securities commission has evaluated or endorsed the merits of these securities or the disclosure in the Offering Memorandum.
- The person selling me these securities is not registered with a securities regulatory authority and has no duty to tell me whether this investment is suitable for me.
- I will not be able to sell these securities except in very limited circumstances.
- I may never be able to sell these securities.
- The Bonds offered pursuant to this Offering Memorandum are unsecured and are not insured against loss through the Canadian Deposit Insurance Corporation or any other insurance company or program.
- I could lose all the money I invest.

I am investing $____________ in total; this includes any amount I am obliged to pay in future.

The Corporation reserve the right, as allowed by applicable securities legislation, to retain agents to help affect sales of the Bonds. If an agent is retained, the agent will be paid aggregate fees and commissions of up to 10% of the gross proceeds realized on the Bonds sold by such agent. The Corporation may compensate its employees and consultants up to 10% of the gross proceeds realized on the sale of the Bonds for soliciting subscriptions for the Bonds with respect to Bonds not sold by an agent. The Corporation may compensate its Officer and Director up to 10% of the gross proceeds realized on the sale of the Bonds with respect to the Bonds not sold by an agent.

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

WARNING

______________________,20__
Date

____
Signature of Purchaser

____
Print name of Purchaser

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

You have 2 business days to cancel your purchase

To do so, send a notice to Harbour View Capital Inc. stating that you want to cancel your purchase. You must send the notice before midnight on the 2nd business day after the closing at which you agree to purchase the securities. You can send the notice by fax or email or deliver it in person to Harbour View Capital Inc. at its business address. Keep a copy of the notice for your records.

The Issuer:	**Harbour View Capital Inc. (the "Corporation" or the "Issuer")**
Address:	#18, 11410 – 27th Street SE Calgary, AB T2Z 3R6
Phone #:	(403) 253-5822
Fax #:	(403) 253-5820
Email:	info@foundationcapital.ca

You are buying Exempt Market Securities

They are called exempt market securities because two parts of securities law do not apply to them. If an issuer wants to sell exempt market securities to you:

(i) the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and

(ii) the securities do not have to be sold by an investment dealer registered with a securities commission.

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

You will receive an Offering Memorandum

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

You will not receive advice

You will not get professional advice about whether the investment is suitable for you. But you can still seek that advice from an adviser or investment dealer registered with a securities commission. Contact the Investment Dealers Association of Canada (website at www.ida.ca) for a list of registered investment dealers in your area.

The securities you are buying are not listed

The securities you are buying are not listed on any stock exchange, and they may never be listed.

You may never be able to sell these securities.

The issuer of your securities is a non-reporting issuer

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

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

Alberta Securities Commission
4th Floor, 300 - 5th Avenue S.W.
Calgary, AB T2P 3C4
Phone: (403) 297-6454
Fax: (403) 297-6156
http://www.albertasecurities.com

British Columbia Securities Commission
701 West Georgia Street
P.O. Box 10142, Pacific Centre
Vancouver, BC V7Y 1L2
Phone (604) 899-6500
Fax: (604) 899-6506
http://www.bcsc.bc.ca

Saskatchewan Financial Services Commission
6th Floor, 1919 Saskatchewan Drive
Regina, SK S4P 3V7
Telephone: (306) 787-5879
Facsimile: (306) 787-5899

The Manitoba Securities Commission
1130 – 405 Broadway Avenue
Winnipeg, MB R3C 3L6
Telephone: (204) 945-2548
Facsimile: (204) 945-0330

Instruction:

The purchaser must sign 2 copies of this form.

The purchaser and the issuer must each receive a signed copy.

SCHEDULE C

OFFERING MEMORANDUM EXEMPTION

REPRESENTATION LETTER - 45-106 ELIGIBLE INVESTOR

TO BE COMPLETED BY ALBERTA, MANITOBA AND SASKATCHEWAN RESIDENTS WHO ARE SUBSCRIBING FOR MORE THAN $10,000 IN BONDS.

The undersigned (the "Subscriber") hereby confirms and certifies to Harbour View Capital Inc. that the Subscriber is purchasing the Bonds as principal, that the Subscriber is resident in the jurisdiction set out on the execution page hereof, and that the Subscriber is: **[check appropriate boxes]**

☐ an "eligible investor", being a person or company whose **[circle one or more]**

(i) net assets, alone or with a spouse, exceed CDN $400,000,

(ii) net income before taxes exceeded CDN $75,000 in each of the two most recent years and who reasonably expects to exceed that income level in the current year, or

(iii) net income before taxes combined with that of a spouse exceeded CDN $125,000 in each of the two most recent years and who reasonably expects to exceed that income level in the current year,

☐ a person or company of which a majority of the voting securities are beneficially owned by eligible investors or a majority of the Directors are eligible investors,

☐ a general partnership in which all of the partners are eligible investors,

☐ a limited partnership in which the majority of the general partners are eligible investors,

☐ a trust or estate in which all of the beneficiaries or a majority of the trustees or executors are eligible investors,

☐ an accredited investor (as defined in National Instrument 45-106),

☐ a person who is a family member, close personal friend or close business associate as described in Section 2.5 of National Instrument 45-106; or

☐ person or company that has obtained advice regarding the suitability of the investment and if the person or company is in a jurisdiction of Canada that advice has been obtained from an eligibility adviser (as defined in National Instrument 45-106).

EXECUTED by the Subscriber this _____ day of ______________________, 20__

If a corporation, partnership or other entity:	**If an individual:**
______________________________ Signature of Authorized Signatory	______________________________ Signature
______________________________ Name and Position of Signatory	______________________________ Print Name
______________________________ Name of Purchasing Entity	______________________________ Jurisdiction of Residence
______________________________ Jurisdiction of Residence	

SCHEDULE D

REPRESENTATION LETTER

(FOR ONTARIO ACCREDITED INVESTORS)

TO: **Harbour View Capital Inc. (the "Corporation")**

In connection with the purchase of bonds (the "Bonds") of the Corporation by the undersigned subscriber or, if applicable, the principal on whose behalf the undersigned is purchasing as agent (the "**Subscriber**" for the purposes of this Schedule D), the Subscriber hereby represents, warrants, covenants and certifies to the Corporation that:

(a) The Subscriber is resident in the jurisdiction as set forth on the face page of this Subscription Agreement or is subject to the securities laws of such jurisdiction;

(b) The Subscriber is purchasing the Bonds as principal for its own account;

(c) The Subscriber is an "accredited investor" within the meaning of National Instrument 45-106 entitled "Prospectus and Registration Exemptions" by virtue of satisfying the indicated criterion as set out in Appendix A to this Representation Letter;

(d) The Subscriber was not created or used solely to purchase or hold securities as an "accredited investor" as described in paragraph (XII) of the attached Appendix A of this Schedule D; and

(e) Upon execution of this Schedule D by the Subscriber, this Schedule D shall be incorporated into and form a part of the Subscription Agreement.

Dated: ______________________________, 20__.

____
Print name of Subscriber

By: ______________________________________
Signature

____
Print name of Signatory (if different from Subscriber)

____
Title

IMPORTANT: PLEASE MARK THE CATEGORY OR CATEGORIES

IN APPENDIX A ON THE NEXT PAGE THAT DESCRIBE YOU

APPENDIX A

TO SCHEDULE D

NOTE: THE INVESTOR MUST INITIAL BESIDE THE APPLICABLE PORTION OF THE DEFINITION BELOW.

Accredited Investor - (defined in National Instrument 45-106) means:

_______ I. a Canadian financial institution, or an authorized foreign bank named in Schedule III of the *Bank Act* (Canada); or

_______ II. the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or

_______ III. a subsidiary of any person referred to in paragraphs (I) or (II), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by Directors of that subsidiary; or

_______ IV. a person registered under the securities legislation of a jurisdiction of Canada, as an adviser or dealer, other than a person registered solely as a limited market dealer under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador); or

_______ V. an individual registered or formerly registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (IV); or

_______ VI. the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly-owned entity of the Government of Canada or a jurisdiction of Canada; or

_______ VII. a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec; or

_______ VIII. any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government; or

_______ IX. a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a pension commission or similar regulatory authority of a jurisdiction of Canada; or

_______ X. an individual who, either alone or with a spouse, beneficially owns, directly or indirectly, financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds $1,000,000; or

_______ XI an individual whose net income before taxes exceeded $200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse exceeded $300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year; or

(Note: if individual accredited investors wish to purchase through wholly-owned holding companies or similar entities, such purchasing entities must qualify under paragraph (t) below, which must be initialed.)

_______ XII. an individual who, either alone or with a spouse, has net assets of at least $5,000,000; or

_______ XIII. a person, other than an individual or investment fund, that has net assets of at least $5,000,000 as shown on its most recently prepared financial statements; or

________ XIV. an investment fund that distributes or has distributed its securities only to

(a) a person that is or was an accredited investor at the time of the distribution, or

(b) a person that acquires or acquired securities in the circumstances referred to in sections 2.10 and 2.19 of National Instrument 45-106, or

(c) a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 of National Instrument 45-106; or

________ XV. an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Quebéc, the securities regulatory authority, has issued a receipt; or

________ XVI. a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be; or

________ XVII. a person acting on behalf of a fully managed account managed by that person, if that person

(a) is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction, and

(b) in Ontario, is purchasing a security that is not a security of an investment fund; or

________ XVIII. a registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded; or

________ XIX. an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (I) to (IV) or paragraph (IX) in form and function; or

________ XX. a person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by Directors, are persons that are accredited investors (as defined in National Instrument 45-106); or

(Note: if you are purchasing as an individual accredited investors paragraph (XI) above must be initialed rather than paragraph (XX)

________ XXI. an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser; or

________ XXII. a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Quebéc, the regulator as

(a) an accredited investor, or

(b) an exempt purchaser in Alberta or British Columbia after September 14, 2005.

For the purposes hereof:

(a) "**Canadian financial institution**" means

(i) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act, or

(ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

(b) "**control person**" has the same meaning as in securities legislation except in Manitoba, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island and Quebéc where control person means any person that holds or is one of a combination of persons that holds

(i) a sufficient number of any of the securities of an issuer so as to affect materially the control of the issuer, or

(ii) more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holding of those securities does not affect materially the control of the issuer;

(c) "**Director**" means:

(i) a member of the board of Directors of a company or an individual who performs similar functions for a company, and

(ii) with respect to a person that is not a company, an individual who performs functions similar to those of a Director of a company;

(d) "**eligibility adviser**" means

(i) a person that is registered as an investment dealer or in an equivalent category of registration under the securities legislation of the jurisdiction of a purchaser and authorized to give advice with respect to the type of security being distributed, and

(ii) in Saskatchewan or Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction of Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not

1. have a professional, business or personal relationship with the issuer, or any of its Directors, executive Officers, founders, or control persons, and

2 have acted for or been retained personally or otherwise as an employee, executive Officer, Director, associate or partner of a person that has acted for or been retained by the issuer or any of its Directors, executive Officers, founders or control persons within the previous 12 months;

(e) "**executive Officer**" means, for an issuer, an individual who is

(i) a chair, vice-chair or president,

(ii) a vice-president in charge of a principal business unit, division or function including sales, finance or production,

(iii) an Officer of the issuer or any of its subsidiaries and who performs a policy-making function in respect of the issuer, or

(iv) performing a policy-making function in respect of the issuer;

(f) "**financial assets**" means

(i) cash,

(ii) securities, or

(iii) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;

(g) "**foreign jurisdiction**" means a country other than Canada or a political subdivision of a country other than Canada;

(h) **"founder"** means, in respect of an issuer, a person who,

(i) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and

(ii) at the time of the trade is actively involved in the business of the issuer;

(i) **"fully managed account"** means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client's express consent to a transaction;

(j) **"investment fund"** has the same meaning as in National Instrument 81-106 *Investment Fund Continuous Disclosure;*

(k) **"jurisdiction"** means a province or territory of Canada except when used in the term foreign jurisdiction;

(l) **"local jurisdiction"** means the jurisdiction in which the Canadian securities regulatory authority is situate;

(m) **"non-redeemable investment fund"** means an issuer,

(i) whose primary purpose is to invest money provided by its security holders;

(ii) that does not invest;

1. for the purpose of exercising or seeking to exercise control of an issuer, other than an issuer that is a mutual fund or a non-redeemable investment fund; or

2. for the purpose of being actively involved in the management of any issuer in which it invests, other than an issuer that is a mutual fund or a non-redeemable investment fund; and

(iii) that is not a mutual fund;

(n) **"person"** includes

(i) an individual,

(ii) a corporation,

(iii) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and

(iv) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative;

(o) **"regulator"** means, for the local jurisdiction, the Executive Director as defined under securities legislation of the local jurisdiction;

(p) **"related liabilities"** means

(i) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or

(ii) liabilities that are secured by financial assets;

(q) **"Schedule III bank"** means an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

(r) **"spouse"** means, an individual who,

(i) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual,

(ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or

(iii) in Alberta, is an individual referred to in paragraph (i) or (ii) above, or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta); and

(s) **"subsidiary"** means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary.

All monetary references are in Canadian Dollars.