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UPDATED AND RESTATED OFFERING MEMORANDUM

Dated: June 11, 2014

Update and Restatement of Offering Memorandum originally dated October 17, 2013.

THE ISSUER:

Name:	Jaymor Opportunity Fund Ltd. (the “Corporation”)
Head office:	105 West Beaver Creek Road, Unit 9, Richmond Hill, Ontario, L4B 1C6
Telephone:	(905) 882-1212
Fascimile:	(905) 882-1216
E-mail address:	info@jaymorgroup.com
Currently listed or quoted?	These securities do not trade on any exchange or market.
Reporting Issuer?	NO
SEDAR filer?	NO

THE OFFERING:

Securities Offered:	Up to a total of 50,000,000 of 8% convertible redeemable bonds (each a “Bond” or “bond”) and Common Shares (each a “Common Share”) of the Corporation. See Item 5.1 – Terms of Securities.
Price per Security:	The Corporation has allocated a price of \$1.00 per Bond and \$1.00 per Common Share.
Minimum Subscription Per Investor:	\$10,000.
Minimum Offering:	There is no minimum. Funds available under the Offering may not be sufficient to accomplish our disclosed objectives.
Maximum Offering:	Up to a total of 50,000,000 Bonds and Common Shares for total proceeds of up to \$50,000,000 of which 2,277,098 Bonds and 1,021,471 Common Shares have been issued and are outstanding at June 11, 2014 for proceeds of \$3,298,569 leaving 46,701,431 Bonds and Common Shares available for \$46,701,431. See Item 5.1 – Terms of Securities and Item 4.3 – Prior Sales.
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 5.6 - Subscription Procedure.
Proposed Closing Date(s):	One or more dates upon the acceptance of a subscription of one Subscriber.
Income Tax Consequences:	There are important tax consequences to these securities. See Item 6 - Income Tax Consequences and Deferred Plan Eligibility.
Selling Agent:	See Item 7 - Compensation Paid to Sellers and Finders.
Resale Restrictions:	You will not be able to sell the Securities except in very limited circumstances. You may never be able to resell these Securities. See Item 10 - Resale Restrictions.

Purchaser's Rights:	<p>You have two (2) business days to cancel your agreement to purchase the 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 – Purchaser's Rights.</p> <p>No securities regulatory authority has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. This is a risky investment. See Item 8 - Risk Factors.</p>
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NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Offering Memorandum contains forward-looking statements. These statements relate to future events or the Corporation's future performance. 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:

“**Affiliates**” mean those persons who are affiliates, as defined in the *Securities Act* (Ontario), as at the date of this Offering Memorandum;

“**Agency Fee**” means the fee to be paid to the Lead Agent through which the Securities will be offered and sold as compensation for the Lead Agent’s role in the distribution of the Securities;

“**Agents**” mean the various dealers through which the Securities will be offered and sold;

“**Articles**” means the Articles of Incorporation of the Corporation as amended;

“**Asset Management Agreement**” means the agreement between the Asset Manager and the Financing Partnership pursuant to which the Asset Manager will provide asset management services to the Financing Partnership;

“**Asset Manager**” means Jaymor Asset Management Inc. and/or other to be contracted asset managers in other jurisdictions as deemed necessary by management;

“**Associates**” where used to indicate a relationship with any person has the same meaning as in the *Securities Act* (Ontario);

“**Bonds**” mean the convertible redeemable bonds offered herein;

“**Bondholder**” means a holder of Bonds purchased by a Subscriber pursuant to this Offering Memorandum;

“**Closing**” means each of the one or more closings of the purchase and sale of Bonds and Common Shares subscribed for by the Purchasers pursuant to the Subscription Agreements, the first of which occurred on November 19, 2013;

“**Common Shares**” means the common shares of the Corporation offered herein;

“**Conversion Option**” means the Corporation’s option to convert all of the Bonds issued pursuant to this Offering into Preference Shares on the basis of the Conversion Ratio;

“**Conversion Ratio**” means the ratio pursuant to which the Corporation may convert the Bonds issued pursuant to this Offering into Preference Shares pursuant to the Conversion Option on the basis of 1 Preference Share for each \$1.00 of the principal amount of the Bonds and any outstanding interest thereon;

“**Corporation**” means Jaymor Opportunity Fund Ltd., the offeror of the Securities offered hereby;

“**CRA**” means the Canada Revenue Agency;

“**Deferred Plan**” means a DPSP, RDSP, RESP, RRIF, RRSP and/or TFSA;

“**Distribution Reinvestment Plan**” or “**Plan**” means the bond interest reinvestment plan of the Corporation;

“**DPSP**” means a deferred profit sharing plan as defined under the Tax Act;

“**Financing General Partner**” means Jaymor Opportunity Financing G.P. I, Inc.;

“**Financing Partnership**” means Jaymor Financing Partnership I, Ltd.;

“**Financing Partnership Agreement**” means the limited partnership agreement between the Partnership and the Financing General Partner;

“**General Partner**” means Jaymor Opportunity General Partner I Inc. and any successor general partner appointed in accordance with the Partnership Agreement;

“**Guarantees**” means the guarantees provided by the Guarantors whereby the Guarantors have agreed to guarantee the Loan(s) and the performance of the obligations by the Project Partnership(s) of the underlying terms of the Loan(s) throughout the term of the Loan(s);

“**Guarantors**” means those individuals or entities that have provided the Guarantees;

“**Lands**” means the South Beach Street Lands;

“**Lead Agent**” means Becksley Capital Inc., an exempt market dealer of which Fabrizio G. Lucchese is the sole shareholder and director and which is related and connected to the Corporation;

“**Lender(s)**” means the financial institution(s) that may finance a portion of the acquisition costs of the Project(s);

“Loan(s)” means the monies borrowed by Project Partnership(s) from the Lender(s) to acquire the Project(s) or monies subsequently borrowed by the Project Partnership to refinance the Loan(s);

“Management” means the officers, directors and senior staff of the Corporation;

“Management Agreement(s)” means the agreements between the Project Partnership(s) and the Manager pursuant to which the Manager is appointed the manager of the Project(s);

“Manager” means Jaymor Management Group, LLC;

“Maximum Offering” means a combination of Bonds and Common Shares not to exceed \$50,000,000;

“Net Remaining Property” means the remaining property of the Corporation available for distribution pursuant to its Articles less an amount equal to the aggregate amount of paid up capital on each of the Common Shares, Class A Shares and Class B Shares;

“NI 45-106” means National Instrument 45-106 - Prospectus and Registration Exemptions;

“Offering” means the offering of Securities pursuant to the terms of this Offering Memorandum and the offering memorandum dated October 17, 2013;

“Offering Memorandum” means the offering memorandum of the Corporation dated October 17, 2013 as updated and restated at June 11, 2014 relating to the offering of Securities as may be further updated, amended and restated from time to time;

“Partnership” means Jaymor Opportunity Limited Partnership I, a limited partnership formed under the laws of the Province of Ontario;

“Partnership Agreement” means the Limited Partnership Agreement dated June 25, 2013 between the General Partner and the Corporation as sole limited partner;

“Partnerships” means the Partnership, the Financing Partnership and the Project Partnership(s);

“Preference Shares” means the preference shares of the Corporation issued on exercise of the Conversion Option;

“Project(s)” means the South Beach Street Lands and properties to be acquired;

“Project General Partner(s)” means South Beach Street Development, Inc. (“SB GP”), which is the general partner of the Project Partnership South Beach Street Development, Ltd., and the corporations that will be the general partner(s) of the other Project Partnership(s);

“Project Partnership(s)” means South Beach Street Development, Ltd. (“SB LP”), the initial Project Partner, and limited partnership(s) to be established or acquired that will hold the Corporation’s other indirect interest(s) in the Project(s);

“Project Partnership(s) Agreement” means the limited partnership agreement(s) between the Financing Partnership and the Project General Partner(s) in respect of the Project Partnership(s);

“Promoter” means The Jaymor Group Inc., a corporation incorporated pursuant to the laws of the Province of Ontario, that holds the voting shares of the Corporation and has a common officer and director with it;

“Purchaser” means a party who purchases Bonds and/or Common Shares pursuant to this Offering;

“Regulations” means the Income Tax Regulations;

“RDSP” means a Registered Disability Savings Plan as defined under the Tax Act;

“RESP” means a Registered Education Savings Plan as defined under the Tax Act;

“RRIF” means a Registered Retirement Income Fund as defined under the Tax Act;

“RRSP” means a Registered Retirement Savings Plan as defined under the Tax Act;

“SB GP” means South Beach Street Development, Inc. which is the general partner of the Project Partnership SB LP;

“SB LP” means South Beach Street Development, Ltd, the initial Project Partnership, a Florida limited partnership formed and registered pursuant to the Florida Revised Uniform Limited Partnership Act of 2005, that owns the South Beach Street Lands;

“Securities” means the Bonds and Common Shares issued by the Corporation pursuant to this Offering;

“South Beach Street Lands” or **“Lands”** means the lands on South Beach Street in Daytona Beach, Florida, U.S.A. owned by SB LP, the initial Project Partnership in which the Financing Partnership holds a 99% limited partnership interest;

“Subscriber” means a party who subscribes for Bonds and/or Common Shares pursuant to this Offering;

“Tax Act” means the *Income Tax Act* (Canada);

“TFSA” means a Tax-Free Savings Account as defined under the Tax Act;

“Winding-Up Event” means 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.

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

ITEM 1 - USE OF AVAILABLE FUNDS

1.1 Available Funds

The following table discloses the available funds following this Offering:

		Assuming Maximum Offering
A	Amount to be raised by this Offering ⁽¹⁾	\$50,000,000
B	Selling commissions and fees ^{(2) (4)}	\$ 7,000,000
C	Estimated offering costs (e.g. legal, accounting/audit, marketing) ^{(3) (4)}	\$ 250,000
D	Available funds: $D = A - (B + C)$	\$42,750,000
E	Additional sources of funding ⁽⁵⁾	\$ 100,002
F	Deficit ⁽⁶⁾	\$ 319,138
G	Total: $G = D + E - F$	\$42,530,864

(1) This amount is cumulative. 2,277,098 Bonds and 1,021,471 Common Shares have been issued at June 11, 2014 for proceeds of \$3,298,569 leaving 46,701,431 Bonds and Common Shares available for proceeds of \$46,701,431.

(2) See **Item 7 - Compensation Paid to Sellers and Finders**.

(3) The cumulative estimated costs include legal, consulting, auditing, tax opinion and marketing costs associated with this Offering.

All offering costs have been or will be paid on the Corporation's behalf by Jaymor Securities Ltd., an affiliate of the Corporation, and will be reimbursed by the Partnership from the proceeds of the Offering invested in its Units by the Corporation.

(4) The Partnership has agreed to reimburse the Corporation for all charges, fees, commissions and costs incurred by the Corporation in raising funds pursuant to the Offering to invest in its Units and for the ongoing administration of the Corporation. See **Item 2.3 - Our Business** and **Item 2.10.6 - The Partnership Agreement - Summary of Partnership Agreement - Capitalization**.

(5) The Corporation raised \$102,002 from the issuances of shares and warrants prior to this Offering. It issued 1,000,000 Common Shares to The Jaymor Group Inc. on January 3, 2014 for consideration of \$1,000,000 for the services and support of The Jaymor Group Inc. provided to the Corporation and its affiliate, the Financing Partnership, to facilitate the purchase by the Financing Partnership, and related purchase financing, of a 99% partnership interest of SB LP, the initial Project Partnership that owns the South Beach Street Lands. On the Financing Partner completing the terms of the purchase of the 99% partnership interest in SP LP and the related purchase financing being repaid, the 1,000,000 Common Shares were repurchased by the Corporation and cancelled on May 20, 2014 on the cancellation of the consideration for which they were issued. The Corporation does not require additional funds from other sources to advance its business objectives.

(6) The Corporation's deficit is as at May 31, 2014.

1.2 Use of Available Funds

The following table provides a detailed breakdown of how the Corporation will use the available funds following this Offering in the 12 months following the date of this Offering Memorandum:

Description of Intended Use of Available Funds Listed in Order of Priority	Assuming Maximum Offering
The available funds, following payment by the Partnership of certain Offering and administration expenses, from this Offering shall be invested in Units of the Partnership. The Partnership in turn will invest in real estate ventures on behalf of the Corporation, as further described in Item 2.3 - Our Business .**	\$42,530,864 ⁽¹⁾
Total	\$42,530,864 ⁽¹⁾

* As of the date of this Offering, the Promoter owns 100% of the issued and outstanding voting Class B Shares of the Corporation. Fabrizio G. Lucchese is an officer and director of the Corporation and the Promoter. Fabrizio G. Lucchese and William P. Myers own the issued and outstanding shares of the Promoter.

** The proceeds, less any funds retained by the Corporation to pay its expenses, will be remitted to the Partnership. The Partnership has agreed to reimburse the Corporation for all charges, fees, commissions and costs incurred by the Corporation in raising funds pursuant to the Offering to invest in its Units and for the ongoing administration of the Corporation. To the extent that such charges, fees, commissions and costs are paid by the Corporation, the amount thereof shall form part of the amount paid by it for such Units. See **Item 2.3 - Our Business** and **Item 2.10.6 - The Partnership Agreement - Summary of Partnership Agreement - Capitalization**.

In the conduct of its business, the Partnership will incur expenses including but not limited to due diligence, accounting, audit, legal, administrative and travel expenses. These and other expenses incurred by the Partnership, including the payment of the Preferred Return to its limited partner(s), will reduce the funds available to be invested in the Project(s) by the Partnership. See **Item 2.10.6 – The Partnership Agreement - Summary of Partnership Agreement – Distributions.**

(1) From the net proceeds of the Offering to date, the Corporation has purchased 32,985 LP Units for \$3,298,500.

1.3 Reallocation

The Corporation intends to use the net proceeds as stated. The Corporation will reallocate the available funds following this offering only for sound business reasons.

ITEM 2 - BUSINESS OF THE CORPORATION

2.1 Structure

2.1.1 The Corporation

The Corporation is a corporation incorporated under the *Business Corporations Act* (Alberta) pursuant to a Certificate of Incorporation dated June 17, 2010. The Corporation changed its name to its current name on October 17, 2013.

The Corporation's head office is located at 105 West Beaver Creek Road, Unit 9, Richmond Hill, Ontario L4B 1C6 while its registered office is located at 1700, 421-7th Avenue S.W., Calgary, Alberta T2P 4K9.

The Corporation has elected to be treated as a "public corporation" pursuant to the Tax Act. See **Item 6.1 – Summary of Principal Federal Income Tax Consequences.**

2.1.2 The Partnership

The Partnership was formed under the laws of the Province of Ontario on June 25, 2013 pursuant to the *Limited Partnerships Act* (Ontario) and is governed by the terms and conditions of the Partnership Agreement.

Jaymor Opportunity General Partner I Inc. is the general partner of the Partnership. The General Partner is controlled by Fabrizio G. Lucchese and William P. Myers who are the controlling shareholders of the Promoter.

The Corporation is the sole limited partner of the Partnership, each limited partner being a "Limited Partner".

In accordance with the Partnership Agreement, the General Partner is responsible for the management and control of the Partnership. The General Partner has no material net worth, no interest other than its ownership interest in the Partnership, will not carry on any business other than to act on behalf of the Partnership, has not made any distribution of funds from the Partnership, has not declared any dividends on its outstanding shares and has not paid any remuneration to its directors or officers.

Subject to the *Limited Partnerships Act* (Ontario) and to any specific assumption of liability, the liability of each Limited Partner for the debts and losses of the Partnership is limited to the amount of capital contributed and agreed to be contributed by the Limited Partner to the Partnership plus the Limited Partner's share of any undistributed income of the Partnership and, in certain circumstances, any capital which has been returned by the Partnership to the Limited Partners.

The *Limited Partnerships Act* (Ontario) provides that, in order to maintain their limited liability, Limited Partners must not take part in the management or control of the business and affairs of the Partnership. Consequently, the General Partner has exclusive authority to manage and control the business and affairs of the Partnership.

Limited Partners (of which the Corporation is, and is intended to be, the sole limited partner) will have no obligation to contribute additional funds to the Partnership in excess of their initial capital contributions unless Limited Partners pass a Special Resolution requiring each Limited Partner to contribute additional capital, in which case Limited Partners who fail to so contribute may forfeit or dilute the ownership interests of their Unit(s). Subject to the foregoing, the liability of each Limited Partner is limited to the Limited Partner's capital contribution to the Partnership and to the Limited Partner's share of any undistributed income of the Partnership. (See **Item 8 - Risk Factors** and **Item 2.10.6 – The Partnership Agreement - Summary of Partnership Agreement.**)

2.1.3 The General Partner

Jaymor Opportunity General Partner I Inc., a corporation incorporated under the laws of the Province of Ontario on June 14, 2013, is the general partner of the Partnership. The General Partner is only nominally capitalized. The General Partner is responsible for the management and control of the affairs of the Partnership.

The General Partner is controlled by Fabrizio G. Lucchese and William P. Myers who are the controlling shareholders of the Promoter.

2.1.4 The Financing Partnership

Jaymor Financing Partnership I, Ltd. is a limited partnership formed under the laws of the State of Florida by the filing of a certificate of limited partnership with the Department of State on July 11, 2013 and is governed by the terms and conditions of the Financing Partnership Agreement.

The general partner of the Financing Partnership is Jaymor Opportunity Financing G.P., I Inc. See **Item 2.1.5 – The Financing General Partner**.

The business of the Financing Partnership is to acquire and own the Project(s) through the Financing Partnership's interests in the Project Partnership(s). The fiscal year end of the Financing Partnership is December 31.

2.1.5 The Financing General Partner

Jaymor Opportunity Financing G.P. I Inc., a corporation incorporated under the laws of the State of Florida, is the general partner of the Financing Partnership. In accordance with the Financing Partnership Agreement, the Financing General Partner is responsible for the management and control of the Financing Partnership.

The Financing General Partner's sole officer and director is Fabrizio G. Lucchese who with William P. Myers are its shareholders and the controlling shareholders of the Promoter.

2.1.6 The Project Partnership(s)

The Project Partnership(s) are limited partnership(s) formed and to be formed under the laws of the state in which they will be conducting business. The rights and obligations of the Project General Partner(s) as general partner(s), and the Financing Partnership as limited partner, of the Project Partnership(s) will be governed by the limited partnership agreement(s) in respect of the Project Partnership(s).

The Project Partnership(s) own and will own and operate the Project(s). The fiscal year end of the Project Partnership(s) will likely be December 31.

The Financing Partnership has acquired a 99% interest in the first Project Partnership, South Beach Street Development, Ltd. ("SB LP"), a Florida, U.S.A. limited partnership that owns the South Beach Street Lands. See **Item 2.9 – Purchase of Limited Partnership Interest in South Beach Street Development, Ltd.**

2.1.7 The Project General Partner(s)

The Project General Partner(s) are the incorporated and to-be-incorporated general partner(s) of the Project Partnership(s). The Project General Partner(s) are and will be responsible for the management and control of the affairs of the Project Partnership(s). The Project General Partner(s) are and will be controlled by Fabrizio G. Lucchese who is a controlling shareholder of the Promoter.

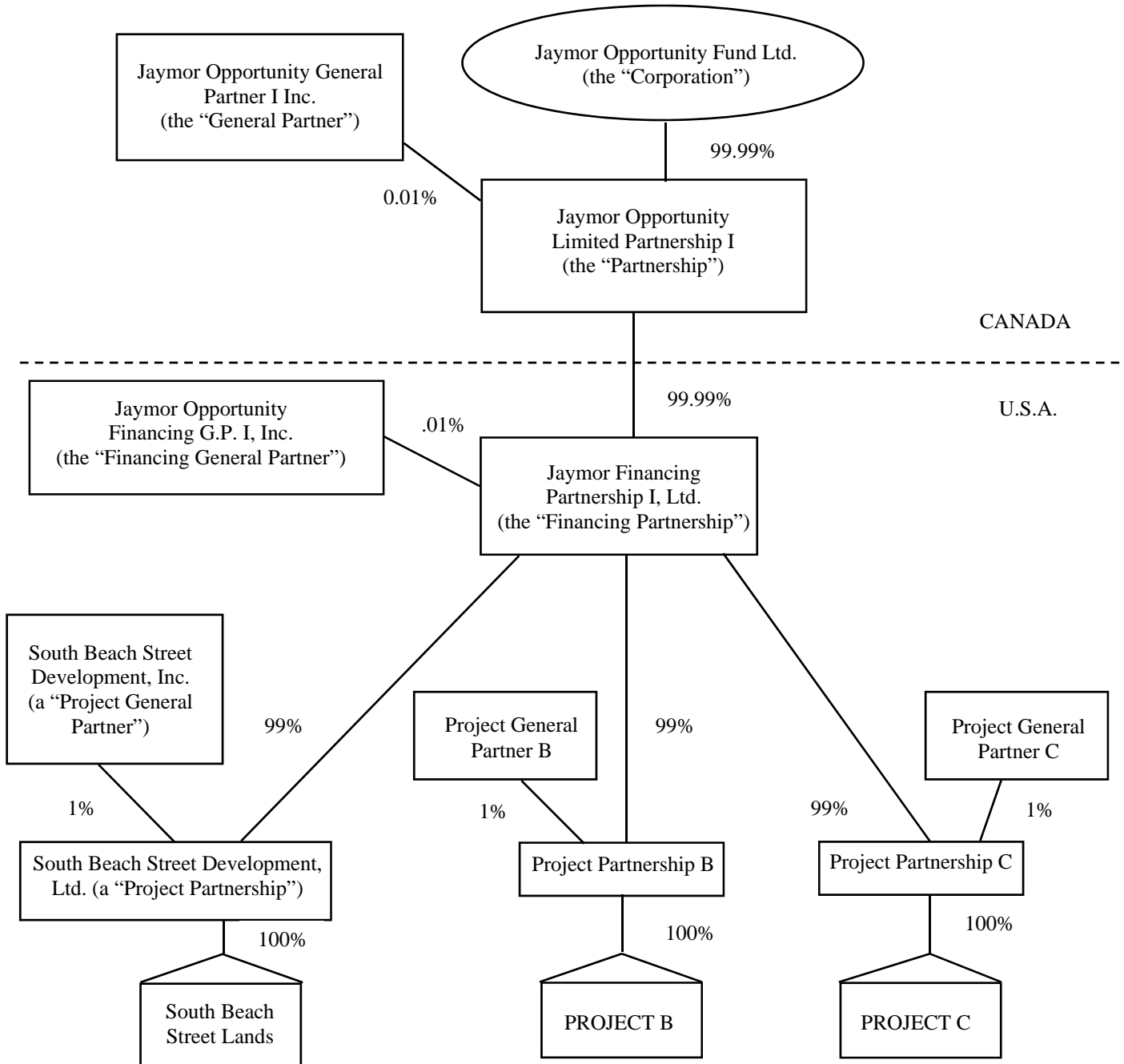
The first Project General Partner, South Beach Street Development, Inc. ("SB GP"), a Florida, U.S.A. corporation, is the general partner of SB LP.

2.1.8 The Promoter

The Promoter is the promoter of the Offering and holds the voting shares of the Corporation. The Promoter is controlled by Fabrizio G. Lucchese and William P. Myers who are its sole shareholders. See **Item 2.2 - Voting Control by the Promoter**.

ORGANIZATION

The following chart sets out the structure of the Corporation and the Partnerships:



* Projects B and C are hypothetical future indirect investments by the Corporation and are shown for illustrative purposes only. There are no limitations, assurances or guarantees as to the number of Projects in which the Corporation shall indirectly invest.

2.2 Voting Control by the Promoter

The Corporation is controlled by the Promoter as it owns all of its voting shares.

An investor in the Securities offered under this Offering Memorandum should understand that the assets of the Promoter are not in any way committed to the activities of the Corporation other than voting its shares of the Corporation at shareholder meetings of the Corporation and having one of its officers and directors serve as an officer and director of the Corporation.

The officers and directors of the Corporation owe a fiduciary duty of care to the shareholders and Bondholders of the Corporation.

2.3 Our Business

The head office and principal place of business of the Corporation is located at 105 West Beaver Creek Road, Unit 9, Richmond Hill, Ontario, L4B 1C6 and its records are to be maintained at this address.

The Corporation has, until recently, limited financial or development history. The Corporation is in the capital-raising phase of its development and, other than an offering of shares of the Corporation pursuant to an offering memorandum dated September 1, 2010 (the "Initial Share Offering"), has not carried out any business other than this Offering, the purchase of the LP Units in the Partnership, the payment of interest on the Bonds and the indirect purchase of the interest in the South Beach Street Lands via its acquisition of a 99% limited partnership interest in SB LP.

The Corporation is raising funds pursuant to this Offering for the purpose of advancing the net proceeds to its subsidiary, the Partnership which it has done to date. Following each Closing, the Corporation advances the available proceeds from the Closing to the Partnership. The Partnership, in turn, issues to the Corporation one (1) limited partnership unit (each a "Unit") for each \$100 that the Corporation contributes from the proceeds of the Securities it distributes.

The Partnership has agreed to reimburse the Corporation for all charges, fees, commissions and costs incurred by the Corporation in raising funds pursuant to the Offering to invest in its Units and for the ongoing administration of the Corporation. To the extent that such charges, fees, commissions and costs are paid by the Corporation, the amount thereof shall form part of the amount paid by it for such Units. See **2.10.6 – The Partnership Agreement – Summary of Partnership Agreement – Capitalization.**

At June 11, 2014, the Partnership has issued 32,985 LP Units to its sole limited partner, the Corporation, for \$3,298,500.

The business of the Partnership is to acquire, own, operate and lease its portfolio of real estate investments (the "Project(s)") as an investment(s) through its 99.99% limited partnership interest in the Financing Partnership and the Financing Partnership's 99% limited partnership interest in the Project Partnership(s), and manage the portfolio so as to generate cash flow to service and maximize the returns to the Subscribers.

The Partnership was formed to:

- (i) seek out real estate and/or special situation real estate-related investments suitable for development, redevelopment and/or repositioning including, but not limited to
 - the purchase of debt instruments that may be secured by real property;
 - the making of bridge loans with maturities of typically 12 to 36 months with such rate and loan-to-value ratio as determined by the General Partner in its sole discretion and which bridge loans will generally be secured by real property;
 - entering into ventures with related parties and/or unrelated third parties whereby the Partnership contributes real property or capital to such venture; and
 - other similar type of real estate investing;(individually, a "Project" and collectively, the "Project(s)");
- (ii) acquire, own, hold (whether, individually, jointly with others or via an alternative investment vehicle), maintain, manage, market (which may also include, without limitation, pre-development and development activities, if deemed appropriate by the General Partner in its sole discretion), sell, transfer or otherwise dispose of Project(s); and
- (iii) engage in any other lawful activities permitted under applicable law that the General Partner determines, in its sole discretion, to be necessary or advisable in furtherance of the foregoing.

The officers and management of the Corporation and the General Partner have extensive experience and expertise and a strong network or contacts and business relationships in multi-family real estate in the southern United States. The Corporation's subsidiaries' activities will likely be focused on, but not necessarily limited to, the markets in which its officers and management have the most experience.

The Partnership may invest, directly or indirectly, in Project(s) in geographic locations determined by the General Partner in its sole discretion, and may enter into joint ventures, partnerships and other business combinations with a related or non-arm's-length entity or investment vehicle managed by a related party of the Corporation for the acquisition of a Project.

The Partnership will, in its sole discretion without notice to or approval from any Bondholders or Shareholders, invest funds indirectly in Project(s), which discretion may be exercised at any time and from time to time.

The Partnership may:

- (i) acquire Project(s) on a fee simple basis;
- (ii) invest in and become a partner or owner in another partnership, joint venture or other entity that owns a Project in combination with one or more other related or unrelated parties or investors;
- (iii) reinvest any funds received from a sale or refinancing of a Project at any time;
- (iv) borrow on a bridge loan basis from the General Partner, its affiliates or third parties sufficient funds to acquire Project(s); and
- (v) borrow funds to use as working capital or a line of credit, and will, if required by the lender, have the ability to pledge the property of the Partnership to secure such working capital line-of-credit.

The Partnership will pay or reimburse the party providing such bridge loan financing or advances for interest and financing charges in connection therewith, whether the funds are loaned or advanced by the General Partner or other affiliates of the Partnership or by a third party.

The General Partner, or its affiliates, may advance funds to the Partnership to pay any expenses of the Partnership.

The Project(s) may be existing income-producing real estate, raw land for future development or any other type of investment which, in Management's opinion, offers upside potential for the Corporation. Some Project(s) may also be pre-existing real estate investments currently owned by affiliates or related entities of the General Partner.

Subscribers under this Offering will not have any rights under the Partnership Agreement. However, the Corporation is the sole Limited Partner and is a party to the Partnership Agreement as a Limited Partner. The affairs of the Partnership are managed by the General Partner.

The Partnership intends to capitalize on the tremendous opportunities that are abundant currently in today's distressed real estate market. The Partnership's mandate is to purchase solid real estate assets in strong markets at opportunistic prices.

The Partnership targets real estate investments that are projected to return an internal rate of return (return on capital invested applying appropriate leverage) in excess of 12% per annum in strong and growing markets.

It is the General Partner's intention to acquire assets (the Project(s)) in the first 2 years of the Partnership's operation, and to subsequently dispose of the assets following an approximate 5-year hold period.

The Offering is a "blind pool" offering in the sense that the net proceeds of this Offering will be invested by the Corporation although the properties and activities to which the investments are to relate, other than the investment in SB LP which owns the South Beach Street Lands, have not yet been determined.

Where an investment is a stand-alone ownership interest in a property (a "Project"), it will be held in a single-purpose entity (a "Project Partnership"). Each Project Partnership's limited partner will be the Financing Partnership and its general partner will be a single-purpose Project General Partner.

SB LP is the first Project Partnership. The Financing Partnership holds a 99% limited partnership interest in SB LP. The general partner of SB LP is SB GP which holds the remaining 1% interest in that partnership. SB GP is an affiliate of the Financing General Partner and the General Partner by virtue of its common ownership.

The Financing Partnership's limited partner is the Partnership and its general partner is the Financing General Partner. The Partnership's limited partner is the Corporation and its general partner is the General Partner.

The Partnership has invested in and acquired and may invest in and acquire, through Project Partnerships or otherwise, investments or Projects in which the General Partner, the Financing Partnership, the Project General Partner(s), the

Promoter, the Manager, the Asset Manager, the Lead Agent and their Affiliates and Associates may have a financial or other interest and Subscribers acknowledge, and invest in the Securities on the condition, that such investments or acquisitions made in the circumstances of such non-arm's-length interests will not be considered to be a breach of any fiduciary or other duty on the part of the General Partner, the Financing Partnership, the Project General Partner(s), the Promoter, the Manager, the Asset Manager, the Lead Agent and their Affiliates and Associates and will not give rise to any obligation by them or their officers, directors and shareholders to account to the Corporation or its Bondholders or shareholders for any profit made by them or their officers, directors and shareholders on account of such investments or acquisitions.

The director and officer of the Promoter and the directors and officers of the General Partner (one of whom is the director and officer of the Corporation) are also directors, officers and shareholders in Jaymor U.S.A., Inc., a Florida corporation, and SB GP, the general partner of SB LP which is the first Project Partnership.

Jaymor U.S.A., Inc. was the vendor of the 99% limited partnership interest in SB LP that was purchased by the Financing Partnership. Jaymor U.S.A. is controlled by Fabrizio G. Lucchese and William P. Myers who are its sole shareholders.

2.4 Development of Business

Contingent on the amount of funds raised pursuant to this Offering, the Corporation intends to continue remitting the net proceeds of this Offering to the Partnership. The Partnership in turn will indirectly through the Financing Partnership invest the proceeds in SB LP and other as-yet unidentified real estate ventures for the purposes set forth in **Item 2.3 - Our Business**.

2.5 Offering Structure

Cash and funds from Deferred Plans will continue to be used to purchase Securities pursuant to this Offering. See **Item 6 - Income Tax Consequences and Deferred Plan Eligibility**.

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

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

2.6 Long-Term Objectives

The objectives of the Corporation are to provide investors in the Securities with an opportunity to invest in real estate and to generate income and enjoy long-term capital appreciation potential upon disposition of the asset(s). The Corporation through its subsidiaries, the Partnerships, will take steps to increase the value of the Project(s) which are the underlying real estate asset(s). These may include repairs to and enhancement of the Project(s) as well as the implementation of more-effective management strategies.

The Corporation will manage the collection of interest, principal and profit from its investments in real estate ventures and provide a return of principal, interest, invested capital and profit to the Purchasers. Management believes that solid assets are currently being offered at exceptionally attractive prices.

The Corporation's objective via its subsidiaries, the Partnerships, is to take advantage of the opportunities that present themselves in the current marketplace. It is Management's intention to acquire assets (the Project(s)) in the first 2 years following the Offering, and to subsequently dispose of the assets following an approximate 5-year hold period.

2.7 Short-Term Objectives and How the Corporation Intends to Achieve Them

The Corporation's goal is to continue to raise funds for the purpose of investing the net proceeds of this Offering in real estate ventures. The amount to be invested is contingent upon the amount of proceeds raised pursuant to this Offering.

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	Our Cost to Complete
Continue to raise up to \$50,000,000, the net proceeds of which will be used for the purposes outlined in Item 1.2 – Use of Available Funds	June 30, 2015	\$7,250,000 *

* This cumulative amount assumes completion of the Offering and includes costs to date and estimated future costs associated with the Offering including commissions, fees, and offering costs. See **Item 1.1 – Available Funds**.

The cost is to be paid by the Partnership resulting in the net proceeds available to be invested by it being lessened by that amount. All offering costs have been or will be initially paid on the Corporation's behalf by Jaymor Securities Ltd., an affiliate of the Corporation, and will be reimbursed by the Partnership from the proceeds of the Offering invested in its Units by the Corporation. The Partnership has agreed to reimburse the Corporation for all charges, fees, commissions and costs incurred by the Corporation in raising funds pursuant to the Offering to invest in its Units and for the ongoing administration of the Corporation. See **Item 2.3 - Our Business** and **Item 2.10.6 – The Partnership Agreement – Summary of Partnership Agreement - Capitalization**.

2.8 Insufficient Funds

Most of the funds raised pursuant to this Offering will be committed to real estate investments. The Corporation does not intend to hold any significant cash reserves other than those amounts necessary to pay for all management, 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.

2.9 Purchase of Limited Partnership Interest in South Beach Street Development, Ltd.

Pursuant to an agreement dated December 18, 2013, the Financing Partnership agreed to purchase a 99% limited partnership interest in South Beach Street Development, Ltd. ("SB LP"), a Florida limited partnership formed and registered on January 27, 2005 pursuant to the Florida Revised Uniform Limited Partnership Act of 2005. SB LP is a Project Partnership and owner of the South Beach Street Lands located in Daytona Beach, Florida.

In this **Item 2.9 – Purchase of South Beach Street Development, Ltd.**, references to "dollars" and "\$" are to the currency of the United States unless otherwise indicated.

The purchase price for the 99% limited partnership interest of SB LP from Jaymor U.S.A., Inc. (the "Vendor"), a corporation controlled by the officers and directors of the Corporation, was \$4,550,000 less the amount of its liabilities at closing.

2.9.1 South Beach Street Lands

SB LP's only asset is the South Beach Street Lands, a vacant multi-family residential property. The Lands include approximately 2.46 acres on South Beach Street, Daytona Beach, Florida immediately to the north of South Street. The Lands are across from Halifax Harbor Marina and the Intracoastal Waterway and within walking distance of more than 700 boat slips in downtown Daytona Beach.

The Lands were assembled by SB LP through property acquisitions in 2005 and 2007 for \$1,523,931 with subsequent development costs of \$971,120 as well as operating costs incurred since the purchases. The additional parcels of land acquired in 2007 had a synergistic effect on the zoning potential of the property acquired in 2005 by mitigating set-back restrictions and resulting in enhanced permitted density such that a conceptual development program for the Lands includes 208 condominium units.

A Broker Opinion of Value prepared by Realty Capital of Orlando, Florida provided an estimated value of \$5,200,000 for the Lands at April 21, 2014 based on an average price of \$25,000 per unit for a total of 208 potential units. The Broker Opinion of Value reaffirmed the valuation that the broker had earlier provided on November 25, 2013.

The purchase of the 99% limited partnership interest in SB LP effectively represents a 99% interest in the South Beach Street Lands that is owned by SB LP subject to its liabilities and the 1% partnership interest of the Project General Partner.

2.9.2 Purchase Completion

The Financing Partnership's purchase of the 99% limited partnership interest in SB LP was completed on January 3, 2014 (the "Purchase Completion").

At Purchase Completion, the Financing Partnership was given credit against the purchase price for the liabilities of SB LP that it effectively assumed of \$2,371,495 for a net purchase amount of \$2,178,505. In satisfaction of the net purchase amount, the Financing Partnership released the deposits totaling \$155,000 and, on The Jaymor Group Inc. having provided to the Vendor a pledge of 1,000,000 Common Shares and its guarantee of the Financing Partnership's purchase and financing obligations with respect to the purchase, the Financing Partnership was granted a vendor-take-back loan (the "VTB") in the amount of \$2,023,505. See **Item 2.9.4 – The VTB and Pledge of Shares**.

2.9.3 SB LP's Debt

At Purchase Completion, SB LP's debt consisted of \$563,683.08 owed to Jaymor U.S.A., Inc. and \$1,692,000 of principal together with accrued interest of \$115,811.92 for a total liability of \$1,807,811.92 owed to Jaymor Financial Corporation.

SB LP's debt to Jaymor U.S.A., Inc. had been a revolving line of credit granted by Jaymor U.S.A. Inc. and its affiliates while it was the limited partner of SB LP to finance the purchase, ongoing maintenance and potential development of the South Beach Street Lands. The remaining debt to Jaymor U.S. A., Inc. was retired by SB LP on June 10, 2014 with funds advanced to it by Jaymor Financial Corporation and the Financing Partnership.

Jaymor Financial Corporation continued to advance funds to SB LP following Purchase Completion. SB LP has borrowed a total of \$2,141,985 from Jaymor Financial Corporation pursuant to a Promissory Grid Note dated April 18, 2013 (the "Grid Note"). Jaymor Financial Corporation was in turn funded by Jaymor Capital Corporation, an affiliate of the Corporation.

Pursuant to the terms of the Grid Note, SB LP has provided Jaymor Financial Corporation with a registerable charge on the South Beach Street Lands to secure repayment of this indebtedness and interest thereon. The loan payable by SB LP bears simple interest at 14% per annum, compounded annually. Including \$236,685.92 of accrued interest, the balance on the loan was \$2,378,670.92 on May 31, 2014. SB LP paid \$52,000 in accrued interest on this loan on June 10, 2014. The loan accrues interest until December 31, 2014 and quarterly interest-only payments are then to be paid commencing on March 31, 2015. The loan matures on December 31, 2019 and is fully open for pre-payment without penalty at any time.

The indebtedness of SB LP to Jaymor Financial Corporation and the charge given to it to secure repayment of that indebtedness ranks prior to the equity position of the Financing Partnership in its ownership of its 99% limited partnership interest in SB LP.

2.9.4 The VTB and Pledge of Shares

At Purchase Completion, the Vendor granted the VTB to the Financing Partnership in the amount of \$2,023,505 in order to satisfy the balance of the purchase price. The VTB bore interest at 15% per annum. The VTB was subsequently retired on May 20, 2014. The Financing Partnership paid \$58,861.74 in interest to the Vendor pursuant to the VTB.

Prior to Purchase Completion, the Corporation issued 1,000,000 Common Shares to the Promoter for consideration of \$1 million Cdn. The shares, valued at \$942,200, the U.S.-dollar equivalent of the amount for which the shares were issued, were, in turn, pledged to the Vendor together with the guarantee of the Promoter for the fulfilment of the purchase conditions and the retirement of the VTB by the Financing Partnership. The pledge of the shares was released on the completion by the Financing Partnership of the purchase terms and retirement of the VTB. On May 20, 2014, upon payment in full of the consideration for which the 1,000,000 Common Shares were issued, the shares were released from the pledge by the Vendor, repurchased by the Corporation and cancelled.

2.10 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 the Securities being offered pursuant to the Offering.

2.10.1 Loan(s) and Mortgage(s)

The Project Partnership(s) may borrow monies (the "Loan(s)") to acquire the Project(s). As security for the Loan(s), the Project Partnership(s) may grant a first Mortgage(s) (the "Mortgage(s)") or Charge(s) the "Charges") to the Lender(s) which the Lender(s) will register against the title to the Project(s) or pledge the Project(s) or the interest held in the Project Partnership(s) in any other manner as is required.

2.10.2 Acquisition Agreement(s)

Pursuant to agreement(s) entered into and to be entered into between the vendor(s) and the Project Partnership(s) and/or Financing Partnership for the acquisition of a direct or indirect interest in the Project(s) and in consideration for the Asset Manager sourcing the acquisitions, providing due diligence and negotiating the acquisitions, the Financing Partnership has agreed to reimburse the Asset Manager for its reasonable expenses incurred in the performance of its duties and pay to the Asset Manager a fee equal to 1% of the price of the acquired Project(s) (the "Acquisition Fee");

An Acquisition Fee of \$45,500 U.S. was paid by the Financing Partnership on June 10, 2014 to the Asset Manager with respect to the purchase of the 99% partnership interest in SB LP.

2.10.3 Asset Management Agreement

The Financing Partnership has agreed to retain the Asset Manager to advise the Financing Partnership in connection with its indirect investment in the Project(s), including reviewing financial information pertaining to the Project(s) and advising on strategies to enhance and maximize the Financing Partnership's return on its investment in the Project(s). In consideration for such services, the Financing Partnership has agreed to reimburse the Asset Manager for its reasonable expenses incurred in the performance of its duties and pay the Asset Manager an annual fee (the "Asset Management Fee") equal to 1.5% of the gross purchase price of each of the Projects in the portfolio of assets.

An Asset Management Fee of \$68,250 U.S. per annum is payable monthly by the Financing Partnership to the Asset Manager with respect to its purchase of the 99% partnership interest in SB LP.

2.10.4 Financing Arrangement and Guarantee Agreement

The Asset Manager and the Guarantors have agreed to arrange for the Financing and to jointly and severally guarantee the Loan(s) and the performance of the obligations by the Project Partnership(s) of the underlying terms of the Loan(s) throughout the term of the Loan(s) if and when required by the Lender(s). In consideration for arranging the Financing and providing the Guarantee(s), the Financing Partnership has agreed to reimburse the Asset Manager for its reasonable expenses incurred in the performance of its duties and pay to the Asset Manager and the Guarantors a one-time fee equal to 1% of the amount of the Loan(s) (the "Financing Arrangement and Guarantee Fee").

A Financing Arrangement and Guarantee Fee of \$22,577.97 U.S. was paid by the Financing Partnership to the Asset Manager on June 10, 2014 with respect to the Loan made by Jaymor Financial Corporation to SB LP.

2.10.5 Management Agreement(s)

The Manager will be responsible for managing the Project(s). The Manager will be paid a monthly management fee equal to five (5%) percent of gross receipts (as defined in the Management Agreement(s)). SB LP presently has no income on which the monthly management fee would be charged. The Manager will also be entitled to be reimbursed for the expenses it incurs with respect to the operation and maintenance of the Project(s).

2.10.6 The Partnership Agreement

The following is a summary of the Partnership Agreement. The Corporation is a party to the Partnership Agreement as the sole limited partner of the Partnership. As a result, the Partnership Agreement is a material agreement to the Corporation. **Subscribers to this Offering will not be parties to the Partnership Agreement and will not have any rights thereunder.** Subscribers are encouraged to review the Partnership Agreement, available from the Corporation upon request, for a full description of the Partnership Agreement. All capitalized terms are defined in the Partnership Agreement.

SUMMARY OF PARTNERSHIP AGREEMENT

The rights and obligations of the Limited Partners are governed by the Partnership Agreement. The statements in this Offering Memorandum concerning the Partnership Agreement are summaries of certain provisions thereof and do not purport to be complete. Reference should be made to the Partnership Agreement for complete detail of such provisions.

Term

The Partnership will terminate on June 24, 2018 (subject to a renewable extension by the General Partner at its sole discretion for a further period of five years) unless continuance is consented to by the Limited Partners by Special

Resolution and by the General Partner or unless terminated earlier as a result of the sale of all property and assets of the Partnership and the consent to its dissolution by the Limited Partners by Special Resolution.

Assignment and Redemption of Units

A Unit may be sold, assigned and transferred by a Limited Partner or their agent duly authorized in writing if certain conditions are satisfied. On any such sale, assignment or transfer of a Unit by a Limited Partner or their agent, the General Partner shall be entitled to a first right of refusal in respect thereof. The conditions which must be satisfied to permit such sale, assignment or transfer of a Unit are as follows:

- a) the transferee has delivered to the Registrar and Transfer Agent an executed transfer of the Unit in the form of Transfer of Unit attached to the Partnership Agreement;
- b) the transferee has agreed in writing to be bound by the Partnership Agreement and to assume the obligations of the transferor that pertain to the Unit transferred;
- c) if applicable, the lender of any equity loan has consented to such transfer and approved the transferee and, failing such consent and approval, the transferor has discharged their obligations to the lender of the Equity Loan in connection with the Unit transferred;
- d) there has been compliance with the provisions of all applicable securities legislation;
- e) the transferor or transferee pays such costs, expenses and disbursements, including legal fees, as are reasonably incurred by the Partnership by reason of the transfer;
- f) the transferee delivers or causes to be delivered to the Registrar and Transfer Agent the Unit Certificate for the Unit duly endorsed for transfer by the transferring Limited Partner;
- g) the transferee is not a “non-resident” of Canada within the meaning of the Income Tax Act (Canada) and is not a “non-Canadian” within the meaning of the *Investment Canada Act* (Canada);
- h) the General Partner consents to and waives its first right of refusal in respect of such transfer; and
- i) such other requirements as may be required by law or may reasonably be required by the General Partner and/or the Registrar and Transfer Agent are satisfied.

No transfer will be permitted for less than a whole Unit or multiples thereof. Upon compliance with the foregoing conditions, the transferee will become bound as a Limited Partner and will be entitled to all of the rights and subject to all of the obligations under the provisions of the Partnership Agreement. Only registered holders of Units will be entitled to vote, receive distributions or otherwise exercise or enjoy the rights of Limited Partners.

Allocation of Losses for Tax Purposes

Losses of the Partnership will be allocated to Limited Partners for any fiscal year of the Partnership and will be allocated to each Limited Partner in the ratio that their number of Units of the Partnership bears to the aggregate number of outstanding Units at the end of such period.

Losses will not be allocated to the General Partner.

Allocation of Income for Tax Purposes

Subject to the provisions with respect to distributions below on this page, income and losses of the Partnership will be allocated to the Limited Partners in the ratio that their number of Units bears to the aggregate number of outstanding Units of the Partnership at the end of such period and income will not be allocated to the General Partner.

Distributions

Distributable Cash of the Partnership will be disbursed no less often than quarterly within sixty (60) days of each fiscal quarter end as follows:

- i) first to pay any expenses of the Partnerships;
- ii) next, to the Limited Partners in proportion to their respective Partnership interest, their preferred return of 8% per annum on a cumulative basis calculated based on the par value of the Units (the “Preferred Return”);
- iii) next, to the Limited Partners in proportion to their respective Partnership interest, 100% of all Distributable Cash until such time as all cumulative distributions to the Limited Partners totals 100% of the par value of their respective Units;

- iv) next, to the Limited Partners in proportion to their respective Partnership interest, 75% of all Distributable Cash until such time as all cumulative distributions to the Limited Partners totals 150% of the par value of their respective Units, and 25% of all Distributable Cash to the General Partner;
- v) next, to the Limited Partners in proportion to their respective Partnership interest, 65% of all Distributable Cash until such time as all cumulative distributions to the Limited Partners totals 200% of the par value of their respective Units, and 35% of all Distributable Cash to the General Partner;
- vi) finally, to the Limited Partners in proportion to their respective Partnership interest, 60% of all Distributable Cash, and 40% of all Distributable Cash to the General Partner.

Notwithstanding iv) through vi) above, the General Partner will defer its share of the distributable cash until the Limited Partners have received cumulative distributions totaling 100% of the par value of their respective limited partnership units and a non-compounding and cumulative ten (10%) percent per annum, thereupon.

To the extent that any amount that can reasonably be considered to be income of the Partnership is distributed to the General Partner as Distributable Cash, it will be allocated to the General Partner as income for tax and accounting purposes.

Business of the Partnership

The business of the Partnership will consist of holding and managing the Project(s) indirectly through its 99.99% interest in the Financing Partnership and the Financing Partnership's interest of up to 99% in the Project Partnership(s) which own(s) the Project(s).

Reporting

The General Partner shall provide the Limited Partners with copies of unaudited annual financial statements within ninety (90) days of the end of the fiscal year reported on, at the expense of the Partnership.

Meetings

Meetings of the Limited Partners may be called at any time by the General Partner and shall be called by the General Partner upon written request of not less than 4 Limited Partners holding in the aggregate not less than 25% of the outstanding votes attaching to the Units then outstanding specifying the purpose or purposes for which such meeting is to be called. If the General Partner fails to convene a meeting upon such request within a period of 21 days after the giving of the request, the requesting Limited Partners may convene a meeting. The notice calling such meeting shall be signed by the requesting Limited Partners or by any person such requesting Limited Partners may specify in writing. Any meeting called by the requesting Limited Partners shall be conducted in accordance with the provisions of the Partnership Agreement.

Meetings of the Limited Partners will normally be held at the head office of the Partnership. At least 21 days' notice of any meeting of Limited Partners is required. Such notice shall set forth the matters to be considered at the meeting. The quorum for such meeting is 2 Limited Partners present in person and owning or representing in person or by proxy at least 25% of all Units. If a quorum is not present, the meeting shall be adjourned for not less than 10 and not more than 21 days and the adjourned meeting shall be at the same time and place as the original meeting. At least seven (7) days' notice of the adjourned meeting shall be given to the Limited Partners by the General Partner. Such notice need not set forth the matters to be considered unless they are different from those for which the original meeting was called. The quorum for the transaction of business for such adjourned meeting shall be those Limited Partners present in person or represented by proxy. Each Limited Partner is entitled to one vote on any question submitted to any meeting for each Unit held by them and votes may be cast personally or by proxy at such Limited Partners' meetings.

Liability and Managing Powers of Limited Partners

The Partnership was formed to enable the Limited Partners to benefit from limited liability to the extent of their capital contributions to the Partnership together with their pro rata share of the undistributed net profits of the Partnership remaining in the Partnership. A Limited Partner may lose the protection of limited liability by taking part in the control of the business of the Partnership or may be held liable to third parties as a result of the failure of the General Partner to keep accurate records of such Limited Partners status.

Under the terms of the Partnership Agreement, the General Partner is given full power and authority to manage, control, administer and operate the business of the Partnership. No Limited Partner is permitted to take part in the management of the business of the Partnership. The General Partner has unlimited liability for the liabilities and obligations of the Partnership.

In order to provide the Limited Partners with protection, the General Partner will indemnify the Limited Partners against any and all costs, damages, liabilities or losses incurred by a Limited Partner that result directly or indirectly from such Limited Partner not having limited liability, except where the lack or loss of limited liability is attributable to some action of the Limited Partner. The amount of this indemnification by the General Partner is limited to the extent of the value of the assets of the General Partner which at present is nominal.

If the limited liability of the Limited Partners is lost, there is a risk that the Limited Partners may be liable beyond their respective capital contributions and share of undistributed net profits of the Partnership in the event of a judgment on a claim against the Partnership in an amount exceeding the sum total of the net assets of the General Partner and net assets of the Partnership.

In all cases other than the possible loss of limited liability, no Limited Partner as such will be obligated to pay any additional assessment on or with respect to the Units held or subscribed for by them, except as specifically provided in the Partnership Agreement (see **Item 8.2 - Additional Capital Contribution**). However, the Limited Partners and the General Partner may be required to return to the Partnership such part of any amount distributed to them as may be necessary to restore the capital of the Partnership to its existing amount before such distribution if, as a result of any such distribution, the capital of the Partnership is reduced to the extent that the Partnership is unable to pay its debts as they become due.

Fiduciary Responsibility of General Partner

Under the Partnership Agreement, the General Partner is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Partnership and to exercise a degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The General Partner is liable for the debts, liabilities and obligations of the Partnership to the extent required by the *Limited Partnerships Act* (Ontario) and other applicable legislation. The Partnership will indemnify the General Partner for any liability incurred by the General Partner in carrying out its obligations under the Partnership Agreement, provided that the General Partner acts honestly, in good faith and in the best interests of the Partnership.

Capitalization

The General Partner is authorized to raise capital to finance the operations of the Partnership by offering Units to the Corporation for the amount of \$100 each to be contributed from the proceeds of the Offering.

The Partnership has agreed to reimburse the Corporation for all charges, fees, commissions and costs incurred by the Corporation in raising funds pursuant to the Offering to invest in its Units and for the ongoing administration of the Corporation. To the extent that such charges, fees, commissions and costs are paid by the Corporation, the amount thereof shall form part of the amount paid by it for such Units.

It is intended that the Corporation shall be the sole Limited Partner of the Partnership. The Partnership has authorized an unlimited number of limited partnership units to be issued to the Corporation.

Additional Units

Subject to the approval of the Limited Partners, by Special Resolution, if the General Partner determines that additional funds are required for the operations of the Partnership, the General Partner, at any time and from time to time, may create by resolution of the General Partner on behalf of the Partnership, and may offer for sale and sell, units or interests in the Partnership in addition to the Units then issued and outstanding

Such additional units shall first be offered for sale, on the terms then proposed to be offered to anyone else, to the Limited Partners who are at such time holders of Units, ratably according to the number of Units held by each. Subject to the approval of the Limited Partners by Special Resolution, the additional units may be units of a different class than the Units or interests of a different nature than the Units and the holder thereof may be entitled to preferences, priorities or rights over Limited Partners holding Units in the allocation of income or loss and the share of distributions of Distributable Cash or the return of contributed capital.

The General Partner may cause such amendments to be made to the Partnership Agreement and the register as may be necessary or appropriate to reflect the additional units or other interests and such preferences, priorities and rights.

Additional Capital Contribution

Further, subject to the approval of the Limited Partners by Special Resolution, if the General Partner determines that additional funds are required for the operations of the Partnership, the General Partner may request that each Limited Partner contribute additional capital. Limited Partners who fail to so contribute may forfeit their Unit(s) or have their interest in the Partnership diluted.

Refinancing

The General Partner is authorized to arrange refinancing for the Project(s) or the Partnership's indirect interest in the Project(s) without the approval of the Limited Partners.

Amendment to Partnership Agreement

The Limited Partners are entitled to authorize amendments to the Partnership Agreement by Special Resolution but no amendment that adversely affects the rights of the General Partner may be made without its approval.

The General Partner is entitled to make certain amendments to the Partnership Agreement without the consent of the Limited Partners provided that such amendments are for the protection of the Limited Partners or, in the opinion of counsel, do not adversely affect the rights of any Limited Partner.

Reimbursement of General Partner

The General Partner is entitled to reimbursement by the Partnership for all reasonable third-party costs and expenses that are incurred by the General Partner on behalf of the Partnership or other costs and expenses incidental to acting as General Partner of the Partnership.

Removal and Resignation of the General Partner

The General Partner may resign as the General Partner of the Partnership upon 180 days' written notice to the Limited Partners. The General Partner shall be deemed to resign as the General Partner in the event of bankruptcy, insolvency, dissolution, liquidation or winding up or the appointment of a trustee, receiver or receiver/manager of its affairs. No resignation of the General Partner shall be effective and the General Partner shall not cease to be the General Partner, until the earlier of 180 days from the date of one of the foregoing events and the admission of a new General Partner to the Partnership.

Registrar and Transfer Agent

The General Partner will be the initial Registrar and Transfer Agent for the Units. The register of the Limited Partners will be kept by the General Partner at its principal office. A copy of the register of Limited Partners will be provided to Limited Partners by the General Partner upon written request.

Forced Disposition

In the event that a Limited Partner ceases to be a resident of Canada as defined in the Income Tax Act (Canada), the General Partner shall have the option to require them to sell their Unit to a Canadian resident failing which certain actions may be taken by the General Partner.

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 person who directly or indirectly beneficially owns or controls 10% or more of any class of voting securities of the Corporation (a "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 paid any compensation 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 the completion of the Offering
The Jaymor Group Inc. Richmond Hill, Ontario	Shareholder	Nil	5 Class B Shares (100%) ⁽²⁾
Fabrizio G. Lucchese Woodbridge, Ontario	President and Director	Nil	Nil

(1) Fabrizio Lucchese is the officer and director of the Corporation and the Promoter and he and William P. Myers are the shareholders of the Promoter.

- (2) The Jaymor Group Inc. also holds 200,000 Class A Shares that are non-voting shares. The Jaymor Group Inc. subscribed for 1,000,000 Common Shares on January 3, 2014 for consideration of \$1,000,000 for the services and support of The Jaymor Group Inc. provided to the Corporation and its affiliate, the Financing Partnership, to facilitate the purchase by the Financing Partnership, and related purchase financing, of a 99% partnership interest of SB LP, the initial Project Partnership that owns the South Beach Street Lands. On the Financing Partner completing the terms of the purchase of the 99% partnership interest in SP LP and the related purchase financing being repaid, the 1,000,000 Common Shares were repurchased by the Corporation and cancelled on May 20, 2014 on the cancellation of the consideration for which they were issued.

3.2 Management Experience

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

Name	Principal occupations and related experience
Fabrizio G. Lucchese President	Fabrizio G. Lucchese has been involved with Jaymor Securities Ltd. since 1991. He became a Secretary of Jaymor Securities Ltd. and The Jaymor Group Inc. in 1996. He is presently the President of The Jaymor Group Inc. and continues as Secretary of Jaymor Securities Ltd. Mr. Lucchese is also the founder and a director of Becksley Capital Inc., an exempt market dealer and the Lead Agent, and the President of Jaymor U.S.A., Inc.

Fabrizio G. Lucchese has been, and is, involved with other offerings of securities, including offerings of bonds, limited partnership interests and shares. Jaymor Capital Corporation, one of these offerors, has funded Jaymor Financial Corporation which has in turn loaned \$2,141,985 to SB LP pursuant to the Grid Note. Including \$236,685.92 of accrued interest, the balance on the loan was \$2,378,670.92 on May 31, 2014. SB LP has provided a registerable charge on the South Beach Street Lands to Jaymor Financial Corporation to secure repayment of this indebtedness and interest, which indebtedness and charge would rank prior to the equity position of the Financing Partnership in its ownership of its 99% limited partnership interest in SB LP. See **Item 2.9.3 -SB LP's Debt** and **Item 8 – Risk Factors – No. 29**.

3.3 Penalties, Sanctions and Bankruptcy

There are no penalties, sanctions or cease-trade orders in effect for a period of more than thirty (30) consecutive days that have been in effect during the last ten (10) years against (i) a director, executive officer or control person of the Corporation, or (ii) an issuer of which a person referred to in (i) above was a director, executive officer or control person at the time.

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 issuers.

ITEM 4 - CAPITAL STRUCTURE

4.1 Share Capital

The following assumes that the Maximum Offering has closed and the Conversion Option has not been exercised.

Description of Security	Number Authorized to be Issued	Number Outstanding as of June 11, 2014	Number Outstanding Assuming Completion of Maximum Offering
Class A Shares	Unlimited	282,000	282,000
Class B Shares	Unlimited	5	5
Common Shares	Unlimited	1,021,471	50,000,000 *
Preference Shares	Unlimited	0	0
Class A Warrants	Unlimited	0	0

* The Offering is up to a total of 50,000,000 Bonds and Common Shares for total proceeds of \$50,000,000.

The following assumes that the Maximum Offering has closed and the Conversion Option has been fully exercised converting all outstanding Bonds to Preference Shares.

Description of Security	Number Authorized to be Issued	Number Outstanding as of June 11, 2014	Number Outstanding Assuming Completion of Maximum Offering
Class A Shares	Unlimited	282,000	282,000
Class B Shares	Unlimited	5	5
Common Shares	Unlimited	1,021,471	50,000,000 *
Preference Shares	Unlimited	0	50,000,000 **
Class A Warrants	Unlimited	0	0

* The Offering is up to a total of 50,000,000 Bonds and Common Shares for total proceeds of \$50,000,000.

** The Corporation may convert the Bonds issued pursuant to this Offering and some or all of the interest payable on the Bonds into Preference Shares pursuant to the Conversion Option. The Corporation cannot at this time determine the number of Bonds to be issued or quantify the amount of any outstanding interest payable on the Bonds at the date of the Conversion Option, if exercised. As such, it can only estimate the number of Preference Shares that would be issued if the Conversion Option is exercised on the basis of the maximum number of Bonds that may be issued and with no interest outstanding.

Common Shares

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

Voting Rights - The holders of the Common Shares (the “Common Shareholders”) shall be not be entitled to receive notice of, attend or vote at any meetings of the shareholders of the Corporation.

Dividend Entitlement - The Common Shareholders have 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 Common Shares by the Corporation. No dividend may be declared or paid on the Common 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 shares issued by the Corporation then outstanding having attached thereto a right of redemption or retraction.

Entitlement to Distributions and Proceeds - The Common Shareholders have the right, subject to any preferential rights attaching to any Bonds or any other class or series of shares issued by the Corporation, to share in distributions and the remaining property of the Corporation upon dissolution. **See Item 4.1.1 – Entitlement to Distributions and Proceeds.**

Preference Shares

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

Voting Rights - The holders of the Preference Shares shall be not be entitled to receive notice of, attend or vote at any meetings of the shareholders of the Corporation.

Dividend Entitlement - The Preference Shareholders have 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 Preference Shares by the Corporation. No dividend may be declared or paid on the Preference 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 shares issued by the Corporation then outstanding having attached thereto a right of redemption or retraction.

Entitlement to Distributions and Proceeds - The Preference Shareholders have the right, subject to any preferential rights

attaching to any Bonds or any other class or series of shares issued by the Corporation, to share in distributions and the remaining property of the Corporation upon dissolution. **See Item 4.1.1 – Entitlement to Distributions and Proceeds.**

Class A Shares

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

Voting Rights - The holders of the Class A Shares (the “Class A Shareholders”) shall be not be entitled to receive notice of, attend or vote at any meetings of the shareholders of the Corporation.

Dividend Entitlement - The Class A Shareholders have 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 A Shares by the Corporation. No dividend may be declared or paid on the Class A 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 shares issued by the Corporation then outstanding having attached thereto a right of redemption or retraction.

Entitlement to Distributions and Proceeds - The Class A Shareholders have no right to share in distributions and the remaining property of the Corporation upon dissolution. **See Item 4.1.1 – Entitlement to Distributions and Proceeds.**

Class B Shares

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

Voting Rights - The holders of the Class B Shares (the “Class B Shareholders”) shall be entitled to receive notice of, to attend and to vote at all meetings of the shareholders of the Corporation. Each Class B 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.

Dividend Entitlement - The Class B Shareholders have 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 shares issued by the Corporation then outstanding having attached thereto a right of redemption or retraction.

Entitlement to Distributions and Proceeds - The Class B Shareholders have the right, subject to any preferential rights attaching to any Bonds or any other class or series of shares issued by the Corporation, to share in distributions and the remaining property of the Corporation upon dissolution. **See Item 4.1.1 – Entitlement to Distributions and Proceeds.**

Special Shares

The Corporation is authorized to issue an unlimited number of Special Shares issuable in series (the “Special Shares”) with the rights, privileges and conditions (if any) of each series of Special Shares to be as determined by the Board of Directors of the Corporation (the “Board”) subject to the following provisions:

- a) The Special Shares may from time to time be issued in one or more series and, subject to the following provisions, the Board may by resolution fix from time to time before such issue the number of shares that is to comprise each series and the designation, rights, privileges, restrictions and conditions attaching to each series of Special Shares including, without limiting the generality of the foregoing, the rate or amount of dividends or the method of calculating dividends, the dates of payment thereof, the redemption, purchase and/or conversion prices and the terms and conditions of redemption, purchase and/or conversion, and any sinking fund or other provisions, but no shares of such series shall be issued until articles of amendment in the prescribed form designating such series of shares have been filed.
- b) No dividend may be declared or paid on the Special 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.
- c) The Special Shares of each series shall, with respect to the payment of dividends and the distribution of assets or

return of capital in the event of a Distribution, rank equally with the Special Shares of every other series and may be entitled to preference over any other shares of the Corporation ranking junior to the Special Shares but for Distributions on the Common Shares, Preference Shares, Class A Shares and Class B Shares which are to be in the order and on the terms more particularly described in **Item 4.1.1 – Entitlement to Distributions and Proceeds**. The Special Shares of any series may also be given such other preferences, not inconsistent with these Articles, over the Common Shares, Preference Shares, Class A Shares, Class B Shares and any other shares of the Corporation ranking junior to the series of Special Shares.

- d) If any dividends or amounts payable on the return of capital in respect of a series of Special Shares are not paid in full, all series of Special Shares shall participate rateably in respect of such dividends and return of capital.
- e) Subject to any restrictions on the number of shares authorized, the Special Shares of any series may be made convertible into Common Shares or any other class or series of shares of the Corporation.
- f) Each share of a series of Special Shares shall carry such voting rights as may be determined and a share of a series of Special Shares may be entitled to one (1) vote at all meetings of shareholders.
- g) Dividends on shares of each series of Special Shares may be cumulative.
- h) No holder of shares of any series of Special Shares shall be entitled, as such, to any pre-emptive right to subscribe for the purchase or to receive any part of any issue of shares of the Corporation or of bonds, debentures or other securities of the Corporation, whether now or hereafter authorized or issued.
- i) Shares of any series of Special Shares may be made redeemable at any time at the option of the Corporation without the consent of the holders thereof on payment for each share to be redeemed of the amount paid up thereon together with all unpaid cumulative dividends, if any, which have previously been declared.
- j) The Corporation may at any time and from time to time purchase for cancellation all or any part of the shares of any series of Special Shares outstanding at the lowest price at which, in the opinion of the directors of the Corporation, such shares are obtainable but not exceeding the amount paid up thereon together with all unpaid cumulative dividends, if any, which have previously been declared.
- k) The shares of any series of Special Shares may carry the right of the holder thereof to call for the redemption of any shares held by the holder.
- l) Notwithstanding any method of selecting any shares of any series of Special Shares to be redeemed by the Corporation which is adopted by the board of directors of the Corporation, the Corporation shall be entitled to call, on any redemption date, for the redemption of all of the shares represented by a certificate where the certificate represents less than one hundred (100) shares of any series of Special Shares.
- m) Any amendment to the Articles to delete or vary any preference, right, condition, restriction, limitation or prohibition attaching to the Special Shares as a class or to create special shares ranking in priority to or on a parity with the Special Shares, in addition to the authorization by a special resolution, must be authorized by at least two-thirds (2/3) of the holders of each of the series of Special Shares at a meeting duly called for that purpose.

As at June 11, 2014, no series of Special Shares has been authorized.

Class A Warrants

The Corporation issued 2 sets of 100 Class A warrants (200 total) for the total amount of \$2.00 on December 20, 2010. Class A warrant holders had the right until December 31, 2013 to purchase 1 Class A Share per warrant, subject to adjustment, up to 1% (2% total) of the issued and outstanding Class A Shares of the Corporation. The exercise price of these warrants was \$0.02 per Class A Share of the Corporation. On December 31, 2013, the warrants expired unexercised.

4.1.1 Entitlement to Distributions and Proceeds

Any distributions including the remaining property of the Corporation upon dissolution, subject to any preferential rights attaching to any bonds issued by the Corporation and funds and property being available, will be made in the following order:

- (a) first, each holder of Common Shares shall be entitled to receive payment of the aggregate amount of accrued and unpaid dividends declared and outstanding on the Common Shares held by them;
- (b) second, each holder of Preference Shares shall be entitled to receive payment of the aggregate amount of accrued and unpaid dividends declared and outstanding on the Preference Shares held by them;
- (c) third, each holder of Preference Shares shall be entitled to receive payment of the aggregate amount of paid up capital on the Preference Shares held by them;
- (d) fourth, each holder of Class A Shares and Class B Shares shall be entitled to receive payment of the aggregate amount of accrued and unpaid dividends declared and outstanding on the Class A Shares and Class B Shares held by them;
- (e) fifth, each holder of any series of Special Shares that may be issued and outstanding shall be entitled to receive payment of the aggregate amount of paid up capital with respect to such series of Special Shares in accordance with their terms;
- (f) sixth, each holder of any series of Special Shares that may be issued and outstanding are entitled to receive payment of accrued and unpaid dividends declared and outstanding on the series of Special Shares held by them; and
- (g) seventh, the holders of the Common Shares and the Class B Shares shall be entitled to share in the Net Remaining Property of the Corporation on the basis and to the extent that the holders of the Common Shares are entitled to receive on a pro rata basis eighty-five (85%) of the Net Remaining Property and the holders of the Class B Shares are entitled to receive on a pro rata basis fifteen (15%) of the Net Remaining Property;
- (h) eighth, the holders of the Common Shares shall be entitled to receive payment of the aggregate amount of paid up capital on the Common Shares held by them;
- (i) ninth, the holders of the Class B Shares shall be entitled to receive payment of the aggregate amount of paid up capital on the Class B Shares held by them; and
- (j) tenth, the holders of the Class A Shares shall be entitled to receive payment of the aggregate amount of paid up capital on the Class A Shares held by them.

Such Distributions are to be made in the order set out above to the extent required and available on a pro rata basis amongst the holders of each of the respective classes or series of shares as set out above.

To the extent that property or funds are not available for Distributions to particular classes or series of shares in the order set out above, the holders of such shares are not entitled to any such Distribution.

The Class B Shareholder is the Promoter. The Promoter may elect to assign up to one third of its distributions to sellers and agents. See **Item 7.1 – Additional Potential Compensation Paid to Sellers and Finders.**

4.2 Long-Term Debt

As of June 11, 2014, the Corporation has \$2,277,098 in outstanding long-term debt through the issuance of Bonds pursuant to this Offering.

In the event that the Corporation is successful in continuing to raise 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 June 11, 2014	Number Outstanding Assuming Completion of Maximum Offering
Fixed-rate convertible redeemable 8% Bonds ⁽¹⁾	50,000,000	2,277,098 Representing a debt obligation of \$2,277,098 to Bondholders under this Offering plus 8% interest per annum thereon	48,978,529 ^{(2) (3)} Representing a debt obligation of up to \$48,978,529 to Bondholders under this Offering plus 8% interest per annum thereon

- (1) See **Item 5.1 – Terms of Securities** for the terms of the Bonds offered pursuant to this Offering.
- (2) This amount assumes that in the future only Bonds and no Common Shares are distributed pursuant to the Offering. In the event that the Corporation exercises the Conversion Option with respect to all issued Bonds and outstanding interest, the Corporation will not have any outstanding debt payable to the Bondholders.
- (3) The Corporation offers a bond interest reinvestment plan. See **Item 5.4 – Bond Interest Reinvestment Plan**. If at least one Bondholder elects to participate in the plan, the number of Bonds outstanding will not be fixed at the conclusion of this Offering and will continue to increase at each subsequent Bond interest payment date.

4.3 Prior Sales

As of June 11, 2014, there are 282,000 Class A Shares of the Corporation issued and outstanding, 5 Class B Shares of the Corporation issued and outstanding, 1,021,471 Common Shares of the Corporation issued and outstanding, 2,277,098 Bonds of the Corporation issued and outstanding and no Class A Warrants of the Corporation issued and outstanding.

Date of Issuance	Type of Security Issued	Number of Securities Issued	Price per Security	Total Funds Received
June 17, 2010	Class B Shares	5	\$3,600 per Class B Share	\$18,000
November 1, 2010	Class A Shares	82,000	\$1.00 per Class A Share	\$82,000
December 20, 2010	Class A Warrants ⁽¹⁾	200	\$0.01 ⁽¹⁾	\$2 ⁽¹⁾
December 31, 2012	Class A Shares	200,000	\$0.01 per Class A Share	\$2,000
November 19, 2013	8% Bonds	78,768	\$1.00 per Bond	\$78,768
November 26, 2013	8% Bonds	80,900	\$1.00 per Bond	\$80,900
December 12, 2013	8% Bonds	131,538	\$1.00 per Bond	\$131,538
January 3, 2014	Common Shares ⁽²⁾	1,000,000	\$1.00 per Common Share	\$1,000,000 ⁽²⁾
January 6, 2014	Common Shares	126,719	\$1.00 per Common Share	\$126,719
	8% Bonds	31,197	\$1.00 per Bond	\$31,197
January 15, 2014	Common Shares	83,618	\$1.00 per Common Share	\$83,618
	8% Bonds	113,660	\$1.00 per Bond	\$113,660
January 29, 2014	Common Shares	54,000	\$1.00 per Common Share	\$54,000
	8% Bonds	40,000	\$1.00 per Bond	\$40,000
February 6, 2014	Common Shares	108,515	\$1.00 per Common Share	\$108,515
	8% Bonds	321,498	\$1.00 per Bond	\$321,498
February 20, 2014	Common Shares	77,282	\$1.00 per Common Share	\$77,282
	8% Bonds	73,643	\$1.00 per Bond	\$73,643

February 24, 2014	Common Shares	16,804	\$1.00 per Common Share	\$16,804
	8% Bonds	36,804	\$1.00 per Bond	\$36,804
February 27, 2014	Common Shares	8,244	\$1.00 per Common Share	\$8,244
	8% Bonds	49,981	\$1.00 per Bond	\$49,981
March 14, 2014	Common Shares	138,037	\$1.00 per Common Share	\$138,037
	8% Bonds	601,250	\$1.00 per Bond	\$601,250
March 17, 2014	Common Shares	34,176	\$1.00 per Common Share	\$34,176
	8% Bonds	95,702	\$1.00 per Bond	\$95,702
March 19, 2014	Common Shares	57,833	\$1.00 per Common Share	\$57,833
	8% Bonds	84,331	\$1.00 per Bond	\$84,331
April 10, 2014	Common Shares	63,559	\$1.00 per Common Share	\$63,559
	8% Bonds	138,733	\$1.00 per Bond	\$138,733
April 15, 2014	Common Shares	218,760	\$1.00 per Common Share	\$218,760
	8% Bonds	100,000	\$1.00 per Bond	\$100,000
April 28, 2014	Common Shares	23,000	\$1.00 per Common Share	\$23,000
	8% Bonds	31,000	\$1.00 per Bond	\$31,000
May 8, 2014	Common Shares	10,924	\$1.00 per Common Share	\$10,924
	8% Bonds	44,093	\$1.00 per Bond	\$44,093
June 5, 2014	8% Bonds	200,000	\$1.00 per Bond	\$200,000

(1) See **Item 4.1 – Share Capital – Class A Warrants** for the terms of the warrants. The warrants expired unexercised on December 31, 2013.

(2) The Jaymor Group Inc. subscribed for 1,000,000 Common Shares on January 3, 2014 for consideration of \$1,000,000 for the services and support of The Jaymor Group Inc. provided to the Corporation and its affiliate, the Financing Partnership, to facilitate the purchase by the Financing Partnership, and related purchase financing, of a 99% partnership interest of SB LP, the initial Project Partnership that owns the South Beach Street Lands. On the Financing Partner completing the terms of the purchase of the 99% partnership interest in SP LP and the related purchase financing being repaid, the 1,000,000 Common Shares were repurchased by the Corporation and cancelled on May 20, 2014 on the cancellation of the consideration for which they were issued.

ITEM 5 - SECURITIES OFFERED

5.1 Terms of Securities

The Corporation is offering up to a total of 50,000,000 Bonds and Common Shares for sale for total proceeds of \$50,000,000.

The Corporation reserves the right to close or limit the subscription books for either or both of the Bonds or Common Shares at any time without notice.

The minimum number of Bonds and/or Common Shares that that may be purchased by a Subscriber is ten thousand (10,000) for a minimum investment of \$10,000. There is no maximum number of Bonds or Common Shares allocated to any Subscriber.

The completion of the Offering is not subject to any other condition.

Common Shares

There are special rights and restrictions attached to the Common Shares, a summary of which can be found in **Item 4.1 - Share Capital**.

Bonds

Term and Redemption: The Bonds shall mature on December 31, 2028 (the “Maturity Date”). Subject to the rights of early redemption, and the Conversion Option, 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.

Early Redemption: The Corporation may redeem some or all of all Bondholder’s 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 8% per annum to accrue from the date of issue until redemption by the Corporation. Subject to the rights of early redemption and the Conversion Option, interest payments payable to the Bondholders shall be made on March 31, June 30, September 30 and December 31 (or the next business day thereafter) of each year during the term of the Bonds. The Corporation may make earlier interest payments to the Bondholders at the sole discretion of the Corporation. All accrued and unpaid interest shall, in any event, be paid on the aforementioned dates.

An investor in the Bonds should understand that the assets of the Promoter and its affiliates other than the Corporation are not in any way committed to the activities of the Corporation.

5.2 Conversion of Bonds by the Corporation

Conversion Option and Conversion Ratio

Subject to the terms set forth herein, the Corporation shall have the right, at its option, until the day prior to the Maturity Date of the Bonds (the “Time of Expiry”), to convert some or all of the principal amount and some or all of the accrued interest thereon of some or all of a Bondholder’s Bonds into fully paid and non-assessable Preference Shares on the basis of the Conversion Ratio.

Manner of Exercise of Conversion Option

When the Corporation desires to convert a Bondholder’s Bonds and accrued interest thereon, in whole or in part, into Preference Shares, the Corporation shall notify the Bondholder in writing of the exercise by the Corporation of the Conversion Option with respect to a Bondholder’s Bonds (the “Conversion Notice”).

The Conversion Notice shall be delivered to the Bondholder at the Bondholder’s address as set out in the Corporation’s registry of Bonds. The Conversion Notice shall set out the number of Bonds that have been converted and the accrued interest of those Bonds, if being converted, together with the number of Preference Shares issued to the Bondholder pursuant to the exercise of the Conversion Option by the Corporation and the date on which the Conversion Option was exercised (the “Date of Conversion”).

The Bondholder shall be entitled to be entered in the books of the Corporation as at the Date of Conversion as the holder of the respective number of Preference Shares as set out in the Conversion Notice and, as soon as practicable thereafter, the Corporation shall deliver to the Bondholder a certificate or certificates for the Preference Shares and, if applicable, a cheque for any accrued interest under the Bonds that is not being converted pursuant to the Conversion Option.

For the purposes of the Conversion Option, a Bondholder’s Bonds shall be deemed to have been cancelled on the Conversion Date and the Corporation shall be entitled to cancel such Bonds upon the books of the Corporation without further action required from the Bondholder.

Fractional Preference Shares

The Corporation shall not be required to issue fractional Preference Shares upon the conversion of the Bonds pursuant to the Conversion Option. If any fractional interest in a Preference Share would, except for the provisions of this section, be deliverable upon the conversion of any accrued interest due and owing pursuant to a Bondholder’s Bonds, the Corporation shall, in lieu of delivering any certificate of such fractional interest, satisfy such fractional interest by paying to the Bondholder an amount equal (computed to the nearest cent) to the appropriate amount of outstanding accrued interest owing to a Bondholder on the business day next preceding the Date of Conversion.

5.3 Early Bond Redemptions

Subject to available funds and certain restrictions set forth herein and any exercise of the Conversion Option, the Bonds may be redeemed early on the last business day in April or October (each a “Redemption Date”), during any year, commencing two years from the date of the Closing for the to be redeemed Bonds at a Redemption Price as defined below. Bonds must be surrendered for redemption on a Redemption Date to the Corporation’s registrar and transfer agent on or before the preceding Redemption Date (the “Redemption Notice Period”). Payment of the proceeds of retraction will be made on the Redemption Date, or if not a business day, the next business day thereafter.

The Corporation shall not accept for redemption on any Redemption Date Bonds representing more than 1% of the average number of Bonds outstanding for the 90-day period immediately preceding the applicable Redemption Date. In the event that the number of Bonds tendered for redemption in respect of a Redemption Date exceeds the limit set forth above the Corporation shall redeem such Bonds tendered for redemption and not withdrawn on a pro rata basis.

The Redemption Price shall be defined as (all references to time are from the Closing for Bonds to be redeemed):

Months 1-24	No redemption rights
Months 25-36	\$0.70 per Bond
Months 37-48	\$0.80 per Bond
Months 49-60	\$0.90 per Bond
Thereafter	\$1.00 per Bond

5.4 Distribution Reinvestment Plan

The Corporation has established the Distribution Reinvestment Plan (“Plan”) as an optional bond interest reinvestment plan pursuant to which Bondholders can acquire additional Bonds and receive compounded returns by reinvesting their cash distributions.

Bondholders do not pay brokerage commissions or service charges of any kind for Bonds acquired under the Plan as they are purchased directly from the Corporation from treasury.

Bondholders may enroll in the Plan at the time of their subscription for Bonds by so indicating with their subscription or at any later time by delivering to the Corporation a duly completed and signed Enrolment Form.

See **Schedule F – Distribution Reinvestment Plan** and **Schedule G – Terms and Conditions of Enrolment - Distribution Reinvestment Plan of Jaymor Opportunity Fund Ltd.**

This distribution of additional Bonds pursuant to the Plan is being made pursuant to the exemption from the prospectus requirements afforded by Section 2.2 of NI 45-106. The securities exemption for the issuance of such additional Bonds relieves the Corporation from the provisions of the applicable securities laws 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. See **Item 5.6 – Subscription Procedure.**

5.5 General Matters Relating to the Bonds

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 regarding how the Corporation will fund or finance any 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 a redemption of the Bonds or use a combination of the above methods. There is no assurance that any of the above methods of funding a 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” in **Item 4 - Capital Structure** may apply should the Corporation not exercise the Conversion Option.

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.

5.6 Subscription Procedure

(a) Subscription Documents

Subscribers wishing to subscribe for the Securities 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 Securities, that it is purchasing the Securities as principal and for investment and not with a view to resale and as to its corporate or other status to purchase the Securities 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 the Securities, a purchaser must complete, execute and deliver the following documentation to Jaymor Opportunity Fund Ltd. at 105 West Beaver Creek Road, Unit 9, Richmond Hill, Ontario, L4B 1C6:

1. a completed and signed copy of the Subscription Agreement (including any schedules attached thereto);
2. a certified cheque or bank draft in an amount equal to the Aggregate Subscription Amount (as set forth in the Subscription Agreement), payable to “Jaymor Opportunity Fund Ltd.”;
3. a completed and executed copy of the appropriate investor qualification form(s), if any:

if you are purchasing the Securities 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 B.

if you are purchasing the Securities as an “eligible investor” (as such term is defined by NI 45-106), one (1) completed and signed copy of the Representation Letter for Eligible Investors attached to the Subscription Agreement as Schedule C.

if you are resident in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Quebec, Saskatchewan or Yukon, you must submit two (2) completed and signed copies of the applicable Risk Acknowledgment Form attached to the Subscription Agreement as either Schedule D or Schedule E.

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

Subscriptions for Securities 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 Securities is not accepted, all subscription proceeds will be promptly returned to the Subscriber without interest.

It is expected that certificates representing the Securities will be available for delivery within a reasonable period of time after the relevant Closing Date(s).

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

Bondholders may further enroll in the Distribution Reinvestment Plan (“Plan”) at the time of their subscription for Bonds by so indicating with their subscription or at any later time by delivering to the Corporation a duly completed and signed Enrolment Form. See Item 5.4 – Distribution Reinvestment Plan.

(b) Distribution

The offering is being conducted:

- (i) in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Quebec, Saskatchewan and Yukon pursuant to

the exemptions from the prospectus requirements afforded by Section 2.9 of NI 45-106; and

(ii) pursuant to the exemption from the prospectus requirements afforded by Section 2.3 of NI 45-106; and

(iii) pursuant to the exemption from the prospectus requirements afforded by Section 2.10 of NI 45-106.

The exemption pursuant to Section 2.9 of NI 45-106 is available for distributions to investors in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Quebec, Saskatchewan and Yukon purchasing as principals who receive this Offering Memorandum prior to signing the Subscription Agreement and who sign the applicable Risk Acknowledgment Form attached to the Subscription Agreement as Schedule D or Schedule E (provided that, with respect to Quebec, the Offering Memorandum is available in both the French and English languages).

In addition, Alberta, Manitoba, Northwest Territories, Nunavut, Prince Edward Island, Quebec and Saskatchewan investors relying on the exemption set out in Section 2.9 of NI 45-106 must also sign the Representation Letter for Eligible Investors 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 Canada 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 B.

The exemption pursuant to Section 2.10 of NI 45-106 is available for distributions to investors in Canada purchasing as principal who have purchased Bonds with an acquisition cost to the investor of not less than \$150,000 paid in cash at the time of the purchase.

The offering of additional Bonds pursuant to the Plan is being made pursuant to the exemption from the prospectus requirements afforded by Section 2.2 of NI 45-106. That exemption is available for a distribution of a security of the Corporation’s own issue provided for by a plan of the Corporation if a dividend or distribution out of earnings, surplus, capital or other sources payable in respect of the issuer’s securities is applied to the purchase of the security provided that such distribution is available to every security holder in Canada to which the dividend or distribution out of earnings, surplus, capital or other sources is available. The Corporation has established such a Plan to provide for additional Bonds to be issued to Bondholders, on their enrolment in the Plan, in lieu of cash distributions on Bonds held by them. See **Item 5.4 – Distribution Reinvestment Plan**.

The foregoing exemptions relieve the Corporation from the provisions of the applicable securities laws 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 Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Quebec, Saskatchewan or Yukon allow the Corporation to offer the Securities 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 that a Canadian corporation may make an election to become a “public corporation” as defined by the Tax Act in circumstances where that corporation has no less than 150 shareholders of “equity shares”, as defined under the Tax Act, of a class that has been qualified for distribution to the public. None of the 150 shareholders may be “insiders” of the Corporation, each shareholder of the corporation must hold at least 100 shares of the corporation having an aggregate fair market value of not less than \$500 and insiders of the corporation may not hold more than 80% of the issued and outstanding shares of that class.

Where the above conditions have been met, the corporation may elect, by filing form T2073 with the CRA, to be deemed a

public corporation for purposes of the Tax Act, including provisions governing qualified investments for Deferred Plans.

On November 4, 2010, the Corporation filed form T2073 with the CRA, which application was accepted by the CRA on December 21, 2010 effective at November 8, 2010.

The Corporation is accordingly a “public corporation” pursuant to the Tax Act. As a result, **the Bonds, Common Shares and any Preference Shares issued on conversion of the Bonds will each constitute a qualified investment for Deferred Plans provided the Corporation continues to be a “public corporation”.**

There are additional requirements for a Deferred Plan in order for the Bonds, Common Shares and any Preference Shares issued on conversion of Bonds not to be a “prohibited investment” which would be subject to a special tax. The Bonds, Common Shares and any Preference Shares issued on conversion of Bonds will each be a “prohibited investment” if the Deferred Plan 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 Deferred Plan account holder meets the above requirements, the Bonds, Common Shares and Preference Shares issued on conversion of Bonds will each not be a “prohibited investment”.

The income tax information herein was provided by the Corporation and it is based on the current provisions of the Tax Act, the Regulations 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 Securities.

If an agent is retained, the agent will be paid aggregate fees and commissions of up to 12% of the gross proceeds realized on the Securities sold by such agent, payable upon subscription.

The Corporation may compensate its employees, consultants, officers and directors by payment of up to 12% of the gross proceeds realized on the sale of Securities for soliciting subscriptions for Securities not sold by an agent.

Commissions will represent no greater than 12% of the proceeds of the sale of the securities, payable in cash together with applicable taxes. Assuming the maximum offering, commissions net of applicable taxes will total no greater than \$6,000,000.

The Lead Agent will also be paid an Agency Fee equal to 2% of the gross proceeds realized on the sale of the Securities. Assuming the maximum offering, the Agency Fee will be \$1,000,000 together with applicable taxes.

Assuming the maximum offering, the commissions and Agency Fee net of applicable taxes will total no greater than \$7,000,000.

At the discretion of the Lead Agent, the Lead Agent may elect to further compensate agents from the Agency Fee in addition to commissions paid to them. See **Item 7.1 – Additional Potential Compensation Paid to Sellers and Finders.**

These fees and commissions are ultimately to be paid by the Partnership from proceeds of investments in its Units by the Corporation. See **Item 2.3 – Our Business** and **Item 2.10.6 – The Partnership Agreement – Summary of Partnership Agreement – Capitalization.**

7.1 Additional Potential Compensation Paid to Sellers and Finders

At the discretion of the Promoter, the Promoter may elect to further compensate sellers and agents in addition to the commissions and any Agency Fee through the assignment of up to one-third of the Promoter’s distributions received as the sole Class B Shareholder to certain sellers and agents based on criteria determined solely at the discretion of the Promoter.

ITEM 8 - RISK FACTORS

Purchase of Securities pursuant to this Offering should only be made after consulting with independent and qualified investment and tax advisors. Investment in the Securities at this time is highly speculative due to the stage of the Corporation's development. An investment in Securities is appropriate only for investors who are prepared to invest money for a long period of time and who have the capacity to absorb a loss of some or all of their investment. Investors must rely on management of the Corporation. Any investment in the Corporation at this stage involves a high degree of risk.

In addition to the risks of purchasing the Shares, Bonds and Units of the Corporation described elsewhere within this Offering Memorandum, there are the following risks:

1. Subscribers under this Offering will not have the benefit of a review of this Offering Memorandum by any regulatory authorities.
2. The Corporation will have a limited amount of working capital as the majority of the proceeds from this Offering will be advanced to the Partnership.
3. There can be no assurance that if additional funding is required by the Corporation to redeem any or all of the Bonds, that such financing will be available on terms satisfactory to the Corporation, or at all. If the Corporation does not have sufficient funds on hand to redeem any or all of the Bonds and cannot secure financing, it will be unable to redeem any or all of the Bonds.
4. Unless the Corporation receives the return of its principal and interest and/or profit from its investments sufficient to allow it to pay its obligations of principal and interest to its Bondholders, the Corporation may not be able to redeem any or all of the Bonds.
5. The Securities offered by the Corporation are not an investment in real estate but an investment in debt securities and Common Shares of the Corporation. The Corporation is not investing in real estate but is instead acquiring Units. If the Corporation defaults on its payments under the Bonds, Bondholders will not have recourse against the Partnership. Bondholders will have recourse only against the Corporation.
6. Upon its purchase of Units, the Corporation became a limited partner of the Partnership. If the Partnership needs additional capital, it can require its limited partners to contribute additional capital to the Partnership pro rata to their respective interest in the Partnership pursuant to the Partnership Agreement. Should the Corporation as a limited partner fail to contribute the required additional capital to the Partnership, its right to receive distributions and vote at meetings of the Partnership with respect to its Units can be suspended amongst other sanctions and penalties and its Units are ultimately subject to being forfeited subject to its right to receive the balance of any net proceeds of sale of its Units after repayment of additional capital amounts advanced with respect to its Units pursuant to the funding requirement. While the Corporation intends to exercise its best efforts to meet any such capital requirement of the Partnership, including by additional borrowing or seeking additional investment capital should it not have sufficient available funds, the Corporation's interest in the Partnership may be materially impacted by these and other provisions of the Partnership Agreement if it is unable, or fails, to contribute additional capital to the Partnership if it is so required.
7. The tax consequences associated with an investment in the Securities 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, Common Shares or any Preference Shares resulting from a conversion of Bonds. There may be adverse tax consequences to a Subscriber. Upon such an event occurring, the Bonds, Common Shares or Preference Shares could cease to constitute qualified investments for Deferred Plan purposes unless the Corporation can arrange or make other suitable investment arrangements to maintain Deferred Plan eligibility for such Bonds and shares. If the Bonds, Common Shares or Preference Shares cease to be eligible Deferred Plan investments, an annuitant under a Deferred Plan which acquires or holds Bonds, Common Shares or Preference Shares may be required to include in his or her income the fair market value of the Bonds, Common Shares or Preference Shares acquired by the Deferred Plan, may incur penalties and may have the registration of the Deferred Plan revoked. There is also a risk that the CRA may reassess the returns of Subscribers relating to their investments in the Securities. No advance income tax ruling has been applied for or received with respect to the income tax consequences described in this Offering Memorandum. See **Item 6 - Income Tax Consequences and Deferred Plan Eligibility**.
8. 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.

9. Bondholders will not be represented by a bond trustee.
10. Subject to the *Business Corporations Act* (Alberta), holders of Common Shares and Preference Shares will have no right to vote on any matters affecting the Corporation, other than with respect to those matters specified by the *Business Corporations Act* (Alberta). Exclusive authority and responsibility for controlling and managing the Corporation rests with management of the Corporation and those persons, consultants and advisors retained by management on behalf of the Corporation. Accordingly, investors should appreciate that they will be relying on the good faith, experience, expertise and ability of directors and officers of the Corporation and other parties for the success of the business of the Corporation.
11. An investment in the Bonds and Common Shares and any Preference Shares resulting from a conversion of Bonds is an illiquid investment. **There is currently no market through which the Bonds, Common Shares and Preference Shares may be sold.** The Corporation is not a “reporting issuer” in any jurisdiction and a prospectus has not qualified the issuance of the Bonds, Common Shares and Preference Shares. Accordingly, investors will be unable to sell the Bonds, Common Shares and Preference Shares subject to some limited exceptions. See **Item 10 - Resale Restrictions** and **Item 5.1 – Terms of Securities**.
12. The Corporation’s short and long-term objective is to raise funds to make real estate investments. The Corporation will not carry on any other business other than investing in real estate. The Corporation’s sole source of revenue is expected to be from payments of principal, interest and profit from its business co-ventures and/or subsidiaries. A return on investment for a Subscriber is dependent upon the Corporation’s ability to earn a profit, make payments on the Bonds and deliver a return to shareholders. As a result, there is no assurance or guarantee that the Subscribers will earn a return on their investment in the Securities.
13. The Corporation has a relatively limited operational history and no history of earnings. Accordingly, there is a limited operating history upon which to base an evaluation of the Corporation and its business and prospects. The Corporation is in the early stages of its business and therefore is subject to the 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 and the ability to identify, attract and retain qualified personnel. 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.
14. The success of the Corporation is dependent upon, among other things, the services of key personnel. The loss of any of these individuals, for any reason, could have a material adverse effect on the prospects of the Corporation. Failure to retain or to attract additional key employees with necessary skills and could have a material adverse impact upon the Corporation’s growth and profitability. The Corporation does not maintain “key man” insurance for any of its directors, officers or employees. The contributions of these individuals to the immediate future operations of the Corporation is likely to be of central importance and the loss of any one of these individuals could have a material adverse effect on the business of the Corporation.
15. 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 including affiliates.

There are additional potential conflicts of interest to which the principal, director and officer of the Corporation will be subject in connection with the operations of the Corporation. The Corporation intends to co-invest with, and/or purchase projects from, related entities.

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).

16. The Partnership may invest in and acquire, through Project Partnerships or otherwise, investments or Projects in which the General Partner, the Financing Partnership, the Project General Partner(s), the Promoter, the Manager, the Asset Manager, the Lead Agent and their Affiliates and Associates may have a financial or other interest and Subscribers acknowledge, and invest in the Securities on the condition, that such investments or acquisitions made in the circumstances of such non-arm’s-length interests will not be considered to be a breach of any fiduciary or other duty on the part of the General Partner, the Financing Partnership, the Project General Partner(s), the Promoter, the Manager, the Asset Manager, the Lead Agent and their Affiliates and Associates and will not give rise to any obligation by them or their officers, directors and shareholders to account to the Corporation or its

Bondholders or shareholders for any profit made by them or their officers, directors and shareholders on account of such investments or acquisitions.

The directors and officers of the Promoter and of the General Partner (one of whom is the director and officer of the Corporation) are also directors, officers and shareholders in Jaymor U.S.A., Inc. Jaymor U.S.A., Inc. was the vendor who sold the limited partnership interest in SB LP to the Financing Partnership.

17. The unprecedented events in the global financial markets' "credit crisis", which began in 2007, have had a profound impact on the global economy. Virtually all economic sectors are impacted by these market conditions. Some of the key impacts of the current market turmoil include: sharp contractions in the credit markets resulting in a widening of credit risk spreads and higher costs of funding; a deterioration in the credit ratings of a number of large financial institutions; devaluations and high volatility in global equity, commodity, foreign exchange and precious metals markets and a corresponding lack of market liquidity; and a slowdown in economic activity that is affecting major global economies. These events could have a significant impact on the Corporation's business, assets and its ability to repay the Bonds and provide a return to Shareholders.
18. The structuring of the Offering in general and the distribution of the Class A Shares in particular with the result that the Bonds, Common Shares and any Preference Shares issued on conversion of Bonds are eligible investments for Deferred Plans may be challenged by the CRA under the general anti-avoidance rule of the Tax Act ("GAAR"). No advance income tax ruling or other comfort has been obtained from any professional firm as to whether or not GAAR would apply in this case. The opinion of the Corporation referred to under **Item 6 – Income Tax Consequences and Deferred Plan Eligibility** does not address GAAR.
19. The Corporation is a corporation. Its Class B Shares are held by the Promoter. Pursuant to the *Business Corporations Act* (Alberta) and the constating documents of the Corporation, the holders of the Corporation's Class B Shares have the exclusive right to elect, change and remove the directors of the Corporation. The Promoter has majority voting control of the Corporation and there is no agreement that restricts the Promoter's ability to vote the Class B Shares it holds. Consequently, the Promoter can change the directors of the Corporation. There is no assurance that the directors of the Corporation will remain the same as disclosed in this Offering Memorandum.
20. The Corporation will be raising capital through the issuance of the Securities pursuant to this Offering in Canadian dollars. The Corporation will in turn be making investments in entities which will likely conduct their business activities in the United States. As a result, the Corporation's ability to earn a return in Canadian dollars and repay the Bonds may be impacted by fluctuations in the Canadian dollar – U.S. dollar exchange rate.
21. The Corporation will be subject to the risks inherent to owners and operators real estate in general and apartment buildings in particular, such as fluctuations in occupancy rates, the inability to achieve economic rates, competition from other apartment buildings and increases in operating costs caused by general and local economic conditions, the supply of and demand for apartment buildings and rental accommodation, the financial resources of renters and changes in interest rates and in the availability and cost of money for financing.

Insurance and real estate taxes are significant components of operating expense budgets. There is a risk that since the Corporation will be unable to control that state and/or local taxes and/or insurance premiums could rise sharply, adversely impacting the operational performance and cash flow of the properties in which it invests. Were this to happen, the likely result would be a decrease in the disposition values of its properties indirectly invested in by the Corporation.

Real estate investments are relatively illiquid. Real estate projects likely will not be able to be sold quickly. The sale process is often protracted. As a result the Corporation may not be able to dispose of assets when planned, at the prices it wishes, adversely affecting its operational and financial flexibility.

The Corporation, which directly or indirectly may conduct business in the United States, will also be subject to the risks associated with carrying on business in a foreign country, including the possibility of future changes in foreign control legislation, possible limitations on the amount of foreign currency that can be taken out of the country, possible currency exchange rate fluctuations or devaluations, possible changes in tax and rental laws and regulations, the possibility of expropriation of private property, war, riot, insurrection and acts of terrorism.

22. The Corporation has the right to convert some or all of the Bonds and the interest owing thereupon into Preference Shares. Shares are generally less senior and less secure than bonds. There is a risk to Bondholders that the Conversion Option will be exercised. See **Item 5.2 – Conversion of Bonds by the Corporation**.

23. Other than a small amount of cash which the Corporation may have from time to time from proceeds that are not invested, the sole asset of the Corporation will be its investment in the Partnership. There can be no assurance that the returns of principal, interest and profits to the Corporation will be sufficient to service the Bonds as the Corporation's ability to pay interest and principal is largely dependent on earning income from its investment in the Partnership, the Partnership's real estate activities and the Partnership's ability to make distributions to its limited partner, the Corporation. If the returns are insufficient, the future viability of the Corporation may be contingent on its ability to raise new capital. See **Item 2.3 – Our Business**.
24. The Promoter, as the sole Class B Shareholder, may assign up to one third of its distributions as the Class B Shareholder to sellers and agents as additional compensation. This creates a potential conflict of interest for the sellers and agents. See **Item 7.1 – Additional Potential Compensation Paid to Sellers and Finders**.
25. The Corporation via the Partnerships may invest in or be a participant in joint ventures or partnerships with third parties or related parties in respect of the Projects. A joint venture or partnership involves certain additional risks, including: (i) the possibility that such joint venturers/partners may at any time have economic or business interests or objectives that may be inconsistent with those of the Partnerships or take actions contrary to the Partnerships' instructions or requests or to the Partnerships' policies or objectives with respect to the Properties, (ii) the risk that such joint venturers/partners could experience financial difficulties or seek the protection of bankruptcy, insolvency or other laws, which could result in additional financial demands to maintain and operate such Projects or repay the joint venturer's/partner's share of property debt guaranteed by the Project Partnerships or for which the Partnerships will be liable and/or result in the Partnerships suffering or incurring delays, expenses and other problems associated with obtaining court approval of joint venture or partnership decisions, (iii) the risk that such joint venturers/partners may, through their activities on behalf of or in the name of, the ventures or partnerships, expose or subject the Partnerships to liability, and (iv) the need to obtain the joint venturer's/partner's consent with respect to certain major decisions, including the decision to distribute cash generated from the Projects or to refinance or sell a property. In addition, the sale or transfer of interests in certain of the joint ventures and partnerships may be subject to rights of first refusal or first offer and certain of the joint venture and partnership agreements may provide for buy-sell or similar arrangements. Such rights may be triggered at a time when the Partnerships may not desire to sell but may be forced to do so because the Partnerships do not have the cash to purchase the other party's interests. Such rights may also inhibit the Partnerships' ability to sell an interest in a Project or a joint venture/partnership within the time frame or otherwise on the basis the Partnerships desire.
26. The Offering is up to a total of 50,000,000 Bonds and Common Shares. There can be no assurances as to the final ratio of Common Shares to Bonds issued.
27. The Corporation is authorized to issue an unlimited number of series of Special Shares. There is a risk to the Subscribers that Special Shares may be issued that will subordinate their claims.
28. There can be no certainty that development of properties acquired through the Project Partnerships will occur and that profits will result from such development and sale activities.
29. The indebtedness of SB LP to Jaymor Financial Corporation and the charge given by SB LP on the South Beach Street Lands to Jaymor Financial Corporation to secure repayment of that indebtedness ranks prior to the equity position of the Financing Partnership in its ownership of its 99% limited partnership interest in SB LP. Conflicts may develop in the relationships between Jaymor Financial Corporation and the Corporation and its indirect interest in SB LP, all of which are affiliates of each other and have common directors and control, and any potential realization of that indebtedness and enforcement of the security given to Jaymor Financial Corporation may result in financial loss to the Corporation.

Alternatively, any non-payment by SB LP of its indebtedness to Jaymor Financial Corporation and inability of Jaymor Financial Corporation to enforce its charge can result in financial loss to Jaymor Financial Corporation and its affiliate Jaymor Capital Corporation which has loaned funds to Jaymor Financial Corporation.

ITEM 9 - REPORTING OBLIGATIONS

9.1 Reporting to Subscribers

Pursuant to the *Business Corporations Act* (Alberta), the Corporation is required to prepare and place before its annual meeting of shareholders audited financial statements together with an auditors' report to the shareholders for its initial financial period ending not more than 6 months before its annual meeting and thereafter for each completed financial year ending not more than 6 months before its annual meeting. The Corporation may be exempted from this requirement if every shareholder consents in writing to the exemption with respect to that year.

Notices of such annual meetings are only required to be provided to the holders of shares entitled to vote at such meetings. As the only holder of voting shares, The Jaymor Group Inc., as the holder of the issued and outstanding Class B Shares, may waive its right to receive audited financial statements.

The Corporation is not required to send any financial statements or documents on an annual or ongoing basis to the Bondholders or holders of Common Shares, Preference Shares or Class A Shares as they are not voting shareholders.

Management will however cause copies of the audited financial statements to be sent to each Subscriber following the completion of each fiscal year end unless the Subscriber advises the Corporation in writing that they do not wish to receive them.

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

Financial or other information relating to the Corporation and provided to Subscribers in the future may not by itself be sufficient for their needs to enable them to prepare their income tax returns or to assess the performance of their investment.

ITEM 10 - RESALE RESTRICTIONS

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

10.1 General Statement

For trades in Alberta, British Columbia, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Quebec, Saskatchewan and Yukon:

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

10.2 Restricted Period

For trades in Alberta, British Columbia, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Quebec, Saskatchewan and Yukon:

Unless permitted under securities legislation, you cannot trade the Securities without an exemption before the date that is 4 months and a day after the date the Corporation becomes a reporting issuer in any province or territory of Canada. The Corporation does not intend to become a reporting issuer.

10.3 Manitoba Resale Restrictions

Unless permitted under securities legislation, a purchaser of the Securities must not trade the Securities without the prior written consent of the regulator in Manitoba unless:

- (a) 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
- (b) 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 - PURCHASER'S RIGHTS

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

11.1 Two-Day Cancellation Right

You can cancel your agreement to purchase these Securities. To do so, you must send a notice to us by midnight on the 2nd business day after you sign the agreement to buy the Securities.

11.2 Statutory Rights of Action in the Event of a Misrepresentation

A purchaser of Securities has a statutory right of action which is described below.

These rights are in addition to, and without derogation from, any other right or remedy that purchasers may have at law. For the purposes of the following, "Misrepresentation" means an untrue statement of a material fact, or an omission to state a material fact that is required to be stated, or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

The foregoing summary is subject to the express provisions of the relevant securities legislation and the rules, regulations and other instruments thereunder in the relevant provinces. Those provisions may contain other limitations and statutory defenses, not described below, on which a defendant may rely.

Ontario

If this Offering Memorandum, together with any amendment to it, is delivered to a purchaser resident in Ontario and contains a Misrepresentation that was a Misrepresentation at the time of purchase, the purchaser will be deemed to have relied upon the Misrepresentation and will have a statutory right of action against the issuer for damages or, alternatively, while still the owner of the Securities, for rescission. If the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages. This right of action is subject to the following limitations:

- (a) the right of action for rescission will be exercisable by a purchaser only if the purchaser gives notice to the defendant, not more than 180 days after the date of the transaction that gave rise to the cause of action, that the purchaser is exercising this right; or, in the case of any action other than an action for rescission, the earlier of: (i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of the transaction that gave rise to the cause of action;
- (b) no person or company will be liable if it proves that the purchaser acquired the Securities with knowledge of the Misrepresentation;
- (c) 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 relied upon;
- (d) in no case will the amount recoverable in any action exceed the price at which the Securities were offered under this Offering Memorandum; and

- (e) no person or company will be liable for a misrepresentation in forward-looking information if the person or company proves all of the following things:
 - (i) the document containing the forward-looking information contained, proximate to that information,
 - (1) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and
 - (2) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information, and
 - (ii) the person or company had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

Where this Offering Memorandum is delivered to a purchaser to whom Securities are distributed, this right of action is applicable unless the purchaser is:

- (a) a Canadian financial institution, meaning either:
 - (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 that Act; or
 - (ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services corporation, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;
- (b) a Schedule III bank, meaning an authorized foreign bank named in Schedule III of the Bank Act (Canada),
- (c) the Business Development Bank of Canada incorporated under the Business Development Bank of Canada Act (Canada), or
- (d) a subsidiary of any person referred to in paragraphs (a), (b) or (c), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of the subsidiary.

Quebec

If this Offering Memorandum, together with any amendment to it, is delivered to a purchaser resident in Quebec and contains a Misrepresentation that was a Misrepresentation at the time of purchase, the purchaser will be deemed to have relied upon the Misrepresentation and will have a statutory right of action against the issuer, the officers and directors of the issuer or any dealer under contract with the issuer for damages or for rescission or revision of the price. This right of action is subject to the following limitations:

- (a) the right of action for rescission or revision of the price must be exercised within three years of the date of the transaction that gave rise to the cause of action; or, in the case of any action other than an action for rescission or revision of the purchase price, the earlier of: (i) three years after the plaintiff first had knowledge of the facts giving rise to the cause of action unless the delay in knowledge is caused by the negligence of the plaintiff, or (ii) five years after the Offering Memorandum is filed with Autorité des Marchés Financiers du Quebec;
- (b) no person or company will be liable if it proves that the purchaser acquired the Securities with knowledge of the Misrepresentation;
- (c) in the case of an action for damages, the officers or directors of the issuer or the dealer under contract with the issuer will not be liable if they acted with prudence and diligence; and

- (d) a defendant may defeat an action based on a misrepresentation in forward-looking information by proving that
 - (i) the document containing the forward-looking information contained, proximate to that information,
 - (1) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information; and
 - (2) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection; and
 - (ii) the defendant had a reasonable basis for drawing the conclusions or making the forecasts or projections set out in the forward-looking information.

Manitoba

If this Offering Memorandum, together with any amendment to it, is delivered to a purchaser resident in Manitoba and contains a Misrepresentation that was a Misrepresentation at the time of purchase, the purchaser will be deemed to have relied upon the Misrepresentation and will have a statutory right of action for damages against the issuer, every director of the issuer at the date of the Offering Memorandum and every person who signed this Offering Memorandum or, alternatively, while still an owner of the Securities purchased by the purchaser, may elect instead to exercise a statutory right of rescission against the issuer.

If the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages. This right of action is subject to the following limitations:

- (a) no such action may be commenced to enforce the right of action for rescission or damages more than
 - (i) 180 days after the day of the transaction that gave rise to the cause of action, in the case of an action for rescission, or
 - (ii) the earlier of
 - (1) 180 days after the day that the plaintiff first had knowledge of the facts giving rise to the cause of action, or
 - (2) two years after the day of the transaction that gave rise to the cause of action, in any other case;
- (b) no person or company will be liable if it proves that the purchaser had knowledge of the Misrepresentation;
- (c) 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 Bonds as a result of the Misrepresentation relied upon; and
- (d) in no case will the amount recoverable in any action exceed the price at which the Securities were offered under this Offering Memorandum.

In addition, a person or company, other than the issuer, will not be liable if that person or company proves that:

- (a) the Offering Memorandum was sent to the purchaser without the person's or company's knowledge or consent, and that, after becoming aware that it was sent, the person or company promptly gave reasonable notice to the issuer that it was sent without the person's or company's knowledge and consent;
- (b) after becoming aware of the Misrepresentation, the person or company withdrew the person's or company's consent to the Offering Memorandum and gave reasonable notice to the issuer of the withdrawal and the reason for it;

- (c) with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, an expert's report, opinion or statement, the person or company proves that the person or company did not have any reasonable grounds to believe and did not believe that
 - (i) there had been a Misrepresentation, or
 - (ii) the relevant part of the Offering Memorandum
 - (1) did not fairly represent the expert's report, opinion or statement, or
 - (2) was not a fair copy of, or an extract from, the expert's report, opinion or statement; or
- (d) with respect to any part of the Offering Memorandum not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, an expert's report, opinion or statement, unless the person or company
 - (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.

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

In addition, a person or company is not liable for a misrepresentation in forward-looking information if the person or company proves that

- (a) the document containing the forward-looking information contained, proximate to that information,
 - (i) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and
 - (ii) a statement of the material factors or assumptions that were applied in drawing the conclusion or making the forecast or projection; and
- (b) the person or company had a reasonable basis for drawing the conclusions or making the forecasts or projections set out in the forward-looking information.

Saskatchewan

If this Offering Memorandum or any amendment to it is sent or delivered to a purchaser resident in Saskatchewan and it contained a Misrepresentation, a purchaser who purchases Securities covered by the Offering Memorandum or any amendment to it is deemed to have relied upon that Misrepresentation, if it was a Misrepresentation at the time of purchase, and has a right of action for rescission against the issuer or has a right of action for damages against:

- (a) the issuer;
- (b) every promoter and director of the issuer at the time the Offering Memorandum or any amendment to it was sent or delivered;
- (c) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them;
- (d) every person who or company that, in addition to the persons or companies mentioned in (a) to (c) above, signed the Offering Memorandum or the amendment to the Offering Memorandum; and
- (e) every person who or company that sells Securities on behalf of the issuer under the Offering Memorandum or the amendment to the Offering Memorandum.

Such rights of rescission and damages are subject to certain limitations including the following:

- (a) if the purchaser elects to exercise its rights of rescission against the issuer, it shall have no right of action for damages against that party;
- (b) in an action for damages, a defendant will not be liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the Securities resulting from the Misrepresentation relied on;
- (c) no person or company, other than the issuer, will be liable for any part of the Offering Memorandum or any amendment to it not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a Misrepresentation;
- (d) in no case shall the amount recoverable exceed the price at which the Securities were offered; and
- (e) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser purchased the Securities with knowledge of the Misrepresentation.

In addition, no person or company, other than the issuer, will be liable if the person or company proves that:

- (a) the Offering Memorandum or any amendment to it was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company gave reasonable general notice that it was so sent or delivered; or
- (b) with respect to any part of the Offering Memorandum or any amendment to it purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that there had been a Misrepresentation, the part of the Offering Memorandum or any amendment to it did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

The Securities Act, 1988 (Saskatchewan), as amended, (the "Saskatchewan Act") also provides that where an individual makes a verbal statement to a prospective purchaser that contains a Misrepresentation relating to the Securities purchased and the verbal statement is made either before or contemporaneously with the purchase of the Securities, the purchaser is deemed to have relied on the Misrepresentation, if it was a Misrepresentation at the time of purchase, and has a right of action for damages against the individual who made the verbal statement.

The Saskatchewan Act provides a purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the Securities if the Securities are sold in contravention of the Saskatchewan Act, the regulations to the Saskatchewan Act or a decision of the Saskatchewan Financial Services Commission.

The Saskatchewan Act also provides a right of action for rescission or damages to a purchaser of Securities to whom this Offering Memorandum or any amendment to it was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the Securities, as required by the Saskatchewan Act.

The Saskatchewan Act provides that no action shall be commenced to enforce any of the foregoing 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 other action, other than an action for rescission, the earlier of:
 - (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action; or
 - (ii) six years after the date of the transaction that gave rise to the cause of action.

The Saskatchewan Act also provides a purchaser who has received an amended offering memorandum delivered in accordance with the Saskatchewan Act with a right to withdraw from the agreement to purchase the Securities by delivering a notice to the person who or company that is selling the securities, indicating the purchaser's intention not to be bound by the purchase agreement, provided such notice is delivered by the purchaser within two business days of receiving the amended Offering Memorandum.

The Saskatchewan Act provides that a person or company is not liable for a misrepresentation in forward-looking information if the person or company proves that:

- (a) with respect to the document containing the forward-looking information, proximate to that information there is contained:
 - (i) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward- looking information; and
 - (ii) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
- (b) the person or company had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

Nova Scotia

If this Offering Memorandum, a record incorporated by reference in or deemed incorporated into this Offering Memorandum or any amendment to it or any advertising or sales literature contains a Misrepresentation that was a Misrepresentation at the time of purchase, the purchaser will be deemed to have relied upon the Misrepresentation and will have a statutory right of action for damages against the seller and, subject to additional defences, against the directors of the seller and persons who have signed this Offering Memorandum. Alternatively, the purchaser may elect to exercise a statutory right of rescission against the seller, in which case the purchaser will have no right of action for damages. This right of action is subject to the following limitations:

- (a) the right of action for damages or rescission is exercisable not later than 120 days after the date on which payment was made for the Securities;
- (b) no person or company will be liable if it proves that the purchaser purchased the Securities with knowledge of the Misrepresentation;
- (c) in the case of an action for damages, the defendant will not be liable for all or any portion of those damages that it proves do not represent the depreciation in value of the Securities as a result of the Misrepresentation;
- (d) in no case will the amount recoverable exceed the price at which the Securities were offered to the purchaser;
- (e) no person or company other than the issuer is liable if the person or company proves that, with respect to any part of the Offering Memorandum or amendment to the Offering Memorandum purporting to be made on the authority of an expert, or to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that
 - (i) there had been a misrepresentation or
 - (ii) the relevant part of the Offering Memorandum or amendment to the Offering Memorandum did not fairly represent the report, opinion or statement of the expert or was not a fair copy of, or an extract from, the report, opinion or statement of the expert;
- (f) no person or company other than the issuer is liable with respect to any part of an Offering Memorandum or amendment to the Offering Memorandum not 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, unless the person or company

- (i) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation or
 - (ii) believed that there had been a misrepresentation; and
- (g) no person or company is liable for a misrepresentation in forward-looking information if the person or company proves all of the following things:
- (i) the document containing the forward-looking information contained, proximate to that information,
 - (1) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and
 - (2) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
 - (ii) the person or company had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

New Brunswick

If any information relating to the offering of Securities which has been provided to the purchaser contains a Misrepresentation, the purchaser will be deemed to have relied upon the Misrepresentation if it was a Misrepresentation at the time of purchase and will have a statutory right of action against the issuer for damages or, alternatively, for rescission, provided that no action shall be commenced to enforce a right of action 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: (i) one year after the purchaser first had knowledge of the facts giving rise to the cause of action, and (ii) six years after the date of the transaction that gave rise to the cause of action.

This right of action is also subject to the following limitations:

- (a) no person will be liable if it proves that the purchaser 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 those damages that it proves do not represent the depreciation in value of the Securities as a result of the Misrepresentation;
- (c) the issuer will not be liable where it is not receiving any proceeds from the distribution of the Securities and the Misrepresentation was not based on information provided by the issuer unless the Misrepresentation
 - (i) was based on information that was previously publicly disclosed by the issuer,
 - (ii) was a Misrepresentation at the time of its previous public disclosure, and
 - (iii) was not subsequently publicly corrected or superseded by the issuer before the completion of distribution of the Securities;
- (d) in no case will the amount recoverable under this paragraph exceed the price at which the Securities were sold to the purchaser;

- (e) no person other than the issuer will be liable with respect to any part of a disclosure document not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert unless the person
 - (i) failed to conduct such reasonable investigation as to provide reasonable grounds for a belief that there had been no misrepresentation, or
 - (ii) believed that there had been a misrepresentation; and
- (f) no person will be liable for a misrepresentation in forward-looking information if the person proves all of the following:
 - (i) that the document containing the forward-looking information contained, proximate to that information,
 - (1) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and
 - (2) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information, and
 - (ii) that the person had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

Alberta

Where this Offering Memorandum, or a record incorporated by reference into the Offering Memorandum, or any amendment to it contains a Misrepresentation, every purchaser in Alberta to whom this Offering Memorandum was delivered has certain statutory rights. Each such purchaser shall be deemed to have relied on the Misrepresentation if it was a Misrepresentation at the time of purchase, and has a right of action for damages against the issuer, every director of the issuer at the date of the Offering Memorandum and each person who signed the Offering Memorandum, or, alternatively, for rescission, against the issuer provided that no action may be commenced to enforce either right of action unless it is commenced:

- (a) in the case of rescission, on notice given to the issuer not later than 180 days from the day of the transaction that gave rise to the right of action; or
- (b) in the case of damages, on notice given to the issuer not later than the earlier of
 - (i) 180 days from the day that the purchaser first had knowledge of the facts giving rise to the right of action, or
 - (ii) three years from the day of the transaction that gave rise to the right of action, and

provided also that no person or company referred to above shall be liable:

- (c) if the person or company proves the purchaser had knowledge of the Misrepresentation;
- (d) if the person or company proves that the Offering Memorandum was sent to the purchaser without their knowledge or consent and that, upon becoming aware of its being sent, gave reasonable notice to the issuer that it was sent without their knowledge or consent;
- (e) if the person or company proves that, upon becoming aware of the Misrepresentation in the Offering Memorandum, they withdrew their consent to the Offering Memorandum and gave reasonable notice to the issuer of the withdrawal and the reason for it;
- (f) if, with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert if the person or company proves that they had no reasonable grounds to believe and did not believe that it contained a Misrepresentation or that the relevant part of the Offering Memorandum did not fairly

present the report, opinion or statement of the expert;

- (g) with respect to any part of the Offering Memorandum not purporting to be made on the authority of an expert if they conducted an investigation sufficient to provide reasonable grounds for a belief that there had been no Misrepresentation and believed there had been no Misrepresentation; and
- (h) for a misrepresentation in forward-looking information, if the person or company proves all of the following:
 - (i) the document containing the forward-looking information contained, proximate to that information,
 - (1) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and
 - (2) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
 - (ii) the person or company had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

Paragraphs (d) to (g) above do not apply to the issuer.

In addition, in an action for damages, the defendant will not be liable for all or any portion of those damages that they prove do not represent the depreciation in value of the securities as a result of the Misrepresentation and in no case will the amount recoverable exceed the price at which the Securities were sold to the purchaser.

Prince Edward Island

If this Offering Memorandum delivered to a purchaser resident in Prince Edward Island contains a misrepresentation, a purchaser will be deemed to have relied upon that misrepresentation and will have a right of action for damages against the issuer, every director of the issuer at the date of the Offering Memorandum and every person who signed the Offering Memorandum.

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

A person, other than the issuer, is not liable for damages if the person proves that:

- (a) the Offering Memorandum was sent to the purchaser without the person's knowledge or consent and that, on becoming aware of its being sent, the person promptly gave reasonable notice to the issuer that it was sent without the knowledge and consent of the person;
- (b) the person, on becoming aware of the Misrepresentation in the Offering Memorandum, withdrew the person's consent to the Offering Memorandum and gave reasonable notice to the issuer of the withdrawal and the reason for it; or
- (c) with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe and did not believe that:
 - (i) there had been a Misrepresentation, or
 - (ii) the relevant part of the Offering Memorandum
 - (1) did not fairly represent the report, statement or opinion of the expert, or
 - (2) was not a fair copy of, or an extract from, the report, statement or opinion of the expert.

Such rights of rescission and damages are subject to certain limitations including the following:

- (a) in an action for damages, a defendant will not be liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the Securities resulting from the Misrepresentation relied on;
- (a) no person or company, other than the issuer, will be liable for any part of the Offering Memorandum or any amendment to it not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a Misrepresentation;
- (c) in no case shall the amount recoverable exceed the price at which the Securities were offered; and
- (d) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser purchased the Securities with knowledge of the Misrepresentation.

All or any one or more of the persons who are found to be liable or who accept liability for damages are jointly and severally liable except that the issuer and every director of the issuer at the date of the Offering Memorandum who is not a selling Unit holder, is not liable if the issuer does not receive any proceeds from the distribution of the Securities and the Misrepresentation was not based on information provided by the issuer, unless the Misrepresentation

- (a) was based on information that was previously publicly disclosed by the issuer;
- (b) was a misrepresentation at the time of its previous public disclosure; and
- (c) was not subsequently publicly corrected or superseded by the issuer before completion of the distribution of the Securities being distributed.

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, 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action, or
 - (c) three years after the date of the transaction that gave rise to the cause of action
- whichever expires first.

In addition, a person is not liable with respect to a misrepresentation in forward-looking information if,

- (a) the Offering Memorandum containing the forward-looking information also contains, proximate to the forward-looking information,
 - (i) reasonable cautionary language identifying the forward-looking information as such and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and
 - (ii) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
- (b) the person had a reasonable basis for drawing the conclusions or making the forecasts or projections set out in the forward-looking information.

British Columbia

If this Offering Memorandum contains a misrepresentation, a purchaser who purchases Securities offered by the Offering Memorandum is deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase, and

has a right of action for damages against the issuer, every director of the issuer at the date of the disclosure document, and every person who signed the disclosure document. The purchaser may elect to exercise a right of rescission against the issuer, in which case the purchaser has no right of action for damages against the issuer. The right of action for rescission or damages is in addition to and not in derogation from any other right the purchaser may have. In an action for damages, the defendant is not liable for all or any part of the damages that the defendant proves does not represent the depreciation in value of the Securities resulting from the misrepresentation. The amount recoverable by a plaintiff must not exceed the price at which the Securities were offered under the disclosure document.

A person is not liable under the above provisions if the person proves that the purchaser had knowledge of the misrepresentation.

If a misrepresentation is contained in a record incorporated by reference in, or deemed incorporated into, a disclosure document, the misrepresentation is deemed to be contained in the disclosure document.

In addition, a person is not liable under the above provisions if the person proves that

- (a) the disclosure document was delivered to purchasers without the person's knowledge or consent and that, on becoming aware of its delivery, the person gave written notice to the issuer that it was delivered without the person's knowledge or consent,
- (b) on becoming aware of any misrepresentation in the disclosure document, the person withdrew the person's consent to the disclosure document and gave written notice to the issuer of the withdrawal and the reason for it,
- (c) with respect to any part of the disclosure document purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person
 - (i) had no reasonable grounds to believe and did not believe that there had been a misrepresentation or
 - (ii) the relevant part of the disclosure document (A) did not fairly represent the report, opinion or statement of the expert, or (B) was not a fair copy of, or an extract from, the report, opinion or statement of the expert,
- (d) with respect to any part of a disclosure document not 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, unless the person
 - (i) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or
 - (ii) believed that there had been a misrepresentation.

Paragraphs (c) and (d) above do not apply to the issuer.

In addition, a person is not liable for a misrepresentation in forward-looking information if the person proves that

- (a) the document containing the forward-looking information contained, proximate to that information,
 - (i) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and
 - (ii) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking and
- (b) the person had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

Northwest Territories

If this Offering Memorandum contains a misrepresentation, a purchaser who purchases Securities offered by the Offering Memorandum during the period of distribution has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the issuer, the selling Securities holder on whose behalf the distribution is made, every director of the issuer at the date of the Offering Memorandum, and every person who signed the Offering Memorandum. If the Offering Memorandum contains a misrepresentation, a purchaser who purchases Securities offered by the Offering Memorandum during the period of distribution has a right of action for rescission against the issuer or the selling security holder on whose behalf the distribution is made. If the purchaser elects to exercise a right of action for rescission, the purchaser shall have no right of action for damages.

A defendant is not liable if he or she proves that the purchaser purchased the Securities with knowledge of the misrepresentation. A person, other than the issuer and selling security holder, is not liable if he or she proves that

- (a) the Offering Memorandum was sent to the purchaser without the person's knowledge or consent and that, on becoming aware of its being sent, the person had promptly given reasonable notice to the issuer that it had been sent without the knowledge and consent of the person;
- (b) the person, on becoming aware of the misrepresentation in the Offering Memorandum, had withdrawn their consent to the Offering Memorandum and given reasonable notice to the issuer of the withdrawal and the reason for it;
- (c) with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe and did not believe that
 - (i) there had been a misrepresentation, or
 - (ii) the relevant part of the Offering Memorandum
 - (1) did not fairly represent the report, statement or opinion of the expert, or
 - (2) was not a fair copy of, or an extract from, the report, statement or opinion of the expert.

A defendant, other than the issuer and selling Bondholder, is not liable with respect to any part of the Offering Memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, unless the person

- (a) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation; or
- (b) believed that there had been a misrepresentation.

A defendant is not liable with respect to a misrepresentation in forward-looking information if,

- (a) the Offering Memorandum containing the forward-looking information also contains, proximate to the forward-looking information,
 - (i) reasonable cautionary language identifying the forward-looking information as such forecast or projection in the forward-looking information, and
 - (ii) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
 - (iii) reasonable cautionary language identifying the forward-looking information as such forecast or projection in the forward-looking information, and
 - (iv) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
 - (v) the person had a reasonable basis for drawing the conclusions or making the forecasts or projections

set out in the forward-looking information

In an action for damages, the defendant is not liable for any damages that the defendant proves do not represent the depreciation in value of the Securities resulting from the misrepresentation. The amount recoverable by a plaintiff must not exceed the price at which the Securities purchased by the plaintiff were offered.

The right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. If a misrepresentation is contained in a record incorporated by reference in, or deemed to be incorporated into, an Offering Memorandum, the misrepresentation is deemed to be contained in the Offering Memorandum.

Newfoundland and Labrador

Where this Offering Memorandum contains a misrepresentation when a person or company purchases Securities offered by the Offering Memorandum, the purchaser has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the issuer, every director of the issuer at the date of the Offering Memorandum, and every person or company who signed the Offering Memorandum; and a right of action for rescission against the issuer. Where the purchaser elects to exercise a right of rescission against the issuer, the purchaser has no right of action for damages against a person or company referred to above.

Where a misrepresentation is contained in an Offering Memorandum, a person or company shall not be liable

- (a) where the person or company proves that the purchaser had knowledge of the misrepresentation:
- (b) where the person or company proves that the Offering Memorandum was sent to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the issuer that it was sent without the knowledge and consent of the person or company;
- (c) if the person or company proves that the person or company, on becoming aware of the misrepresentation in the Offering Memorandum, withdrew the person's or company's consent to the Offering Memorandum and gave reasonable notice to the issuer of the withdrawal and the reason for it;
- (d) if, with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, the person or company proves that the person or company did not have any reasonable grounds to believe and did not believe that
 - (i) there had been a misrepresentation, or
 - (ii) the relevant part of the Offering Memorandum
 - (1) did not fairly represent the report, opinion or statement of the expert, or
 - (2) was not a fair copy of or an extract from, the report, opinion or statement of the expert; and
- (e) with respect to any part of the Offering Memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company
 - (i) did 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.

The amount recoverable under the above provisions shall not exceed the price at which the Securities were offered under the Offering Memorandum.

Paragraphs (b) to (e) above do not apply to the issuer.

In an action for damages, the defendant is not liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the misrepresentation.

The right of action for rescission or damages conferred by these provisions is in addition to and does not derogate from any other right that the purchaser may have at law.

Where a misrepresentation is contained in a record incorporated by reference in, or considered to be incorporated into, the Offering Memorandum, the misrepresentation is considered to be contained in the Offering Memorandum.

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.

THE FOREGOING IS A SUMMARY ONLY AND SUBJECT TO INTERPRETATION. REFERENCE SHOULD BE MADE TO THE APPLICABLE SECURITIES LEGISLATION, THE REGULATIONS AND THE RULES THEREUNDER FOR THE COMPLETE TEXT OF THE PROVISIONS UNDER WHICH THE FOREGOING RIGHTS ARE CONFERRED. THE FOREGOING SUMMARY IS SUBJECT TO THE EXPRESS PROVISIONS THEREOF.

ITEM 12 – FINANCIAL STATEMENTS

**JAYMOR OPPORTUNITY FUND LTD.
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013**

ANDREW FYNN

CHARTERED PROFESSIONAL ACCOUNTANT

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Markham, Ontario L3R 6H3
Phone: 905.479.6666 | Fax: 905.479.2080
www.andrewfynn.ca

INDEPENDENT AUDITOR'S REPORT

To the Director of
Jaymor Opportunity Fund Ltd.

I have audited the accompanying consolidated financial statements of Jaymor Opportunity Fund Ltd., which comprise the consolidated statement of financial position as at December 31, 2013 and the consolidated statements of net operations and comprehensive operations, deficit and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion


In my opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Jaymor Opportunity Fund Ltd. as at December 31, 2013, and its consolidated financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards.

Other Matters

The consolidated financial statements of Jaymor Opportunity Fund Ltd. for the year ended December 31, 2012 were audited by another auditor who expressed an unmodified opinion on those statements on October 17, 2013.

Included in the consolidated financial statements is unaudited financial information for the five months ended May 31, 2014. The information is provided as required by Form 45-106F2 of the Ontario Securities Commission for "Offering Memorandums for Non-Qualifying Issuers".

Markham, Ontario
June 11, 2014


Chartered Professional Accountant
Licensed Public Accountant

JAYMOR OPPORTUNITY FUND LTD.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	May 31, 2014 <small>(unaudited)</small>	December 31, 2013	December 31, 2012
ASSETS			
CURRENT			
Cash	\$ 51,714	\$ 6,610	\$ -
Accounts receivable	2,000	2,000	2,000
Deposits (Note 10)	<u>-</u>	<u>164,858</u>	<u>-</u>
	53,714	173,468	2,000
OFFERING MEMORANDUM ISSUE COSTS (Note 2)	491,755	144,269	-
LAND FOR DEVELOPMENT	<u>5,139,794</u>	<u>-</u>	<u>-</u>
	\$ 5,685,263	\$ 317,737	\$ 2,000
LIABILITIES			
CURRENT			
Accounts payable and accrued charges	\$ 187,943	\$ 21,534	\$ 2,500
BONDS PAYABLE (Note 3)	2,020,278	291,206	-
PROMISSORY NOTE PAYABLE (Note 4)	2,578,956	-	-
ADVANCES FROM RELATED COMPANIES (Note 5)	<u>17,933</u>	<u>1,000</u>	<u>-</u>
	<u>4,805,110</u>	<u>313,740</u>	<u>2,500</u>
SHAREHOLDERS' EQUITY			
SHARE CAPITAL (Note 7)	1,199,291	127,000	102,000
WARRANTS	-	-	2
DEFICIT	<u>(319,138)</u>	<u>(123,003)</u>	<u>(102,502)</u>
	<u>880,153</u>	<u>3,997</u>	<u>(500)</u>
	\$ 5,685,263	\$ 317,737	\$ 2,000

COMMITMENTS (Note 10)

APPROVED ON BEHALF OF THE BOARD:

 Director

JAYMOR OPPORTUNITY FUND LTD.

CONSOLIDATED STATEMENT OF NET OPERATIONS AND COMPREHENSIVE OPERATIONS

	May 31, 2014 <small>(unaudited)</small>	December 31, 2013	December 31, 2012
REVENUE			
Gain on expiration of warrants	\$ <u> -</u>	\$ <u> 2</u>	\$ <u> -</u>
EXPENSES			
Interest on long-term debt	106,262	1,893	-
Amortization of offering memorandum issue costs	44,705	-	-
Professional fees	845	17,140	-
Interest and bank charges	216	692	-
Foreign exchange loss	<u> 1</u>	<u> 4</u>	<u> -</u>
	<u>152,029</u>	<u>19,729</u>	<u> -</u>
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	<u>\$ (152,029)</u>	<u>\$ (19,727)</u>	<u>\$ -</u>
EARNINGS PER SHARE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	693,064	282,965	282,005

JAYMOR OPPORTUNITY FUND LTD.

CONSOLIDATED STATEMENT OF DEFICIT

	May 31, 2014 (unaudited)	December 31, 2013	December 31, 2012
BALANCE , beginning of the period	\$ (122,229)	\$ (102,502)	\$ (102,502)
NET LOSS FOR THE PERIOD	<u>(152,029)</u>	<u>(19,727)</u>	<u>-</u>
	<u>(274,258)</u>	<u>(122,229)</u>	<u>(102,502)</u>
TRANSLATION OF FOREIGN SUBSIDIARIES			
Balance, beginning of the period	(774)	-	-
Change for the period	<u>(44,106)</u>	<u>(774)</u>	<u>-</u>
Balance, end of the period	<u>(44,880)</u>	<u>(774)</u>	<u>-</u>
BALANCE , end of the period	\$ (319,138)	\$ (123,003)	\$ (102,502)

JAYMOR OPPORTUNITY FUND LTD.

CONSOLIDATED STATEMENT OF CASH FLOWS

	May 31, 2014 <small>(unaudited)</small>	December 31, 2013	December 31, 2012
OPERATING ACTIVITIES			
Net loss for the period	\$ (152,029)	\$ (19,727)	\$ -
Charges to operations not involving cash:			
Amortization of offering memorandum issue costs	44,705	-	-
Gain on expiration of warrants	-	(2)	-
Change in translation exchange	<u>(44,106)</u>	<u>(774)</u>	<u>-</u>
	<u>(151,430)</u>	<u>(20,503)</u>	<u>-</u>
Changes in non-cash working capital balances related to operations			
Increase in accounts receivable	-	-	(2,000)
Decrease (increase) in deposits	164,858	(164,858)	-
Increase in trade payables	<u>166,409</u>	<u>19,034</u>	<u>-</u>
	<u>331,267</u>	<u>(145,824)</u>	<u>(2,000)</u>
Cash flows used in operating activities	<u>179,837</u>	<u>(166,327)</u>	<u>(2,000)</u>
FINANCING ACTIVITIES			
Capital stock issuance	1,072,291	25,000	2,000
Issuance of bonds	1,729,072	291,206	-
Increase in promissory note payable	2,578,956	-	-
Advances from related companies	<u>16,933</u>	<u>1,000</u>	<u>-</u>
Cash flows generated from financing activities	<u>5,397,252</u>	<u>317,206</u>	<u>2,000</u>
INVESTING ACTIVITIES			
Additions to land for development	(5,139,794)	-	-
Additions to offering memorandum issue costs	<u>(392,191)</u>	<u>(144,269)</u>	<u>-</u>
Cash flows used in investing activities	<u>(5,531,985)</u>	<u>(144,269)</u>	<u>-</u>
CHANGE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD			
	45,104	6,610	-
CASH AND CASH EQUIVALENTS, beginning of the period	<u>6,610</u>	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS, end of the period	\$ 51,714	\$ 6,610	\$ -

JAYMOR OPPORTUNITY FUND LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The company was incorporated under the *Business Corporations Act (Alberta)* on June 17, 2010. The company was formed to raise funds to purchase units in Jaymor Opportunity Limited Partnership I (the "partnership"). The objective of the partnership is to provide investors in the units with an opportunity to indirectly, through Jaymor Financing Partnership I, Ltd. (the "financing partnership"), a United States ("US") limited partnership, to invest in real estate in the United States and to generate income and long-term capital appreciation potential on disposition of the assets.

The company has the following subsidiary entities:

	Country of Operations	Percentage of Partnership Units Controlled
Jaymor Opportunity Limited Partnership I ("partnership")	Canada	99.99% directly owned; 100% indirectly controlled
Jaymor Financing Partnership I, Ltd. ("financing partnership")	USA	99.99% directly owned; 100% indirectly controlled
South Beach Street Development, Ltd. ("SB LP") ("a project partnership")	USA	99% directly owned; 100% indirectly controlled

On June 25, 2013, the company formed Jaymor Opportunity Limited Partnership I. The company owns 99.99% of the partnership units. The remaining 0.01% of the limited partnership units are owned by Jaymor Opportunity General Partner I Inc. (the "general partner"). The general partner has common directors and officers with the company.

On June 25, 2013 the general partner and the initial limited partner confirmed the arrangements between them. In accordance with the partnership agreement the fiscal year of the partnership shall be December 31.

The partnership was formed to raise funds which were used to invest in a 99.99% interest in Jaymor Financing Partnership I, Ltd. ("financing partnership") formed, on July 11, 2013, under the laws of the State of Florida, which in turn invests in limited partnership units of specific limited partnerships ("project partnerships") whose mandates are to purchase U.S. real estate assets in strong markets at opportunistic prices. The remaining 0.01% of the Jaymor Financing Partnership I, Ltd. limited partnership units are owned by Jaymor Opportunity Financing G.P. I, Inc. (the "financing general partner"). The financing general partner has common directors and officers with the company.

Pursuant to an agreement dated December 18, 2013, the company, through its ownership interest in the financing partnership, agreed to purchase a 99% interest in South Beach Street Development, Ltd. ("SB LP"), a US limited partnership, from a corporation controlled by the officers and directors of the company. The acquisition of the 99% interest in SB was completed on January 3, 2014 and was recorded at fair value.

Pursuant to agreements in place, the general partners have certain obligations and responsibilities, which among others include:

- (a) the safekeeping and use of all funds and assets:
- (b) the overall management, financial and business supervision of the limited partnership.

JAYMOR OPPORTUNITY FUND LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The company filed form T2073 (Election to be a Public Corporation) with the Canada Revenue Agency and is deemed to be a Public Corporation as of November 8, 2010. The company is not traded in a public market nor does it file its consolidated financial statements with a regulatory organization.

The company's head office is located at 105 West Beaver Creek Road, Unit 9, Richmond Hill, Ontario L4B 1C6 and the registered office is located at 1700, 421-7th Avenue SW, Calgary, Alberta T2P 4K9. The parent company is The Jaymor Group Inc.

The board of directors approved the consolidated financial statements on June 11, 2014.

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

These consolidated financial statements have been prepared in accordance with and using accounting policies in full compliance with the International Financial Reporting Standards ("IFRS") and International Accounting Standards ("IAS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These consolidated financial statements include unaudited financial information for the five month period ended May 31, 2014. The information is provided as required by Form 45-106F2 of the Ontario Securities Commission for "Offering Memorandums for Non-Qualifying Issuers".

The policies applied in these consolidated financial statements are based on IFRS issued and outstanding as at June 11, 2014, the date the Board of Directors approved these consolidated financial statements for issue.

Going concern

The company's consolidated financial statements have been prepared on a going concern basis and on a historical cost basis except for certain non current assets and financial instruments.

While the company has been successful in raising capital in the past, there is no assurance that it will be able to do so in the future. If the going concern assumption was not used, then the adjustments required to report the company's assets and liabilities on a liquidation basis could be material to these consolidated financial statements.

The company has a need for equity capital and financing for working capital to ensure it meets upcoming obligations. The company's continuance as a going concern is dependent on its ability to obtain adequate sources of funds and profitable levels of operations. It is not possible to predict whether financing efforts will be successful or if the company will attain profitable levels of operation.

JAYMOR OPPORTUNITY FUND LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation

Subsidiaries are those entities controlled by the company. Control exists where the company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of the subsidiaries will be included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases. The financial statements of the subsidiaries are prepared for the same reporting periods as the company, using consistent accounting policies. Where the company's interest in a subsidiary is less than 100%, the company recognizes non-controlling interests to the extent that the non-controlling interest is entitled to receive a portion of the income or loss for accounting purposes.

Intra-group balances and transactions, and any unrealized gains arising from intra-group transactions, will be eliminated in preparing the consolidated financial statements.

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is also the company's and the partnership's functional and presentation currency. The functional currency of the financing partnership and SB is U.S. dollars. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The preparation of consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in the use of estimates policy.

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are composed of non-restricted cash and short-term, highly liquid investments with an original maturity of three months or less. Cash equivalents are valued at cost. The carrying amount approximates fair value because they have maturities at the date of purchase of less than ninety days.

Offering memorandum issue costs

The offering memorandum issue costs, which are stated at cost less accumulated amortization, are being amortized on a straight-line basis over 5 years.

JAYMOR OPPORTUNITY FUND LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies as at the date of these consolidated financial statements are translated into Canadian dollars at exchange rates prevailing on that date. Revenues and expenses are translated at exchange rates on the date of the relevant transactions. Non-monetary items are translated at the date of the relevant transaction and not retranslated. Realized gains and unrealized losses on foreign currency transactions are charged or credited to the consolidated statement of net loss and comprehensive loss as foreign currency gains and losses.

Financial statements of subsidiaries for which the functional currency is not the presentation currency are translated into Canadian dollars as follows: all assets and liabilities are translated at the year-end exchange rate and all revenues and expenses and cash flow statement items are translated at average exchange rates for the year. The resulting gains and losses are recorded as foreign currency translation adjustments in the consolidated statement of equity.

Provision

A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

Revenue recognition

The company recognizes revenues when they are earned, specifically when all the following conditions are met:

- services are provided or products delivered to customers
- there is clear evidence that an arrangement exists
- amounts are fixed or can be determined
- the ability to collect is reasonably assured.

Use of estimates

The presentation of consolidated financial statements in conformity with International Reporting Standards requires the company to make estimates and assumptions which affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as at December 31, 2013, and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results may differ from these estimates.

JAYMOR OPPORTUNITY FUND LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

The company follows an asset and liability approach to financial accounting and reporting for income taxes. Under this approach, future income tax assets and future income tax liabilities are computed annually for temporary differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax basis used in the computation of taxable income. Future income tax liabilities are generally recognized for all taxable temporary differences. Future income tax assets are recognized for all temporary differences deductible to the extent future recovery is probable. The carrying amount of future income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered. Future income taxes are calculated using enacted or substantially enacted tax rates. Future income tax balances are adjusted for any changes in the enacted or substantially enacted tax rates and the adjustment is recognized in the period that the rate change occurs.

Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans and receivables or fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit and loss.

Financial assets classified as loans and receivables and held-to-maturity are measured at amortized cost using the effective interest method less any allowance for impairment. The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary or a significant or prolonged decline in the fair value of that investment is below cost.

Transaction costs associated with FVTPL financial assets are expenses as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

JAYMOR OPPORTUNITY FUND LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other-financial-liabilities.

Financial liabilities classified as other-financial-liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other-financial-liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Financial liabilities classified as FVTPL include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separate embedded derivatives, are also classified as held-for-trading unless they are designated as effective hedging instruments. Transaction costs on financial liabilities classified as FVTPL are expensed as incurred. At the end of each reporting period subsequent to initial recognition, financial liabilities classified as FVTPL are measured at fair value, with changes in fair value recognized directly in profit or loss in the period they arise. The net gain or loss recognized in profit or loss excludes any interest paid on the financial liabilities.

2. OFFERING MEMORANDUM ISSUE COSTS

Offering memorandum issue costs consist of the following:

	<u>May 31,</u> <u>2014</u> (unaudited)	<u>December 31,</u> <u>2013</u>	<u>December 31</u> <u>2012</u>
Cost	\$ 536,460	\$ 144,269	\$ -
Accumulated amortization	(44,705)	-	-
	<u>\$ 491,755</u>	<u>\$ 144,269</u>	<u>\$ -</u>

As no bonds or shares were issued until November 2013, no amortization has been claimed in 2013.

3. BONDS PAYABLE

Bonds payable consist of 8% convertible, redeemable \$1 bonds maturing on December 31, 2028. Interest is payable quarterly on March 31, June 30, September 30 and December 31. The bonds are convertible at the company's option into Preference Shares.

JAYMOR OPPORTUNITY FUND LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

4. NOTE PAYABLE

The note payable is due to Jaymor Financial Corporation, an affiliate of the company, pursuant to a Promissory Grid Note dated April 18, 2013, by South Beach Street Development, Ltd ("SB LP"). The note is secured by a registerable charge on the South Beach Street Land. The note bears interest at 14% per annum, compounded annually. The note accrues interest until December 31, 2014 and quarterly interest only payments are then to be made commencing on March 31, 2015. The note is fully open for pre-payment without penalty at any time.

5. ADVANCES FROM RELATED COMPANIES

The advances from related companies are as follows:

	<u>May 31,</u> <u>2014</u> <small>(unaudited)</small>	<u>December 31,</u> <u>2013</u>	<u>December 31</u> <u>2012</u>
Advances from Jaymor U.S.A. Inc.	\$ 16,933	\$ -	\$ -
Advances from Jaymor Securities Ltd.	<u>1,000</u>	<u>1,000</u>	<u>-</u>
	<u>\$ 17,933</u>	<u>\$ 1,000</u>	<u>\$ -</u>

Jaymor U.S.A. Inc. and Jaymor Securities Ltd. are related due to common controlling shareholders. The advances are non-interest bearing and due on demand.

6. RELATED PARTY TRANSACTIONS

During the period January 1 to May 31, 2014, the company paid the following amounts to related companies:

Acquisition and financing fee	73,810
Interest on vendor tax back note	64,136
Interest on promissory note	131,052

The acquisition and financing fee and interest on the promissory note have been capitalized to the cost of land for development.

There were no related party transactions during the years ended December 31, 2013 and December 31, 2012.

The related companies are related due to common controlling shareholders.

JAYMOR OPPORTUNITY FUND LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

7. SHARE CAPITAL

	May 31, 2014 (unaudited)	December 31, 2013	December 31 2012
Authorized:			
Unlimited Class "A" common, non-voting shares			
Unlimited Class "B" common, voting shares			
Issued and fully paid:			
Class "A" common shares	\$ 1,181,291	\$ 109,000	\$ 84,000
Class "B" common shares	<u>18,000</u>	<u>18,000</u>	<u>18,000</u>
	<u>\$ 1,199,291</u>	<u>\$ 127,000</u>	<u>\$ 102,000</u>
	2013		2012
	Shares	Amount	Shares
			Amount
Class A common			
Shares outstanding at the beginning of the year	282,000	\$ 84,000	82,000
Issued	<u>25,000</u>	<u>25,000</u>	<u>200,000</u>
Shares outstanding at the end of the year	307,000	\$ 109,000	<u>282,000</u>
Issued during period	<u>1,072,291</u>	<u>1,072,291</u>	
Shares outstanding at May 31, 2014 (unaudited)	<u>1,379,291</u>	<u>\$ 1,181,291</u>	
Class B common			
Shares outstanding at the beginning of the year	<u>5</u>	\$ <u>18,000</u>	<u>5</u>
Shares outstanding at the end of the year	<u>5</u>	<u>\$ 18,000</u>	<u>5</u>

On January 3, 2014, the Jaymor Group Inc., the controlling shareholder of the company, subscribed for 1,000,000 Class A common shares for consideration of \$1,000,000 for the services and support of The Jaymor Group Inc. provided to the company and its affiliate Jaymor Financing Partnership I, Ltd. in facilitating the purchase by that affiliate, and related purchase financing, of a 99% interest in South Beach Street Development, Ltd. Upon Jaymor Financing Partnership I, Ltd. advancing the entire purchase amount for the 99% interest by May 6, 2014, these 1,000,000 Class A common shares were re-purchased and cancelled by the company for the cancellation of the consideration for which the shares were issued.

JAYMOR OPPORTUNITY FUND LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

8. WARRANTS

The company issued two sets of 100 warrants (200 total) for the amount of two dollars total on December 20, 2010, which entitled the holders thereof to acquire one class A common share for each warrant represented and, subject to adjustment, up to 1% (2% total) of the issued and outstanding Class A common shares of the company. The exercise price of these warrants was \$0.02 per Class A common share. On December 31, 2013 the warrants expired unexercised.

9. INCOME TAXES

The impact of differences between the company's reported income tax expense on operating income and the expense that would otherwise result from the application of the statutory rate of 25% is as follows:

	May 31, 2014 <small>(unaudited)</small>	December 31, 2013	December 31 2012
Income (loss) before income taxes	\$ <u>(152,029)</u>	\$ <u>(19,727)</u>	\$ <u>-</u>
Income tax expense at the combined basic federal and provincial tax rate	\$ (38,007)	\$ (4,932)	\$ -
Valuation allowance	<u>38,007</u>	<u>4,932</u>	<u>-</u>
Income tax provision	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	May 31, 2014 <small>(unaudited)</small>	December 31, 2013	December 31 2012
Non-capital losses	(45,822)	\$ (7,815)	\$ (2,883)
Valuation allowance	<u>45,822</u>	<u>7,815</u>	<u>2,883</u>
Future income tax assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The company has income tax losses of \$183,288 which can be applied against taxable income of future years. Such benefits will be recorded as an adjustment to the tax provision in the year realized. If not utilized, these losses will start to expire as follows:

2031	\$ 10,750
2032	782
2034	19,727
2035	152,029

JAYMOR OPPORTUNITY FUND LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

10. COMMITMENTS AND SUBSEQUENT EVENTS

On December 18, 2013, an underlying partnership entered into an agreement of purchase and sale to purchase a 99% interest in South Beach Street Development, Ltd., a Florida limited partnership for \$4,550,000US from Jaymor U.S.A. Inc., an affiliated company. At December 31, 2013 deposits totaling \$155,000US were paid in accordance with the agreement. The purchase closed on January 3, 2014.

11. CAPITAL MANAGEMENT

The company manages its capital structure and makes adjustments to it, based on the funds available to the company.

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the company's management. Management reviews its capital management approach on an ongoing basis and believes this approach, given the relative size of the company is reasonable.

The company is not subject to externally imposed capital requirements.

12. FINANCIAL INSTRUMENTS

Financial instruments are initially recognized in the statement of financial position at fair value. Subsequent measurement of financial assets and liabilities, except those at fair value through comprehensive loss and available-for-sale, are measured at amortized cost determined using the effective interest rate method. Cash and cash equivalents are comprised of cash balances. Trade and other receivables are classified as loans and receivables, while trade and other payables are classified as other financial liabilities. The fair values approximate their carrying value due to their short-term nature. The company has not designated any financial instruments as available-for-sale.

The company is exposed to various risks through its financial instruments. The following provides a measure of the company's risk exposure and concentrations at the balance sheet date.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they are due. The company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when due. The company's ongoing liquidity will be impacted by various external events and conditions.

JAYMOR OPPORTUNITY FUND LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

12. FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

The company's financial liabilities consist of accounts payable and accrued charges, bonds payable, promissory note payable and advances from a related company.

The company expects to repay its financial liabilities in the normal course of operations and to fund future operational and capital requirements through operating cash flow, as well as future debt and equity financing.

The company expects to satisfy its obligations under accounts payable and accrued charges and advances from a related company within the next year. The bonds payable are not expected to be repaid until their maturity in December 2028. The promissory note payable is fully open and is not expected to be repaid until the sale of the underlying property or earlier if cash flow permits.

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the company's net earnings or the value of financial instruments and are largely outside the control of the company. The objective of the company is to manage and mitigate market risk exposures within acceptable limits, while maximizing return. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The company is mainly exposed to currency and interest rate risk.

Foreign currency risk

The company's exposure to foreign currency risk is primarily related to the fluctuations in the value of the Canadian dollar relative to the United States dollar. The company invests in property in the U.S. indirectly through its subsidiaries, as well as loaning funds denominated in U.S. dollars to related parties. As a result, fluctuations in the exchange rate between the Canadian and US dollar result in gains or losses in the consolidated financial statements. The company does not use any derivative instruments to mitigate its foreign currency risk.

The company has the following balances in US dollars as at:

	May 31, 2014 (unaudited)	December 31, 2013	December 31, 2012
Cash	\$ 46,869	\$ 5,074	\$ -
Deposits	-	155,000	-
Accounts payable	70,482	-	-
Land and development costs	4,740,633	-	-
Note payable	2,378,671	-	-
Advances to related companies	15,618	-	-

JAYMOR OPPORTUNITY FUND LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

12. FINANCIAL INSTRUMENTS (continued)

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The company is exposed to interest rate price risk on the bonds and promissory note payable as they bear interest at a fixed rate.

The company had no interest rate swaps or financial contracts in place as at or during the periods ended May 31, 2014, December 31, 2013 and December 31, 2012.

13. DETERMINATION OF FAIR VALUES

Certain accounting policies and disclosures require the company to determine fair value for the purposes of measurement or disclosure. Fair values have been determined using the methods outlined below using the applicable hierarchy, where applicable.

Level 1 fair value measurement

Level 1 fair value measurements are based on unadjusted quoted market prices in active markets that the company can access at the measurement date.

Level 2 fair value measurement

Level 2 fair value measurements are based on valuation models and techniques where the significant inputs are derived from quoted indices.

Level 3 fair value measurement

Level 3 fair value measurements are based on unobservable inputs derived from management's estimate of value.

14. CHANGES IN ACCOUNTING POLICIES

The company has adopted the following new and revised standards effective January 1, 2013. These changes have been made in accordance with the applicable transitional provisions.

IFRS 7 - Financial instruments: Disclosures was amended to clarify requirements for offsetting financial assets and financial liabilities and to enhance the corresponding disclosure requirements. The modifications to this standard had no impact on the company.

IFRS 10 - Consolidated Financial Statements builds on existing principles and standards and identifies the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company.

JAYMOR OPPORTUNITY FUND LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

14. CHANGES IN ACCOUNTING POLICIES (continued)

IFRS 13 - Fair Value Measurement provides a comprehensive standard for measuring value. The measurement of the fair value of an asset or liability is based on assumptions that market participants would use when pricing an asset or liability under current market conditions, including risk assumptions. The company's adoption of IFRS 13 required no change in valuation techniques.

The adoption of these new accounting standards has had no impact on the recognition and measurement of the balances recorded in these consolidated financial statements.

15. ADOPTION OF NEW ACCOUNTING PRONOUNCEMENTS AND RECENT DEVELOPMENTS

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the IFRS Interpretations Committee that are mandatory for future accounting periods. Some updates that are not applicable or are not consequential to the company may have been excluded from the list below. The company has not yet begun the process of assessing the impact that these new and amended standards will have on its consolidated financial statements or whether to early adopt any of the new requirements.

IAS 32 - Financial Instruments: Presentation provides clarification on the application of offsetting rules. The standard will be effective for annual periods beginning on or after January 1, 2014 with early adoption permitted.

IFRS 9 - Financial Instruments issued in November 2009 introduces new requirements for the classification and measurement of financial assets. IFRS 9 amended in October 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

IFRS 9 Financial Instruments is part of the the IASB's wider project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis for classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for annual periods beginning on or after January 1, 2015 with early adoption permitted.

ITEM 13 - DATE AND CERTIFICATE

Dated: June 11, 2014

This Offering Memorandum does not contain a misrepresentation.

ON BEHALF OF JAYMOR OPPORTUNITY FUND LTD.

Signed "Fabrizio Lucchese"

Fabrizio G. Lucchese, President

ON BEHALF OF THE BOARD OF DIRECTORS OF JAYMOR OPPORTUNITY FUND LTD.

Signed "Fabrizio Lucchese"

Fabrizio G. Lucchese, Director

ON BEHALF OF THE PROMOTER, THE JAYMOR GROUP INC.

Signed "Fabrizio Lucchese"

Fabrizio G. Lucchese, President

SCHEDULE A
OFFERING MEMORANDUM
For
JAYMOR OPPORTUNITY FUND LTD.

SUBSCRIPTION AGREEMENT
FOR USE BY ALL SUBSCRIBERS

SCHEDULE A

SUBSCRIPTION AGREEMENT FOR BONDS

TO: Jaymor Opportunity Fund Ltd. (the "Corporation")

The undersigned (hereinafter referred to as the "Subscriber") hereby irrevocably subscribes for and agrees to purchase the number of Bonds of the Corporation ("Bonds") set forth below for the subscription amount set forth below, representing a subscription price of Cdn. \$1.00 per Bond, upon and subject to the terms and conditions set forth in "Terms and Conditions of Subscription of Jaymor Opportunity Fund Ltd." attached hereto (the "Subscription Agreement") and, where further indicated below, enrolls in the Distribution Reinvestment Plan subject to the Terms and Conditions of Enrolment attached hereto.

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)

Date of Execution

Social Insurance Number / Business Number

Subscriber's Address (including postal code)

Telephone Number (including area code)

E-mail Address

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)

E-mail Address

I hereby enrol in the Distribution Reinvestment Plan.

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.

JAYMOR OPPORTUNITY FUND LTD.	No.:
Per: _____	Date: _____

(This is the first page of an agreement including Terms and Conditions and schedules thereto.)

SCHEDULE A

SUBSCRIPTION AGREEMENT FOR COMMON SHARES

TO: Jaymor Opportunity Fund Ltd. (the "Corporation")

The undersigned (hereinafter referred to as the "Subscriber") hereby irrevocably subscribes for and agrees to purchase the number of Common Shares of the Corporation ("Common Shares") set forth below for the subscription amount set forth below, representing a subscription price of Cdn. \$1.00 per Common Share, upon and subject to the terms and conditions set forth in "Terms and Conditions of Subscription of Jaymor Opportunity Fund Ltd." 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)

Date of Execution

Social Insurance Number / Business Number

Subscriber's Address (including postal code)

Telephone Number (including area code)

E-mail Address

Subscription Amount: \$ _____

Number of Common Shares: _____

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)

E-mail Address

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

Name

Account reference, if applicable

Address (including postal code)

Deliver the Common Shares (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.	
JAYMOR OPPORTUNITY FUND LTD. Per: _____	No.: _____
Date: _____	

(This is the first page of an agreement including Terms and Conditions and schedules thereto.)

Please Make Sure That Your Subscription Includes:

1. A signed copy of the Subscription Agreement for Bonds and/or the Subscription Agreement for Common Shares;
2. A certified cheque, trust cheque or bank draft in an amount equal to the Subscription Amount for the Securities, payable to “Jaymor Opportunity Fund Ltd.”; and
3. A properly completed and duly executed copy of the appropriate investor qualification form(s):

if you are resident in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Quebec, Saskatchewan or Yukon, you must submit two (2) completed and signed copies of the Risk Acknowledgment Form attached to the Subscription Agreement as Schedule B; and

if you are resident in Alberta, Manitoba, Northwest Territories, Nunavut, Prince Edward Island, Quebec, Saskatchewan or Yukon and your subscription for the Securities is for more than \$10,000, one (1) completed and signed copy of the Certificate of Eligible Investor attached to the Subscription Agreement as Schedule C; and

if you are purchasing the Securities 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:

Jaymor Opportunity Fund Ltd.

105 West Beaver Creek Road, Unit 9, Richmond Hill, Ontario, L4B 1C6

**TERMS AND CONDITIONS OF SUBSCRIPTION
OF JAYMOR OPPORTUNITY FUND LTD.**

Definitions. In this Subscription Agreement:

- (a) “**Aggregate Subscription Amount**” means the aggregate dollar amount of the subscriptions under this Subscription Agreement;
- (b) “**Bonds**” means the convertible redeemable bonds of the Corporation being offered pursuant to the Offering;
- (c) “**Common Shares**” means the Common Shares of the Corporation being offered pursuant to the Offering;
- (d) “**Closing Date**” means the date on which the Securities are issued by the Corporation;
- (e) “**Corporation**” means Jaymor Opportunity Fund Ltd., a corporation incorporated under the *Business Corporations Act* (Alberta);
- (f) “**Offering**” means the offering of the Corporation’s Bonds and Common Shares pursuant to the Offering Memorandum;
- (g) “**Offering Memorandum**” means the Offering Memorandum of the Corporation as updated and restated on June 11, 2014;
- (h) “**Securities**” means the Bonds and Common Shares issued by the Corporation pursuant to this Offering; and
- (i) “**Subscriber**” means a party who subscribes for Bonds and/or Common Shares pursuant to this Offering.

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 Securities subscribed for by the Subscriber hereunder form part of a larger issue and sale by the Corporation of up to 50,000,000 Bonds and Common Shares at a subscription price of \$1.00 per Bond and \$1.00 per Common Share
- (c) **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 Alberta, British Columbia, Manitoba, Newfoundland and Labrador, New Brunswick, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Quebec, Saskatchewan or Yukon, it is purchasing the Units 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 applicable Risk Acknowledgement in the form attached hereto as Schedule D or Schedule E (one copy for each of the Corporation and the Subscriber) and, if resident in Alberta, Manitoba, Northwest Territories, Nunavut, Prince Edward Island, Quebec, Saskatchewan or Yukon and your subscription for Securities is for more than \$10,000, a duly completed and executed copy of the Representation Letter in the form attached hereto as Schedule "C" (provided that, with respect to Quebec, the Offering Memorandum is available in both the French and English languages); or
 - (ii) 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 B to this Subscription Agreement with the Appendix to Schedule B completed; or**
 - (iii) **resident in or otherwise subject to the applicable securities laws in Canada**, it is purchasing the Securities as principal for its own account and not for the benefit of any other person and has purchased the Securities with an acquisition cost to the Subscriber of not less than \$150,000 paid in cash at the time of the purchase;
- (h) has such knowledge in financial and business affairs as to be capable of evaluating the merits and risks of its investment in the Securities;
- (i) is capable of assessing the proposed investment in the Securities 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 Securities;
- (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 Securities;
- (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 Securities 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; and
 - (iv) the Subscriber confirms that neither the Corporation nor any of its representative directors, employees, officers or affiliates, have made any representations (written or oral) to the Subscriber:
 - regarding the future value of the Securities;
 - that any person will resell or repurchase the Securities;
 - that the Securities will be listed on any stock exchange or traded on any market; or
 - that any person will refund the purchase price of the Securities other than as provided in this Subscription Agreement;
- (k) the Subscriber confirms that it has been advised to consult its own legal and financial advisors with respect to the suitability of the Securities as an investment for the Subscriber, the tax consequences of purchasing and dealing with the Securities, and the resale restrictions and "hold periods" to which the Securities 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;

- (l) except for the Subscriber's knowledge regarding its subscription for Securities 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;
- (m) 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 Securities, 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;
- (n) 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 Securities and the Subscriber agrees that, notwithstanding that the Subscriber may be purchasing the Securities 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;
- (o) the Subscriber understands that it will not resell the Securities 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;
- (p) the Subscriber acknowledges that it is aware that there is no market upon which the Shares and Bonds trade and there is no assurance that any of the Shares and Bonds will be listed and posted for trading on a stock exchange or dealer network in the future;
- (q) the Subscriber understands that the sale of the Securities 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 Securities 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 Securities;
- (r) the Subscriber understands that any certificates representing the Securities will bear a legend indicating that the resale of such securities is restricted;
- (s) 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 other document (other than any other document 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 Securities pursuant to the Offering;
- (t) the Subscriber has not relied upon any advertisement in printed media of general and regular paid circulation or on radio, television or other form of telecommunication or any other form of advertisement (including electronic display or the Internet) or sales literature with respect to the distribution of the Securities. The Subscriber has only relied upon this Offering Memorandum.
- (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 Securities for the account or benefit of a U.S. Person or a person in the United States;
- (v) the Securities have not been Offered to the Subscriber in the United States, and the individuals making the order to purchase the Securities 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 Securities 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 Securities 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 Securities;

- (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 Securities;
- (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 Units 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 prejudicial effect on current Subscribers; and
- (ff) **the Subscriber acknowledges that an investment in the Securities is subject to a number of risk factors. In particular, the Subscriber acknowledges that the Corporation is not a reporting issuer in any province or territory of Canada and, as such, the applicable hold period may never expire. Accordingly, there is currently no market for any of the Bonds and Common Shares and Preference Shares resulting from a conversion of Bonds and one may never develop. It may be difficult or even impossible for a Subscriber to sell any of the Bonds, Common Shares and Preference Shares. Resale of such Bonds, Common Shares and Preference Shares 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 or territory of residence permitting the trade. The Subscriber covenants and agrees to comply with the relevant securities legislation, orders or policies concerning the purchase, holding of, and resale of the Securities.**

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 Securities 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 Securities) to purchase Securities 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 at 105 West Beaver Creek Road, Unit 9, Richmond Hill, Ontario, L4B 1C6 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.

(Eastern 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, trust cheque or bank draft made payable to “Jaymor Opportunity Fund Ltd.” 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 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.
- (f) The Subscriber or the person subscribing for the Securities 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 Securities 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 Securities subscribed for under this Subscription Agreement.

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 Securities 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 Securities to the Subscriber or upon the direction of the Subscriber in accordance with the provisions hereof.

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 Securities 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 Securities 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 Securities will be completed at the office of the Corporation in Richmond Hill, Ontario at 10:00 a.m. (Eastern 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.

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 Securities 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 Securities;
- (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 Securities 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.

Conversion of Bonds by the Corporation.

The Corporation shall have the option to convert the Bonds of a Subscriber and some or all accrued interest on such Bonds in accordance with the terms and conditions set out in Item 5.2 of the Offering Memorandum and those terms and conditions are hereby incorporated by reference herein and shall be considered to be terms and conditions of this Agreement.

Acknowledgment.

The Subscribers for Common Shares and Bonds purchased pursuant to the Offering and the prospective holders of Preference Shares acquired on a possible conversion of such Bonds hereby acknowledge that they are not entitled to notice of shareholders meetings of the Corporation and to vote with respect to their securities (except for the holders of shares for special shareholders meetings in certain circumstances) and the holders, and prospective holders, of such Securities hereby acknowledge their non-entitlement to receipt of information to be provided for ordinary shareholders meetings.

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 Ontario and the federal laws of Canada applicable therein. The parties irrevocably attorn to the exclusive jurisdiction of the courts of the Province of Ontario.

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 Securities 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 Units 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

REPRESENTATION LETTER
(FOR ACCREDITED INVESTORS)

TO: Jaymor Opportunity Fund Ltd. (the "Corporation")

In connection with the purchase of the Securities 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 B), the Subscriber hereby represents, warrants, covenants and certifies to the Corporation that:

1. 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;
2. The Subscriber is purchasing the Securities as principal for its own account;
3. 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 the attached Appendix to Schedule B;
4. The Subscriber was not created or used solely to purchase or hold securities as an "accredited investor" as described in paragraph (XIII) of the attached Appendix to Schedule B; and
5. Upon execution of this Schedule B by the Subscriber, this Schedule B and the Appendix to Schedule B shall be incorporated into and form a part of the Subscription Agreement.

Dated: _____, 201_.

Print name of Subscriber

By: _____
Signature

Print name of Signatory (if different from Subscriber)

Title

IMPORTANT: PLEASE MARK THE CATEGORY OR CATEGORIES IN THE APPENDIX TO SCHEDULE B ON THE NEXT PAGE THAT DESCRIBES YOU.

APPENDIX TO SCHEDULE B

ACCREDITED INVESTOR CERTIFICATE

TO: JAYMOR OPPORTUNITY FUND LTD.

In connection with the proposed purchase of securities (the "Securities") of JAYMOR OPPORTUNITY FUND LTD. (the "Corporation"), the undersigned subscriber (the "Subscriber") represents and warrants that the Subscriber has read the following definition of an "accredited investor" in Section 1.1 of National Instrument 45-106 of the Canadian Securities Administrators ("NI 45-106") and certifies that the Subscriber is an accredited investor as indicated below (check one). The Subscriber hereby agrees and acknowledges that any word, term or phrase used in this certificate which is defined in NI 45-106 shall have the meaning ascribed thereto in NI 45-106:

"accredited investor" means

- (a) a Canadian financial institution as defined in section 1.1 of NI 45-106, or a Schedule III bank;
- (b) the Business Development Bank of Canada incorporated under the Business Development Bank of Canada Act (Canada);
- (c) a subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary;
- (d) 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);
- (e) 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 (d);
- (f) 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;
- (g) 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;
- (h) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government;
- (i) 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;
- (j) 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 C\$1,000,000;
- (k) an individual whose net income before taxes exceeded C\$200,000 in each of the 2 most recent calendar years or whose net income before taxes combined with that of a spouse exceeded C\$300,000 in each of the 2 most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year;
- (l) an individual who, either alone or with a spouse, has net assets of at least C\$5,000,000;
- (m) a person, other than an individual or investment fund, that has net assets of at least C\$5,000,000 as shown on its most recently prepared financial statements;

- (n) an investment fund that distributes or has distributed its securities only to (i) a person that is or was an accredited investor at the time of the distribution, (ii) a person that acquires or acquired securities in the circumstances referred to in sections 2.10 [Minimum amount investment], and 2.19 [Additional investment in investment funds] of NI 45-106, or (iii) a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 [Investment fund reinvestment] of NI 45-106;
- (o) an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Québec, the securities regulatory authority, has issued a receipt;
- (p) 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;
- (q) a person acting on behalf of a fully managed account managed by that person, if that person (i) 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 Ontario, is purchasing a security that is not a security of an investment fund;
- (r) 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;
- (s) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function;
- (t) 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;
- (u) an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser;
- (v) a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as (i) an accredited investor, or (ii) an exempt purchaser in Alberta or British Columbia;

The foregoing representation is true and accurate as of the date of this certificate and will be true and accurate as of closing. If any such representation shall not be true and accurate prior to closing, the Subscriber shall give immediate written notice of such fact to the Corporation.

Dated: _____

Signed: _____
Subscriber

Witness (If Subscriber is an Individual)

Print name of Subscriber

Print Name of Witness of Subscriber

If Subscriber is a corporation or other entity, print name and title of Authorized Signing Officer who has signed on behalf of the Subscriber

Definitions:

"financial assets" means:

- a) cash;
- b) securities; or
- c) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation.

"person" includes

- a) an individual;
- b) a corporation;
- c) a partnership, trust Corporation and an association, syndicate, organization or other organized group of persons, whether incorporated or not; and
- d) an individual or other person in that persons capacity as a trustee, executor, administrator or personal or other legal representative;

"related liabilities" means:

- a) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of the financial assets;
- or
- b) liabilities that are secured by financial assets.

**SCHEDULE C
OFFERING MEMORANDUM EXEMPTION**

REPRESENTATION LETTER - 45-106 ELIGIBLE INVESTOR

TO BE COMPLETED BY ALBERTA, MANITOBA, NORTHWEST TERRITORIES, NUNAVUT, PRINCE EDWARD ISLAND AND SASKATCHEWAN RESIDENTS WHO ARE SUBSCRIBING FOR MORE THAN \$10,000 IN SECURITIES.

The undersigned (the "Subscriber") hereby confirms and certifies to Jaymor Opportunity Fund Ltd. that the Subscriber is purchasing the Securities 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 _____, 201__.

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

FORM 45-106F4 (Registrant)

**TO BE COMPLETED BY ALBERTA, BRITISH COLUMBIA, MANITOBA,
NEWFOUNDLAND AND LABRADOR, NEW BRUNSWICK, NORTHWEST TERRITORIES, NOVA SCOTIA,
NUNAVUT, PRINCE EDWARD ISLAND AND SASKATCHEWAN RESIDENTS**

RISK ACKNOWLEDGEMENT

- I acknowledge that this is a risky investment.
- I am investing entirely at my own risk.
- No securities regulatory authority or regulator has evaluated or endorsed the merits of these securities or the disclosure in the Offering Memorandum.
- 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.

I am investing \$_____ in total; this includes any amount I am obliged to pay in the future. JAYMOR OPPORTUNITY FUND LTD. will pay ____% of this to _____ as a fee or commission.

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

Date

Signature of Purchaser

Print name of Purchaser

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

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You have 2 business days to cancel your purchase

To do so, send a notice to JAYMOR OPPORTUNITY FUND LTD. stating that you want to cancel your purchase. You must send the notice before midnight on the 2nd business day after you sign the agreement to purchase the securities. You can send the notice by fax or email or deliver it in person to JAYMOR OPPORTUNITY FUND LTD. at its business address. Keep a copy of the notice for your records.

Issuer Name: JAYMOR OPPORTUNITY FUND LTD.
Address: 105 West Beaver Creek Road, Unit 9
Richmond Hill, Ontario, L4B 1C6
Fax: (905) 882-1216
Email: info@jaymorgroup.com

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:

- 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
- the securities do not have to be sold by an investment dealer registered with a securities regulatory authority or regulator.

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.

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 or regulator.

Alberta Securities Commission

Telephone: (403) 297-6454
www.albertasecurities.com

British Columbia Securities Commission

Telephone: (604) 899-6500
www.bcsc.bc.ca

Ontario Securities Commission

Telephone: (416) 593-3682
www.osc.gov.on.ca

Saskatchewan Financial Services Commission

Telephone: (306) 787-5879
www.sfsc.gov.sk.ca

Manitoba Securities Commission

Telephone: (204) 945-2548
www.msc.gov.mb.ca

Autorité des marchés financiers

Telephone: (514) 395-0337
www.lautorite.qc.ca

New Brunswick Securities Commission

Telephone: (506) 658-3060
www.nbsc-cvmb.ca

Nova Scotia Securities Commission

Telephone: (902) 424-7768
www.gov.ns.ca/nssc

Prince Edward Island Securities Office

Telephone: (902) 368-4569
www.gov.pe.ca/securities/

Securities Commission of Newfoundland and Labrador

Telephone: (709) 729-4189
www.gov.nl.ca/gs

Government of Yukon

Department of Community Services Law Centre
Telephone: (867) 667-5314
www.community.gov.yk.ca

Government of Northwest Territories

**Department of Justice
Securities Registry**
Telephone: (867) 920-3318
www.justice.gov.nt.ca

Government of Nunavut

Department of Justice
Telephone: (867) 975-6190

Instructions:

**The purchaser must sign 2 copies of this form.
The purchaser and the issuer must each receive a signed copy.**

**SCHEDULE E
FORM 45-106F4 (Non-Registrant)**

**TO BE COMPLETED BY ALBERTA, BRITISH COLUMBIA, MANITOBA,
NEWFOUNDLAND AND LABRADOR, NEW BRUNSWICK, NORTHWEST TERRITORIES, NOVA SCOTIA,
NUNAVUT, PRINCE EDWARD ISLAND AND SASKATCHEWAN RESIDENTS**

RISK ACKNOWLEDGEMENT

- I acknowledge that this is a risky investment.
- I am investing entirely at my own risk.
- No securities regulatory authority or regulator 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 regulator authority or regulator 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.

I am investing \$_____ in total; this includes any amount I am obliged to pay in future. JAYMOR OPPORTUNITY FUND LTD. will pay ____% of this to_____ as a fee or commission.

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

Date

Signature of Purchaser

Print name of Purchaser

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

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You have 2 business days to cancel your purchase

To do so, send a notice to JAYMOR OPPORTUNITY FUND LTD. stating that you want to cancel your purchase. You must send the notice before midnight on the 2nd business day after you sign the agreement to purchase the securities. You can send the notice by fax or email or deliver it in person to JAYMOR OPPORTUNITY FUND LTD. at its business address. Keep a copy of the notice for your records.

Issuer Name: JAYMOR OPPORTUNITY FUND LTD.
Address: 105 West Beaver Creek Road, Unit 9
Richmond Hill, Ontario, L4B 1C6
Fax: (905) 882-1216
Email: info@jaymorgroup.com

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:

- 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
- the securities do not have to be sold by an investment dealer registered with a securities regulatory authority or regulator.

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 a registered adviser or registered dealer. In Alberta, Manitoba, Northwest Territories, Nunavut, Prince Edward Island, Quebec, Saskatchewan and Yukon to qualify as an eligible investor, you may be required to obtain that advice.

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 or regulator.

Alberta Securities Commission

Telephone: (403) 297-6454
www.albertasecurities.com

British Columbia Securities Commission

Telephone: (604) 899-6500
www.bcsc.bc.ca

Ontario Securities Commission

Telephone: (416) 593-3682
www.osc.gov.on.ca

Saskatchewan Financial Services Commission

Telephone: (306) 787-5879
www.sfsc.gov.sk.ca

Manitoba Securities Commission

Telephone: (204) 945-2548
www.msc.gov.mb.ca

Autorité des marchés financiers

Telephone: (514) 395-0337
www.lautorite.qc.ca

New Brunswick Securities Commission

Telephone: (506) 658-3060
www.nbsc-cvmnb.ca

Nova Scotia Securities Commission

Telephone: (902) 424-7768
www.gov.ns.ca/nssc

Prince Edward Island Securities Office

Telephone: (902) 368-4569
www.gov.pe.ca/securities/

Securities Commission of Newfoundland and Labrador

Telephone: (709) 729-4189
www.gov.nl.ca/gs

Government of Yukon

Department of Community Services Law Centre
Telephone: (867) 667-5314
www.community.gov.yk.ca

Government of Northwest Territories

**Department of Justice
Securities Registry**
Telephone: (867) 920-3318
www.justice.gov.nt.ca

Government of Nunavut

Department of Justice
Telephone: (867) 975-6190

Instructions:

**The purchaser must sign 2 copies of this form.
The purchaser and the issuer must each receive a signed copy.**

**SCHEDULE F
DISTRIBUTION REINVESTMENT PLAN**

Introduction

This Distribution Reinvestment Plan of Jaymor Opportunity Fund Ltd. provides eligible holders of Bonds of the Corporation with the opportunity to reinvest their cash distributions of interest in additional Bonds at a price equal to the amount of each distribution on the Bonds (the "**Purchase Price**"). All new Bonds acquired under the Plan on the reinvestment of distributions will be issued on the applicable distribution payment date.

The Plan provides an efficient, convenient and cost-effective way for Bondholders of the Corporation to acquire additional Bonds as no commissions, service charges or brokerage fees are payable by Bondholders in connection with the purchase of new Bonds under the Plan.

Bondholders who are non-residents of Canada for the purposes of the *Income Tax Act* (Canada) are not entitled to enroll, directly or indirectly, in the Plan. See "Eligibility Restrictions" below.

The aggregate number of Bonds issuable pursuant to the Plan on any particular distribution payment date may be limited and is subject to proration in certain circumstances. See "Prorating" below.

Definitions

In this Distribution Reinvestment Plan:

"**Beneficial owner**" means a beneficial owner of Bonds that are registered in the name of a broker, investment dealer, financial institution or other nominee;

"**Bonds**" means bonds of the Corporation;

"**Bondholder**" means an eligible registered holder of Bonds who, on the applicable distribution record date, is enrolled in the Plan; provided, however, that a broker, investment dealer, financial institution or other nominee who holds Bonds on behalf of eligible beneficial owners shall be a Bondholder for the purposes of the Plan only to the extent that such broker, investment dealer, financial institution or other nominee has enrolled in the Plan on behalf of eligible beneficial owners;

"**Business Day**" means a day which is not a Saturday, Sunday or a day on which chartered banks in Canada are not open for the transaction of business;

"**Distribution**" means a cash distribution of interest payable by the Corporation to the Bondholders;

"**Corporation**" means Jaymor Opportunity Fund Ltd.;

"**Plan**" means this Distribution Reinvestment Plan of the Corporation, as amended or restated from time to time;

"**Purchase Price**" means the price per Bond at which eligible Bondholders may purchase Bonds pursuant to this Plan, namely the amount of each Distribution.

Purchase of Bonds under the Plan

The Plan offers eligible Bondholders the opportunity, at their option, to reinvest the distributions payable in respect of their Bonds by purchasing additional Bonds directly from the Corporation at the Purchase Price.

Purchases under the Plan will be made by the Corporation, on behalf of Bondholders. On each distribution payment date, the Corporation will apply the amount of all distributions payable in respect of the Bondholders' Bonds to the purchase of additional Bonds directly from the Corporation. The new Bonds purchased will be issued to the Bondholders.

While a Bondholder is enrolled in the Plan, all distributions payable in respect of the Bondholder's Bonds will, subject to the terms hereof, be automatically reinvested on the distribution payment date in additional Bonds on the Bondholder's behalf. The distributions to be reinvested are those payable in respect of Bonds that are registered to the Bondholder.

If the Corporation determines that no Bonds or only a limited amount of Bondholders' equity will be available under the Plan for a particular distribution payment date, the distributions payable on that date (or any portion thereof) that cannot be reinvested under the Plan will be paid to Bondholders in the ordinary course. See "**Prorating**" below.

Costs

No commissions, service charges or brokerage fees are payable by Bondholders in connection with the purchase of additional Bonds under the Plan.

Beneficial owners who wish to participate in the Plan through a broker, investment dealer, financial institution or other nominee who holds their Bonds should consult that nominee to confirm what fees, if any, the nominee may charge to enroll in the Plan on their behalf or whether the nominee's policies might result in any costs otherwise becoming payable by beneficial owners. See "Manner of Enrolment – Beneficial Owners" below.

Manner of Enrolment

Registered Bondholders

Eligible registered Bondholders may enroll in the Plan at the time of their subscription for Bonds or at any later time by delivering to the Corporation a duly completed and signed Enrolment Form in the form provided by the Corporation for this purpose.

Such enrolment will direct the Corporation to reinvest on the Bondholder's behalf all distributions payable in respect of Bonds registered in the Bondholder's name in additional Bonds in accordance with and subject to the provisions of the Plan.

If the enrolment is not made at the time of subscription and a Bondholder wishes to thereafter enrol in the Plan, an Enrolment Form must be received by the Corporation not later than 4:00 p.m. (Alberta time) two Business Days immediately preceding a distribution record date in order to take effect on the distribution payment date (unless this time requirement is waived by the Corporation). An Enrolment Form received by the Corporation after that time will not take effect until the next following and subsequent distribution payment dates.

An Enrolment Form may be obtained from the Corporation at any time upon request.

Beneficial owners

Unless enrolment in the Plan is made at the time of subscription,, eligible beneficial owners of Bonds that are registered in the name of another person (such as a broker, investment dealer, financial institution or other nominee) may only participate in the Plan if they (i) transfer their Bonds into their own name and then enroll in the Plan directly, or (ii) arrange for their nominee to enroll in the Plan on their behalf. **Beneficial owners whose Bonds are registered in the name of a nominee cannot directly enroll in the Plan.**

Eligible beneficial owners should contact the broker, investment dealer, financial institution or other nominee who holds their Bonds to provide instructions regarding their participation in the Plan.

Continued Enrolment

A Bondholder that has enrolled in the Plan will remain enrolled in and will automatically continue to participate in the Plan until such time as the Plan is terminated by the Corporation or until the Bondholder's enrolment is terminated by the Bondholder or by the Corporation. See "Termination of Enrolment" and "Amendment, Suspension or Termination of Plan" below.

Fractional Interests

Although the Corporation does not issue fractions of Bonds, full reinvestment is possible under the Plan as the Corporation will credit to the account of each Bondholder, on each reinvestment made under the Plan, a fractional interest in a whole Bond (to four decimal places) for any amount that cannot be reinvested in whole Bonds.

The Corporation will from time to time issue to the Bondholders such number of whole Bonds as is necessary or desirable to accommodate the fractional interests of the Bondholders. The crediting of fractional interests in favour of beneficial holders who participate in the Plan through a broker, investment dealer, financial institution or other nominee will depend on the policies of that broker, investment dealer, financial institution or other nominee.

In certain events described herein, a Bondholder or their legal representative will be entitled to receive a cheque in payment of the value of any fractional Bond interest remaining in the Bondholder's account. Upon such payment being sent to the Bondholder or its legal representative, the Bondholder's fractional interest will be deemed to be cancelled.

Plan Administration

On the applicable distribution payment date, new Bonds will be issued to the Bondholders by the Corporation. Subject to prorating as described below, the number of Bonds (or fractional interests therein to four decimal places) acquired under the Plan for each Bondholder on any distribution payment date will be equal to the distribution payable in respect of the Bondholder's Bonds on such date divided by 100% of the Purchase Price. See "**Fractional Interests**" above.

Prorating

The Corporation reserves the right to determine, for each distribution payment date, the maximum amount of additional Bonds will be made available for issuance under the Plan on that date. No assurances can be made that additional Bonds will be made available for issuance under the Plan on a regular basis and Bondholders will receive their regular distribution to the extent that the distribution (or any portion thereof) cannot be fully reinvested under the Plan.

If, in respect of any distribution payment date, the amount of additional Bonds issuable on the reinvestment of distributions under the Plan if there were no limit exceeds the maximum amount of additional Bonds available, then the available equity will be prorated among all Bondholders according to the relative amount of distributions sought to be reinvested under the Plan by each Bondholder on that payment date. Any distributions (or portion thereof) that cannot be reinvested under the Plan will be paid to Bondholders in the ordinary course.

Price of Bonds to be Acquired under the Plan

The price at which new Bonds are issued under the Plan will be 100% of the Purchase Price.

The Purchase Price will be appropriately adjusted for any subdivision, consolidation or similar pro rata change in the number of outstanding Bonds into a greater or lesser number of Bonds, any reclassification of Bonds into other securities of the Corporation, or any issue of Bonds or other securities or assets of the Corporation (other than distributions and dividends in the ordinary course) to the holders of all or substantially all of the then-outstanding Bonds, the effective date of which, or the record date for which, falls within the 10-day period over which the Purchase Price may be calculated..

Capital Gains

All Bondholders are responsible for calculating and monitoring their own adjusted cost base in Bonds for income tax purposes as certain averaging rules may apply and such calculations may depend on the cost of other Bonds held by the Bondholder.

Reports to Bondholders

An account will be maintained by the Corporation for each Bondholder with respect to purchases of Bonds made under the Plan for the Bondholder's account. Within 60 calendar days following the end of each calendar quarter, the Corporation will mail an unaudited quarterly report to each Bondholder enrolled in the Plan. These reports are a Bondholder's continuing record of purchases of Bonds made for their account under the Plan and should be retained for income tax purposes.

Beneficial holders who participate in the Plan through their broker, investment dealer, financial institution or other nominee will not receive any such reports directly from the Corporation and should check with such nominee to determine what reports, if any, they can expect to receive from the nominee.

Certificates for Bonds

Bonds purchased under the Plan will be registered in the name of the Bondholder or its nominee. Certificates representing Bonds will not be issued to beneficial owners.

Termination of Enrolment

A Bondholder may voluntarily terminate their enrolment in the Plan by delivering to the Corporation a written notice of termination, signed by the Bondholder. On the termination becoming effective, the Corporation will send to the Bondholder a certificate representing all whole Bonds, if any, held for the Bondholder and a cheque in payment of the value of any fractional Bond interest remaining, based on the Purchase Price for the most recent distribution payment date prior to the date on which the Corporation received actual notice of termination.

An individual Bondholder's enrolment in the Plan will be terminated automatically following receipt by the Corporation of written notice of the Bondholder's death from any person reasonably believed by the Corporation to be acting in a representative or fiduciary capacity.

On the termination becoming effective, the Corporation will issue a certificate representing all whole Bonds, if any, held for the Bondholder together with a cheque in payment of the value of any fractional Bond interest remaining, based on the Purchase Price for the most recent distribution payment date prior to the date on which the Corporation received actual notice of the Bondholder's death. The certificate and cheque will be issued in the name of the deceased Bondholder or their estate, as applicable.

If a notice of termination or a notice of a Bondholder's death is not received by the Corporation before 4:00 p.m. (Calgary time) on the fifth (5th) Business Day immediately preceding a distribution record date, the Bondholder's enrolment in the Plan will not be terminated until after the distribution payment date to which that record date relates.

On a Bondholder's enrolment in the Plan being terminated by the Corporation in the circumstances described above under "**Eligibility Restrictions**" or "**Bondholders Outside of Canada**", the Corporation will send to the Bondholder a certificate representing all whole Bonds, if any, held for the Bondholder and a cheque in payment of the value of any fractional Bond interest or dividend payments remaining, based on the Purchase Price for the most recent distribution payment date prior to the effective date on which the Corporation terminated the Bondholder's enrolment.

Subdivisions and Consolidations

In the event of a subdivision, consolidation or similar pro rata change in the number of outstanding Bonds into a greater or lesser number of Bonds, the Corporation will make the necessary adjustments at the effective time of the subdivision, consolidation or similar change.

Amendment, Suspension or Termination of the Plan

The Corporation reserves the right to direct that the Plan be amended, suspended, terminated or replaced at any time, but any such action will not have any retroactive effect that is prejudicial to Bondholders.

If the Plan is amended, no notice thereof will be sent to Bondholders unless the amendment is, in the opinion of the General Partner, materially prejudicial to Bondholders. Generally, no notice will be given to Bondholders regarding any amendments to the Plan that are intended to cure, correct or rectify any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions.

If the Plan is terminated, each Bondholder will be sent notice thereof and the Corporation will send to each Bondholder a certificate representing all whole Bonds, if any, held for the Bondholder together with a cheque in payment of the value of any fractional Bond interest or dividend payment remaining, based on the Purchase Price for the most recent distribution payment date prior to the termination date.

No reinvestment of distributions will be made under the Plan on the distribution payment date following the effective date of the Plan's termination. Any distributions payable after the termination date that would, but for the termination, have been reinvested under the Plan will be paid to Bondholders in the ordinary course.

Limitation of Liability

The Corporation and any of its officers, employees, Bondholders or representatives shall not be liable to any registered Bondholder or beneficial owners, or to any other broker, investment dealer, financial institution or other nominee for any act or for any omission to act in connection with the administration or operation of the Plan, including, without limitation, any claims for liability:

- (a) relating to the prices and times at which Bonds are issued under the Plan for the account of a Bondholder;
- (b) relating to any decision made by or on behalf the Corporation not to make any additional Bonds available under the Plan, or to limit the amount of equity available under the Plan, for any distribution payment date;
- (c) arising out of a prorating, for any reason, of the number of Bonds that may be acquired by a Bondholder under the Plan, in the circumstances described herein;
- (d) relating to any decision to amend, suspend, terminate or replace the Plan in accordance with the terms hereof;
- (e) arising out of the involuntary termination of a Bondholder's enrolment in the Plan in the circumstances described herein;
- (f) arising out of any failure to terminate an individual Bondholder's enrolment in the Plan upon such Bondholder's death before receipt of written notice of death; or
- (g) for any income taxes or other liabilities payable by any Bondholder or beneficial owner in connection with their participation in the Plan.

Bondholders are cautioned that the Corporation cannot assure Bondholders a profit or protect them against loss with respect to any Bonds acquired under the Plan for their account.

Tax Considerations

Participation in the Plan does not relieve Bondholders of any liability for any income or other taxes that may be payable on or in respect of the distributions that are reinvested for their account under the Plan.

The Corporation does not assume or accept any responsibility for any income or other tax consequences to a Bondholder or any beneficial owner of participating in, and acquiring beneficial ownership of Bonds pursuant to, the Plan.

Bondholders interested in enrolling in the Plan are advised to consult with their own tax advisors as to the consequences of doing so in their particular circumstances.

Interpretation

Any issues of interpretation arising in connection with the Plan or its application shall be conclusively determined by the Corporation.

Governing Law

This Plan shall be governed by, and administered and construed in accordance with, the laws of the Province of Alberta and the federal laws of Canada applicable therein.

Notices

To Bondholders:

All notices or other documents to be given to Bondholders pursuant to or in connection with the Plan, including Bond certificates and cheques, will be mailed to Bondholders at the addresses as shown on the register of holders of Bonds.

To the Corporation:

Any notices or forms to be sent to the Corporation shall be sent to:

Jaymor Opportunity Fund Ltd.
105 West Beaver Creek Road,
Unit 9,
Richmond Hill, Ontario
L4B 1C6

Attention: Chief Executive Officer

Fax: (905) 882-1216

E-mail: info@jaymorgroup.com

Effective Date

The effective date of the Plan is April 1, 2014.

Questions and Answers with Respect to Distribution Reinvestment Plan

What is the Distribution Reinvestment Plan?

The Plan enables Bondholders to acquire additional Bonds by reinvesting their cash distributions.

What are the advantages of the Plan?

The Plan allows you to compound your returns from your investment in Bonds.

As Bonds acquired under the Plan are from treasury and purchased directly from the Corporation, Bondholders do not pay brokerage commissions or service charges of any kind.

Who is eligible to participate?

Subject to the Plan terms, all registered and beneficial Bondholders resident in Canada, including new subscribers for Bonds, are eligible to become Bondholders.

How does a Bondholder elect to participate in the Plan?

A new subscriber may enroll in the Plan at the time of their subscription by so indicating with their subscription and an existing holder of Bonds may enroll in the Plan at any time afterwards by submitting to the Corporation an enrolment form selecting the dividend reinvestment option for their monthly distributions. A completed enrolment must be received by the Corporation no later than two Business Days prior to the next distribution record date (which will usually be the first day of the month in which the distribution is payable) in order for that Distribution to be reinvested under the Plan.

If you are a beneficial owner whose Bonds are registered in a name other than your own name (such as an RRSP account), you may participate in the Plan by making appropriate arrangements with the person who holds your Bonds to enroll in the Plan on your behalf as outlined above.

Bonds purchased under the Plan will be reported on an investor's quarterly investment account statement.

Will it be possible for Bondholders to receive a proportion of their distributions in cash and have the remainder reinvested?

No. You must elect to either receive Distributions or reinvest 100% of those Distributions under the Plan. Full investment of all Distributions is possible since fractional bonds will be credited to a Bondholder's account for any amount that cannot be reinvested in whole Bonds.

The number of Bonds, including fractional Bonds, equals the distributions reinvested, divided by the Purchase Price. The Corporation will credit your account with fractions of Bonds and any distributions related to those fractional Bonds to allow full investment of eligible funds. Fractions will be computed to four decimal places. Rounding of any fractional interest will be determined by the Corporation using what it decides are appropriate methods in the circumstance.

What will be the price of the Bonds purchased under the Plan?

The price of the Bonds purchased under the Plan is the amount of each distribution on the Bonds.

Are there transfer restrictions on Bonds purchased under the Plan?

Yes. Except in Manitoba, unless permitted under applicable securities legislation, you must not trade the Bonds acquired under the Plan before the date that is a day after the date that the Corporation became a reporting issuer in any province or territory of Canada.

The Corporation does not have any current intentions to become a reporting issuer in any province or territory of Canada and, as such, the hold periods applicable to the Bonds may never expire and the Bonds may never be resold except pursuant to a further statutory or regulatory exemption or a discretionary order.

In addition, all Bond transfers are subject to the approval of the Corporation.

How does a Bondholder terminate participation in the Plan?

You may terminate your participation in the Plan at any time upon providing three months' notice to the Corporation by submitting written notice advising of the termination of enrolment in the Plan and the selection of the cash distribution option for monthly distributions (or, in the case of beneficial owners, by making arrangements to terminate participation through their nominee). Termination requests will be processed in respect of the distribution declared on the first day of the fourth month following the month in which the change form was received by the Corporation.

Participation in the Plan will automatically terminate upon the disposition of all of your Bonds that were enrolled in the Plan.

What statements will be sent to Bondholders?

Bonds purchased under the Plan will be reported on your quarterly investment account statement following the distribution date. The statements are a continuing record of purchases made under the Plan and should be retained for tax purposes. In addition, the Corporation will annually provide you with appropriate information for tax reporting purposes.

SCHEDULE G

TERMS AND CONDITIONS OF ENROLMENT

DISTRIBUTION REINVESTMENT PLAN ("PLAN") OF JAYMOR OPPORTUNITY FUND LTD.

The Subscriber hereby

1. acknowledges having received and read a copy of the Plan and applies to enrol in and become a participant in the Plan on the terms and conditions set out in the Plan;
2. directs the Corporation to apply any and all cash distributions of interest payable in respect of all Bonds registered or to be registered in their name, or held or to be held beneficially for them, now or in the future towards the purchase of additional Bonds, all in accordance with the provisions of the Plan and subject to proration, any applicable withholding tax and such other limitations and restrictions as are set forth in the Plan;
3. acknowledges that if they hold or intend to hold their Bonds through a broker, investment dealer, financial institution or other nominee beneficially for them and wish to participate in the Plan, the broker, investment dealer, financial institution or other nominee that holds or is to hold their Bonds will be provided these instructions regarding their participation in the Plan.
4. agrees that all documents relating to the Plan and their participation therein, whenever prepared or received including, without limitation, the Plan and this form, shall be prepared exclusively in the English language;
5. acknowledges that the Plan is governed by the laws of the Province of Alberta and the federal laws of Canada applicable therein and attorns to the jurisdiction of the courts of the Province of Alberta with respect to proceedings involving the Plan;
6. represents and warrants to the Corporation that they are not, and when Bonds are purchased for their account in accordance with this authorization and direction, they will not be, a "non-resident" of Canada within the meaning of the *Income Tax Act* (Canada) and, to the extent that they hold Bonds on behalf of a beneficial owner of Bonds, such beneficial owner is not, and when Bonds are purchased for their account in accordance with this authorization and direction such beneficial owner will not be, a "non-resident" of Canada within the meaning of the *Income Tax Act* (Canada); and
7. confirms that their address and contact information is the same as set out in their Subscription Form for Bonds and included in the Corporation's records or as otherwise provided to the Corporation.