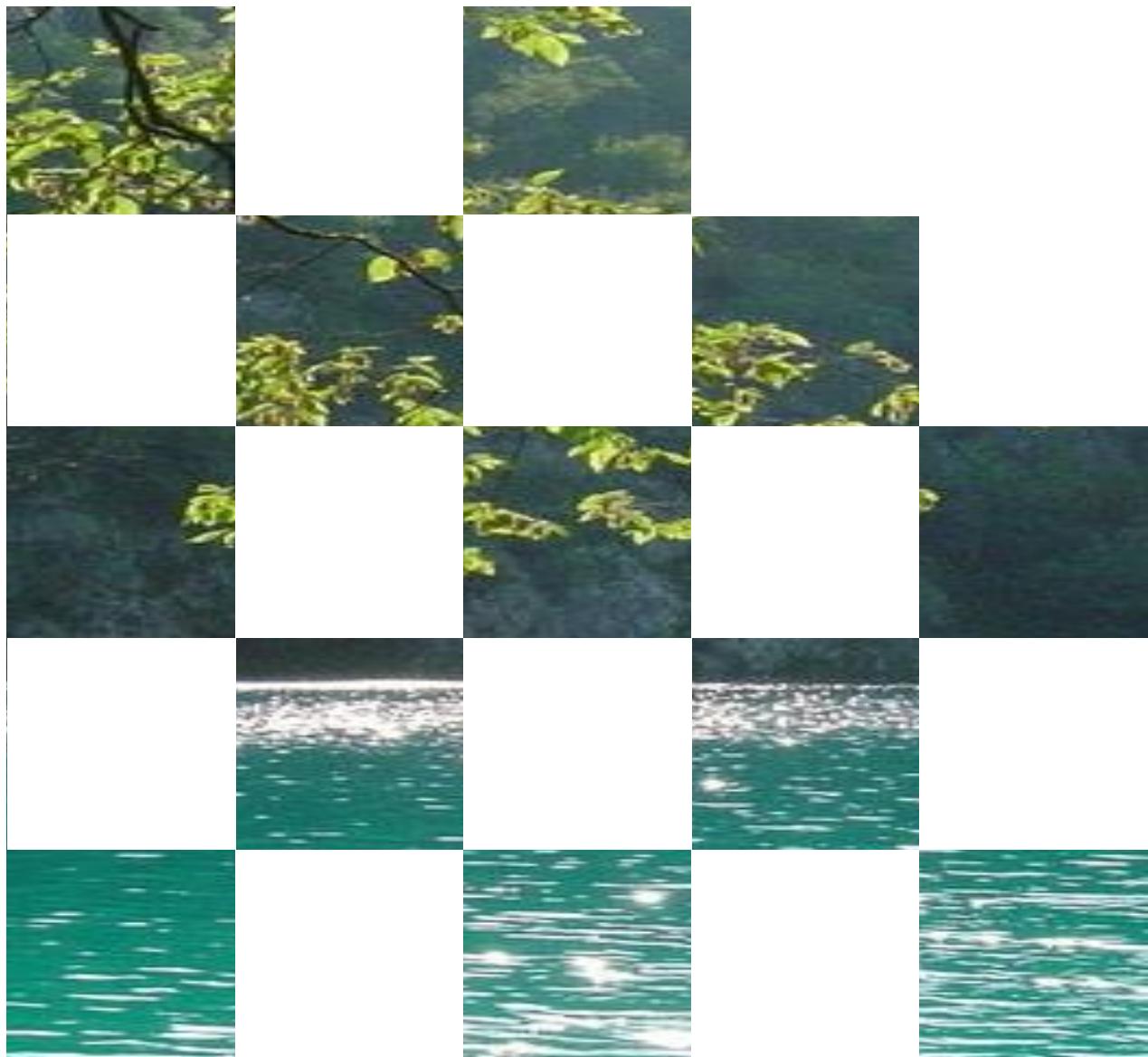




Investment Prospectus





Project Overview

Sanbar Estates is a newly approved lakeview subdivision project located just beyond the municipal boundary of Sylvan Lake, Alberta. More than five hundred fully serviced residential and commercial lots will be built around a spacious central park within five minutes' drive of pristine lakeshore, amazing shopping, fabulous restaurants, excellent golf courses and all the many amenities the Town of Sylvan Lake has to offer.

The first phase of the project will consist of 87 single family residential lots, each averaging 680 m² in size (typically 17 x 40 meters), as well as a 2,400 m² commercial property zoned for retail and professional services.

Second phase will feature 88 single family residential lots of comparable size to those in the first phase, in addition to 102 smaller duplex lots. Many of these lots will be parkside, offering instant access to the project's playground, walking paths and an expansive artificial lake.

Sanbar's third phase will be comprised of 120 duplex lots and a large 1.6 hectare property zoned for a 120 unit social care facility (with an average apartment size of over 80 m²). Many of these units will have spectacular lake views, views of the neighboring golf course, or both.

The final phase will include five single family residential lots, 38 duplex lots and a huge 8,500 m² commercial property zoned for retail and professional services. The second floor of the buildings constructed on the latter property will be clearly visible from Highway 20, and by the time of its construction the immediate neighborhood will be home to more than a thousand people.

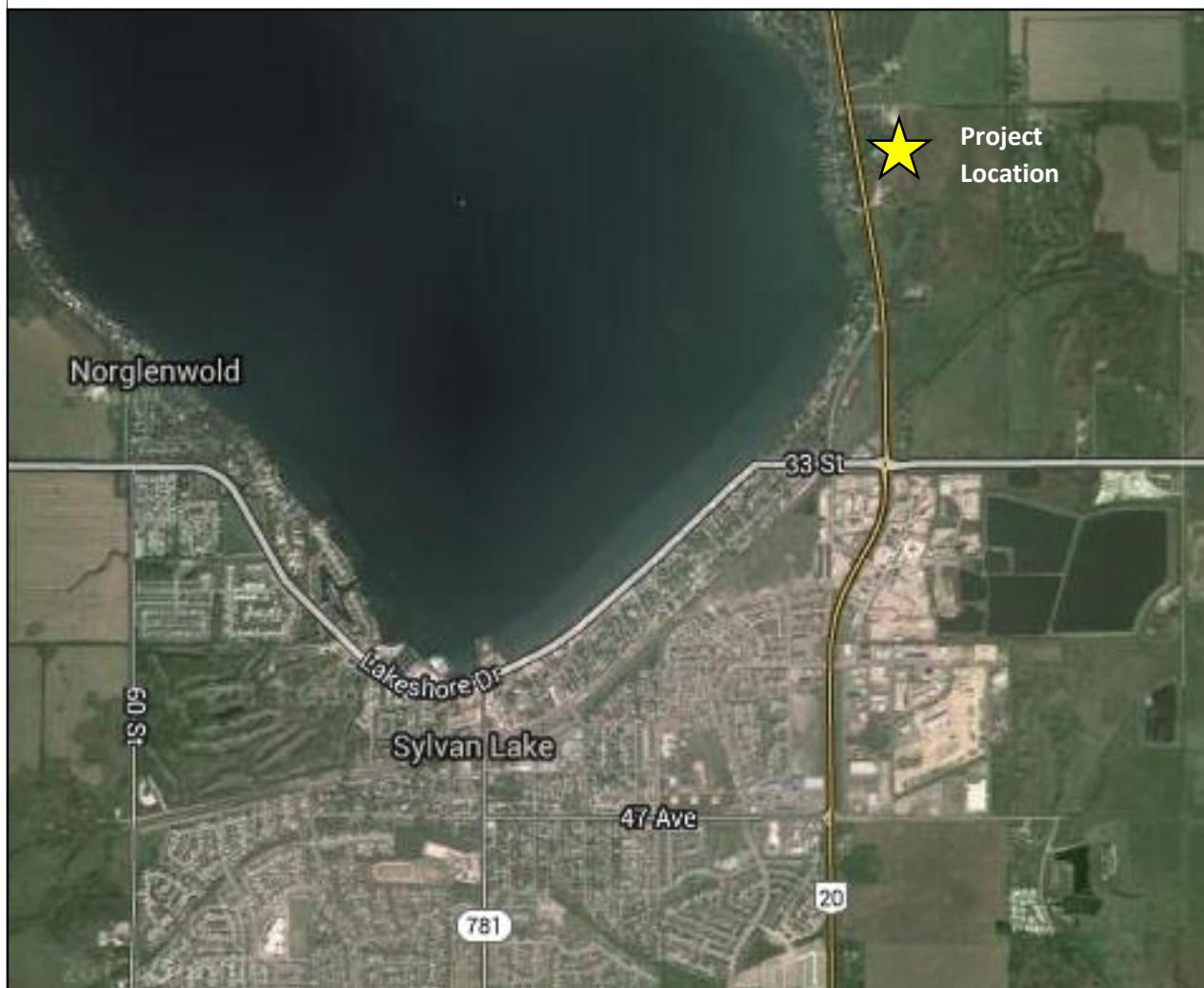
Presently the owners are seeking to either sell the property, or partner with experienced and funded parties to undertake construction in Spring of 2015. The estimated cost to construct the entire project is \$15 million, with a projected completed property value of over \$65 million. All municipal, engineering, budget and appraisal documents are available for review by interested parties, with key details included in this prospectus.





Project Location

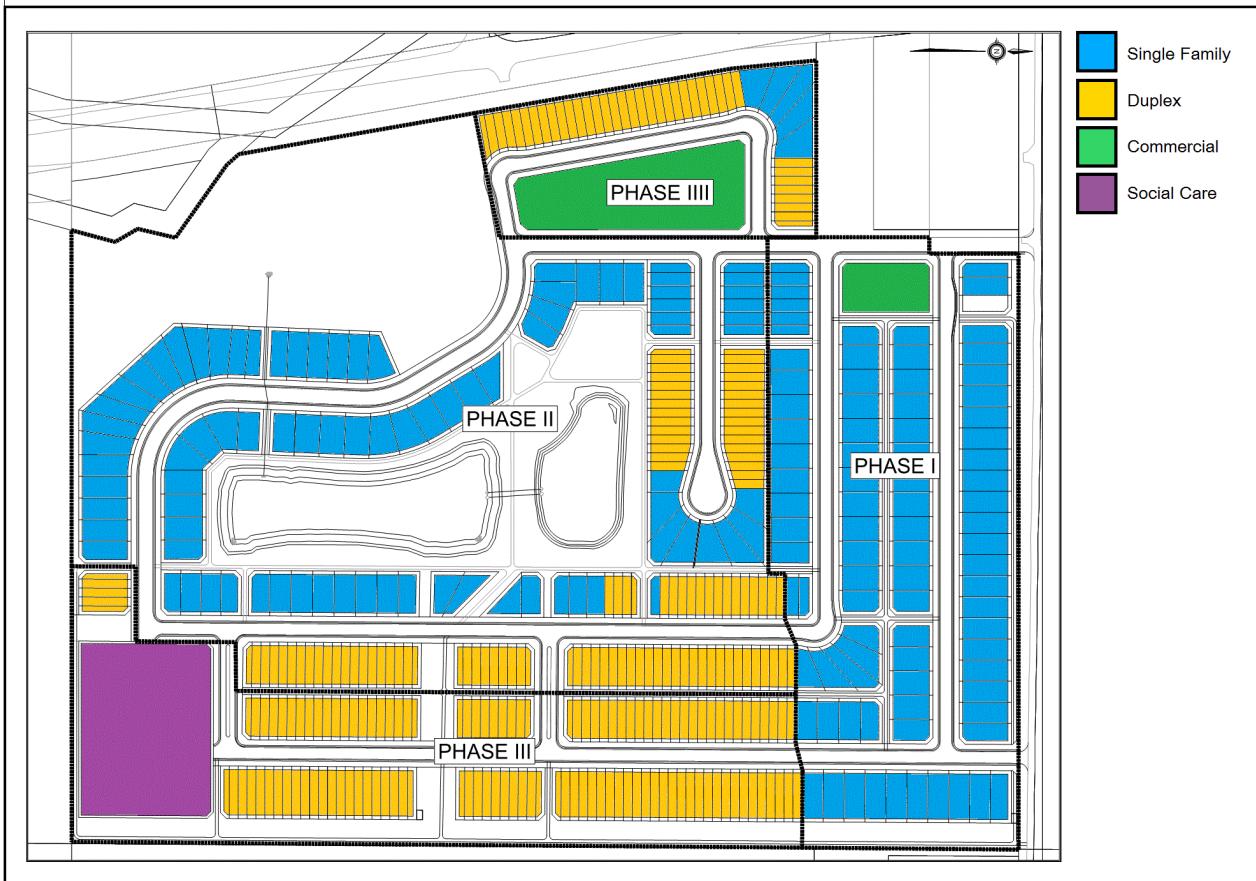
Sanbar Estates is located at NW $\frac{1}{4}$ 3-39-1-5 in the municipality of Red Deer County, approximately 1.3 km from the northern boundary of the Town of Sylvan Lake. Access to the property is from paved Range Road 391 via Highway 20 (which runs parallel to Sanbar's northern and western borders respectively). The project is approximately 25 minutes' drive from Red Deer, 1 hour and 35 minutes from Calgary and 1 hour and 45 minutes from Edmonton.



Project Layout

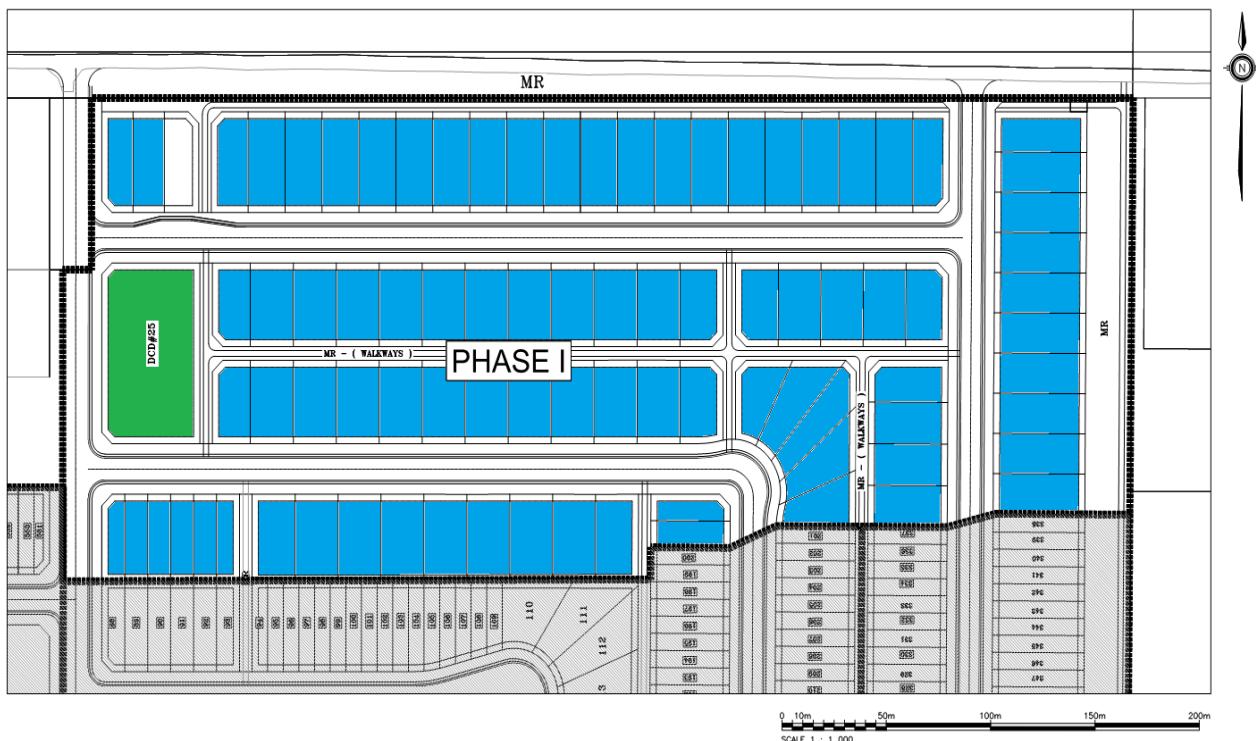


Sanbar Estates consists of 180 single family, 260 duplex, one social care and two commercial lots. Of these approximately 40% shall be lakeview, 15% shall be parkside, 15% shall have a view of the neighboring golf course to the east and 3% shall border pristine wetland (with some lots having multiple features). At the project's heart is a spacious central park featuring a playground, walking trails and a small picturesque lake.



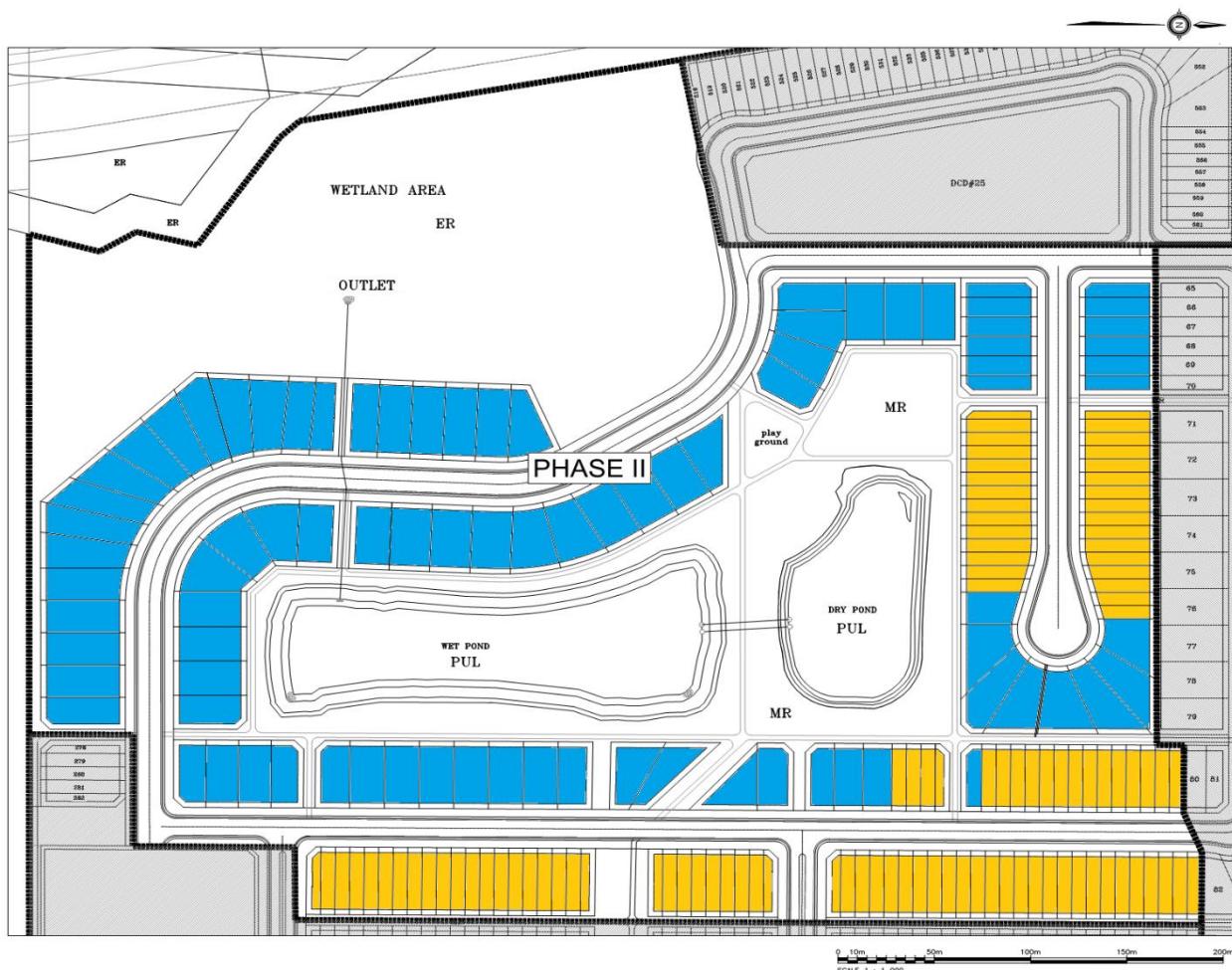


Phase 1 Detail



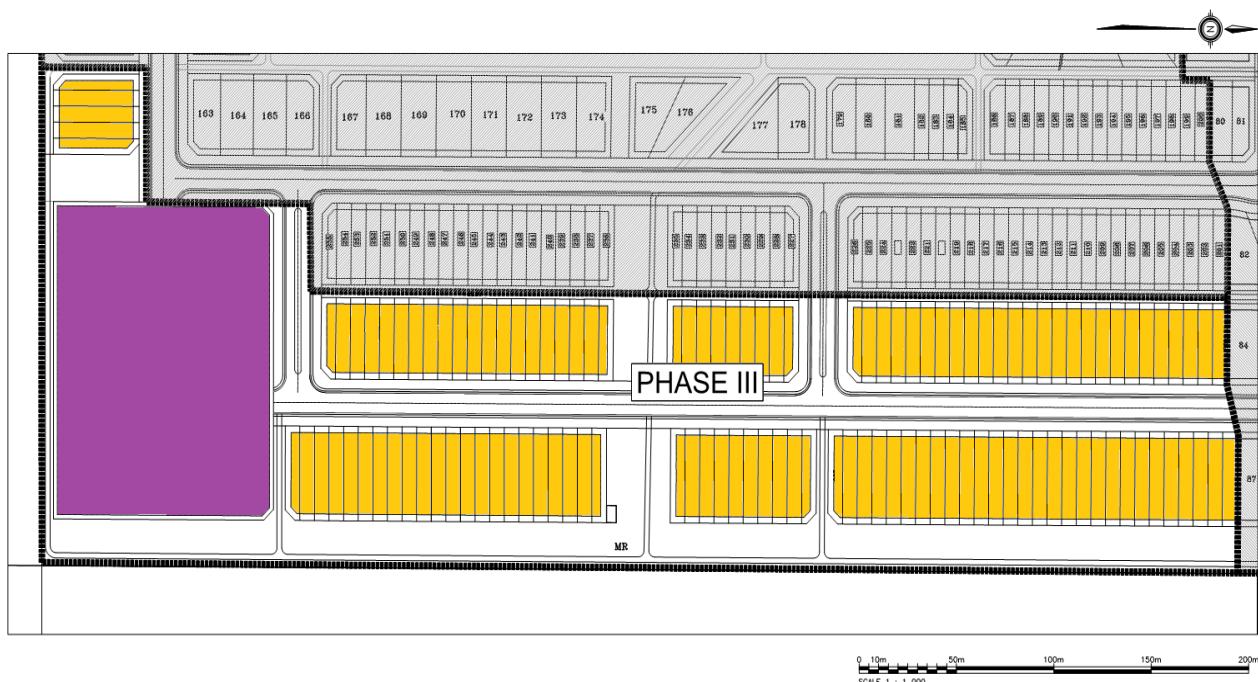


Phase 2 Detail



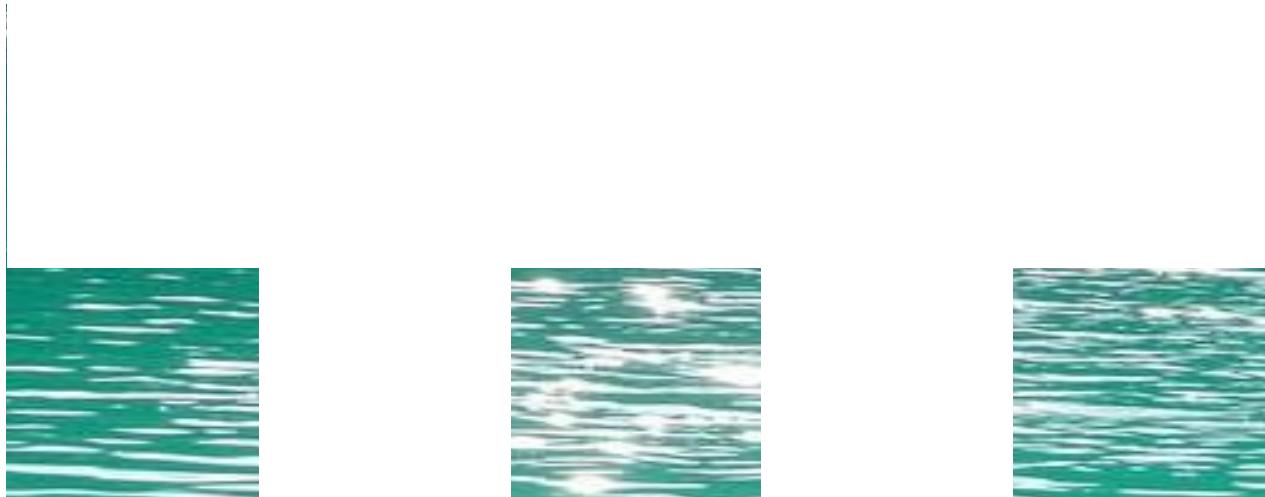
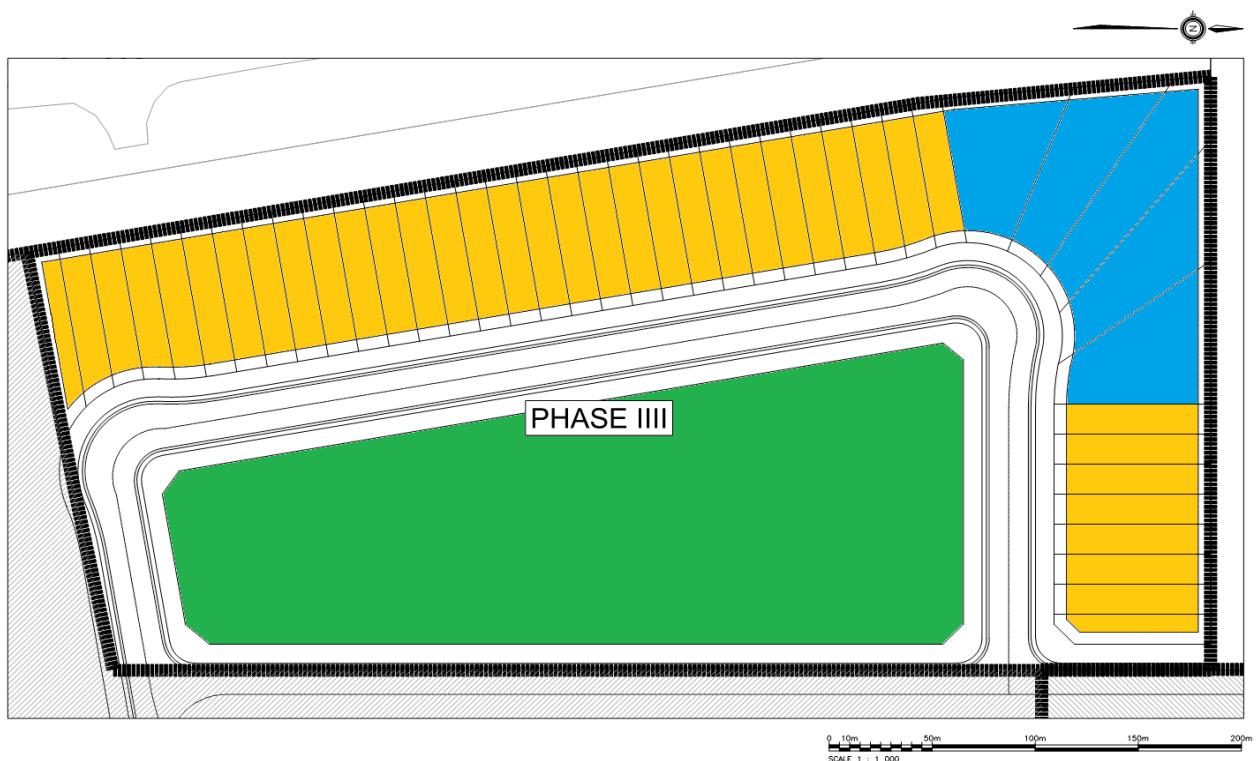


Phase 3 Detail





Phase 4 Detail





Estimate of Completed Project Value



Sanbar Estates consists of 180 single family, 260 duplex, one social care and two commercial lots. Based on present available lot pricing in the Crestview, Hampton Pointe and Ryders Ridge subdivisions, and historical pricing of commercial real estate within the Town of Sylvan Lake, it is estimated that the total value of the completed project is \$65.9 million dollars. This estimate takes into account value improving factors such as lake, park and golf course views as well as lot location within the subdivision.

Estimated Value by Lot Type

<i>Total Single Family Residential Lots</i>	<i>\$38,451,000</i>
<i>Total Duplex Residential Lots</i>	<i>\$21,805,000</i>
<i>Lesser Commercial Property (Phase 1)</i>	<i>\$750,000</i>
<i>Social Care Facility Property (Phase 3)</i>	<i>\$2,400,000</i>
<i>Greater Commercial Property (Phase 4)</i>	<i>\$2,500,000</i>
<i>Total:</i>	<i>\$65,906,000</i>



Estimated Value by Phase

<i>Phase 1</i>	<i>\$19,443,000</i>
<i>Phase 2</i>	<i>\$26,812,000</i>
<i>Phase 3</i>	<i>\$12,615,000</i>
<i>Phase 4</i>	<i>\$7,036,000</i>
<i>Total:</i>	<i>\$65,906,000</i>

Single Family Residential Lot Average Value: \$213,600
Duplex Lot Average Value (per Pair): \$167,700





Local Demographic and Economic Profile

Sanbar Estates is located in the immediate vicinity of the town of Sylvan Lake. As such the success of the project corresponds to the continued prosperity and growth of that community, as well as the value of property within its boundaries.

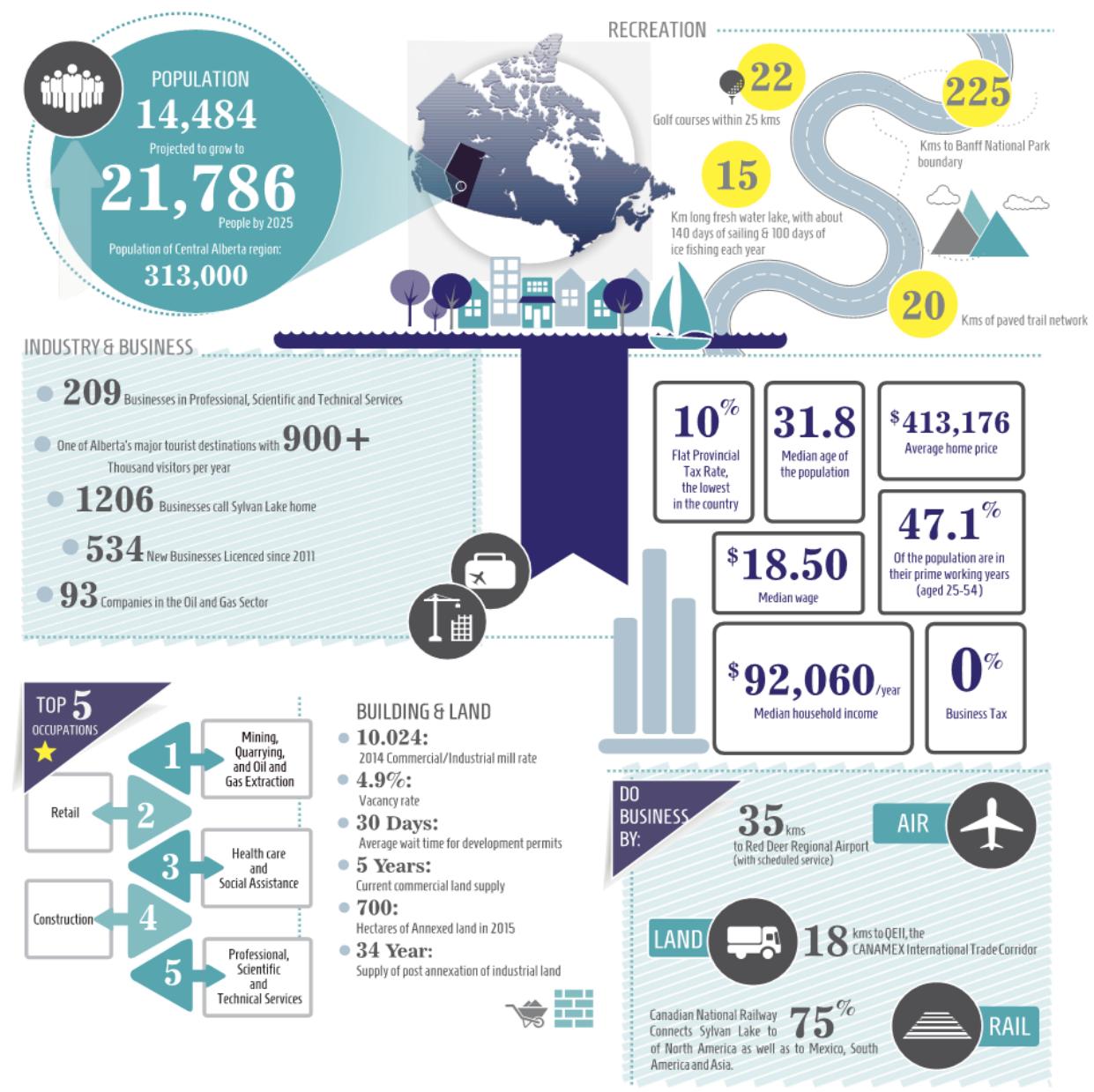
With a median age of just 31.8, well below the provincial median of 38, Sylvan Lake is a youthful, wealthy and educated community. Between 2001 and 2014 its population grew approximately three times faster than Alberta as a whole, going from 7,496 to 14,484 – a 93.2% increase. The town's present median household income is \$92,060, compared to the provincial median of \$83,317, with half of all households earning between \$60,000 and \$149,000, and 16% earning over \$150,000. All three of the top occupations in Sylvan Lake (oil & gas extraction, retail trade and healthcare & social assistance) have experienced significant employment growth since 2011. Over 25% of residents have a post-secondary certificate, diploma or degree.

Between 2002 and 2012, Sylvan Lake's residential assessment value grew by 282%, from \$430,784,000 to \$1,647,388,000. In that same period commercial assessment value grew 290%, from \$73,473,000, to \$286,552,000. Between 2006 and 2011 the number of private dwellings in the town increased 30.8%, from 4,277 to 5,595.

Sylvan Lake is a significant tourist destination, attracting approximately 760,000 visitors per year, and the community continues to invest heavily in both beautification projects and the construction of new social, recreational and educational facilities. It is situated close to the city of Red Deer with easy access to the Edmonton – Calgary corridor, and boasts an immediate commercial trading area of approximately 120,000 people.

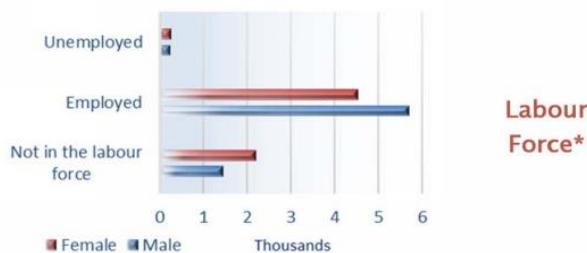


Sylvan Lake: Facts and Figures



Source: Town of Sylvan Lake Website

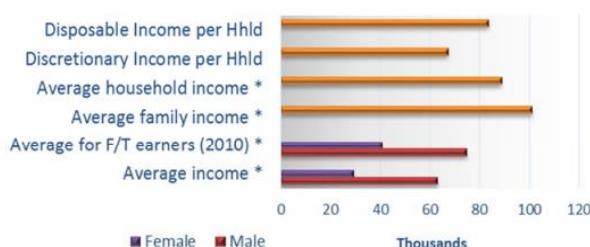
Red Deer County: Facts and Figures



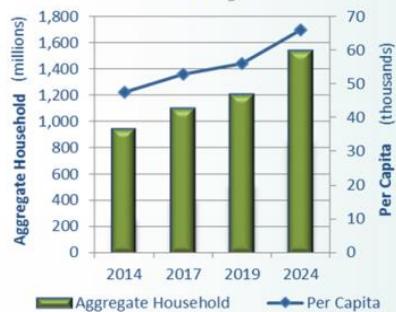
Average Household Expenditures



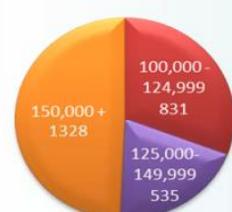
Average Income



Income Projections



Income - Households Over 100K/yr



Alberta Economic Forecast: RBC

Alberta

PROVINCIAL OUTLOOK | DECEMBER 2014

From a boom to...a still-respectable pace

The intensifying weakness in global crude oil markets since the September *Provincial Outlook* report prompted us to revise our growth forecast for the province for 2015, although we still expect Alberta's economy to grow at a respectable pace. At this stage, record levels of investment in the oil and gas sector continue to generate tremendous activity in 2014—both directly and indirectly. In fact, booming conditions in most sectors of Alberta's economy led us to boost our 2014 real GDP growth forecast to 4.1% from 3.9% previously. Nonetheless, we expect that the persistence of significantly lower oil prices will weigh on economic growth in Alberta in the period ahead, as it will put a squeeze on incomes—both private and public—in the province. We lowered our forecast for real GDP growth in 2015 to 2.7% from 3.5%, which would match the national average. We expect further moderation to a rate of 2.3% in 2016.

Oil price slide effect muted so far...

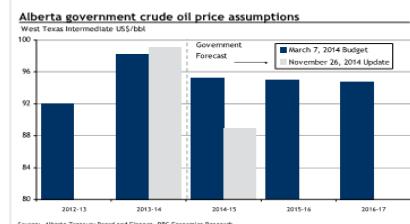
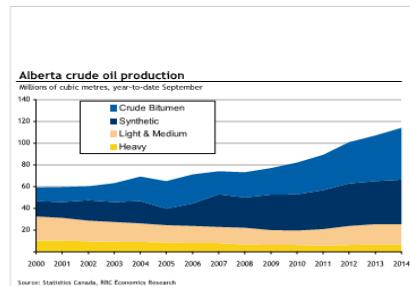
Indications available to date suggest that the sharp drop in crude oil prices since June 2014 has had a muted effect on activity in Alberta's energy sector so far. Crude oil production continued to surge year to date thanks to a 14% rise in bitumen output, while rising energy exports and strong prices earlier this year contributed to impressive gains in nominal merchandise exports. Looking ahead, we expect that the ramping up of production at new and expanded oil sands projects will continue to boost non-conventional oil output in the province despite a lower oil price environment. Operations at such projects tend not to be very sensitive to short-term price fluctuations given their longer-term focus and large fixed costs of production. That being said, we expect that lower oil prices will cause capital spending in the energy sector to be curtailed in 2015.

...as clouds darken on the fiscal front...

Signs of a challenging revenue situation in light of the slump in oil prices were present in the Alberta government's mid-year fiscal report released in November, although they were masked by firmer than expected conditions for non-renewable resources in the early part of fiscal year 2014–15. Backing out what the government now expects for the second half of the fiscal year reveals a substantial 30% (\$1.4 billion) downward revision to non-renewable resource revenues relative to plan (due to a lower WTI assumption of US\$75 per barrel compared to US\$95 in its 2014 budget). Such a weaker in-year revenue profile spells for a poor handoff to fiscal year 2015–16, when we expect the intense downward pressures on provincial revenues to become much more visible. The Alberta government committed itself to control its spending to ensure that its budget remains in the black.

...but silver linings remain elsewhere

Negative spillover effects into non-energy sectors so far have not materialized because boom-like conditions continue to prevail across the province and attract a large number of people to move to Alberta from across Canada and abroad. Positive demographics along with tight labour markets are sustaining solid underlying consumer demand in the province with impressive housing market gains and strong retail sales persisting in the latter half of 2014. We expect that such strength will diminish somewhat in 2015 due to the pressures that lower oil prices will exert on incomes in the province and knock-on effects on (currently brimming) business and consumer confidence in the province.



Alberta forecast at a glance

	2012	2013	2014F	2015F	2016F
Real GDP	4.5	3.8	4.1	2.7	2.3
Nominal GDP	5.6	7.1	7.7	-1.7	5.9
Employment	2.6	2.9	3.0	1.8	1.4
Unemployment rate (%)	4.6	4.6	4.6	4.5	4.9
Retail sales	7.0	6.9	8.1	4.2	4.0
Housing starts (units)	33,396	36,011	41,400	37,800	34,500
Consumer price index	1.1	1.4	2.6	1.2	2.0

Laura Cooper
Economist