

The Investment Features and Legal Relationship

By being involved in Brent Gardens, individual investors have an opportunity to acquire revenue-producing real estate with a minimum of cash commitment.

Each owner will acquire his own residential suite. In addition, the community of owners in Brent Gardens will share access to recreational facilities which enhance the economic viability of this unique residential property.

As an indication of REEMARK's commitment and belief in Brent Gardens, REEMARK and associated persons will purchase these quality investment suites under the same terms and conditions as other investors.

In recent years, British Columbia's increased working population, coupled with a lack of construction activity, has created an extensive demand for residential rental properties, so much so that the vacancy rate is minimal. These factors together with the quality product being offered form the basis for a sound investment.

Mortgage Rate Buydown

In order to provide protection against rising interest rates, a mortgage rate guarantee is available. When the finished residential suite is delivered to the investor, mortgages will be available with a guaranteed rate of interest of 11% per annum for the first 3 years provided prevailing 3-year term mortgage rates at the time of delivery of the finished residential suite are 12% per annum or less. Otherwise, REEMARK guarantees a mortgage rate of 1% below the then-prevailing rates.

Rental Guarantee

REEMARK guarantees the rental income to the original investor for a full 3 years. The REEMARK Rental Guarantee is backed by our belief in the rentability of the project to qualified tenants. This guarantee continues for the first, second and third year of the investor's ownership of the suite.

Cash Flow Loan and Operating Expense Guarantee

In spite of the fact that the mortgage interest rate is reduced in accordance with the above Mortgage Rate Buydown and rental income to the original investor is guaranteed for the first 3 years of ownership, the cash requirements for the project may occasionally exceed the guaranteed rental income. Under the terms of the Rental Pooling and Management Agreement, the manager will receive all rental income and pay operating expenses for the project directly, together with the monthly mortgage payments on the mortgages and the rental management fee. During the first 3 years of operations, should operating expenses together with projected monthly mortgage payments exceed the rental incomes, any necessary cash required will be funded through an interest-free loan to the investor up to an amount equal to the projected cash flow loan. The repayment of this interest-free loan will coincide with the renewal of the mortgage giving the investor an opportunity to reborrow these monies and thereby retain maximum leverage.

As well, REEMARK guarantees that the operating expenses incurred during the first 3 years of operation will not exceed those reflected in the proforma projections. Should the actual operating expenses exceed the amounts represented, REEMARK will pay the difference between the actual operating expenses and projected operating expenses, less any revenues which exceed the Rental Guarantee, directly without recourse to the investor.

Nominal Cash Investment

A secondary financing program has been arranged through the services of a lending institution and is available to any qualified investor not wishing to finance the cash down payment through his own resources.

An investor who takes advantage of our offer to secure secondary financing for the unit will make an initial cash down payment of \$1,500 per residential suite and a designated lender will supply the vendor and financial company with a Letter of Credit/Line of Credit to secure the outstanding balance payable. We expect the transfer of title to the investor to be in 1989. The investor will make his secondary financing payments to the Vendor's lender or its assignee with the first payment of blended principal and interest commencing in January, 1990. The loan is fully open for repayment at any time without notice or penalty.

Professional Rental and Property Management

As an owner of many real estate investments, REEMARK recognizes the importance of professional managers overseeing one's investments.

Throughout the full 3 year term of the Rental Guarantee, REEMARK will provide each purchaser with Professional Rental and Property Management.

The company's knowledgeable professional management team, coupled with a growth oriented stance in the industry, provides the solid base necessary to allow REEMARK to efficiently administer your realty investment in Brent Gardens.

All assumptions, projections and calculations are deemed reasonable and realistic individually in relation to each other, and taken together when prepared but are inherently subject to uncertainty and variations depending on evolving events. There is absolutely no representation by REEMARK that these assumptions, projections and calculations will be realized in whole or in part.

This material is not intended to constitute tax or legal advice to any individual purchaser. Each prospective purchaser should seek independent advice regarding the legal and tax consequences of investing in the real estate as referred to herein based upon their own particular circumstances, status and place of residence.

"This document does not constitute the offering of these securities for sale. The securities will only be sold pursuant to an offering memorandum which is available to all prospective investors."