

CONFIDENTIAL OFFERING MEMORANDUM

No securities regulatory authority has assessed the merits of this Offering Memorandum or reviewed this Offering Memorandum. Any representation to the contrary is an offense.

The information disclosed on this page is a summary only. Purchasers should read the entire Offering Memorandum for full details about the offering.

This is a risky investment. You could lose all the money you invest.

Dated: January 7, 2008

The Issuer:

Name: Standing Stone Redwater Limited Partnership (the "Partnership")
Head Office:
Address: 1920, 10020 – 101A Avenue
Edmonton, Alberta
T5J 3G2
Phone Number: (780) 421-0044
Fax Number: (780) 421-0069
E-mail address: casey@obyrnegroup.ca

The Offering:

Securities Offered: Limited Partnership Units (the "Units").
Price Per Security: \$12,500
Minimum/Maximum Offering: Minimum \$1,375,000 (110Units) (fully paid)/Maximum \$4,500,000 (360 Units)
Minimum Subscription Amount: Each subscriber will be required to purchase a minimum of 1 Unit for a minimum aggregate subscription price of \$12,500.00.
Payment Terms: Subscription funds are to be made payable to "Chamberlain Hutchison in trust" and are to be provided to the Corporation together with the completed subscription documents. In addition, for each full Unit subscribed and paid for, the subscriber will have the right to subscribe for three-quarters (3/4) of a Unit to be paid by way of a non-recourse promissory note having the terms described under Item 5.
Proposed Closing Date: March 30, 2008. The closing (or closings) may take place prior to or after this proposed closing date, as the Corporation determines.
Tax Consequences: There are important tax consequences to these securities. See item 6.
Selling Agent: The Partnership has not designated a selling agent, but will pay finder's fees of up to 10% of the subscription amount to persons authorized by the Partnership to sell Units. See Item 7.

Resale Restrictions:

You will be restricted from selling your securities for an indefinite period. See Item 10.

Purchaser's Rights:

You have 2 business days to cancel your agreement to purchase these securities. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the agreement. See Item 11

ITEM 1. USE OF NET PROCEEDS

The net proceeds of the offering and the funds available to the Corporation after this offering are as follows:

		Assuming Minimum Offering	Assuming Maximum Offering⁽¹⁾
A	Amount to be raised by this offering	\$1,375,000	\$4,500,000
B	Selling Commissions and Fees	\$137,500	\$450,000
C	Estimated offering costs (e.g. legal, accounting)	<u>\$20,000</u>	<u>\$20,000</u>
D	Net proceeds: D = A – (B+C)	<u>\$1,217,500</u>	<u>\$4,030,000</u>

The net proceeds are intended to be used as follows:

Description of intended use of funds listed in order of priority	Assuming Minimum Offering	Assuming Maximum Offering⁽¹⁾
Minimum payment of Property Purchase price	\$1,000,000	\$1,000,000
Payment of balance of Property Purchase price		\$1,400,000
Obtaining Municipal approval for subdivision/development of Property	\$200,000	\$200,000
Working Capital and development costs	<u>\$17,000</u>	<u>\$1,430,000</u>
Total	<u>\$1,217,000</u>	<u>\$4,030,000</u>

- (1) Assumes that all Units are fully paid. In the event that the maximum subscription is achieved and every subscriber fully exercises the right to purchase an additional 3/4 Unit by way of promissory note, the Partnership will receive on closing total proceeds of \$2,562,500 (205 fully paid Units), which would provide the Partnership with estimated net proceeds of \$2,092,500. Of these net proceeds \$1,800,000 would be applied to payment of the purchase price for the Property, \$200,000 would be applied to obtained municipal approvals and the balance would be used for working capital.

We intend to spend the net proceeds as stated. We will reallocate funds only for sound business reasons.

If less than the maximum offering is achieved the Corporation proposes to fund its short term objectives through secured debt financing, using the Property as security.

ITEM 2 BUSINESS OF STANDING STONE REDWATER LIMITED PARTNERSHIP**Structure**

Standing Stone Redwater Limited Partnership (the “Partnership”) was formed on December 20, 2007, as a limited partnership by the filing of a certificate of limited partnership pursuant to the *Partnership Act* (Alberta). The Partnership is to be governed by the terms of the limited partnership agreement (the

“Limited Partnership Agreement”) to be entered into by all subscribers. A copy of the Limited Partnership Agreement is attached as Schedule “A” to this Offering Memorandum.

In this Offering Memorandum references to “we”, “our” and “us” mean Standing Stone Redwater Limited Partnership.

The general partner of the Partnership is Standing Stone GP I Ltd. (the “General Partner”). The General Partner was incorporated pursuant to the provisions of the *Business Corporations Act* (Alberta) on December 13, 2007. The registered office of the General Partner is Suite #155, 10403 – 122 Street, Edmonton, Alberta, T5N 4C1.

Our Business

The Partnership was formed for the purpose of acquiring and developing the Property (described below). The Partnership has not conducted any business other than entering into an agreement to acquire the Property, and commencing arrangements for the sale of units and development of the Property.

The Partnership has entered into an agreement to purchase the property (the “Property”) being the northern 80 acre portion of the parcel of land legally described as:

The North East quarter of Section twenty (20)
Township fifty seven (57)
Range twenty one (21)
West of the Fourth Meridian,
containing one hundred and sixty (160) acres more or less,

Excepting thereout: one and seventy four hundredths (1.74) acres more or less described as follows: commencing at the north east corner of the said quarter section, thence westerly along the north boundary thereof three hundred and ninety (390) feet, thence southerly and parallel to the east boundary of the said quarter section one hundred and ninety five (195) feet, thence easterly and parallel to the said north boundary to a point in the said east boundary, thence northerly along the said east boundary to the point of commencement.

Excepting thereout all mines and minerals

The Property is presently owned by Thomas Walker and Joanne Walker, who acquired the Property in 1959. Mr. & Mrs. Walker are at arms’ length to the Partnership. Pursuant to a commercial real estate purchase contract dated July 10, 2007, Mr. & Mrs. Walker agree to sell the Property to Casey O’Byrne (an officer, director and sole shareholder of the General Partner) for a purchase price of \$1,840,000. The closing date for the purchase and sale of the Property is scheduled for May 1, 2008. To date Mr. O’Byrne has paid deposits totaling \$90,000 towards the purchase price. The Vendors have agreed to carry up to \$1,000,000 in debt financing on the purchase price, and the balance of \$750,000 is due on the closing date.

Mr. O’Byrne has entered into an agreement to transfer the Property to the Partnership for a purchase price of \$2,400,000. The Partnership is required to pay at least \$1,000,000 of the purchase price in cash on closing to permit the Vendor financing to be paid off in full. The balance of the purchase price is to be paid by way of promissory note, bearing interest at an annual rate equal to the prime lending of Alberta Treasury Branches (ATB Financial), from time to time, plus 2%, payable on the earlier of two year from the date of the purchase of the Property or the date of the sale of the Property by the Partnership, which, Mr. O’Byrne may secure by a charge on the Property. Mr. O’Byrne is not at arms’ length to the Partnership as he is the director, officer and sole shareholder of the General Partner.

The Property is located in the Town of Redwater, in the Province of Alberta, on the south side of highway 644, approximately 1 km west of Main Street in Redwater. The Property consists of approximately 80 acres. It is presently undeveloped farm land.

The Partnership has taken steps to enable the Property to be developed and subdivided to permit individual commercial lots to be sold as an Eco-Industrial Park. A portion of the Property has been zoned as highway commercial, and the remaining portion zoned as light industrial. Achieving this objective may require applying for municipal approvals for subdivision and/or development. Obtaining those approvals may require a number of studies, including engineering and environmental studies.

The Partnership will also consider obtaining reasonable offers for the entire Property prior to the subdivision. While the Property is expected to have a greater value after subdivision, there are additional risks and costs associated with the subdivision and development process that may make a lower offer prior to subdivision more attractive.

Following obtaining required approvals, the Partnership intends to subdivide and develop the Property and proceed with the sale of the individual lots that will comprise the subdivided Property. It is anticipated that it will cost approximately \$200,000 to obtain the required municipal approvals. Development of the Property, which would require the construction of roads and installation of services, is estimated to cost approximately \$6,500,000; however, at this early stage this estimate may be subject to significant variation. It is anticipated that funding for these development costs would be obtained through debt financing secured by a charge on the Property.

The Property is subject to the following encumbrances on its title, which are expected to remain in place:

Registration Number	Description
2851HJ	Caveat re: Surface Lease
7955HG	Caveat re: Surface Lease
1111HM	Caveat re: Surface Lease
5449HK	Caveat re: Surface Lease
3246HP	Utility Right of Way
287KI	Caveat re: Pipeline Right of Way
2718KL	Caveat re: Pipeline Right of Way
6323KL	Caveat re: Utility Right of Way
996LK	Caveat re: Assignment of Rents and Leases
7493OG	Caveat re: Pipeline Right of Way
3952RQ	Caveat re: Easement
2332SW	Caveat re: Easement
1907UL	Caveat re: Pipeline Right of Way
169VI	Caveat re: Redwater Disposal Company Limited
762095510	Utility Right of Way
772075746	Utility Right of Way
792222979	Service Rights Board Order
822199786	Utility Right of Way
842184542	Caveat re: Surface Lease
872029461	Easement
902072714	Caveat re: Lease
922320080	Utility Right of Way
972090422	Caveat re: Right of Way Agreement
972201106	Caveat re: Right of Way Agreement

The Property is presently used by the current owners as a residence and for agricultural purposes. The Property was recently annexed into the Town of Redwater, the Property has been rezoned and as a result, the Property is considered suitable for highway commercial and industrial development. The front 150

meters adjacent to highway 644 and has been zoned highway commercial (C-3) along highway 644 and the back portion has been zoned light industrial (M-1). As there are a number of pipelines in the area the Property is not considered suitable for heavy industrial development and, as a result, it is proposed that a portion of the Property be zoned and developed as light industrial.

At the present time gas and power are available on the Property. The 80 acre portion of the lands that will constitute the Property are not presently serviced by sewage lines, and it is anticipated that these services will need to be arranged by the Corporation to proceed with the development of the Property.

The Town of Redwater is located in the area known as Alberta's "Industrial Heartland". Redwater, in the area of Sturgeon County, is about a 30 minutes drive northeast of Edmonton, Alberta on the route from Edmonton to Fort McMurray. There have recently been announced several proposed bitumen upgraders in Sturgeon County that are estimated to have construction costs totaling approximately \$40 billion. These proposed developments are expected to create a significant demand for industrial commercial space.

The General Partner proposes to develop the Property as an Eco Industrial Park, incorporating environmental planning in the development process. The proposed development will include elements if the following environmental considerations: Environmental Stewardship, Solar Paneling , Geo Thermal Heating, Water Catchments, Recycling Business Cluster, Local Waste Exchange, Roof Gardens, Indigenous Landscaping, Berming, Gray Water Recycling, and an overall "green" Philosophy

Terms of Standing Stone Redwater Limited Partnership

The terms of Standing Stone Redwater Limited Partnership are as set out in the Limited Partnership Agreement attached as Schedule "A" to this Offering Memorandum. The following discussion is a summary of some of the principal terms of the Limited Partnership Agreement. All subscribers should review the terms of the Limited Partnership Agreement carefully and should review the same with their professional advisors.

The capital of the Partnership will be divided into an unlimited number of Units. The Units will be issued for a capital contribution of in an amount determined by the General Partner from time to time. For this Offering Memorandum the Units will be issued for the amount of \$12,500 per Unit. The General Partner has purchased 90 Units for the price of \$100 per Unit. The General Partner shall have the unfettered discretion to accept subscriptions for Units and to determine when, how and to whom to issue Units and on what terms.

The expenses of the Partnership will be allocated on a proportionate basis among the Units based upon the number of Units outstanding. A distribution of earnings and capital of the Partnership to the holders of Units will done on a proportionate basis, based on the number of Units outstanding.

The management of the Partnership shall be vested in the General Partner, which shall have the authority to conduct the business of the Partnership, including all decisions respecting the development and sale of the Property. The General Partner shall have the authority to retain agents, employees or contractors to carry out the business of the Partnership, and to delegate its authority to such persons (provided that no such delegation shall relieve the General partner of its obligations. The General Partner shall be reimbursed for all expenses incurred in conducting the business of the Partnership, but shall not otherwise be compensated in its capacity as General Partner.

Long Term Objectives

Our long term objectives are to complete the subdivision and development of the Property and to sell the Property.

Short Term Objectives and How We Intend to Achieve Them

What we must do and how we will do it	Target completion date or, if not known, number of months to complete	Our cost to complete
Complete purchase of Property	May 1, 2008	\$1,000,000
Prepare survey and other documents for subdivision application.	3 months after Property purchase.	\$150,000
Obtaining Municipal approval for subdivision.	6 months after Property purchase.	\$50,000
Commencer sale/pre-sale of lots	9 months after Property purchase.	\$50,000

Insufficient proceeds

The net proceeds of this offering are insufficient to meet all of our proposed short-term objectives and there is no assurance that additional financing will be available.

Material Agreements

The Corporation has entered into contracts material to investors as follows:

- Limited Partnership Agreement dated December 20, 2007.
- Real Estate Property Agreement dated December 20, 2007, between the Partnership and Casey J. O'Byrne. See "Our Business"

ITEM 3. DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS OF GENERAL PARTNER

Compensation And Securities Held

The following table sets out the shareholdings and compensation of each director, officer, and promoter of the General Partner and each person who directly or indirectly beneficially owns or controls 10% or more of the outstanding voting securities of the General Partner.

Name and municipality of principal residence	Positions held and the date of obtaining that position	Compensation paid by General Partner in the most recently completed financial year and the compensation anticipated to be paid in the current financial year	Number, type and percentage of securities of the General Partner held after completion of minimum offering	Number, type and percentage of securities of the General Partner held after completion of maximum offering
Casey O'Byrne Edmonton, AB	Director, President, Promoter and Principal Holder Since ___, 2007	Nil	100 Common Shares ⁽¹⁾ (100%)	100 Common Shares (100%) ⁽¹⁾

(1) Includes shares held indirectly. Mr. O'Byrne owns all the outstanding shares of Standing Stone Capital Ltd., which company owns all the outstanding shares of Standing Stone Development Corp, which owns all the outstanding shares of Standing Stone GP I Ltd.

The following table sets out the Principal Holders of Units of the Partnership.

Name and municipality of principal residence	Number and percentage of Units held as at January 7, 2008	Number and percentage of Units held after completion of minimum offering	Number and percentage of Units held after completion of minimum offering
Standing Stone Development Corp. ⁽¹⁾	90 Units (100%)	90 Units (45%)	90 Units (20%)

(1) Standing Stone Development Corp. is a private company controlled by Casey J. O'Byrne of Edmonton, Alberta.

Management Experience

The following table sets out the principal occupations and related experience of the director and senior officer of the General Partner over the past 5 years.

Name	Principal Occupation and Related Experience
Casey J. O'Byrne Edmonton, Alberta	Mr. O'Byrne has been practicing law for over 20 years. In addition, he has served on the boards of a number of publicly traded companies.

The Partnership has established an Advisory Committee to provide the General Partner with guidance and support. The Advisory Committee will make non-binding recommendations to the General Partner respecting the business of the Partnership. The members of the Advisory Committee are appointed by the General Partner.

The Members of the Advisory Committee and summaries of their related experience are as follows:

Name	Principal Occupation and Related Experience
Michael Ah Koy Auckland, New Zealand	Mr. Ah Koy is presently the President Business Development of Elandia Inc., Auckland New Zealand. Mr. Ah Koy has held various management positions in companies based in the south Pacific involved in a range of business activities, including, technology, real estate development, real estate management, construction, hospitality, finance and aviation.
Doug Bychyk Edmonton, Alberta	Mr. Bychyk is the owner and operator of the Doug's Place automotive collision repair companies in Edmonton, Alberta, and has been involved with the Edmonton Real Estate Board and developed projects in the City of Edmonton.

Penalties, Sanctions and Bankruptcy

In the past 10 years none of the directors, executive officers or control persons of the Partnership or the General Partner, nor any issuer of which any such person was a director, executive officer or control person, have been subject to any penalty or sanction or any declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangements or compromises with creditors or appointment of a receiver, receiver manager or trustee to hold assets.

ITEM 4. CAPITAL STRUCTURE

Share Capital of Partnership

Description of security	Number authorized to be issued	Number outstanding as at January 7, 2008	Number outstanding assuming completion of minimum offering	Number outstanding assuming completion of maximum offering
Units	Unlimited	90	200	450

Long Term Debt

Description of long term debt (including whether secured)	Interest Rate	Repayment terms	Amount outstanding at January 7, 2008
None	N/A	N/A	Nil

Prior Sales

The Partnership has not issued any Units or other securities convertible into Units within the last 12 months, except as follows:

Date of Issuance	Type of Security Issued	Number of Securities Issued	Price per Security	Total funds received
December 20, 2007	Units	90 ⁽¹⁾	\$100	\$9,000

(1) Units issued to the General Partner.

ITEM 5. SECURITIES OFFERED

The securities offered are Units of the Partnership. Each Unit is entitled to have allocated to its proportionate share of the profits and losses of the Partnership and to participate on a proportionate basis in any distribution of the property of the Partnership, whether upon dissolution or otherwise. The holders of Units as such, have no right to participate in the management of the Partnership. The *Partnership Act* (Alberta) provides that the liability of limited partners is limited to the unpaid amount of their contribution, unless they take part in the control of the business of the Partnership, in which case they will have unlimited liability as if they were a General Partner.

Where Units have not been fully paid for, funds otherwise distributable to the holders of such Units will be applied firstly to payment of the outstanding purchase price therefor.

In the event that the General Partner presents any matters to the limited partners for their approval, each Unit will carry one vote, but fractional Units shall have no voting rights. The General Partner is not required to obtain approval of the limited partners for any matter except approval of a new general partner in the event that the General Partner resigns.

Subscription Procedure

In order to subscribe for Units subscribers will be required to make payment of the subscription price payable to Chamberlain Hutchison in trust and deliver the same to the Chamberlain Hutchison at #155, 10403 – 122 street, Edmonton, Alberta, T5N 4C1, together with the completed and executed subscription documents.

For each Unit that is subscribed and fully paid for, the subscriber will have the right to purchase an additional three quarters (3/4) of a Unit which may be paid by way of a non-recourse promissory note on the following terms (any Units purchased by way of promissory note are referred to as Debt Units):

- (a) The note shall bear interest at an annual rate equal to the prime lending of Alberta Treasury Branches (ATB Financial), from time to time, plus 2%. The rate shall be

determined as at December 1 of each year to be in effect for the next 12 months commencing on the following January 1.

- (b) The principal amount of the promissory note shall be due on the earlier of December 31, 2015 or the date that the Partnership makes a distribution (or distributions) to its Unit holders that, in aggregate, equal the amount outstanding under the promissory note.
- (c) Interest on the promissory note shall be payable monthly, on the last day of each calendar month.
- (d) The Debt Unit that is the subject of the promissory note will be held as security for payment of the note.
- (e) In the event that the Unit holder fails to make an aggregate of 3 monthly interest payments (whether or not such missed payments are consecutive), or fails to pay the principal amount of the promissory note when due, then the Debt Unit may be cancelled by the General Partner, in which case the Unit holder shall have no further right or entitlement to the Debt Unit and the holder shall have no further obligations under the promissory note.
- (f) In the event of non-payment of the promissory note, the Partnership's recourse shall be limited cancelling the Debt Unit.
- (g) The holder shall have the right to pre-pay the promissory note at any time, in whole or in part, without notice, bonus or penalty.

The right to purchase Units by way of a promissory note must be exercised at the same time as the subscription is submitted to the Partnership. The Subscription Agreement includes an election to be completed with respect to that right.

The subscription documents to be completed are attached to this Offering Memorandum, and consist of the following:

1. Subscription Agreement. The Subscription Agreement includes a Power of Attorney that authorizes the General Partner to execute the Partnership Agreement and related documents on behalf of the subscriber.
2. Risk Acknowledgement Form (there are two copies of the Risk Acknowledgement Form attached to this Offering Memorandum. The subscriber is required to complete both copies of this Risk Acknowledgement Form, provide one copy to the Corporation and keep the other copy for their records).

The subscription documents, together with the subscription funds, are to be provided to Chamberlain Hutchison, at #155, 10403 – 122 Street, Edmonton, Alberta, T5N 4C1.

Subscription funds will be held in trust for at least two business days and will be returned to subscribers if requested within that two business day period. Once the offering has closed, the subscription funds will be released to the Partnership.

This offering is subject to a minimum fully paid subscription of \$1,375,000 (110 Units). If the Partnership has not received that minimum subscription by March 30, 2008, subscription funds will be returned to the subscribers without interest or deduction.

Purchase of the Units is subject to the acceptance of the subscription by the Partnership and compliance, in the opinion of counsel for the Partnership, with any applicable securities laws in the Province of, Alberta or other jurisdiction in which the subscriber resides. Accordingly, subscribers for the Units may be required to sign documentation indicating the purchase of the Units by the subscriber is on behalf of the subscriber and that the subscriber qualifies for the purpose of meeting the terms and conditions of the appropriate statutory exemption. The General Partner has the absolute discretion to determine whether or not to accept all or any subscriptions that it receives either in whole or in part. If a subscription is not

accepted, either in whole or in part, the subscription funds (or the unaccepted portion) will be refunded without interest or deduction.

The Partnership may suspend the sale of Units at any time either before or after the minimum subscription has been obtained, and may subsequently issue Units at different prices.

Ontario Residents

In order for Ontario residents to subscribe for Units they must either subscribe for a minimum of 12 Units at a minimum aggregate subscription price of \$150,000 or qualify as an “accredited investor” as described in the subscription agreement.

ITEM 6. INCOME TAX CONSEQUENCES AND RRSP ELIGIBILITY

You should consult your own professional advisors to obtain advice on the tax consequences that apply to you. The following summary of the significant tax consequences to Canadian residents on an investment in the Units was prepared by Chamberlain Hutchison, Edmonton, Alberta.

For Canadian income tax purposes each Limited Partner will be allocated their proportionate share of the profits or losses of the Partnership for each calendar year, which the Limited Partners will be required to report in their personal tax returns for the year in question. Any profits earned by the Partnership will be taxable income for the Limited Partners regardless of whether or not such profits are distributed to the Limited Partners.

Not all securities are eligible for investment in a Registered Retirement Savings Plan (RRSP). You should consult your own professional advisors to obtain advice on the RRSP eligibility of these securities. **It is expected that the Units will not be eligible for investments in a Registered Retirement Savings Plan.**

ITEM 7. COMPENSATION PAID TO SELLERS AND FINDERS

The Partnership has not retained any agent to act as an agent for the sale of the securities offered hereunder, however, the Partnership will pay finder’s fees of up to 10% of the subscription amount to persons authorized by the Partnership to sell Units. The finder’s fee will be paid on the full amount of the accepted subscriptions, including those that are not fully paid for on the closing of the Offering.

ITEM 8. RISK FACTORS

The Units of the Partnership are subject to a number of risk factors, including the following:

All real estate investment is subject to significant risks arising from rapidly changing market conditions.

The value of the Property and its salability will be affected by general market conditions affecting all real estate, as well as factors specific to the Property, including its location, proximity to population centers, availability of utility services, zoning and permitted uses, development or the lack thereof on surrounding properties, costs of developing the Property, including costs of obtaining municipal approvals, road access and services, and the topography and other physical features of the Property.

The proceeds of this Offering will not be sufficient to fund the subdivision and development of the Property, and additional funds will be required to fulfill the objectives of the Partnership. If the Partnership is not able to secure such financing, it will not be able to complete development of the Property, which will have a significant affect on the value of the Property.

Ownership of real estate gives rise to potential liability for a number of reasons, including liability to remedy environmental damage, maintaining the Property, liability arising from Hazards that may exist on the Property, and liability for property taxes.

Real estate values have recently been subject to significant fluctuations. In additions, recent developments in financial markets have affected the availability, and interest charges, of debt financing.

There is no assurance that the Partnership will obtain the municipal approvals required to subdivide and/or develop the Property.

In the event that the proceeds available for distribution to Unit holders is less than the subscription amount of the Units, the Partnership will suffer a bad debt loss with respect to the Debt Units, which will be borne, proportionately, by the holders of fully paid up Units.

Real estate and other development in the Province of Alberta is affected to a large degree by the level of activity in the oil and gas sector, which is affected by oil and gas prices and other factors, including prevailing royalty rates. Anticipated changes in Alberta Royalty rates may have a significant effect on real estate values generally, and on the potential value of the Property in particular.

Resale of the Units will be restricted by applicable securities laws. See “Resale Restrictions”.

ITEM 9. REPORTING OBLIGATIONS

The Partnership is not a Reporting Issuer under the Securities Act (Alberta) or the Securities Acts of any other Provinces, and therefore will not be subject to the continuous disclosure requirements of those Securities Acts. The Partnership will send annual financial statements to its Unit holders, and such other information that may be required for Unit holders to report any attributable income or losses for income tax purposes.

ITEM 10. RESALE RESTRICTIONS

These securities will be subject to a number of resale restrictions, including a restriction of 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.

Unless permitted under securities legislation, you cannot trade the securities before the date that is 4 months and a day after the date the Partnership becomes a reporting issuer in any province or territory of Canada. The Partnership does not intend to become a reporting issuer.

ITEM 13. PURCHASERS' RIGHTS

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

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 day, exclusive of Saturdays and holidays, after you sign the agreement to buy the securities. This right is set out in section 209.1 of the *Securities Act* (Alberta)
2. Rights of Action in the Event of a Misrepresentation – If there is a misrepresentation in this Offering Memorandum you have a right to sue:

- (a) The Corporation to cancel your agreement to buy these securities; or
- (b) the Corporation, every person who was a director at the date of the Offering Memorandum and every other person who signed the Offering Memorandum, for damages.

These rights are set out in section 204 of the *Securities Act* (Alberta).

If you elect to sue to cancel your agreement, then you will no longer have a right to sue for damages against a person or company referred in (b) above.

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

If you intend to rely on the rights described in 2(a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days from the date of the transaction. You must commence your action for damages within the earlier of 180 days from the date that you first had knowledge of the misrepresentation and 3 years after you signed the agreement to purchase the securities.

Standing Stone GP I Ltd
Balance Sheet
as at January 4, 2008

ASSETS

Cash \$ 100.00

Incorporation Costs \$ 688.26

TOTAL ASSETS \$ 788.26

LIABILITIES

Accounts Payable \$ 688.26

EQUITY

Common Shares \$ 100.00

TOTAL LIABILITIES & EQUITY \$ 788.26

These Financial Statements have not been audited.

ITEM 13. DATE AND CERTIFICATE

DATED: January 7, 2008

This Offering Memorandum does not contain a misrepresentation.

(signed) "Casey J. O'Byrne"

CASEY J. O'BYRNE

Chief Executive Officer, Chief Financial Officer, director and promoter of Standing Stone GP I Ltd.

SCHEDULE "A"

THIS AGREEMENT entered into as of the 20th day of December, 2007.

AMONG:

STANDING STONE GP I LTD., a corporation incorporated pursuant to the laws of the Province of Alberta, (herein called the "General Partner")

- and -

STANDING STONE DEVELOPMENT CORP., a corporation incorporated pursuant to the laws of the Province of Alberta, (herein called the "First Partner")

- and -

Each of those parties shown as Limited Partners on the Schedule "A" attached hereto together with each of those parties who becomes a Limited Partner of the Limited Partnership, from time to time, formed pursuant to or in accordance with the provisions of this Agreement, (hereinafter referred to individually as a "Limited Partner" and collectively as the "Limited Partners")

PARTNERSHIP AGREEMENT

THIS AGREEMENT WITNESSETH THAT:

I. DEFINITIONS

1.1 In this Partnership Agreement, unless there is something in the subject matter or context inconsistent therewith, the expressions following shall have the following meanings:

- a) "Extraordinary Resolution" means:
 - i) a resolution passed at a meeting of Limited Partners called for the purpose of considering such resolution, which resolution must be carried by not less than 75% of the total Units outstanding; or
 - ii) a resolution consented to in writing by Limited Partners holding not less than 75% of the Units then outstanding.
- b) "Debt Unit" means a Unit that has been issued to the holder in consideration of the issuance of a promissory note.
- c) "General Partner" means at any particular time the party to this Agreement who has executed the Agreement as General Partner and is then holding office as General Partner.
- d) "Limited Partners" means at any particular time the parties to this Agreement who have executed this Agreement as Limited Partners.
- e) "Partners" means the General Partner together with the Limited Partners.

- f) "Partnership" means the Limited Partnership formed pursuant to the terms of this Partnership Agreement and under the Partnership Act.
- g) "Partnership Act" means The Partnership Act, being Chapter P-3 of the Revised Statutes of Alberta, 2000, and amendments thereto.
- h) "Partnership Agreement", "this Agreement", "this Partnership Agreement", "herein", "hereby", "hereof", "hereunder", and similar expressions mean or refer to this Agreement of Limited Partnership and any amendments hereto.
- i) "Partnership Certificate" means the Certificate filed and recorded at the office of the Registrar of Corporations for the Province of Alberta.
- j) "Partnership Properties" means all of the properties and assets, tangible or intangible, in which the Partnership has an interest, legal, beneficial or otherwise, from time to time or at any time.
- k) "Schedule" or "Section" followed by a number or a letter means or refers to the specified schedule to or section of this Partnership Agreement.
- l) "Subscription Price" shall mean the amount determined by the General Partner, from time to time, to be the subscription price for Units.
- m) "Tax Act" means the Income Tax Act (Canada) as revised or amended from time to time.
- n) "Unit" means a Unit in the capital of the Partnership as provided in section 2.3 hereof.

1.2 The headings used throughout this Agreement are solely for the convenience of the parties and are not to be used as an aid in the interpretation of this Agreement.

1.3 All words herein in the male gender or singular number shall be deemed to include the female gender and the plural number, as the case may be, wherever the context shall so require.

II. FORMATION AND CAPITAL OF THE PARTNERSHIP

2.1 The parties to this agreement do hereby agree to enter into an agreement of limited partnership under the name of "Standing Stone Redwater Limited Partnership" (the "Partnership") in the following form by executing a Subscription and Power of Attorney Form in the form attached as Schedule "B" to this Agreement, including a risk acknowledgement form, if applicable, and such other documents that the General Partner may require. Acceptance of a fully executed Subscription and Power of Attorney Form by the General Partner shall constitute counterpart execution of this Agreement.

2.2 The Partnership shall be effective on the date of filing and recording at the office of the Registrar of Corporations for the Province of Alberta of the Partnership Certificate duly executed by the Partners.

2.3 The capital of the Partnership shall be divided into 450 Units, such Units having the following rights and restrictions:

- (a) at all meetings of Limited Partners holders of Units shall be entitled to cast one vote per each Unit held;
 - (b) the Partnership may pay placement fees with respect to the sale and/or issuance of Units;
 - (c) the income, profits, grants, losses and expenses of the Partnership shall be attributed then allocated to the Units on a proportionate basis based upon the number of Units outstanding;
 - (d) For any amounts distributable to the holders of Debt Units, such amounts shall firstly be retained by the Partnership and applied to payment of the all amounts owing to the Partnership by such holders, and thereafter any excess shall be distributed to such holders; and
 - (e) on the winding up, liquidation or dissolution of the Partnership or the happening of any other event giving rise to a distribution of the Partnership's assets for the purposes of winding up its affairs the holders of Units shall participate in such distribution in the same manner and on the same basis as provided for in subsection (c) above;.
- 2.4 A person may subscribe for any of the Units, by delivering to the General Partner or to such other person or persons at such address as the General Partner may prescribe the following:
- (a) a Subscription and Power of Attorney Form, and Risk Acknowledgement Form if required, completed and executed in a manner acceptable to the General Partner;
 - (b) payment of the Subscription Price either by way of cash or cheque or, where permitted by the General Partner, by way to promissory note;
 - (c) such other instruments, including powers of attorney, as the General Partner may request.
- 2.5 The General Partner is hereby authorized, subject to the receipt of the Subscription and Power of Attorney Form, Risk Acknowledgement Form, if required, Subscription Price and such other instruments as the General Partner may require, at one or more times to admit additional subscribers as Limited Partners to the Partnership and, subject as aforesaid, the Partners hereby consent to the admission of, and will admit, the additional subscribers to the Partnership pursuant to subscriptions, without further act of the Partners. Upon the acceptance of a subscription by the General Partner on behalf of the Partnership, the General Partner shall amend the Certificate by showing the name of each additional subscriber and make such filings and records as are required by law.
- 2.6 Fractional Units may be issued at the discretion of the General Partner. Fractional Units shall participate in any allocation of income, profits, grants, losses and expenses of distribution of assets but shall not carry any voting rights.
- 2.7 Any Debt Units that are issued shall be held by the Partnership as security for payment of the corresponding Units, and may be cancelled by the Partnership in the event of a default of such promissory note.

III. PARTNERSHIP NAME AND PRINCIPAL OFFICE

- 3.1 The business of the Partnership shall be conducted under the firm name and style of "Standing Stone Redwater Limited Partnership".

- 3.2 The head office of the Partnership shall be located at 1920, 10020 – 101A Avenue, Edmonton, Alberta, T5J 3G2, or such other place that the General Partner may determine.
- 3.3 The Partnership may maintain such other and additional offices at other locations as may from time to time be determined by the General Partner.
- 3.4 The location of the offices of the Partnership, including the principal office thereof, may be changed from time to time as the General Partner may determine, by the General Partner giving notice to that effect in writing to all Limited Partners.

IV. QUALIFICATION TO DO BUSINESS

- 4.1 The Partnership shall qualify to do business in the Province of Alberta as a Limited Partnership under the applicable laws and regulations thereof. The Partnership shall likewise so qualify to engage in business in other jurisdictions wherever the General Partner shall determine that it is appropriate for the Partnership to be so qualified or otherwise to be registered.
- 4.2 The General Partner will be qualified to do business as a corporation in the Province of Alberta. For administrative convenience, and without altering or affecting the rights, titles and interests created hereby, the Partners hereby agree that the Partnership Properties may be held in the name of the General Partner, as nominee for the Partnership, and for the use and benefit of the Partners in accordance with the terms and provisions hereof, until such time as the General Partner shall determine that it is appropriate or advisable for the Partnership Properties to be held or registered in the name of the Partnership, another nominee or otherwise. Such holding of the Partnership Properties shall not prevent the vesting of the legal and beneficial title thereto in the Partnership in the manner and at the time as otherwise herein provided.
- 4.3 The General Partner covenants that so long as it is the General Partner in the Partnership, it shall maintain its corporate existence.

V. PURPOSES AND POWERS OF PARTNERSHIP

- 5.1 The purposes of the Partnership shall be:
 - (a) to carry on the business of purchasing, developing and selling real estate property, including, but not limited to, construction of services, sidewalks and roads, construction of buildings, and obtaining municipal approval for such activities.

Without limiting the generality of the foregoing, the purposes and powers of the Partnership shall include:

- (b) holding funds not otherwise invested in an interest bearing account or invested in securities or deposits of or guaranteed by a chartered bank or the Government of Canada or of any Province of Canada or in certificates for deposit or interest bearing accounts of Canadian chartered banks, trust companies or the Province of Alberta Treasury Branches, in bankers acceptances or in money market funds or other liquid investments.
- (c) employing personnel, agents and representatives with such powers and duties, upon such terms and conditions, at such places, and for such compensation as in the judgment of the General Partner may be necessary or advisable in carrying on the business of the Partnership;

- (d) making contracts with independent contractors for such work and upon such terms and conditions as in the judgment of the General Partner may be necessary or advisable in connection with the business of the Partnership;
- (e) employing such legal, accounting and other services and advice as in the judgment of the General Partner may be considered appropriate in the conduct of the affairs of the Partnership;
- (f) borrowing money for the business of the Partnership and from time to time drawing, making, executing and issuing promissory notes and other negotiable or non-negotiable instruments and evidences of indebtedness, and securing the payment of the sum so borrowed and interest thereon by mortgaging, pledging and assigning pursuant to the Bank Act (Canada) or otherwise, all or any part of the Partnership Properties or assigning any money owing or to be owing to the Partnership and engaging in any other means of financing;
- (g) selling, disposing, or releasing any part or portion or all of the Partnership Properties, as well as selling for cash or other consideration interests in the Partnership Properties;
- (h) carrying insurance in such amounts and with such coverage as in the judgment of the General Partner may be necessary or advisable with respect to the Partnership Properties and other assets of the Partnership and the risks and the business of the Partnership;
- (i) engaging in any and all acts or activities appropriate, advisable or necessary in the judgment of the General Partner in conducting the affairs of the Partnership and in furtherance of its objectives; and
- (j) submitting to binding arbitration any matters pertaining to the assets, undertaking and business of the Partnership.

The purposes of the Partnership, as set forth in Section 5.1 hereof, shall be construed both as purposes and as powers. The Partnership shall have, without limitation, the power to do any and every act and thing necessary, proper, convenient or incidental to the accomplishment of the purposes of the Partnership. The enumeration, in paragraphs (a) to (j) inclusive, of Section 5.1 hereof, or elsewhere herein, of particular or specific activities or means by which the purposes of the Partnership may be accomplished shall not limit, or be construed as limiting, the generality and the extent of the powers to be exercised by the Partnership.

- 5.2 The General Partner shall have full power and authority to transact the business of the Partnership and to deal with and in the Partnership Properties for the use and benefit of the Partnership, and, for these purposes, the General Partner shall have sole, complete and plenary power and authority to manage and carry on the business thereof, and to do any and all acts and things required in connection therewith, including the purposes and powers set out in Section 5.1. In exercising its power and authority under this Agreement, the General Partner may act through its directors, officers, employees or any representative that it may designate. In addition, but without limiting the generality of the foregoing, the General Partner shall have the right to delegate or assign any of its powers, authority or responsibilities, including, but not limited to, the powers set out in Section 5.1 hereof, to such parties that it may designate, provided that the General Partner shall remain responsible for the conduct and actions of such parties.

- 5.3 The General Partner shall have the power and authority to appoint one or more persons to an Advisory Board (the “Advisory Board”) of the Partnership and to determine the remuneration payable to members of the Advisory Board. The Advisory Board shall provide advice to the General Partner on investments and other matters respecting which the General Partner seeks such advice, but the Advisory Board shall have no power or authority to operate or conduct the business of the Partnership or to provide instructions or directions to the General Partner.
- 5.4 The General Partner shall have the power and authority to determine the amount of finders’ fees payable with respect to the sale of Units by the Partnership.

VI. CAPITAL CONTRIBUTIONS AND LIABILITIES

- 6.1 The Limited Partners hereby agree and obligate themselves, severally, to contribute and to pay in cash the contributions to Partnership capital set forth in their respective subscriptions.
- 6.2 A Limited Partner is not liable for the obligations of the Partnership except in respect of the amount contributed or agreed to be contributed by him or his predecessor in title to a Partnership Unit to the Partnership capital (including the amount of any promissory note issued to the Partnership in respect of a Debt Unit), plus his share of undistributed profits, provided that the General Partner may, at its discretion, agree to accept non-recourse promissory notes in payment for Debt Units, in which case the only remedy with respect to non-payment of such promissory note will be cancellation of the said Debt Units.
- 6.3 The Partnership is given a first and preferred lien on the interest of each Limited Partner in the Partnership and in distributable monies and properties to secure the payment of all sums due to the Partnership by such Limited Partner. In the event any Limited Partner fails to pay any amount owing by it to the Partnership within the time prescribed for payment thereof, the General Partner, for and on behalf of the Partnership and without prejudice to other existing remedies, is authorized to withhold monies and properties otherwise distributable to such defaulting Limited Partner and to forthwith apply the same against such amount owing.
- 6.4 An individual capital account shall be maintained in the records of the Partnership for each Limited Partner, to which account shall be credited or debited each such Partner's contributions and withdrawals or returns of capital.
- 6.5 An individual account shall be maintained in the records of the Partnership for each Partner to which account shall be credited or debited the respective interests and shares of such Partner in the profits and losses of the Partnership in accordance with the terms and provisions hereof.
- 6.6 No Limited Partner shall be responsible for any of the losses of any other Partner nor share in the income attributable to the Partnership interest of any other Partner.
- 6.7 No Limited Partner shall have either the obligation or the right, power or authority to participate in the management or the conduct of the business of the Partnership, or to transact any business on account thereof, or to bind the Partnership in any way, or to sign any document or instrument for or on behalf of the Partnership. Each Limited Partner acknowledges that if they do participate in the management of the Partnership then they shall be subject to unlimited personal liability for the debts and obligations of the Partnership as if they were a general partner.
- 6.8 Indemnification of General Partner. In any threatened, pending or completed action, suit or proceeding to which the General Partner was or is a party or is threatened to be made a party by

reason of the fact that it is or was the General Partner of the Partnership (other than an action by or in the right of the Partnership) the Partnership shall, subject to the limit set out below, indemnify the General Partner against all costs, damages and expenses, (including legal fees, judgments and amounts paid in settlement) actually and reasonably incurred by the General Partner in connection with such action, suit or proceeding if the General Partner acted in good faith and in a manner which the General Partner reasonably believed to be in or not opposed to the best interests of the Partnership. The termination of any action, suit or proceeding by judgment, order or settlement shall not of itself create a presumption that the General Partner did not act in good faith and in the manner which it reasonably believed to be in or not opposed to the best interests of the Partnership. The indemnity granted by this Section shall be limited to the amount of the contributions of capital of the Limited Partners and their interest in the Partnership Property and the Limited Partners shall not incur any liability greater than the said amount and the said interest by virtue of the indemnity contained in this Section.

VII. TRANSFER OF LIMITED PARTNERSHIP INTERESTS

- 7.1 No Units of the Partnership may be assigned or transferred without the approval of the General Partner. The General Partner shall not prescribe the value of the Units for any transfer, and the General Partner's approval of any assignment or transfer shall not constitute an assessment or representation of the value of the Units. Further, any transfer of Units shall be subject to compliance with all applicable securities and other laws that may restrict or limit the transfer of Units. In addition, no assignee is entitled to become or be recognized as a substituted Limited Partner, unless:
- a) such assignment is for not less than one Unit;
 - b) the assignee must agree in writing to be bound by the terms of the Partnership Agreement and to assume the obligations of a Limited Partner under the Partnership Agreement in relation to the Unit to be assigned to him;
 - c) the assigning Limited Partner must deliver or cause to be delivered to the General Partner the "Unit Certificate" for the Unit to be assigned duly endorsed for assignment;
 - d) the form for the assignment of a Unit shall be substantially in the form of the Assignment required by the General Partner, and must be executed and delivered to the General Partner and completed and executed in a manner satisfactory to the General Partner, including without limiting the foregoing, such proof as to the authenticity of execution and due power and authority to execute and deliver as the General Partner may deem appropriate;
 - e) either the assignee or the assignor has paid to the Partnership a transfer fee in an amount to be reasonably determined by the General Partner to cover the anticipated costs of processing the transfer including, but not limited to, the cost of amending the Partnership Certificate; and
 - f) subject to all of the foregoing being completed and delivered as required and being in a form satisfactory to the General Partner, the Partnership Certificate must be appropriately amended by the General Partner to include such assignee as a Limited Partner and to show the status in the Partnership of the Limited Partner assigning a Unit as a result of that assignment, all in accordance with the requirements of the Partnership Act and any other filings and recordings required by law to be made.

- 7.2 The General Partner shall cause the Partnership Certificate to be appropriately amended in accordance with the requirements of the Partnership Act and Schedule "A" hereof to be revised to reflect such assignment and substitution.

VIII. GENERAL ACCOUNTING PRINCIPLES

- 8.1 The fiscal year or period of the Partnership, until dissolution, shall be the calendar year and all financial statements of the business of the Partnership shall be accounted for in accordance with generally accepted accounting principles consistently applied.
- 8.2 The General Partner shall keep and maintain full and complete books of account and records of the Partnership at its principal place of business or elsewhere as may be advisable.
- 8.3 The accountants of the Partnership shall be a firm of Chartered Accountants selected by the General Partner.

IX. PARTNERSHIP PROFITS AND LOSSES

- 9.1 Each Partner's interest or share of the Partnership income, profits, grants, losses and expenses that, under applicable tax law, are allocatable to the Partners shall be allocated as of the end of the applicable fiscal year of the Partnership in accordance with section 2.3 of this Agreement.
- 9.2 Except as otherwise expressly provided herein, the Limited Partners as such, shall not receive any payment from the Partnership as salary, placement fees, or similar payments.

X. REPORTING

- 10.1 Within 140 days of each fiscal year end of the Partnership the General Partner shall forward to each Limited Partner a report respecting the business of the Partnership, provided that no Limited Partner shall be entitled to receive any information of a confidential nature or the disclosure of which would result in a breach of any agreement or regulation binding on the Partnership or the General Partner. The Limited Partners shall at all times maintain the confidentiality of financial and other information and data which they may obtain through or on behalf of the Partnership and shall utilize such information and data only for the business of the Partnership.
- 10.2 The General Partner shall provided to the Limited Partners such tax forms or other documents within the times required for such forms or other documents that may be required to permit the Limited Partners to complete and file any required tax returns on a timely basis.

XI. ADMINISTRATION OF PARTNERSHIP BUSINESS

- 11.1 The General Partner has, as such, an unlimited liability for the liabilities and obligations of the Partnership and agrees to indemnify Limited Partners against loss of limited liability. Additionally, the General Partner may make refundable advances to the Partnership to meet the organizational, commencement and ongoing costs and expenses of the Partnership or to meet pending requirements that may arise prior to the acceptance of subscriptions.

- 11.2 The General Partner shall devote its best efforts and skill to the successful development and operation of the Partnership business.
- 11.3 All funds of the Partnership, including capital contributions to the Partnership, shall be deposited in one or more Partnership bank accounts with such chartered banks within Canada as the General Partner deems advisable, and such funds may be invested in an interest bearing account or invested in securities or deposits of or guaranteed by a chartered bank or the Government of Canada or of any Province of Canada or in certificates for deposit or interest bearing accounts of Canadian chartered banks, trust companies or the Province of Alberta Treasury Branches, in bankers acceptances or in money market funds or other liquid investments.
- 11.4 All funds in Partnership bank accounts shall be withdrawn or withdrawable only upon the cheque, draft or other written order signed by the General Partner or such person or persons authorized to do so by the General Partner. Each bank shall be and is hereby relieved of any responsibility to inquire into the authority of the General Partner to deal with the Partnership funds and absolved of any liability in respect of any withdrawals from any such account by any person duly authorized thereunto by the General Partner.
- 11.5 The General Partner shall have the full power to appoint by written instrument an agent or agents to act for it, upon such terms and conditions and subject to such limitations as the General Partner may specify in the instrument appointing such agents, and such agents shall thereupon have the power and authority to carry out such duties as may be specified in the instrument appointing them provided that the General Partner shall remain responsible for the acts of such agents.
- 11.6 The General Partner shall not endorse any mercantile paper or in any manner become or act as guarantor or surety or bondsman for any person, firm or corporation for and on behalf of the Partnership, nor shall the General Partner in the name of the Partnership make, draw, endorse, accept or sign any cheque, note, draft, bill of exchange, bond or obligation of any description for the accommodation of any other person, firm or corporation whatsoever.
- 11.7 The General Partner shall cause the Partnership, in calculating its income or loss for income tax purposes for any fiscal year, to deduct the maximum amounts of capital cost allowance, resource allowance and such other deductions as may be available to it for that year.
- 11.8 The General Partner shall invest funds not immediately required for the operations of the Partnership only in an interest bearing account or invested in securities or deposits of or guaranteed by a chartered bank or the Government of Canada or of any Province of Canada or in certificates for deposit or interest bearing accounts of Canadian chartered banks, trust companies or the Province of Alberta Treasury Branches, in bankers acceptances or in money market funds or other liquid investments.

XII. RESTRICTIONS

- 12.1 Neither the General Partner nor any associate or affiliate company thereof nor any partnership in which the General Partner or any such associate or affiliate is a partner may purchase or otherwise acquire any properties from the Partnership unless sanctioned by an Extraordinary Resolution. For the purpose of this Agreement the expressions "associate" and "affiliate" shall have the meanings as ascribed to them by the Securities Act (Alberta), as amended.
- 12.2 The funds of the Partnership shall not be co-mingled with funds of the General Partner or any associate or affiliate thereof or any partnership in which the General Partner or such associate or

affiliate thereof or any partnership in which the General Partner or such associate or affiliate is a partner or manager.

- 12.3 Notwithstanding anything in this Agreement to the contrary, nothing in this Agreement shall prevent the General Partner from accepting payment in kind with respect to the payment of any amounts payable to the General Partner under this Agreement including, but not limited to, the General Partner, as payments for amounts owing to it, shares of companies held by the Partnership, whether or not a distribution in kind is made to Limited Partners.

XIII. GENERAL PARTNER COMPENSATION

- 13.1 As compensation for acting as General Partner and managing the business and affairs of the Partnership, the General Partner shall be reimbursed for all costs and expenses incurred by it in conducting the business of the Partnership.
- 13.2 The Partnership shall be responsible to pay all costs and expenses of managing the business and affairs of the Partnership. Without limiting the generality of the foregoing, the Partnership shall be responsible to pay the following costs:
- (a) all professional fees incurred by the Partnership, including legal and accounting fees;
 - (b) all fees paid to the members of the Advisory Board, and other advisors to the Partnership;
 - (c) all fees and expenses charged by parties, other than the General Partner, for management of the business by the Partnership;
 - (e) all costs of liquidating properties and assets of the Partnership; and
 - (f) all direct operating costs of the Partnership, including general and administrative expenses.
- 13.4 If the General Partner advances funds to the Partnership pursuant to Section 11.1, the General Partner shall be entitled to charge interest on such amounts at a rate equal to the prime lending rate of the Toronto Dominion Bank.

XIV. CHANGE OF GENERAL PARTNER

- 14.1 The General Partner shall not sell, assign or otherwise dispose of its interest as the General Partner in the Partnership unless sanctioned by an Extraordinary Resolution or unless it is in connection with the merger or amalgamation resulting in a surviving or continuing corporation that is the General Partner.
- 14.2 The General Partner may, following approval by an Extraordinary Resolution, resign on 60 days' notice to the Limited Partners and shall be deemed to have resigned 60 days after the bankruptcy, insolvency, dissolution, liquidation, winding-up (or the commencement of steps in connection therewith which are not contested in good faith by the General Partner) of the General Partner or the appointment of a trustee, receiver or receiver-manager of the affairs of the General Partner. In the case of any proposed actual or deemed resignation, a new General Partner may be appointed in addition to or substitution therefor by an Extraordinary Resolution. No resignation or removal shall be effective until after a replacement General Partner is appointed.

- 14.3 After an assignee of the General Partner or a replacement for the General Partner signs a copy of this Agreement, it shall become the General Partner and thereafter have, subject to the last sentence of Section 14.2, all the rights, benefits, privileges and obligations of the General Partner and the General Partner shall do all things and shall take all steps to immediately and effectively transfer the management and operation, assets, books, computer data, tapes, records and accounts of the Partnership to the new General Partner including the execution of all deeds, certificates, declarations and other documents whatsoever which may be necessary to effect such change and to convey all the assets of the Partnership to the new General Partner of the Partnership.
- 14.4 Notwithstanding anything herein to the contrary, upon the resignation of the General Partner, such General Partner shall retain ownership of any Units in that General Partner's name.

XV. MEETINGS

- 15.1 The General Partner may at any time and from time to time and shall, upon request of Limited Partners holding at least 25 of the outstanding Units, convene a meeting of the Limited Partners. In the event of the General Partner's failure to call such meeting within fifteen (15) days after receipt of such Limited Partner's request, any Limited Partner may call such meeting.
- 15.2 At least 14 days' notice of any meeting (and not more than 45 days' notice) shall be given to the Limited Partners (and to the General Partner if the meeting has been convened by a Limited Partner). Such notice shall state the time, date, and place where the meeting is to be held and shall state briefly the general nature of the business to be transacted thereat. It shall not be necessary for any such notice to set out the terms of any resolution to be proposed.
- 15.3 Subject to the provisions of Sections 1.1(a) and 15.4, a quorum at any meeting of the Limited Partners shall consist of one or more Limited Partners present in person or by proxy and representing at least 10% of the Units in the Partnership.
- 15.4 If a quorum of Limited Partners shall not be present within 30 minutes from the time fixed for holding any such meeting, the meeting shall be adjourned to the date 7 days later (unless such day is a non-business day, in which case it shall be adjourned to the next business day thereafter) at the same time and place. It shall not be necessary to give notice of such adjourned meeting other than by announcement at the time of adjournment. At the adjourned meeting the Limited Partners present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened notwithstanding that they may not represent 10% of the Units in the Partnership.
- 15.5 On any question submitted to a meeting each Limited Partner shall be entitled to cast one vote for each full Unit held and, except as otherwise specified in this Partnership Agreement, questions shall be decided by a majority of votes cast thereon.
- 15.6 Votes at meetings of the Limited Partners may be cast personally or by proxy. The instrument appointing a proxy shall be in writing and in such form as is prescribed from time to time by the General Partner and, if executed by a corporation, shall be signed by an officer or attorney duly authorized in writing. Unless otherwise indicated or earlier revoked, proxies shall cease to be valid one year from their date. Any individual may be appointed a proxy.
- 15.7 The General Partner, or its designee, shall act as chairman of a meeting of Limited Partners.

- 15.8 A vote cast in accordance with the terms of an instrument of proxy shall be valid notwithstanding the revocation of the proxy or transfer of the Units in respect of which the proxy was given, provided that no notice in writing of such revocation or transfer shall have been received at the place of the meeting prior to the time fixed for the holding of the meeting.
- 15.9 Officers and directors of the General Partner shall have the right to attend in their capacity as such at any meeting of Limited Partners and to address any such meeting on the matters properly before it, but the General Partner shall not have a vote at any such meeting except with respect to such Units that it holds.

XVI. AMENDMENTS

- 16.1 Subject to the provisions of Section 16.2, this Partnership Agreement may only be amended by Extraordinary Resolution concurred with by the General Partner; provided, however, that without unanimous approval of all Limited Partners and the General Partner no amendment shall be made to this Partnership Agreement which would have the effect of reducing the interest in the Partnership of the Limited Partners, changing the liability of any Limited Partner, allowing any Limited Partner to exercise control of the business of the Partnership or changing the Partnership from a Limited Partnership to a General Partnership.
- 16.2 **Amendments by General Partner.** The General Partner may, without prior notice to or consent from any Limited Partner, amend from time to time any provision of this Agreement or the Partnership Certificate if such amendment is to cure an ambiguity or to correct or supplement a provision of this Agreement.

XVII. POWER OF ATTORNEY

- 17.1 Each Limited Partner hereby irrevocably makes, constitutes and appoints the General Partner, and any successor to the General Partner under the terms of this Partnership Agreement, as its true and lawful attorney and agent, with full power and authority in its name, place and stead to do all of the following, namely:
- a) execute, swear to, acknowledge, deliver, file and record in the appropriate public offices all certificates and other instruments which the General Partner deems appropriate or necessary to qualify, or to continue the qualification of, the Partnership as a Limited Partnership in the jurisdictions in which the Partnership may conduct its business; all instruments which the General Partner deems appropriate to reflect any amendment, change or modification of the Partnership in accordance with the terms of this Partnership Agreement; all conveyances and other instruments or documents which the General Partner deems appropriate to reflect the dissolution and liquidation of the Partnership pursuant to the terms of this Partnership Agreement; and all instruments relating to the admission of additional or the withdrawal of Limited Partners; and
 - b) execute and file with any government body any documents which might be filed or which might be required to be filed in connection with the business of the Partnership.
- 17.2 The foregoing power of attorney is hereby declared by the Limited Partners to be an irrevocable power coupled with an interest, and it shall survive the death of Limited Partners and shall extend to the heirs, executors, administrators, successors and assigns of the Limited Partners. Each Limited Partner hereby agrees to be bound by any act of the General Partner and any successor thereto, while

acting in good faith pursuant to the foregoing power of attorney, and each Limited Partner hereby waives any and all defence which may be available to him to contest, negate or disaffirm the actions of the General Partner and any successor thereto taken in good faith in accordance with the terms of the foregoing power of attorney. The power of attorney granted herein may be exercised by the General Partner on behalf of the Limited Partners by executing any instrument with a single signature as attorney and agent for all of them. Each Limited Partner agrees to be bound by any representations and actions made or taken by the General Partner pursuant to such power of attorney.

XVIII. DISSOLUTION AND LIQUIDATION OF THE PARTNERSHIP

18.1 Dissolution of the Partnership and the termination thereof shall occur:

- a) 90 days following the bankruptcy, dissolution or winding-up of the General Partner unless replaced as permitted under Article XIV;
- b) upon the declaration by the General Partner of the dissolution of the Partnership;
- c) upon the passing of a resolution of the Limited Partners passed by a majority of not less than 75% of the total outstanding Units of the Limited Partnership.

whichever of the said events shall be the first to occur.

18.2 The General Partner shall serve as the receiver of the Partnership upon its dissolution. If the General Partner is unable or unwilling to act in such capacity, the Limited Partners shall appoint some other appropriate person or party to act as the receiver of the Partnership. The receiver shall proceed diligently to wind-up the affairs of the Partnership and to distribute the net proceeds from the sale of the assets thereof. During the course of such liquidation, the receiver shall operate the properties and undertakings of the Partnership and in doing so shall be vested with all the powers and authority of the General Partner in relation to the Partnership under the terms of this Agreement. The receiver shall be paid its reasonable fees and disbursements incurred in carrying out its duties as such.

18.3 Upon termination of the Partnership, its liabilities and obligations to creditors shall be paid, including all amounts payable to the General Partner, and the remaining Partnership Properties or the proceeds from the sale thereof, if any, shall then be distributed in accordance with Section 2.3.

18.4 Except as otherwise provided herein, no Partner shall have the right to demand and receive a return of its contributed capital in a form other than cash, provided, however, that nothing herein is to be construed to prohibit such a return of contributed capital in a form other than cash.

18.5 In no event and under no circumstances shall a Partner be entitled, whether during the existence of the Partnership or following its termination, to compel a partition, judicial or otherwise, of any of the assets of the Partnership or of its assets distributed to the Partners, either in kind or otherwise.

18.6 The Partnership shall continue for a term commencing on the date of filing of the Partnership Certificate pursuant to the Partnership Act until terminated as provided in Section 18.1.

XIX. GENERAL PROVISIONS

- 19.1 All notices relating to this Partnership shall be given by mail, facsimile transmission, telex, telegram or personal delivery addressed to the Partners at their respective addresses as shown on each Partner's subscription form or such other address as the Partner may advise the Partnership of in writing. Any such notice shall be deemed to have been given and received on the next business day following the date of delivery or transmission, except that if notice is given by mail and there is a mail strike, slow down or other labour dispute which affects the delivery of mail then the notice shall be effective only if actually delivered. Where the General Partner is required to provide a notice to all Limited Partners, the inadvertent failure to provide such notice to one or more Limited Partners shall not invalidate the notice or any rights, obligations or actions based thereon or arising therefrom. Where a Limited Partner consents in writing to receive notices under this Agreement by means of electronic delivery (such as e-mail), any such notice may be given to that Limited Partner by means of electronic delivery in the form consented to by that Limited Partner and in such case the notice shall be deemed to have been given and received on the next business day following the date of electronic delivery unless the sender receives notification of failure of electronic delivery or otherwise has reason to believe that such electronic delivery was not effected.
- 19.2 Every provision of the Partnership Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the Partnership Agreement. This paragraph shall not, however, derogate from the statutory rights of the withdrawal and rescission contained in applicable securities legislation.
- 19.3 Each of the Partners for itself, its heirs, executors, administrators, successors and assigns, hereto covenants and agrees that it shall from time to time and at such times as may be required, execute such further agreements, supplemental agreements, assurances of title, and other documents and instruments as may be reasonably required and necessary to carry out Partnership business and to effectuate the provisions hereof.
- 19.4 This Partnership Agreement and any agreements referred to herein set forth the entire agreement of the Partners regarding its subject matter.
- 19.5 The covenants and agreements herein contained will enure to the benefit of, and be binding upon, the Partners and their respective successors and assigns. Any person succeeding to the interest of a Partner will succeed to all of such Partner's rights, interests, and obligations, subject to and with the benefit of all terms and conditions of this Partnership Agreement, including any restrictive conditions contained herein. Except as provided in this Section, no provision of this Partnership Agreement will be deemed to convey any rights upon, or be construed for the benefit of, any third party.
- 19.6 This Partnership Agreement will be construed in accordance with the laws of the Province of Alberta, and each Partner irrevocably attorns to the jurisdiction of the courts of the Province of Alberta.
- 19.7 Time shall be of the essence of this Partnership Agreement.
- 19.8 This Agreement may be executed in any number of counterparts each of which shall be deemed to be an original.

IN WITNESS WHEREOF the parties have caused this Limited Partnership Agreement to be executed effective the _____ day of December, 2007.

STANDING STONE GP I LTD.

Per: _____

STANDING STONE DEVELOPMENT
CORP.

Per: _____

AS TO THE LIMITED PARTNERS

WITNESS

SCHEDULE "A"

LIST OF LIMITED PARTNERS AND UNITS

<u>LIMITED PARTNERS NAME</u>	<u>NUMBER OF UNITS</u>
Standing Stone Developments Corp.	90

STANDING STONE REDWATER LIMITED PARTNERSHIP

(the "Partnership")

SUBSCRIPTION AGREEMENT FOR UNITS

(for use by Canadian Subscribers)

Offering pursuant to the Offering Memorandum of the Partnership dated January 7, 2008, of Limited Partnership Units ("Land Units") and Debt Units ("Debt Units") (the Land Units and Debt Units are collectively referred to as the "Units") at a subscription price of \$12,500.00 per Unit

The Units will be subject to an indefinite hold period during which they may not be traded unless permitted under securities legislation.

TO: Standing Stone Redwater Limited Partnership
C/o Chamberlain Hutchison
#155, 10430 – 122 Street
Edmonton, Alberta
T5N 4C1

1. Offering Memorandum: Words and phrases used in this Subscription Agreement and Acknowledgement shall have the same meaning as in the Offering Memorandum of the Partnership dated January 7, 2007, (the "Offering Memorandum") in relation to the Units offered therein. The Subscriber hereby acknowledges receipt of the Offering Memorandum and the Subscriber further acknowledges that this Subscription and the Units to be issued on acceptance of this Subscription are subject to the terms and conditions set forth in the Offering Memorandum, all of which are incorporated herein by reference and form part of the contract established by the acceptance of this Subscription.

2. Subscription: The Subscriber hereby subscribes for and agrees to purchase _____ Land Units of the Partnership at a price of \$12,500.00 Unit for an aggregate subscription price of \$_____ upon the terms and conditions set out herein. The Units shall have the features set out above and as described in the Offering Memorandum.

3. Option to Purchase Debt Units: [complete if the Subscriber is exercising the right to purchase Debt Units] The Subscriber gives notice that it wishes to exercise the right to purchase _____ Debt Units (as described in the Offering Memorandum), and in payment therefor hereby tenders a completed and signed Promissory Note in the form attached as Exhibit "D" hereto.

[Note: The subscriber shall have the right to subscribe for three quarters (3/4) of a Debt Unit for each Unit that is subscribed and fully paid for.]

The Subscriber acknowledges and agrees that if the subscriber fails to make any payments when due under the above said Promissory Note then the Partnership may cancel the Debt Units and all payments made up to that date shall be forfeited to the Partnership, and the subscriber shall not be entitled to any return or refund of those payments.

4. \$10,000 subscription – Eligible Investor Acknowledgement. **This Section applies only to residents of Alberta, Manitoba, Northwest Territories, Nunavut, Prince Edward Island, Quebec and Saskatchewan:** If the subscription amount is greater than \$10,000, and if the Subscriber is a resident of Alberta, Manitoba, Northwest Territories, Nunavut, Prince Edward Island, Quebec or Saskatchewan, in subscribing for the Units of the Partnership, the Subscriber hereby irrevocably represents to the Partnership and acknowledges that the Subscriber is an "eligible investor" as such term is defined in Section 1.1 of National Instrument 45-106, a copy of which definition is attached as Exhibit "A" hereto, and I have circled the portion of that definition applicable to me.

The Subscriber acknowledges that the Partnership and its counsel are relying upon the foregoing representation and acknowledgement.

5. Ontario Residents: If the Subscriber is resident in Ontario, the Subscriber hereby irrevocably represents to the Partnership and acknowledges that the Subscriber is either:
- a. Purchasing not less than 12 Units at an aggregate cash consideration of not less than \$150,000, or
 - b. Is an accredited investor as such term is defined in Section 1.1 of National Instrument 45-106, a copy of which definition is attached as Exhibit "B" hereto, and I have circled the portion of that definition applicable to me.
6. Representations, Warranties and Covenants: By executing this Subscription Agreement, the Subscriber represents, warrants and covenants to the Partnership (and acknowledges that the Partnership and its counsel are relying thereon) that:
- a. the Subscriber has been independently advised as to restrictions with respect to trading in the Units imposed by applicable securities legislation in the jurisdiction in which the Subscriber resides, confirms that no representation has been made to it by or on behalf of the Partnership with respect thereto, acknowledges that the Subscriber is aware of the characteristics of the Units, the risks relating to an investment therein and of the fact that the Subscriber may not be able to resell the Units except in accordance with limited exemptions under applicable securities legislation and regulatory policy, and agrees and undertakes that it will not resell the Units except in accordance with such legislation and policies;
 - b. the sale of the Units has not been qualified under the securities legislation of any province or other jurisdiction by way of prospectus, that it is purchasing the Units pursuant to an exemption contained in the securities legislation of the jurisdiction in which the Subscriber is resident, such exemption will exempt the Partnership from certain of the obligations of such securities legislation, and that the Units will be subject to certain restrictions on resale and that the certificate representing the Units will bear a legend prohibiting their transfer in accordance with National Instrument 45-102;
 - c. except for the Offering Memorandum and for publicly available information, the Subscriber has not received, nor has the Subscriber requested, nor does the Subscriber have any need to receive, any offering memorandum, or any other document describing the business and affairs of the Partnership which has been prepared for delivery to, and reviewed by, prospective purchasers in order to assist the Subscriber in making an investment decision in respect of the Units;
 - d. if an individual, he/she is of the full age of majority and is legally competent to execute this Subscription Agreement and take all actions pursuant hereto;
 - e. the Subscriber is purchasing as principal for its own account, not for the benefit of any other person, for investment only and not with a view to the resale or distribution of all or any of the Units;
 - f. 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;
 - g. the Subscriber has such knowledge in financial and business affairs as to be capable of evaluating the merits and risks of its investment and is able to bear the economic risk of loss of the Subscriber's investment;
 - h. if it is a corporation or other entity, the Subscriber has been duly incorporated or created as the case may be, and is valid and subsisting under the laws of its jurisdiction of incorporation or creation and has good and sufficient power, authority and right to enter into and deliver this Subscription Agreement and to perform its obligations hereunder;
 - i. if required by applicable securities legislation, policy or order or securities commission, or other regulatory authority, the Subscriber will execute, deliver, file and otherwise assist the Partnership in filing such reports, undertakings and other documents with respect to the issue of the Units as may be required.

The representations, warranties and covenants of the Subscriber shall survive the purchase by the Subscriber of the Units, without limit as to time. The Subscriber acknowledges that the Partnership and its counsel are relying upon the foregoing representations and acknowledgements.

7. Acceptance: The Subscriber understands that this Subscription may not be accepted by the Partnership, or may be accepted in whole or in part by the Partnership, as it may in its discretion determine. Any acceptance by the Partnership shall be subject to all regulatory approvals and other regulatory requirements that may apply.

8. The contract arising out of this Subscription Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein and the Subscriber and the Partnership each irrevocably attorn to the jurisdiction of the courts of the Province of Alberta. Time shall be of the essence hereof.

9. 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.

10. Enurement: Once accepted by the Partnership, this agreement shall enure to the benefit of and be binding upon each of the Subscriber and the Partnership and their respective heirs, executors, administrators, legal representatives and successors.

11. Notice and Authorization of Indirect Collection of Personal Information: The Subscriber acknowledges and confirms that the Partnership has given notice to the Subscriber:

- (a) of the of the delivery to the securities regulatory authority or, where applicable, the regulator of the information pertaining to the person as set out in this Subscription including, but not limited to, the name and address of the Subscriber;
- (b) that such information is being collected indirectly by the securities regulatory authority or, where applicable, the regulator under the authority granted to it in securities legislation;
- (c) that this information is being collected for the purposes of the administration and enforcement of the securities legislation; and
- (d) of the title, business address and business telephone number of the public official in the local jurisdiction, who can answer questions about the security regulatory authority's or, where applicable, the regulator's indirect collection of the information is as set out in Exhibit "C" hereto;

and the Subscribers hereby authorizes the indirect collection of the information by the securities regulatory authority or, where applicable, the regulator.

IN WITNESS WHEREOF the Subscriber has caused this agreement to be executed at _____, in _____, this _____ day of _____, 20__.

<p>_____ Name of Subscriber (please print)</p> <p>By: _____ Authorized Signature</p>	<p>_____ Subscriber's Address, including postal code</p> <p>_____ Telephone Number (E-mail Address)</p> <p>_____ Social Insurance Number (required by Federal legislation)</p>
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Receipt is acknowledged and the foregoing Subscription is accepted, subject to the terms and conditions herein set out, the Partnership this _____ day of _____, 20__.

STANDING STONE REDWATER LIMITED PARTNERSHIP

Per: _____

Note: Units issued will be registered in the manner in which the Subscriber's name appears hereon. Any change of Subscriber's address will only be effective upon receipt of written notice thereof by the Partnership.

Exhibit "A"

Definition of "eligible investor"

"eligible investor" means

- (a) a person whose
 - (i) net assets, alone or with a spouse, in the case of an individual, exceed \$400,000,
 - (ii) net income before taxes exceeded \$75,000 in each of the two most recent calendar years and who reasonably expects to exceed that income level in the current calendar year, or
 - (iii) net income before taxes, alone or with a spouse, in the case of an individual, exceeded \$125,000 in each of the two most recent calendar years and who reasonably expects to exceed that income level in the current calendar year,
- (b) 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,
- (c) a general partnership in which all of the partners are eligible investors,
- (d) a limited partnership in which the majority of the general partners are eligible investors,
- (e) a trust or estate in which all of the beneficiaries or a majority of the trustees are eligible investors,
- (f) an accredited investor, or
- (g) a 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 investment dealer, securities dealer or their equivalent, registered under the securities legislation of the jurisdiction.

Exhibit "B"

"accredited investor" means

- (a) a Canadian financial institution, or an authorized foreign bank named in Schedule III of the *Bank Act* (Canada),
- (b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada),
- (c) a subsidiary of any person or company referred to in paragraphs (a) or (b), if the person or company 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 registered under 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 or company 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 Comite de gestion de la taxe scolaire de l'île de Montreal or an intermunicipal management board in Quebec,
- (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 provincial pension commission or similar regulatory authority of a jurisdiction of Canada,
- (j) an individual who, either alone or jointly with a spouse, beneficially owns, directly or indirectly, financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds \$1,000,000 ("financial assets" being cash, securities or a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation),
- (k) an individual whose net income before taxes exceeded \$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse exceeded \$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year,
- (l) an individual who, either alone or with a spouse, has net assets of at least \$5,000,000,
- (m) a person, other than an individual or investment fund, that has net assets of at least \$5,000,000, as shown on its most recently prepared financial statements,
- (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 and 2.19 of National Instrument 45-106, or (iii) a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 of National Instrument 45-106,
- (o) an investment fund that distributes or has distributed its securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Quebec, the securities regulatory authority, has issued a receipts,
- (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 under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction, and (ii) in 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 provide 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 or company in respect of which all of the owners of interests, direct or indirect, legal or beneficial, except the voting securities required by law to be owned by directors, are persons or companies that are accredited investors,
- (u) an investment fund that is advised by the securities regulatory authority or , except in Ontario and Quebec, the regulator as(i) an accredited investor, or (ii) an exempt purchaser in Alberta or British Columbia after National Instrument 45-106 comes into force.

Exhibit “C”

Securities Regulatory Authorities and Regulators

British Columbia Securities Commission

P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Telephone: (604) 899-6854
Toll free in British Columbia and Alberta 1-800-373-6393
Facsimile: (604) 899-6506

Alberta Securities Commission

4th Floor, 300 – 5th Avenue SW
Calgary, Alberta T2P 3C4
Telephone: (403) 297-6454
Facsimile: (403) 297-6156

Saskatchewan Financial Services Commission

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

The Manitoba Securities Commission

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

Ontario Securities Commission

Suite 1903, Box 5520 Queen Street West
Toronto, Ontario M5H 3S8
Telephone: (416) 593-3682
Facsimile: (416) 593-8252
Public official contact regarding indirect collection of information:
Administrative Assistant to the Director of Corporate Finance
Telephone (416) 593-8086

Autorité des marchés financiers

800, Square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montréal, Québec H4Z 1G3
Telephone: (514) 395-0337
Or 1877 525-0337
Facsimile: (514) 864-3681

New Brunswick Securities Commission

133 Prince William Street, Suite 606
Saint John, New Brunswick E2L 2B5
Telephone: (506) 658-3060
Facsimile: (506) 658-3059

Nova Scotia Securities Commission

2nd Floor, Joseph Howe Building
1690 Hollis Street
Halifax, Nova Scotia B3J 3J9
Telephone: (902) 424-7768
Facsimile: (902) 424-4625

Prince Edward Island Securities Office

95 Rochford Street, P.O. Box 2000
Charlottetown, Prince Edward Island C1A 7N8
Telephone: (902) 368-4569
Facsimile: (902) 368-5283

Securities Commission of Newfoundland and Labrador

P.O. Box 8700 2nd Floor, West Block Confederation Building
St. John's, Newfoundland and Labrador A1B 4J6
Telephone: (709) 729-4189
Facsimile: (709) 729-6187

Government of Yukon

Department of Community Services
Law Centre, 3rd Floor
2130 Second Avenue
Whitehorse, YT Y1A 5H6
Telephone: (867) 667-5314
Facsimile: (867) 393-6251

Government of Northwest Territories

Department of Justice
Securities Registry
1st Floor Stuart M. Hodgson Building
5009 – 49th Street
Yellowknife, Northwest Territories X1A 2L9
Telephone: (867) 920-3318
Facsimile: (867) 873-0243

Government of Nunavut

Department of Justice
Legal Registries Division
P.O. Box 1000 – Station 570
1st Floor, Brown Building
Iqaluit, Nunavut X0A 0H0
Telephone: (867) 975-6190
Facsimile: (867) 975-6194
#1662002 v2

Exhibit "D"

PROMISSORY NOTE

AMOUNT: \$ _____ in Canadian Dollars

FOR VALUE RECEIVED, the undersigned hereby promises to pay to Standing Stone Redwater Limited Partnership (the "Partnership"), at the City of Edmonton, in the Province of Alberta, on or before the earlier of:

- (a) December 31, 2015; or
- (b) The date that the Partnership makes a distribution (or distributions) to the undersigned, as a Unit holder that, in aggregate, equals the amount outstanding under this promissory note

the sum of \$ _____, in Canadian funds, together with interest thereon at an annual rate equal to the prime lending of Alberta Treasury Branches (ATB Financial), from time to time, plus 2%, such rate to be determined as at December 1 of each year to be in effect for the next 12 months commencing on the following January 1, such interest to be paid on a monthly basis, on the last day of each calendar month.

The undersigned acknowledges that the undersigned's Debt Units in the Partnership are being held as security for the payment of this Promissory Note and that in the event of non-payment of the promissory note, in the event that the undersigned fails to make an aggregate of 3 monthly interest payments (whether or not such missed payments are consecutive), or fails to pay the principal amount of the Promissory Note when due, the Partnership may cancel the Debt Unit held as security for payment of this Promissory Note, and the Partnership shall have no other recourse in the vent of non-payment of this Promissory Note.

The undersigned shall have the right to prepay all or any portion of this amount without notice, bonus or penalty.

The undersigned hereby waive presentment for payment and notice of dishonor.

DATED this ____ day of _____, 20____.

(Signature)

Name (please print)

RISK ACKNOWLEDGEMENT

- I acknowledge that this is a risky investment.
- I am investing entirely at my own risk.
- No securities commission has evaluated or endorsed the merits of these securities or the disclosure in the offering memorandum.
- The person selling me these securities is not registered with a securities commission and has no duty to tell me whether this investment is suitable for me.
- I will not be able to sell these securities for 4 months.
- I could lose all the money I invest.

I am investing \$_____ [total consideration] in total; this includes any amount I am obliged to pay in future. Standing Stone Redwater Limited Partnership will pay \$_____ [amount of fee or commission] of this to _____ [name of person or company selling the securities] 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.

WARNING

You have two business days to cancel your purchase. *[Instruction: The issuer must complete this section before giving the form to the purchaser.]*

To do so, send a notice to Standing Stone Redwater Limited Partnership 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 Standing Stone Redwater Limited Partnership at its business address. Keep a copy of the notice for your records.

Issuer Name and Address:
Standing Stone Redwater Limited Partnership
1920, 10020 – 101A Avenue
Edmonton, Alberta, T5J 3G2
Fax: (780) 421-0069
E-mail: casey@obyrnegroup.ca

You are buying Exempt Market Securities

They are called *exempt market securities* because two parts of the 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 commission.

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

You will receive an offering memorandum

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

You will not receive advice

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

For more information on the exempt market, call your local securities commission. British Columbia Securities Commission, Telephone: (604) 899-6500, website: www.bcsc.bc.ca. Alberta Securities Commission, Telephone: (403) 297-6454, website: www.albertasecurities.com.

[Instruction: The purchaser must sign two copies of this form. The purchaser and the issuer must each receive a signed copy.]

RISK ACKNOWLEDGEMENT

- I acknowledge that this is a risky investment.
- I am investing entirely at my own risk.
- No securities commission has evaluated or endorsed the merits of these securities or the disclosure in the offering memorandum.
- The person selling me these securities is not registered with a securities commission and has no duty to tell me whether this investment is suitable for me.
- I will not be able to sell these securities for 4 months.
- I could lose all the money I invest.

I am investing \$_____ [total consideration] in total; this includes any amount I am obliged to pay in future. Standing Stone Redwater Limited Partnership will pay \$_____ [amount of fee or commission] of this to _____ [name of person or company selling the securities] 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.

WARNING

You have two business days to cancel your purchase. *[Instruction: The issuer must complete this section before giving the form to the purchaser.]*

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Issuer Name and Address:
Standing Stone Redwater Limited Partnership
1920, 10020 – 101A Avenue
Edmonton, Alberta, T5J 3G2
Fax: (780) 421-0069
E-mail: casey@obyrnegroup.ca

You are buying Exempt Market Securities

They are called *exempt market securities* because two parts of the 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 commission.

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

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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.

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

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[Instruction: The purchaser must sign two copies of this form. The purchaser and the issuer must each receive a signed copy.]