

CONFIDENTIAL OFFERING MEMORANDUM

No securities regulatory authority has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offense. This is a risky investment. See item 8.

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

Dated: August 16, 2010

The Issuer:

Name: Standing Stone Redwater II Limited Partnership (the "Partnership")
Head Office:
Address: 1920, 10020 – 101A Avenue
Edmonton, Alberta
T5J 3G2
Phone Number: (780) 421-0058
Fax Number: (780) 421-0069
E-mail address: casey@standingstonedevelopments.com

The Offering:

Securities Offered: Limited Partnership Class "A" Units (the "Units").
Price Per Security: \$1,000
Minimum/Maximum Offering: Minimum: \$1,500,000 (1,500 Units)
Maximum: \$2,400,000 (2,400 Units).
Minimum Subscription Amount: Each subscriber will be required to purchase a minimum of 1 Unit for a minimum aggregate subscription price of \$1,000.
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.
Proposed Closing Date: April 30, 2011. 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 Partnership after this offering are as follows:

		Assuming Minimum Offering	Assuming Maximum Offering
A	Amount to be raised by this offering	\$1,500,000	\$2,400,000
B	Selling Commissions and Fees	\$150,000	\$240,000
C	Estimated offering costs (e.g. legal, accounting)	<u>\$20,000</u>	<u>20,000</u>
D	Net proceeds: $D = A - (B+C)$	<u>\$1,330,000</u>	<u>\$2,140,000</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
Pay cash portion of purchase price for Property	\$1,200,000	\$1,500,000
Obtaining subdivision and related approvals	\$100,000	\$100,000
Pay balance of purchase price for Property	Nil	\$100,000
Redeem Class "B" Units	Nil	\$400,000
Working capital	<u>\$30,000</u>	<u>\$40,000</u>
Total	<u>\$1,330,000</u>	<u>\$2,140,000</u>

We intend to spend the net proceeds as stated. We will reallocate funds only for sound business reasons. As at July 31, 2010, the Partnership had a working capital deficiency of approximately \$2,000. If sufficient funds are not raised under this Offering to eliminate the working capital deficiency, the Partnership plans to manage this deficiency by way of advances by the General Partner or other debt financing.

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

Standing Stone Redwater II Limited Partnership (the "Partnership") was formed on March 20, 2009, as a limited partnership by the filing of a certificate of limited partnership pursuant to the *Partnership Act* (Alberta). The Partnership is 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 II Limited Partnership.

The general partner of the Partnership is Standing Stone Redwater Properties Ltd. (the "General Partner"). The General Partner was incorporated pursuant to the provisions of the *Business Corporations Act* (Alberta) on January 28, 2009. 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 (the “Property”) legally described as Plan 0823542, Block 1, Lot 1, excepting thereout all mines and minerals.

The Property is located within the Town of Redwater, Alberta, and consists of approximately 80 Acres, presently zoned as Light Industrial (M-1).

The Property is presently owned by Standing Stone Capital Corp. (in trust for itself and Douglas Bychyk), which acquired the Property during 2008 for a purchase price of \$1,600,000 (plus interest). The Partnership has entered into an agreement to acquire the Property for a purchase price of \$2,000,000, to be paid as follows:

- a) \$1,500,000 in cash, due upon the closing of the purchase;
- b) \$100,000 by way of a Promissory Note, that is due when the Partnership sells the Property, and bears interest at a rate, per year, equal to the Prime lending rate of the Alberta Treasury Branches plus 2%; and
- c) \$400,000 by the Issuance of 400 Class “B” Units of the Partnership (see “Terms of Standing Stone Redwater II Limited Partnership”).

Standing Stone Capital Corp. has agreed that if only the minimum Offering is raised, they will accept a minimum payment of \$1,200,000 on closing, with the balance to be payable on the same terms as the Promissory Note.

The purchase of the Property is a non-arms’ length transaction as Douglas Bychyk is a director and officer of the General Partner and Casey O’Byrne (a director, officer and shareholder of Standing Stone Capital Corp.) is a former director and officer of the General Partner.

The Property is located in the Town of Redwater, in the Province of Alberta, south 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 industrial lots to be sold as an Eco-Industrial Park. 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.

After 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 \$100,000 to obtain the required municipal approvals. It is anticipated that the Partnership will not be required to prepare an area structure plan for the development, however, should that be required it is anticipated will cost about an additional \$50,000. Development of the Property will require the construction of roads and the installation of services, which is estimated to cost approximately \$2,400,000; however, at this early stage this estimate is very preliminary and may be subject to significant variation. If the Partnership proceeds with the development of the Property, it is anticipated that it would be funded through debt financing secured by a charge on the Property, or a joint venture or similar arrangement.

The Property was recently annexed into the Town of Redwater and has been zoned as light industrial. As there are a number of pipelines in the area the Property is not considered suitable for heavy industrial development.

The Property is not presently serviced, and it is anticipated that these services will need to be arranged by the Partnership to proceed with the development of the Property. The Property is presently vacant.

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 Partnership has determined that there was a salt water leak on the property from previous oil and gas operations on the Property. Approximately 30 of the total 80 acres of the Property are affected by this salt water plume. In addition, a portion of the property has been found to have oil contamination. Arc Resources Ltd. is responsible for the clean up of this salt water leak and contamination. Arc Resources commenced remediation work this year and it is expected to be completed by this fall. As part of this remediation work the Property was cleared of all trees. Alberta Environment has provided their confirmation that this issue should not be a reason for refusing an application for the subdivision and development of the Property provided that the proposed development does not make use of groundwater or depend on the use of vegetation.

The Partnership is pursuing the possible lease out of the Property, either in its entirety or in one or more partials. The Partnership is focusing these efforts on oil and gas and construction and other companies that carry out operations in the Redwater area and may need a local site for equipment storage and other uses. If the Partnership is able to lease out the Property (or portions thereof) it is expected that such lease(s) will provide the Partnership with cash flow in excess of its operating expenses. In such case the Partnership proposes to disburse available cash flow to the limited partners on a quarterly basis. The Partnership will also pursue the possible sale of the Property (either as vacant or leased out property) prior to and during the course of its development.

Dependent on the results of its efforts to lease and/or sell the Property, the Partnership proposes to pursue the development of the Property as an Eco Industrial Park, incorporating environmental planning in the development process. The proposed development will include elements of 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. The Development of the Property will give rise to significant costs, including the costs of constructing roads and installing services. The Partnership proposes to finance such costs by entering into joint venture or other funding arrangements (such as debt financing). There is no assurance that any such arrangement can be successfully made.

The Property is subject to the following encumbrances on its title:

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
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
922320080	Utility Right of Way
972090422	Caveat re: Right of Way Agreement
972201106	Caveat re: Right of Way Agreement
082296513	Caveat re: Vendor's lien
082306361	Mortgage – principal amount \$1,440,000
082393696	Caveat re: Royalty Agreement

Upon the completion of the purchase and sale of the Property the Vendor's lien caveat registered as instrument no. 082 296 513 and the mortgage registered as instrument no. 082 306 361 will be discharged from the title. It is anticipated that the remaining encumbrances will remain registered on the title to the Property.

Under the terms of the Agreement to purchase the Property, the previous owners of the Property (Thomas Walker and Joanne Walker) have retained the right to continue receiving the lease payments under the surface leases held by Arc Resources Ltd., being the leases protected by caveat numbers 2851HJ, 7955HG, 1111HM and 5449HK.

Terms of Standing Stone Redwater II Limited Partnership

The terms of Standing Stone Redwater II Limited Partnership are as set out in the Amended 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 Class "A" Units (the "Units") and 400 Class "B" Units (the "B Units"). The Class "A" 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 \$1,000 per Unit. To date, the Partnership has issued a total of 600 Units at a price of \$1.00 per Unit. These Units were issued to Standing Stone Development Corp. and Douglas Bychuk. Standing Stone Development Corp. is controlled by Casey J. O'Byrne, a former director and an indirect beneficial shareholder of the General Partner. Douglas Bychuk is a director and shareholder of the General Partner. The B Units may only be issued at a price of \$1,000 per B Unit. The holders of B Units are entitled to be paid an Annual Fee equal to the B Unit price multiplied by the prime lending rate of the Alberta Treasury Branches, from time to time, plus 2%, such Annual Fee to be pro-rated for any period of less than one year. The B Units are subject to redemption at the option of either the holder or the Partnership for a redemption amount equal to the B Unit price of \$1,000 per B Unit plus the amount of any accrued but unpaid Annual Fees. Upon the wind up or dissolution of the Partnership the holders of B Units are to receive the redemption amount, and nothing more, in priority to a distribution to the holders of Class "A" Units. The B Units will be used to pay a portion of the purchase price for the Property. The General Partner shall have the unfettered discretion to accept subscriptions for Class "A" Units and to determine when, how and to whom to issue Class "A" 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 be 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

The long term objectives of the Partnership are to obtain approval for the subdivision and development of the Property. Following such approvals, subject to market and economic conditions, and other relevant factors, the goal of the Partnership is either to sell or proceed with development of the Property either directly or under a joint venture or other arrangement.

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 the Purchase of the Property	June, 2011	\$1,200,000
Prepare survey and other documents for subdivision application	3 months after Property purchase	\$50,000
Obtaining Municipal approval for subdivision.	6 months after Property purchase	\$25,000

Insufficient proceeds

If less than the maximum subscription is obtained, the net proceeds of this offering will be 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:

1. Amended Limited Partnership Agreement dated March 18, 2010. See "Terms of Standing Stone Redwater II Limited Partnership" and Schedule "A".
2. Property Purchase Agreement dated July 30, 2009, as amended, between the Corporation and Standing Stone Capital Corp. as trustee for itself and Douglas Bychuk (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 the Corporation 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 Corporation held after completion of minimum offering	Number, type and percentage of securities of the Corporation held after completion of maximum offering
Douglas Bychyk Edmonton, AB	President, Chief Executive Officer, Director, Promoter and Principal Shareholder since December, 2008	Nil	1,000 Class "A" Shares (50% of Class),	1,000 Class "A" Shares (50% of Class),
Steven Weber Edmonton, AB	Secretary-Treasurer, Director since November, 2009	Nil	Nil	Nil
Casey O'Byrne ⁽¹⁾ Edmonton, AB	Promoter and Principal Shareholder since December, 2008	Nil	1,000 Class "A" Shares (50% of Class),	1,000 Class "A" Shares

(1) Includes shares held indirectly through Standing Stone Capital Corp.

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 August 16, 2010	Number and percentage of Units held after completion of minimum offering	Number and percentage of Units held after completion of Maximum offering⁽²⁾
Standing Stone Development Corp. ⁽¹⁾	300 Class "A" Units (50%)	300 Class "A" Units and 200 Class "B" Units (23.8% of all Units)	300 Units (10%)
Douglas Bychyk	300 Class "A" Units (50%)	300 Class "A" Units and 200 Class "B" Units (23.8% of all Units)	300 Units (10%)

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

(2) The Partnership intends to redeem the Class "B" Units with the proceeds of this offering if the maximum subscription is obtained.

Management Experience

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

Name	Principal Occupation and Related Experience
Douglas Bychyk Edmonton, AB	Mr. Bychyk has owned and operated Doug's Place collision repair for 38 years. Mr. Bychyk has also been involved in the purchase and sale of commercial properties in the Edmonton area.
Steven Weber Edmonton, AB	Mr. Weber has 15 years of experience in the insurance industry, working as a senior industry specialist in negotiations. Since 2006 Mr. Weber has worked for Standing Stone Capital Corp. providing management and administrative services.

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 August 16, 2010	Number outstanding assuming completion of minimum offering	Number outstanding assuming completion of maximum offering ⁽¹⁾
Class "A" Units	Unlimited	600	2,100	3,000
Class "B" Units	Unlimited	Nil	400	Nil

(1) The Partnership intends to redeem the Class "B" Units with the proceeds of this offering if the maximum subscription is obtained.

Long Term Debt

The Partnership presently has no long term debt, but after the purchase of the Property it will have long term debt as follows:

Description of long term debt (including whether secured)	Interest Rate	Repayment terms	Amount outstanding after Purchase of the Property
Promissory note issued in partial consideration for purchase of Property	Alberta Treasury Branches prime lending rate plus 2% (currently 4.5%)	Due on sale of the Property.	\$400,000

(2) The Partnership intends to repay this demand promissory note either in whole or in part with the proceeds of this offering if greater than the minimum subscription is obtained.

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
March 20, 2009	Units	600	\$1.00	\$600

ITEM 5. SECURITIES OFFERED

The securities offered are Units of the Partnership. Each Unit is entitled to have allocated to it 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.

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 law firm of Chamberlain Hutchison at #155, 10403 – 122 street, Edmonton, Alberta, T5N 4C1, together with the completed and executed subscription documents.

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 the law firm of 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 \$1,800,000 (1,800 Units). If the minimum subscription has not been obtained by July 7, 2010, subscription funds will be returned to 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 150 Units at a minimum aggregate cash 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 the law firm of 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:

The Partnership has no history of operations or earnings.

The value of the Property and its salability will be effected 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, road access and services, and the topography and other physical features of the Property.

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. Oil and gas prices have recently been subject to significant fluctuations, primarily due to prevailing economic conditions and levels of economic activity. There have been recent announcements of the deferral of significant upgrader and other projects in the oil and gas sector.

Real estate values have recently been subject to significant fluctuations, primarily downward, due largely to current economic conditions. In addition, recent developments in financial markets have affected the availability and cost of debt and other financing.

The Property has a partial salt water deposit and oil contamination. If Arc Resources Ltd. does not, or is unable, to fully remediate the Property the Corporation may incur significant costs to remediate the Property if remediation is necessary. Remediation of the Property may delay or hinder the development and/or sale 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.

If the maximum subscription is not obtained, the Partnership will not have sufficient funds to fully carry out its business plan. There is no assurance that the Partnership will be able to obtain alternative financing should that occur. Even if the maximum subscription is obtained, variations in the costs and anticipated operating results may give rise to a requirement for additional financing to continue the Partnership's operations. In addition, the Partnership will not have sufficient funds to carry out development of the Property, and should the Partnership determine to carry out such development it will require additional financing. There is no assurance that such additional financing will be available.

The management of the Partnership is presently involved in a number of other business projects, and may not be devoting their full time to the affairs of the Partnership.

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.

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 11. PURCHASERS' RIGHTS

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

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 Partnership to cancel your agreement to buy these securities; or
 - (b) the Partnership, every person who was a director of the General Partner 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.

ITEM 12. FINANCIAL STATEMENTS

Standing Stone Redwater Properties Ltd.
Balance Sheet
as at March 31, 2010

ASSETS

Cash \$ 2,273

LIABILITIES

Accounts payable and accrued liabilities \$ 1,000
Due to shareholders 3,450

\$ 4,450

SHAREHOLDERS' DEFICIENCY

Share capital 50
Deficit (2,227)

(2,177)

\$ 2,273

These financial Statements have not been audited.

Standing Stone Redwater Properties Ltd.
Statement of Loss and Deficit
as at March 31, 2010

EXPENSES

Professional fees	\$	1,794
Office		342
Bank Charges		<u>91</u>
		<u>2,227</u>
NET LOSS		(2,227)
RETAINED EARNINGS - BEGINNING OF PERIOD		-
DEFICIT - END OF PERIOD	\$	<u>(2,227)</u>

These financial Statements have not been audited.

Standing Stone Redwater Properties Ltd.
Statement of Cash Flows
as at March 31, 2010

**NET INFLOW (OUTFLOW) OF CAHS RELATED TO
THE FOLLOWING ACTIVITIES:**

OPERATING ACTIVITY	
Cash paid to suppliers	<u>\$ (1,227)</u>
FINANCING ACTIVITIES	
Advances from shareholders	3,450
Issuance of share capital	<u>50</u>
	<u>3,500</u>
CASH END OF PERIOD	2,273

These financial Statements have not been audited.

STANDING STONE REDWATER PROPERTIES LTD.

Financial Statements

December 31, 2009

Pennock Acheson Nielsen Devaney

Pennock Acheson Nielsen Devaney
Chartered Accountants

701 Toronto Dominion Tower
10088 - 102 Avenue
Edmonton, Alberta T5J 2Z1

Telephone: (780) 496-7774
Facsimile: (780) 423-0582

AUDITORS' REPORT

To the Shareholders of Standing Stone Redwater Properties Ltd.

We have audited the balance sheet of Standing Stone Redwater Properties Ltd. as at December 31, 2009 and the statements of loss and deficit and cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Pennock Acheson Nielsen Devaney

Chartered Accountants

May 10, 2010

STANDING STONE REDWATER PROPERTIES LTD.

Balance Sheet

As at December 31, 2009

ASSETS

CURRENT

Cash

\$ 2,303

LIABILITIES

CURRENT

Accounts payable and accrued liabilities

\$ 1,000

Due to shareholders (Note 3)

3,450

4,450

SHAREHOLDERS' DEFICIENCY

Share capital (Note 4)

50

Deficit

(2,197)

(2,147)

\$ 2,303

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

STANDING STONE REDWATER PROPERTIES LTD.

Statement of Loss and Deficit

Period Ended December 31, 2009

EXPENSES	
Professional fees	\$ 1,794
Office	342
Bank charges	<u>61</u>
	<u>2,197</u>
NET LOSS	(2,197)
RETAINED EARNINGS - BEGINNING OF PERIOD	<u>-</u>
DEFICIT - END OF PERIOD	<u>\$ (2,197)</u>

STANDING STONE REDWATER PROPERTIES LTD.

Statement of Cash Flows

Period Ended December 31, 2009

**NET INFLOW (OUTFLOW) OF CASH RELATED TO
THE FOLLOWING ACTIVITIES:**

OPERATING ACTIVITY

Cash paid to suppliers

\$ (1,197)

FINANCING ACTIVITIES

Advances from shareholders

3,450

Issuance of share capital

50

3,500

INCREASE IN CASH

2,303

CASH - BEGINNING OF PERIOD

-

CASH - END OF PERIOD

\$ 2,303

STANDING STONE REDWATER PROPERTIES LTD.

Notes to Financial Statements

Period Ended December 31, 2009

1. DESCRIPTION OF BUSINESS

Standing Stone Redwater Properties Ltd was incorporated under the Business Corporations Act (Alberta) on January 28, 2009 and operates as the general partner of Standing Stone Redwater II Limited Partnership.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles and includes the following significant accounting policies:

Cash

Cash includes an operating bank account.

Income taxes

The liability method of tax allocation is used in accounting for income taxes. Under this method, future tax assets and liabilities are determined based on differences between the financial reporting and tax basis of assets and liabilities, and measured using the substantially enacted tax rates and laws that will be in effect when the differences are expected to reverse.

3. DUE TO SHAREHOLDERS

Amounts due to shareholders are non-interest bearing and have no set-terms of repayment.

4. SHARE CAPITAL

Authorized:

Unlimited	Class "A" voting shares
Unlimited	Class "B" non-voting shares
Unlimited	Class "C" redeemable preferred shares
Unlimited	Class "D" preferred shares

Issued:

2,000 Common class "A" shares

\$ 50

ITEM 13. DATE AND CERTIFICATE

DATED: August 16, 2010

This Offering Memorandum does not contain a misrepresentation.

(signed) "Douglas Bychyk"
DOUGLAS BYCHYK
President, Chief Executive Officer
Director and Promoter
of General Partner

(signed) "Steven Weber"
Steven Weber
Director and Chief Financial Officer
of General Partner

(signed) "Casey O'Byrne"
CASEY O'BYRNE
Promoter of General Partner

SCHEDULE "A"

THIS AGREEMENT entered into as of the 30th day of July, 2009.

AMONG:

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

AMENDED LIMITED PARTNERSHIP AGREEMENT

THIS AGREEMENT WITNESSETH THAT:

The Partnership Agreement dated March 20, 2009 respecting the Standing Stone Redwater II Limited Partnership is amended by the replacement of that agreement, in its entirety, with this Amended Partnership Agreement.

All Units of the Partnership outstanding as at the date of this Amended Partnership Agreement shall be constituted as and considered to be Class "A Units, as described in this Amended Partnership Agreement.

I. DEFINITIONS

1.1 In this Amended 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 Class "A" Units outstanding; or
 - ii) a resolution consented to in writing by Limited Partners holding not less than 75% of the Class "A" Units then outstanding.
- b) "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.
- c) "Limited Partners" means at any particular time the parties to this Agreement who have executed this Agreement as Limited Partners.
- d) "Partners" means the General Partner together with the Limited Partners.
- e) "Partnership" means the Limited Partnership formed pursuant to the terms of this Amended Partnership Agreement and under the Partnership Act.

- f) "Partnership Act" means The Partnership Act, being Chapter P-3 of the Revised Statutes of Alberta, 2000, and amendments thereto.
 - g) "Amended Partnership Agreement", "this Agreement", "this Amended Partnership Agreement", "herein", "hereby", "hereof", "hereunder", and similar expressions mean or refer to this Agreement of Limited Partnership and any amendments hereto.
 - h) "Partnership Certificate" means the Certificate filed and recorded at the office of the Registrar of Corporations for the Province of Alberta.
 - i) "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.
 - j) "Schedule" or "Section" followed by a number or a letter means or refers to the specified schedule to or section of this Amended Partnership Agreement.
 - k) "Subscription Price" shall mean the amount determined by the General Partner, from time to time, to be the subscription price for Units except in the case of Class "B" Units, in which case the Subscription Price shall be \$1,000 per Class "B" Unit;
 - l) "Tax Act" means the Income Tax Act (Canada) as revised or amended from time to time.
 - m) "Unit" means a Unit in the capital of the Partnership as provided in section 2.3 hereof and includes both Class "A" Units and Class "B" Units unless the context requires otherwise.
- 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 II Limited Partnership" (the "Partnership") in the following form by executing a Subscription in such form prescribed by the General Partner, from time to time, and such other documents that the General Partner may require. Acceptance of a fully executed Subscription 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 an unlimited number of Class "A" Units and up to 400 Class "B" Units, such Units having the following rights and restrictions:
- (a) Class "A" Units:
 - i. at all meetings of Limited Partners holders of Class "A" Units shall be entitled to cast one vote for each Class "A" Unit held;

- ii. the income, profits, grants, losses and expenses of the Partnership shall be attributed then allocated to the Class "A" Units on a proportionate basis based upon the number of Class "A" Units outstanding;
 - iii. 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, subject to the rights assigned to the holders of Class "B" Units, the holders of Class "A" Units shall participate in such distribution in the same manner and on the same basis as provided for in subsection (ii) above.
- (b) Class "B" Units:
- (i) The Class "B" Units may only be issued as a price of \$1,000 per Class "B" Unit (the "B Unit Price"), provided that the Partnership may accept property in consideration for the issuance of Class "B" Units;
 - (ii) Unless stated otherwise, the holders of Class "B" Units shall be not entitled to receive notice of, be present at, or vote at any meeting of the Limited Partners by virtue of or in respect of their holding Class "B" Units;
 - (iii) the Partnership shall pay to the holders of Class "B" Units an annual fee (the "Annual Fee"), payable annually and in priority to any distribution to holders of Class "A" Units, in an amount equal to the B Unit Price multiplied by the prime lending rate of the Alberta Treasury Branches, from time to time, plus 2%, such Annual Fee to be pro-rated for any period of less than one year;
 - (iv) The Class "B" Units shall be subject to redemption by the Partnership, at the option of either the Partnership or the holders thereof, at a redemption amount (the "Redemption Amount") equal to the B Unit Price plus the amount, if any, of the accrued but unpaid Annual Fee (pro-rated accordingly to the time of redemption), provided that the Partnership shall not redeem any Class "B" Units if, after doing so, it would be unable to pay its liabilities as they fall due;
 - (v) 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 Class "B" Units shall be entitled to receive, in priority to any distribution to the holders of Class "A" Units, payment of an amount equal to the Redemption Amount thereof, but after such payment shall not be entitled to receive any further distribution.

The Partnership may pay placement fees with respect to the sale and/or issuance of Units.

The Units of the Partnership outstanding as at the date of this Amended Partnership Agreement shall be considered to be Class "A" Units.

- 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 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 other method acceptable to the General Partner;
 - (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, 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, as applicable, but shall not carry any voting rights.

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 II 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, plus his share of undistributed profits.
- 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 Amended Partnership Agreement and to assume the obligations of a Limited Partner under the Amended Partnership Agreement in relation to the Unit(s) 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(s) to be assigned duly endorsed for assignment;
 - d) the form for the assignment of a Unit(s) 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(s) 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 per annum equal to the prime lending rate of the Alberta Treasury Branches plus 2%.

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 Class "A" 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 Class "A" 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 Class "A" Unit held and, except as otherwise specified in this Amended 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 Class "A" Units that it holds.

XVI. AMENDMENTS

- 16.1 Subject to the provisions of Section 16.2, this Amended Partnership Agreement may only be amended by Extraordinary Resolution concurred with by the General Partner and by the holders of a majority of the Class “B” Units; provided, however, that without unanimous approval of all Limited Partners and the General Partner no amendment shall be made to this Amended 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 Amended 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 Amended 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 Amended 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 Class "A" 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 Amended 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 Amended 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 Amended 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 Amended Partnership Agreement, including any restrictive conditions contained herein. Except as provided in this Section, no provision of this Amended Partnership Agreement will be deemed to convey any rights upon, or be construed for the benefit of, any third party.
- 19.6 This Amended 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 Amended 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 Amended Limited Partnership Agreement to be executed effective the 20th day of March, 2009.

STANDING STONE REDWATER
PROPERTIES LTD.

Per: _____

AS TO THE LIMITED PARTNERS:

STANDING STONE CAPITAL CORP.

Per: _____

WITNESS

DOUGLAS BYCHYK

WITNESS

SCHEDULE "A"

LIST OF LIMITED PARTNERS AND UNITS

<u>LIMITED PARTNERS NAME</u>	<u>NUMBER OF UNITS</u>
Standing Stone Development Corp.	300
Douglas Bychyk	300