

Become a landlord without the hassles™



PRESTIGIOUS PROPERTIES

Corporate Overview



Invest With Certainty



- “ No investor has ever lost money with us. ”
- “ The worst annualized ROI* so far has been 42% in 3 years. ”
- “ More than 600 investors have invested about \$43,000,000. ”
- “ Current investors share over \$100,000,000 in assets. ”
- “ Quarterly distribution available for retirees or income seekers. ”
- “ Tax-free equity growth until asset is sold, and then tax preferred capital gains. ”
- “ Tenants and communities benefit as well. ”

Prestigious Properties Investment Profile

- Focus on the low risk part of the income-producing commercial real estate market, namely high demand apartment buildings
- Focus on Western Canada
- Proven track record over 10+ years
- Low fees
- Investor favourable profit sharing
- 5-year minimum investment time frame
- Optional quarterly cash distribution
- Ethical management

ROI is Return On Investment to Investors, if you had invested in these ventures, before tax, but after all closing costs, commissions, management fees or our share of equity/profits (that differs from venture to venture) – based on actual sales, appraisals or if sold today at fair market value. Past performance is not a guarantee for future success .. but a look at the past might help you decide if you wish to invest with a winning team! Please read our offering memorandum, prospectus or joint venture agreement carefully. Eligibility rules apply – depending on province. Void where prohibited.



The Big Picture



Baby boomers are retiring or semi-retiring in larger and larger numbers between now and 2020. Many have considerable assets and yet will still choose to, or have to work part-time for many years. Most will have to rely on non-government income, or a combination of equity-like growth and monthly income for an ever increasing life-span. The concept of “retirement” is replaced with the concept of “financial independence”.

Many have lost faith in anonymous mutual fund or stock market based investments, or wish to invest outside the stock market in an inflation proof, hard asset class with cash-flow and equity growth.

Many people have made considerable money with their own home over the past 4, 10, or 30 years – and wish they had more real estate in their investment portfolio, but are reluctant to do it themselves.

It's easy to understand why apartment buildings (also known as multifamily real estate) is one asset class that should be utilized more. In any economy people have to live somewhere: there is always a demand for urban rental real estate that is well situated, priced modestly and reasonably maintained.

Why don't more people invest in multifamily real estate? Most don't want to be bothered with all the paperwork, tenants and time required. Many mistakenly think that they can't afford it.

Prestigious Properties™ fills this demand through apartment building or individual condo ownership with an easy, low risk, hands-off and very profitable offer to the average investor – both for smaller investors (\$20,000 or more) or for larger investors (\$2,000,000 or more).





Investment Strategy



The general investment strategy is to locate under-managed, under-valued (and sometimes ugly) properties in growth areas of promising cities ("class C or class B building in a class B area"). Properties are acquired, impeccably managed, appropriately renovated and financed from the start or re-financed after approximately 9 to 15 months.

The rents will have increased and therefore, so too the value of the building. The building may be sold at a set exit point, approximately 35% to 80% above the purchase price, or at a pre-set point-in-time, or as condominiums, or may be held long term for cash-flow purposes with liquidity events, depending on the specific project or pool. Prestigious Properties' executives frequently invest their own money in conjunction with coinvestors' money in addition to bank and/or seller financing.

The return on investment for passive co-investors is double-digit average annual ROI over a 5 year investment with optional 5% annual cash distribution or DRIP (Distribution Reinvestment Plan). A look at our track record shows that ROI has often been higher. Our business model is repeatable into the future given our ability to obtain low-cost CMHC mortgages, increases in rent and property value through inflation and property upgrades, plus continued in-migration to carefully chosen areas of investment focus.

The Prestigious Properties Group, founded in 2000, provides average or sophisticated investors with one-stop-shopping combined with excellent ROI and optional cash-flow in a stable real estate class.

Prestigious Properties provides an easy, low-risk yet tangible asset/investment vehicle that has the following benefits:

1. Can provide positive cash-flow after all expenses like: mortgage payment, condo fees or operating, taxes and rental management fees.
2. Appreciates over time, and in most cases, tax free like an RRSP or 401(k) until sold.
3. Can provide cash distribution on an annual basis.
4. Takes the hassles out of property management, making real estate investment/ownership easy, worry free and even fun.
5. Provides a one person interface to financing alternatives and purchase.
6. Is based on a "real" asset that adjusts to inflation in a low risk category, as opposed to a mutual funds and other stock based assets.
7. Provides tax advantages: equity growth on a major portion of the return (the equity portion, which is the combination of mortgage paydown, value improvement and appreciation through time) are tax deferred (like an RRSP) but also tax preferred. Unlike an RRSP, equity gains are taxed at only 50% of income tax, yielding far higher after-tax returns than RRSP's can, as RRSP returns, once paid out, are taxed as income. Sometimes payouts are treated as dividends, usually if the investment is held in a corporation or in the U.S. which also has higher after-tax returns than regular income.
8. Can be an RRSP eligible investment* – ideal for your retirement portfolio. This is typically achieved by Prestigious Properties purchasing a building or cluster of buildings with as low as 20 units to as high as 500 units.

*Eligibility rules apply – depending on province.



Ownership Options

Prestigious Properties offers three ownership options all of which are characterized by very low overhead, low cost structure, and low initial and ongoing fees. We market apartment buildings on a project-by-project basis via joint venture agreements or as limited partnerships to a pool

of potential investors through a variety of sales channels, marketing events, advertising and web. All Prestigious Properties associates are compensated per project, be they sales agents, mortgage brokers and/or property managers.

Choose from one of three ways to invest:

1 Multiple Partners Limited Partnership

This is our most popular and common offering. Several investors will share in the building, group of buildings, cash-flow and equity appreciation or value creation, usually through a limited partnership or joint venture. The investor will be given an option to exit at any time, although a commitment for

about five years is expected to obtain full benefits of participation in the improvement of under-performing assets. The current minimum investment is \$20,000 (4 units @ \$5,000 each) as a cash or RRSP investment.



2 Individually Owned, Managed By Prestigious Properties

Individually owned, managed condo, where the investor selects the leverage and mortgage amount, and provides the downpayment towards the purchase. The investor receives monthly payments from rent received, and decides when to sell.

Participation in a rental pool is also an option, whereby payments continue if and when a tenant leaves and until a new tenant is found.



3 Major Partner Institution or High Net Worth Individual

Investment terms can be set to meet the unique requirements of institutional investors and high net worth individuals. The minimum investment for this option is usually more than \$2,000,000. The investor signs one document up front, and all paperwork is taken care of. Prestigious Properties will work with a set of banks to offer pre-approved, low rate, up to 75% (or even 85% in

some cases) mortgages. Will send monthly statements and will take care of all property management issues. It may be an investment in one building or many buildings, exit options are flexible, as are cash-flow arrangements.



Inside or outside your RRSP:

For most Canadians, investing in multi-family real estate can be done inside their RRSP, however there are some restrictions by province. Either way, inside or outside an RRSP, investing in the right real estate can pay excellent long-term dividends.

A common RRSP approach is through investment in one of our Limited Partnerships. In one model, your investment dollars are used to buy 98% bonds and 2% shares in a corporation set up specifically for the purpose of handling RRSP dollars.

The bonds portion is then used to purchase LP units in the Limited Partnership company. In this fashion, just as you would expect from an RRSP, the majority of your investment remains in a tax shelter until you cash it out.

At the same time through the shares portion of your investment you will be eligible to participate in the profits that arise from equity growth of the real estate asset.



A Proven 4-Step Process For High Cash-On-Cash Returns

Prestigious Properties' general investment strategy starts with locating under-managed, under-valued properties in growth areas of promising cities within emerging markets of North America, and then managing these properties to their full potential.

We use the following **four steps** to achieve very high cash-on-cash ROI for our investors:

1. **Macro-Location:**
Markets with Declining Vacancies and Rent Growth – sometimes even CAP rate (ratio between asset's cash flow and current market value) compression. As home ownership becomes less affordable, or interest rates increase, demand increases for rental housing. This in turn decreases vacancies, increases rents and increases values in select markets such as Western Canada and Texas... even some Ontario markets. Prestigious Properties has demonstrated success in the AB and SK market for the last decade. We continue to focus on Western Canada but will keep an eye on the Dallas, TX area as well.
2. **Micro-Location:**
Property Under-Valued with Upside (class "C" building in class "B" location). We buy in sub-markets that are desirable to live in. Would we personally live in that location? Would my daughter live here? Is this an area of transition? Are there transportation improvements coming? Is there a Starbucks, a shopping centre, a desirable school or a park nearby? Is this an area where "average" people want to live?
3. **Property Upgrades:**
In addition to buying in desirable sub-markets of growth markets, we also improve the properties with appropriate spending. We look for assets that have higher than normal vacancies when we purchase, due to management neglect or poor spending by the previous owner. We then apply better management and marketing techniques (which cost relatively little) and also apply prudent spending as itemized on pages 10-11. Upgrades vary from inexpensive (like paint, clean-up, a new sign or cutting the grass) to full renovations in-suite or in common areas like hallways or exteriors -- depending on the project.
4. **Positive Cash-Flow with Medium Leverage (which is a function of going in CAP rate and debt coverage):**
Over the last few years we have been able to create positive cash flow with a high leverage mortgage (i.e. typically 80 to 85% loan-to-value). More recently we have lowered our loan-to-value ratios and target leverage between 60-70%. By going in with slightly more cash depending on the project, we make a stable investment category even less vulnerable to changing market conditions.

Using these proven four steps, we can repeatedly deliver double-digit even triple-digit returns on the cash invested... please see our track record document for specific examples.



How We Earn Our Money

Prestigious Properties provides an easy, low-risk, yet tangible asset/investment vehicle that has a number of benefits. We do all the legwork to reduce your risk:

- ★ Investigate location/area of North America to invest in. Recently we bought in mid-Vancouver Island and in Yorkton SK, due to low prices and an expected upside from baby boomers retiring. We like Western Canada in general, and Texas due to high in-migration.
- ★ Investigate location once city or metroplex is selected (we like "B" areas where value can be created fast... as opposed to "A" locations that are often too pricey or "C" locations where rent increases are tough to realize due to bad tenant profiles and management problems).
- ★ Screen/filter potential investment properties using realistic rents and/or expenses.
- ★ Write offer on selected property (this may involve multiple offers and multiple iterations since typically not all offers will be accepted).
- ★ Negotiate terms and conditions of offer.
- ★ Finalize offer.
- ★ Set up the legal structure/corporation, and co-investor structure usually via a joint venture or limited partnership agreement.
- ★ Select property manager, onsite manager and other professionals (such as tax advisors, inspectors, appraisers, bankers, engineers, roof experts, boiler mechanics) that may be required to inspect the property initially and operate the property on a day-to-day basis.
- ★ Will market, rent, fix up, repair, paint, landscape and/or enhance said property to standards that Prestigious Properties sees fit to achieve appropriate rent and/or resale value.
- ★ Will keep a record of such fixtures, repair material and/or landscaping material expenditures and/or of all other expenses, such as property management fees, subcontractors, onsite managers, taxes, insurance, realtor, legal, advertising and/or related expenses to market, upgrade, rent and later sell said property.
- ★ Set up WCB (Worker's Compensation Board), contractor, Rona, Home Depot or supplier accounts.
- ★ Negotiate and set up preferred vendor, supplier and contractor list.
- ★ Negotiate with financial institution to obtain, initially and/or later, re-finance using 1st, 2nd and/or CMHC or Fannie-Mae insured mortgages.
- ★ Manage all relationships with banks, realtors and/or 3rd parties.
- ★ Set up reporting and e-payment mechanism to investor.
- ★ Act as the primary interface to property manager, or may manage properties inhouse.
- ★ Adjust rents frequently with market realities.
- ★ Invest frequently (but not always) personally into the venture.
- ★ Sign all necessary legal documents.
- ★ File annual or quarterly statements/documents that may be required by various jurisdictions.
- ★ Sign required personal guarantees for required mortgage(s).
- ★ Determine exit or re-finance strategies. This requires ongoing assessment of macro-location, area development, asset strength, cash-flow, remaining equity upside, rental market, mortgage market, interest rates, investor demand, asset improvement requirements... just to mention a few of the many variables.



Current Market Focus



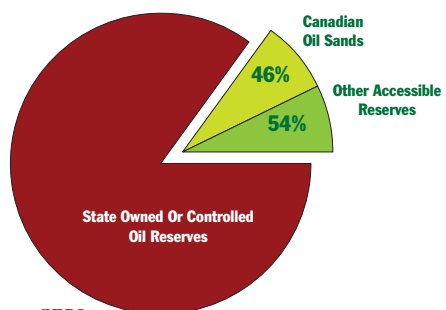
We focus our rental property expertise on Western Canada because that's where the jobs are,and where they're going.

Compared to other provinces, AB, SK and BC were 1st, 2nd and 4th in terms of per capita investment in 2010. *Statistics Canada*

With 178 billion barrels of proven oil reserves, Canada is 2nd only to Saudi Arabia, with the majority of the oil in AB. The US imports almost 2x as much oil from Canada than Saudi Arabia, and the amount of Canadian oil it imports is increasing even in tough economic times (+12% YTD April 2011 vs. YTD April 2010). *Statistics Canada, US Department of Energy*

While AB produces 1,951,000 barrels of crude oil/day, SK is the 2nd largest oil producing province at 424,000 barrels/day. *Canadian Centre for Energy 2010*

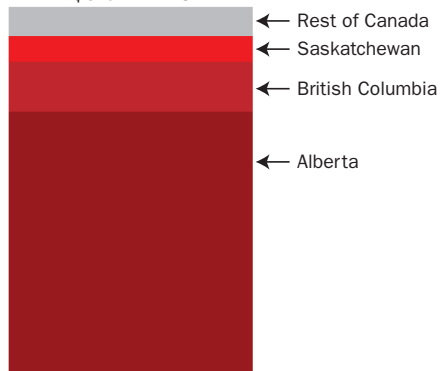
Western Canada Oil Represents Almost 50% Of Non-Government-Controlled (Privately-Held) Oil Reserves On The Planet



Source: CERl

Oil & Gas Industry Projected GDP \$ Impact Next 25 Years Is Enormous

\$3.57 Trillion



Source: CERl

Oil & Gas investment over the next 25 years will have a total GDP impact of 3.57 trillion dollars, 3.29 trillion of which will be in AB, BC, and SK. *CERI 2009*

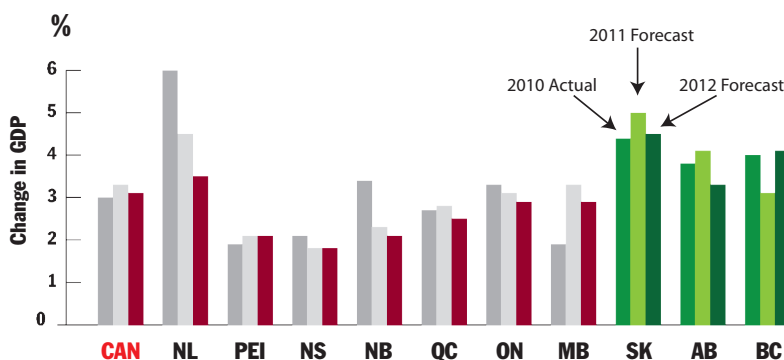
"Saskatchewan has the largest potash industry in the world, accounting for about 40 per cent of the world's trade... long-term drivers of demand will provide an environment consistent for potash demand that will be somewhat immune from the vicissitudes of global market fluctuation.... A rising demand for food across the board equals a growing demand for fertilizer."

Canadian Business Journal 2011

SK potash companies have announced approx. \$13 billion worth of expansions to their existing mines by 2020. *SK Government 2010*

Saskatchewan is the world's largest uranium producer, supplying 20% of world needs. Production is expected to increase by 70% between 2009-2017. *SK Government 2010*

GDP Growth Forecast By Province



Source: Statistics Canada/Chart and forecasts: Reed Construction Data, CanaData



Typical Improvements



Before

After

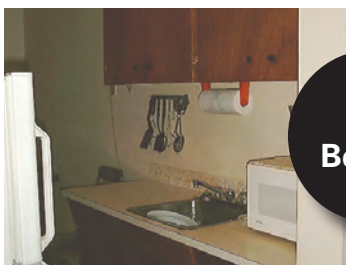


Before

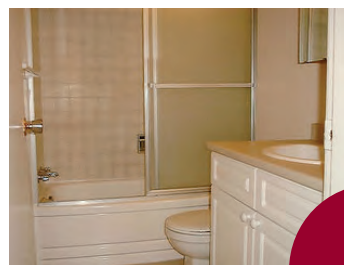
After



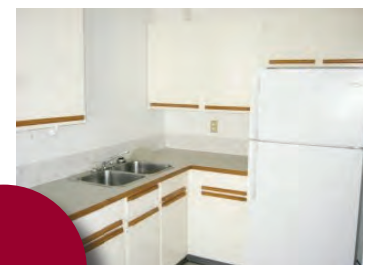
Real estate will gain in value over time, especially in growth markets, desirable submarkets, with building improvements, and with better marketing techniques.



Before



After



The secret to extraordinary gains is hard work.





Typical Improvements



Exterior Improvements

Sign
Lawn cut/replaced
Bushes/hedges/trees
Rocks around walkways
Paint
Door Bells
Entryway
Vinyl Siding

Common Area Improvements

Paint
Baseboards
Light fixtures
Door handles
Painted doors
Carpet
Staircases

Suites

Wall colour – vanilla/beige
Baseboards – 3 inches, white
Lights – pewter/nickel
Outlets/Light switches – white
Door handles – nickel or pewter
Closet door handles – nickel or pewter
Carpet – like new or new or laminate
Lino – like new or new (really cheap!)
Ikea curtains or room dividers

Kitchen

Closet doors – white
New countertop if worn
Double sink
Single lever tap – chrome or nickel
Appliances – white
Large fridge

Bathrooms

Closet doors – white
New countertop if worn
New sink or new vanity
Single lever tap – chrome or nickel
Tubs / Toilets / Sinks – White
One piece tub surround
Towel bar / TP holder – nickel
Bathroom fans – white cover

Utilities

Energy efficient light bulbs
Water efficient toilets / half full tanks
Low flow showerhead
Dual stage boiler
Window felts

Legal Disclaimer

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Why We've Grown

Many set out to do what we do. The difference between success and failure is an unswerving attention to detail.

★ Proven Successful and Repeatable Strategy

- Buy under-managed buildings in decent locations (class "C" or "B" building in class "B" area) – some with immediate and some with medium-term upside.
- Improve property management/change property manager so that the property management is impeccable.
- Well selected onsite manager/care taker who cares, who has sales skills and who is well compensated for results (such as low vacancies).
- Improvements from the street to the suite:
 - Improve curb appeal
 - Improve common areas
 - Improve vacant suites (new appliances, carpet, lino, curtains, lights, switches, bathrooms, kitchens) and of occupied suites (to a somewhat lesser degree usually)
- Raise the rents to market or slightly above market level, thus increasing the value of the building, as the main driver of a building value is the rental income stream it can generate.
- Keep, re-finance, sell as one building or (possibly in the future, as condos), depending on (co)investor exit strategy/preference.

★ Knowledge through REIN (Real Estate Information Network), experience, project management skills, life experience, employees/contractors, and other courses.

★ Ongoing property management education/courses for all employees and senior managers.

★ Fair, yet tough, treatment of tenants. Treat tenants as your best asset.

★ Customer service orientation.

★ Positive cash flow and equity growth.

★ Ethical / Christian investment philosophy: "tell people what you will do, and do it honestly" "walk the talk" "by thy fruit you shall recognize them"

"no unwholesome lifestyle, no slander"

★ Appropriate delegation to professionals (like accounting, rent collection, repairing suites, property management except sales/marketing) and do the stuff you like and are very good at.

★ Thomas Beyer and/or Prestigious Properties executives, associates and staff often invests capital with investors ("walk the talk")

★ Win/win investment philosophy:

- We make the majority of our profits only when investors make their profits, after initial capital investment has been repaid.
- No uplifting of asset values going in (how some real estate syndicate managers make money before their investors).

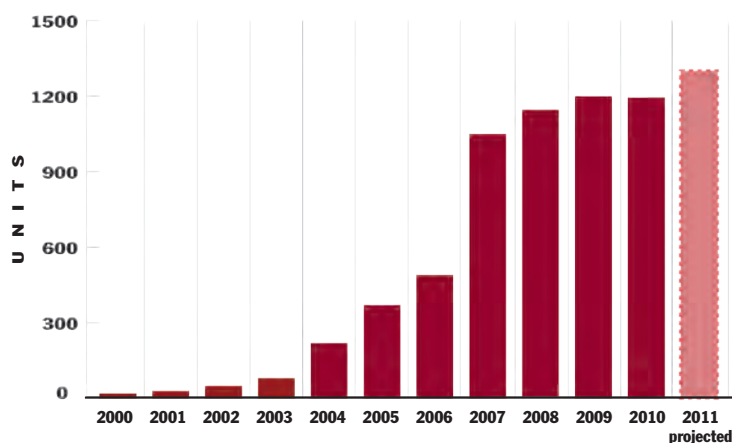
★ Very low overhead.

★ Very low base management fees or salaries for senior managers, with the majority of compensation performance-based.

★ Sound living principles: physically active, no drugs or excessive drinking, normal guys/gals with no "weird" or expensive hobbies, many with strong faith.

★ Open book investment philosophy – all invoices or expenses are available to investors or mortgage companies.

Growth In Number Of Units Owned By Prestigious Properties





Thomas Beyer

President

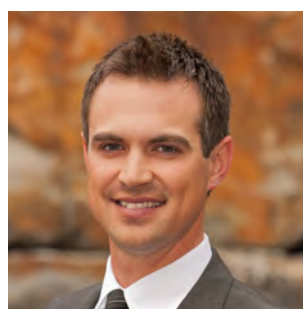
Thomas founded Prestigious Properties in 2000 and it has since grown into a group of companies or limited partnerships with a carefully selected small group of associates or co-owners. He believes in turning under-valued properties into “prestigious properties,” for the benefit of investors, tenants and communities. He has an MBA from the University of Alberta (1988) and a B.Sc. from the Technical University of Munich (1986). He has been the president of two rental pool boards and has been on several condominium boards since 1997. Prior to 2000 Thomas was a software project manager, including 8 years with IBM. He has lived in the lower mainland in BC, in Toronto, Germany, and South Africa. After moving to Canmore, Alberta in 1995, he later founded Prestigious Properties and put down strong roots in the community, until finally moving to Vancouver in 2010. He is happily married with two young adult children. He invests his own money and that of other people to create wealth for himself, his co-investors and for the communities at large through improved property values, better buildings, creative marketing techniques, better HR policies and more ethical tenant and sub-contractor policies.



Scotty Grubb

Senior VP

Scotty is a Senior Business Development Professional that has played key roles in the financing and operations of numerous public and private companies over the past 30 years. He completed his engineering education in Scotland before immigrating to Canada in 1968, where he became involved in a series of successful business development enterprises. His stellar reputation as a manager and financier have helped him raise in excess of \$55 million, with over \$25 million raised since joining Prestigious Properties in the fall of 2006. Scotty excels in customer communications, matching investors’ diverse business acumen. He is happily married with two adult sons and lives in West Vancouver, B.C., where he is also active in the auxiliary BC Coast Guard saving lives.



Mike Hammerlindl

VP Asset Acquisition

Mike graduated from the University of Alberta with a degree in Civil Engineering, focusing on structural design. He has experience working for a municipal consultant, architect, and gas utility and has also been involved in several entrepreneurial ventures. He has been married since fall of 2007 to his university sweetheart. Mike has been an investor with Prestigious Properties since 2004 and joined the group in the spring of 2007 to focus on property acquisitions. After extensively researching the marketplace he is often on the road inspecting and analyzing new acquisition candidates or potential new markets. He lives in Calgary and recently became the proud father of a beautiful girl.



Keith McMullen

President Property Management Division

With previous positions at Gateway, the largest property management firm in Canada, and Transglobe, Canada’s 3rd largest apartment building owner, Keith has the real-world experience to oversee this critical component of our business model. Keith is also President of the Calgary Apartment Association. Keith will focus initially on NOI and value growth for Prestigious Properties’ owned assets while laying a foundation for revenue growth by managing 3rd party assets in 2010 and beyond.



Rick Linklater CPM

VP Asset Management

Rick holds a B.Com from the University of Alberta, and has had a successful career with large insurance firms, private property managers and a publicly traded real estate firm for over 30 years. Rick joined Prestigious Properties in the fall of 2006 to oversee in-house property management and external property managers. Rick is happily married with two adult sons. He finds the right balance between expense control and value creation through revenue and NOI growth. Rick is based in Edmonton, Alberta but is frequently seen at our remote property sites to instruct, teach, mentor, control, listen and inspect.



Michelle Naffin

Senior Corporate Accountant

Michelle established exemplary credentials as an accountant and controller both in the Hospitality and Publishing Industries prior to joining Prestigious Properties in 2008 as Senior Corporate Accountant. Her responsibilities include preparation of all financial statements for the various Limited Partnerships up to and including the complete review and audit process performed annually. Michelle reports directly to Thomas Beyer, giving guidance on key issues in operations. She moved from Central Alberta to Banff in 1987, and then to Canmore in 1994, where she resides with her husband, Shaun.



Marianne Engel

Office Manager

Marianne joined Prestigious Properties in November 2005 as the property accountant for the first building purchased in Limited Partnership 1. As our operations increased in scope Marianne has managed an increasingly diverse array of responsibilities. In addition to the bookkeeping for Prestigious Properties Canada Ltd., she is also our expert on investor distributions, tax preparation for residents of Canada, and filing tax returns for our non residents. Marianne is a Canmore resident having moved here in 1993, she keeps busy with her three active children: Lucas, Tess and Megan.



Mary Beaudet

Executive Assistant

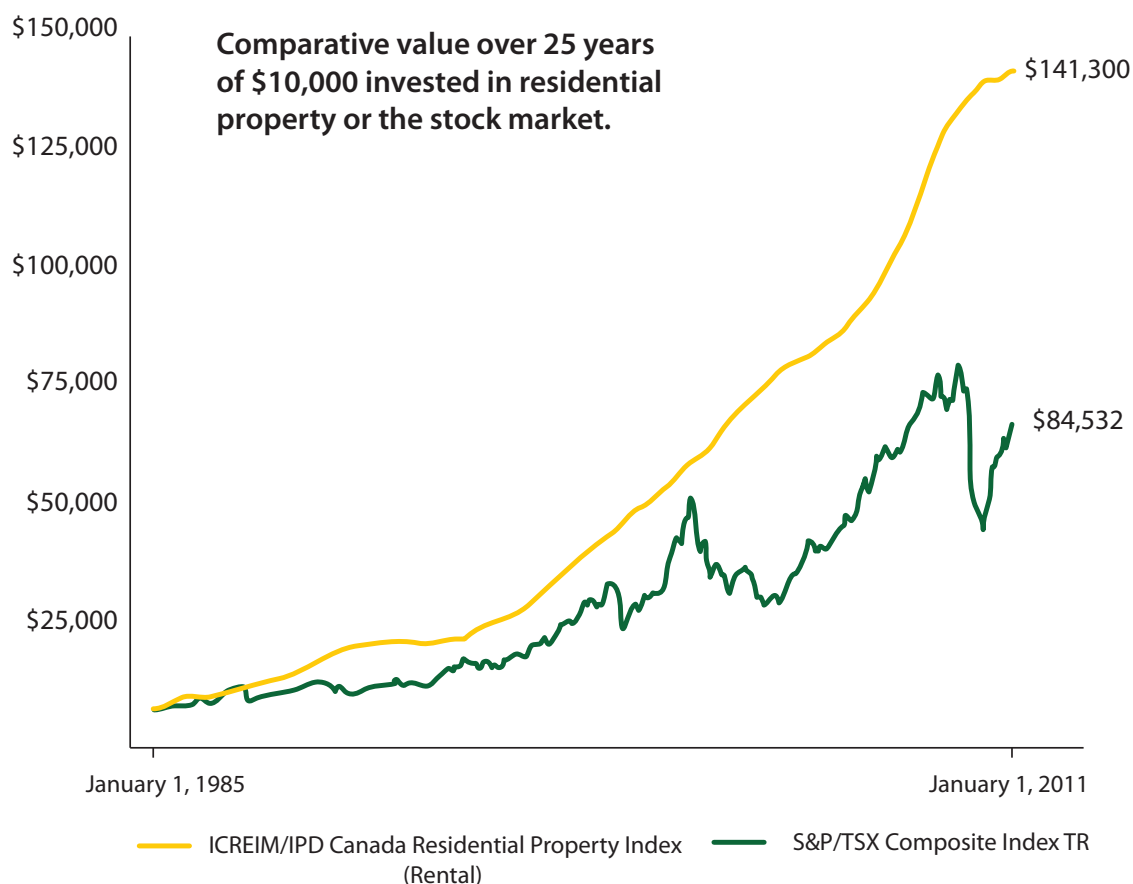
Mary joined our team in October 2010 and is the essential administrative link between corporate operations and investors. Her professionalism combined with a friendly demeanour ensure that investors enjoy an experience that is rewarding, uncomplicated and comfortable. Before working for Prestigious Properties Mary earned her diploma as a Legal Assistant and was employed for 7 years in a law firm specializing in Real Estate, Corporate and Family law. Raised in the breathtaking mountain town of Canmore, Alberta, Mary enjoys all that the outdoors has to offer with her two children, Kyle and Lucas.

CORPORATE MISSION STATEMENT

“We build wealth for investors by offering well selected real estate investments in North American growth markets that provide positive cash flow, tax free equity growth, and hassle-free management for the benefit of tenants, communities and investors.”



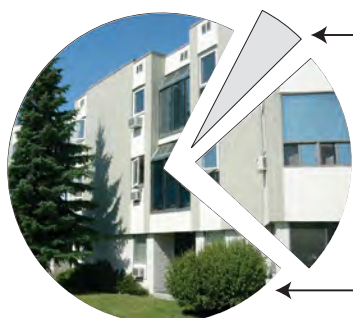
Real Estate As An Investment





How Different Real Estate Market Conditions Impact Long Term Apartment Building ROI

The Leveraged Investment



reserves, acquisition fees, marketing, syndication soft costs
\$96,000 (20% of cash invested, or roughly 5% of building value)

downpayment
\$480,000 (25% of building price)

building purchase price
\$1,920,000

mortgage
\$1,440,000 (75% of building price)

cash needed to close and hold
\$576,000

Rental Income

Assume no cash flow. Rent covers mortgage payments, property maintenance, ongoing paperwork.

Renters Pay Mortgage

1st 5-Yr Mortgage @4% (25-Yr Amortization, monthly payment): rent pays down \$186,424 of principal.

2nd 5-Yr Mortgage @4% (20-Yr, monthly payment): rent pays down additional \$227,249 of principal.

After 10 Years

Disastrous Market

Property Worth 20% Less

Mortgage is \$1,026,327 could sell for \$1,536,000—a difference of \$509,673
The value of your original investment is reduced from \$576,000 to \$509,673

-11.5% ROI*

Terrible Market

Property Worth The Same

Mortgage is \$1,026,327 could sell for \$1,920,000—a difference of \$893,673
The value of your original investment has grown from \$576,000 to \$893,673

55% ROI*

5.5% average/yr

Very Poor Market

Property Worth 20% More

(1.9% average annual increase)

Mortgage is \$1,026,327 could sell for \$2,304,000—a difference of \$1,277,673
The value of your original investment has grown from \$576,000 to \$1,277,673

122% ROI*

12.2% average/yr

Reasonable Market

Property Worth 50% More

(4.2% average annual increase)

Mortgage is \$1,026,327 could sell for \$2,897,200—a difference of \$1,870,873
The value of your original investment has grown from \$576,000 to \$1,870,873

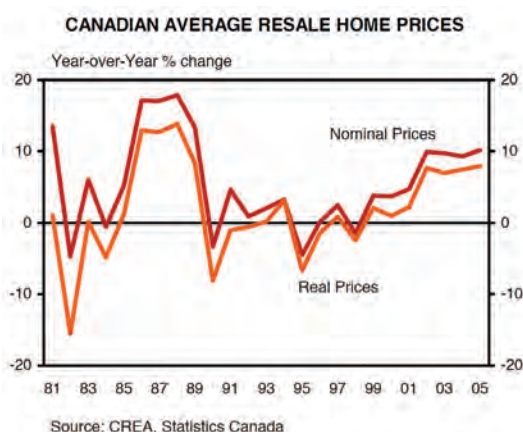
225% ROI*

22.5% average/yr

* ROI is gross ROI on cash invested by investors (limited partners), before equity split with general partners.

How have real estate property values fared in the past?

How can we put ROI values in perspective with inflationary or deflationary market conditions?



- 5.6% was the average annual resale housing price increase between 1981 and 2005, including two major housing corrections. Apartment building prices tend to follow macro trends in housing, but with less volatility up or down.
- Despite a 25-yr average annual property value increase of 5.6% for resale homes, the highest of these apartment building calculations assumes a more prudent value of 4.2% and the ROI results are still very impressive!
- If inflation and higher interest rates characterize the next 10 years, a hard asset like an apartment building will fare well in terms of retaining its true market value since rents can be raised due to higher home/condo carrying costs, and the initial mortgage amount will be worth less in terms of future dollars.
- If a deflationary period were to characterize the next 10 years, producing the -12.5% ROI scenario outlined above, the hard asset investment will still "have grown" in terms of it buying power for goods and services by almost 8%.

Some Final Thoughts.....

Why we invest in apartment buildings and not shopping centres or office buildings

1. Higher ratio mortgages are available (up to 80%) meaning less cash required to purchase and thus higher possible cash-on-cash returns.
2. Less expensive CMHC-insured financing is available (about 33% less). For example, a 4% mortgage vs. a 6% mortgage can make a huge difference towards lower operating costs and higher long term investment returns.
3. Given strong in-migration, high house prices and the expectation of rising interest rates there is substantial demand for affordable rental properties.
4. Like many urban areas of Central Canada, Coastal USA, or Europe, renting is the economic choice once ownership costs like utilities, condo fees, and/or mortgage payments are beyond the reach of the average blue collar worker, senior or college student.
5. Major infrastructure projects, new factories and expanding businesses/colleges are luring workers, students and seniors alike in Western Canada and TX with plenty of job opportunities, decent wages, low taxes and affordable rents.
6. The multi-family rental investment market trades well below replacement cost.
7. Without cash-flow, a real estate investment is more risky (such as development deals, international vacation properties, condo conversions, and land development deals). We like boring, stable, predictable low double digit annualized returns for a long, long time. True wealth is created through long term asset ownership, not through speculative flips. Yes, in 2020 or 2030 we will still have renters, and guess what: rents will likely be much higher than today!

A summary of why people invest with us:

1. No inflating of going-in prices of assets:
 - a. Unlike some syndicators of office towers or shopping centers
 - b. Unlike REITs who often trade at a premium over the underlying asset value and have a fairly low cash yield if bought today, and are subject to arbitrary value fluctuations
2. Undervalued asset class (apartment buildings) with significant rental and equity upside
3. Excellent ROI with quarterly cash flow
4. Proven, rock-solid track record
5. We take our share of equity only after investors have received their initial investment back
6. Ethical stewardship
7. Proven, experienced management team
8. Low upfront and ongoing fees, soft costs or overhead – Strong incentive to perform
9. Become a landlord / co-owner without the hassles
10. RRSP Eligible

INVEST IN YOUR FUTURE NOW:

Private Equity ROIs are available for the average or sophisticated investor through our investment opportunities in rental properties. Please call or e-mail us if you are interested in investing with Prestigious Properties or fill out an investor profile with your contact information online at www.prestprop.com as many new investment opportunities historically have sold out quickly. Then decide and act!

I wish I had bought some real estate in 2012



Don't wait to invest in real estate — Invest in real estate and wait.™

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