



ELKINGTON FOREST

YOUR PLACE IN NATURE

\$4.0 MILLION

**LIVING FOREST ONE LP
CLASS A LIMITED PARTNERSHIP UNITS**

A SUSTAINABLE DEVELOPMENT OF APPROXIMATELY 475 ACRES* OF FORESTED LAND, A CONSERVATION COMMUNITY OF 77 CLUSTERED HOME SITES AND 80,000 SQ FT OF SHOPS, ECO-INDUSTRIAL AND COMMUNITY FACILITIES.



TWO ATTRACTIVE INVESTMENT OPPORTUNITIES:

- Class A Limited Partnership Units -- Projected IRR greater than 40%**

CONSERVATION COMMUNITY

- A profitable social enterprise model for large scale forest conservation.
- Location, natural beauty, and views make the community a desirable place to live, work and play.
- Property is close to Victoria and has convenient access to commercial areas within the regional district.

LOW DEVELOPMENT RISK

- The Limited Partnership now owns the land.
- Outstanding community support from environmental organizations, and local /regional elected officials.
- CVRD rezoning of property is complete.
- Located and tested a 120 gpm aquifer well on site; water quality tests prove to be excellent.
- Construction costs confirmed through detailed review by Civil Contractor.

ALIGNMENT OF INTERESTS

- Development Manager owns approximately 10%, of the units issued to date.
- LP unit holders receive priority distributions ahead of Development Manager.
- Elkington family, previous land owner, holds a second mortgage on the land.

EXPERIENCED DEVELOPER WITH A PROVEN TRACK RECORD

- Experienced management with significant resources, time and equity in the project.
- Close ties with Canadian registered Charity, Trust for Sustainable Forestry (TSF) and the not-for-profit Living Forest Community Association.
- Successful track record and extensive development portfolio, including;
 - Cortes Island, BC: completed 15 lots on 150 acres with 93% forest conservation,
 - Victoria, BC: completed \$110 M luxury condominium project,
 - Baja, Mexico: completed zoning for 6,000 homes, development for 1,100 homes and sale of 800 homes,
 - Tucson, AZ: completed zoning for 2,800 homes, development for 200 homes and sale of 200 homes.

* Total area of protected privately-managed forest land base equals 950 acres, with 85% of the land certified by the Forest Stewardship Council, ("FSC"). The Elkington Forest community with the 77 homes and the additional non residential development is located on the southern half, or southern 475 acres of the land base.

** The projected returns are estimates and based on specific development scenarios that cannot be guaranteed.

LIMITED PARTNER	Living Forest One Limited partnership (“LP”).
GENERAL PARTNER	Living forest GP Ltd. (“GP”), governed by a Limited partnership Agreement and owned 100% by Doug Makaroff.
CURRENT OFFERING	\$1.5 million CDN (\$1.154 M LP Units). Price per unit is \$1.30 CDN. Minimum subscription is 800 units (\$1,040).
DISTRIBUTION POLICY	Partnership profit and loss will be distributed as follows: <ul style="list-style-type: none">• GP will receive 1%; and LP unit holders will receive 99%<ul style="list-style-type: none">- until they have reached a return equal to the amount of the initial capital contribution.- And thereafter the LP unit holders will receive 80% and the Development Manager will receive 20%. until the LP unit holders have their initial capital back plus an additional 25% of the amount of initial capital.- And thereafter the LP unit holders will receive 60%, the Development Manager 20%, and the Living Forest Community Association will receive 20%.
PROPERTY	“Elkington Forest Land” Lot B District Lot 201 and Blocks 201, 270 and 281, Malahat District Plan EPP9371
USE OF PROCEEDS	The proceeds of this offering will be used to complete the development, including the final engineering and build-out of the infrastructure, and marketing of the building lots.
ELIGIBILITY	The Class A units will not be eligible under the applicable Canadian legislation for Canadian RRSP’s or RESP’s.
OFFERING BASIS	Private Placement offering in British Columbia, Alberta and Ontario pursuant to exemptions under applicable securities legislation. Intended for accredited investors, as defined by applicable Canadian legislation.
EXPECTED CLOSING	Closing December 31, 2011
TAX CONSEQUENCES	There are important tax consequences to these securities. You should consult your own professional tax advisors to obtain advice respecting the tax consequences applicable to you.
SELLING AGENTS	No selling agent has been appointed, but there may be a commission of up to 5% paid to parties who are the effective cause of bringing the investor to this opportunity.
RESALE RESTRICTIONS	You will be restricted from selling your securities for an indefinite period.
PURCHASER’S RIGHTS	You have two business days from the signing of the subscription document to cancel your agreement to purchase these securities. If there is a misrepresentation in the offering Memorandum, you have the right to sue either for damages or to cancel the agreement.
PRIORITY RIGHTS	LP Purchasers have priority rights for purchasing a building lot at Elkington Forest. As well, 20% of the amount invested will be considered a discount on the price of a building lot. See Offering Memorandum for details.

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AN EXPERIENCED AND PASSIONATELY COMMITTED DEVELOPMENT MANAGEMENT TEAM DEDICATED TO BUILDING A CONSERVATION COMMUNITY THAT CHANGES THE WAY WE LIVE IN, AND WITH, THE FORESTS. EXTENSIVE EXPERIENCE IN THE ACQUISITION, REZONING, DEVELOPMENT AND MARKETING OF REAL ESTATE.

DOUG MAKAROFF BA, MCS PRESIDENT AND CEO

Doug has 20 years experience as an urban planner and real estate developer, most of which have focused on applying the principles of Sustainability and New Urbanism to highly marketable real estate projects. From 1991 to the present, he has been the president of an urban planning consulting firm, serving public and private clients on Vancouver Island and the Lower Mainland. This firm, Living Forest Planning Consultants, is now the Development Manager to the Living Forest One LP. From 1996 to 2003, he was a partner in the multiple award-winning Shoal Point condominium project in Victoria, B.C. From 2003 to mid-2006, he was the Vice President of Planning and Permitting for the Loreto Bay Company. In 2006, Doug was recruited by the Trust for Sustainable Forestry for the purpose of expanding this model throughout BC and other locations. He is committed to establishing this innovative community by utilizing tested and proven economic and environmental principles. Beginning in the summer of 2011, Doug assumed direct responsibility for sales and marketing of the bare lots to builders and future residents. Employing a number of unique promotional offers, Doug contacted over the phone, hundreds of individuals who have contacted or registered with Living Forest Communities over the past 3-4 years. By selling directly to the audience with the highest interest level, he has been successful in closing sales.

VAN NEWELL, DIRECTOR OF FINANCE

In 1970 Van started his business career in Northern California, as a Certified Public Accountant. After more than a decade as a partner in a CPA firm, Van became president and CEO of a wholesale ophthalmic lab, a position which he maintained through two successive owners of the company. In 2008, Van joined the Living Forest Communities team with responsibility for financial reporting and accounting. Van provides experienced overview of budget assumptions and undertakes on-going sensitivity analyses for the Elkington Forest pro forma.

**ARISTIDES COTA M.ARCH, P. ENG
CHIEF OF ENGINEERING SERVICES
& INFRASTRUCTURE DEVELOPMENT**

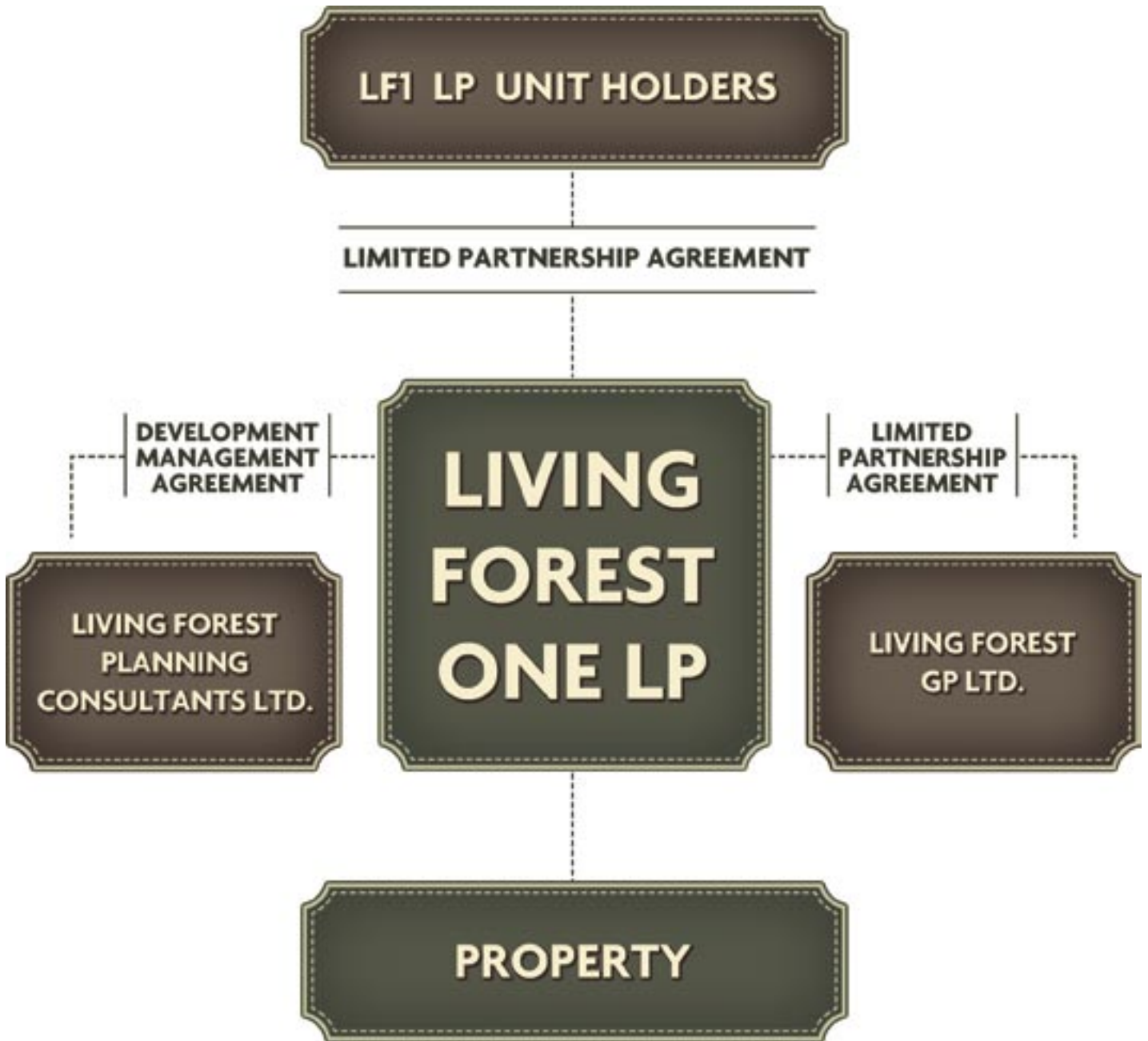
Ari Cota is an experienced residential developer and civil engineer. He was formerly the Director of Engineering for Loreto Bay Company, a \$500 million mixed use sustainable project located in Loreto Bay, Baja Mexico. Prior to joining Loreto Bay, Ari was a partner and the Chief Executive Officer of Asesoría Financiamiento Int., a professional land development firm specializing in engineering, and construction management. Ari has also been a partner and the Chief Operating Officer of Precoi S.A. de C.V., a Mexican engineering firm. While at Precoi, Ari supervised a staff of approximately 450 people, and oversaw major development projects throughout Mexico, including the construction of six subway stations in Mexico City, as well as transmission lines, and substations for the thermoelectric "Rosarito" station, in Baja California.

**JACK BASEY QC , LLB, MBA
VICE-PRESIDENT, DEVELOPMENT**

Jack has a broad background in the legal and municipal regulatory aspects of land development. Jack was the director of planning for the city of Victoria during a period of unprecedented development, 1999 - 2006. He was the city's overall project leader for the award-winning Dock-Side Green project. Jack has also taught Administrative Law in the Masters of public Administration program at the University of Victoria. Among other duties, Jack ensures that the covenants, bylaws and other legal mechanisms are impeccably drafted to guarantee both the ability to effectively execute the conservation community and protect the health of the forest ecosystems in perpetuity.



- The partnership has rezoned approximately 950 acres of land 85% of which is preserved in ecological covenant and eco-forestry (the “property”)
- The Partnership has acquired and will develop the southern half or approximately 475 acres as a conservation community.
- The zoning allows for 77 homes, 80,000 sq. ft. of ancillary commercial or light ecoindustrial uses, and 75 acres of food production land. The 77 bare land Strata lots will be sold with traditional Arts & Crafts homes featuring local timber framing, or as a bare land Custom strata lots, where the design will be subject to Architectural Guidelines (see last page image).
- The land was purchased at raw forest land prices, and that base cost has been passed on to the Partnership. Appreciation due to the rezoning process passes through to the investors.
- There is strong demand for new single family homes in the Greater Victoria region.
- Few, if any, comparable new developments feature hundreds of ha. of park like forests, yet retain traditional mixed-use village feel.
- The housing is clustered into three hamlets, linked by narrow contour hugging roads to reduce the cost of services and the environmental impact.
- The homes will have lake, forest, ocean and mountain views, and are located within walking distance of Wrigglesworth Park and the 8,000 ha. Sooke Hills Wilderness Reserve.
- The Trans Canada Trail begins at Mile 0 in Victoria and crosses the eastern edge of Elkington Forest before heading north to Shawnigan Lake and Cowichan Lake.
- The property lies 7 kms south of Shawnigan Lake and has convenient access to amenities within the West Shore and Victoria.
- The association with the Trust for Sustainable Forestry and the Land Conservancy of BC provides many benefits to the investors and the home buyers. When home buyers know that the forest will be managed to the highest stewardship standards, there is greater confidence in long-term value.





PRO FORMA

NET REVENUES		\$28,000,000
Costs: Land Purchase	\$4,500,000	
Infrastructure - roads, sewer, water	7,400,000	
Soft Costs	5,000,000	
Marketing	1,500,000	
Contingency	700,000	
		19,100,000
NET PROFIT		\$8,900,000

CAPITALIZATION

SOURCE OF FUNDS

Limited Partner Equity Contributions		
Phase 1		\$2,500,000
Phase 2 - Current Raise		1,500,000
Land Owner - 2 ND Mortgage		2,455,000
Lender Financing		5,000,000
		\$11,455,000

IRR PER UNIT - CLASS A UNITS

PROJECTED RETURNS: CAPITAL & PROFIT DISTRIBUTION

Class A Units:

2011 - Assumed Initial Investment Nov, 2011 @ \$1.30/Unit	(\$50,000)
2013 - Q2/3 Return of Initial Investment	50,000
2013 - Q4	9,000
2014	49,000

Net Gain on Investment

\$58,000

Return on Investment

116%

Annualized IRR

+40%

• THE ELKINGTON FOREST PROPERTY

- is located at the southern edge of the Cowichan Valley Regional District on Vancouver Island, British Columbia, accessible from Stebbings road and Goldstream Heights drive;
 - is located approximately 32 kilometres, or about 35 minutes, north of downtown Victoria along the Trans Canada Highway within easy access to the Victoria International Airport and ferries to the mainland BC and to the United States;
 - backs on to thousands of hectares of park and Capital Regional District watershed land. The site has views overlooking Shawnigan Lake, the Saanich Inlet and the Gulf Islands.
- The Capital Regional District (Victoria) has a population of approximately 330,000 and the fastest growing area in the CRD . The West Shore community with 50,000 residents, is only 15 minutes away
 - Shawnigan Lake and the Mill bay area are the local community centres, commercial centres and gateways to many recreational opportunities..





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