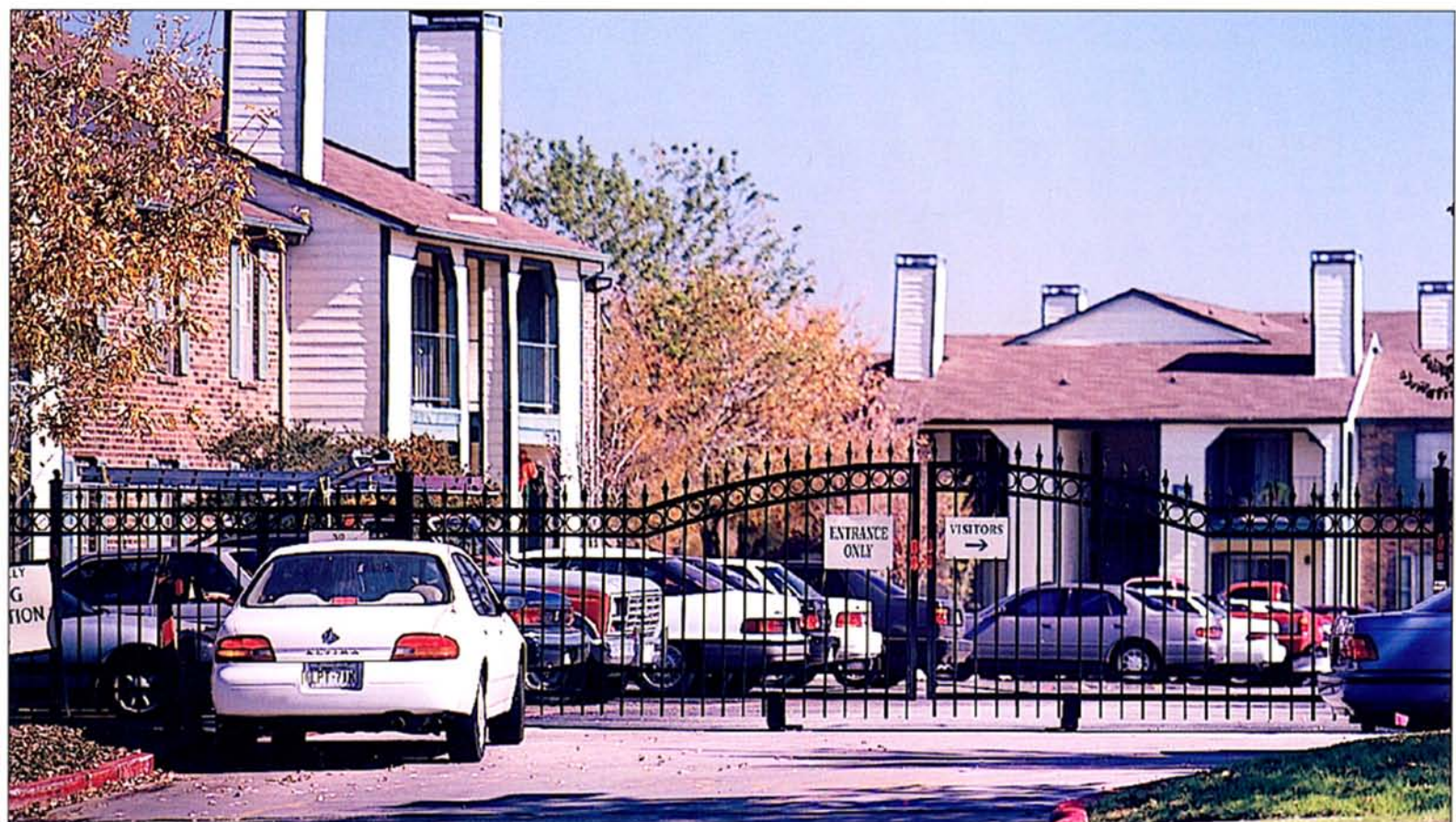




ARBOR VALLEY

DALLAS, TEXAS

Luxury Apartments
\$42,893 Average per Unit



REASONS FOR INVESTING WITH THE ENGLAND GROUP

THE OPPORTUNITY

Restrictive rules for U.S. lending institutions were significantly relaxed during the 1980's. This factor, along with significant tax incentives, created one of the most serious over-building problems in the U.S. housing market in recent times. Capital was easy to obtain, and developers built a high quantity of properties with little concern about whether or not they were economically viable. Eventually the bubble burst, leaving hundreds of mortgage-holding financial institutions bankrupt as a result. The S&L (Savings & Loans) financial disaster is going to cost American taxpayers hundreds of billions of dollars in the end. However, for an investor with available capital resources and the proper investment vehicle, this represents an incredible opportunity to profit from the mistakes of others.

THE DALLAS ADVANTAGE

Dallas was one of the U.S. cities hardest hit by the collapse of the Savings & Loans in the mid 1980's. New construction of multi-family units peaked at approximately 50,000 units in 1983 and declined dramatically thereafter. By 1987, the over-supply in the rental market and the unavailability of capital meant that virtually no new units were being built. Income-producing properties suffered from extremely low occupancy rates and were often unable to meet their mortgage payments, resulting in their being foreclosed on by lenders.

Fortunately, the situation is quite different today. Stricter controls are in place at the federal level to prevent lending institutions from repeating the mistakes of the 1980's. Resolution Trust Corp. (or RTC) is the government agency created to restore order to the troubled U.S. real estate market. The agency recently announced that it would be closing its Dallas office on Dec. 31, 1995 as it had "completed its mission of managing and disposing of the assets of failed thrift institutions one year earlier than Congress originally mandated."¹ New construction has risen slightly since the late 80's and early 90's, although it is usually higher-end product and is nowhere near the levels of the mid 1980's. Although the Dallas market has now stabilized, a few select opportunities are still available.

Dallas today is experiencing an economic boom that is predicted to continue for many years to come. The city led the U.S. in terms of new jobs created in 1994 with 92,500, and is currently experiencing a five-year high in its employment level. The average occupancy in the city for multi-family housing projects has risen dramatically and now stands at 94%, with the Class A properties doing even better. The Dallas-Fort Worth Metroplex is forecasted to lead the nation in terms of employment and population increases for the next 10 years.³

THE EASE OF INVESTMENT

The England Group specializes in providing "armchair" investment opportunities that make it easier for people to participate in. Our philosophy is to provide both positive cash flow and capital appreciation to our investors. All of The England Group's U.S. projects pay non-taxable cash distributions to investors on a quarterly or annual basis. Additionally, Canadian tax benefits enable investors to acquire a unit in Arbor Valley with virtually no after tax expense. The England Group has built an excellent track record of acquiring only high quality, well located, Class "A" properties in growth markets. We then use our management expertise to improve the performance of each asset and increase its value for our investors.

Arbor Valley provides you with one of these opportunities to participate.

"Economic growth in Texas is creating demand for every kind of real estate at a pace that outperforms the rest of the nation"²

¹ Dallas Business Journal, Feb. 24/95, Page 7

² Urban Land Institute, April 1995, Page 30

³ Woods & Poole Economics Inc., American Demographics magazine (Washington, D.C.)



DALLAS FACTS

- ☆ Dallas-Fort Worth experienced a significant growth in new jobs in 1994 with 92,500 – the highest gain of any market in the U.S.
- ☆ Dallas Metroplex is forecasted to lead the nation in both employment and population gains over the next ten years.
- ☆ Rated No.1 in 1994 among U.S. cities for number of new corporate facilities and number of new manufacturing plants.
- ☆ Second fastest growing metropolitan area in the U.S. for the last five years, gaining over 470,000 new residents during that period.
- ☆ Its international airport is currently in the middle of a three billion dollar expansion, and is slated to be the world's largest airport by the year 2000. A new \$320 million runway should be completed by September 1996 to direct the extra volume of air traffic.
- ☆ Rated No.1 in 1992 and 1993 and No.2 in 1994 on real estate prospects, economic growth potential and relocation potential (Baring Advisors of New York).
- ☆ Rated most profitable real estate growth market for the 1990's (Alex Brown Realty Advisors).
- ☆ Ideally located as a hub city for distribution throughout North America.
- ☆ Favourable business climate with no state corporate or personal income tax.
- ☆ Has had more corporate relocations in the past eight years than any other city in the U.S.
- ☆ Over 500 foreign companies have established offices in Dallas.
- ☆ Texas is now the 2nd most populous state in the U.S.

**PROJECTED ANNUAL
EMPLOYMENT GROWTH
1995-2000**

- 1..... Dallas/Fort Worth, TX
- 2..... Atlanta, GA
- 3..... Orange County, CA
- 4..... Houston, TX
- 5..... Chicago, IL

Source: Viewpoint 1995; Real Estate Value Trends, Valuation International, Ltd. Valuation Network Limited.



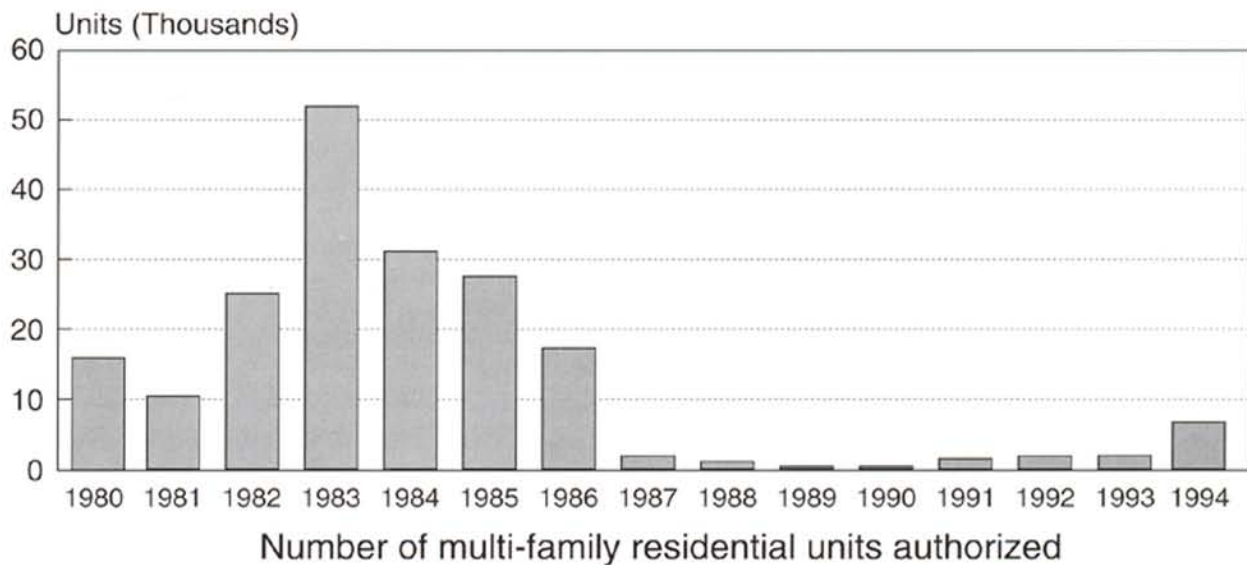
Sailing at nearby Lake Lewisville

**PROJECTED ANNUAL
POPULATION GAINS
1995-2005**

- 1..... Dallas/Fort Worth, TX
- 2..... Houston, TX
- 3..... Washington, DC
- 4..... Atlanta, GA
- 5..... San Diego, CA

Source: Woods & Poole Economics Inc., American Demographics magazine, Washington, D.C.

**DALLAS/FORT WORTH RESIDENTIAL HISTORICAL DATA
(NEW CONSTRUCTION)**



Source: U.S. Bureau of The Census

The above graph illustrates the over-supply of multi-family units in the mid 80's which contributed to the current investment opportunities. It also shows why the vacancy rates have steadily tightened due to virtually no new supply and the influx of people in recent years.

INVESTMENT HIGHLIGHTS

The Arbor Valley Project consists of 244 deluxe units constructed in 1981. The project is situated on 12 acres in the city of Lewisville, a northwest suburb of Dallas.

EXCELLENT INVESTMENT TIMING

Arbor Valley provides an opportunity to acquire U.S. real estate at below replacement cost from a foreclosure sale. With minimal new townhome/apartment construction and increasing demand caused by the high influx of people relocating to Dallas, the occupancy rate is steadily rising. The Dallas economy is experiencing strong growth and is projected to lead the nation over the next decade.

POSITIVE CASH FLOW Although the Arbor Valley investment is made primarily for capital appreciation, it produces a net positive cash flow to investors. The investment is projected to produce a cash yield equivalent to 12.5% in an interest bearing security on an after tax basis. Furthermore, when the tax savings are added, the cash on cash yield increases significantly.

CASH DISBURSEMENTS Investors will receive quarterly cash distributions beginning in April 1996.

5 YEAR PRO FORMA GUARANTEE The numbers projected are guaranteed through a right of off-set on the General Partner's carried interest in the project. For additional investment safety, the General Partner has provided a cash reserve totalling \$100,000 U.S.

EXCELLENT LOCATION Arbor Valley is in an upper-income, white-collar neighbourhood in Lewisville, a northwest suburb of Dallas. It is the north Dallas sub-markets that are experiencing the largest proportion of new growth in employment and population.

TAX ADVANTAGES The two-tiered partnership structure permits tax deductions to flow to Canadian investors without them having to file a U.S. tax return. The result is that a large portion of the investors' equity is recovered through tax savings.

100% FINANCING Various financing packages have been arranged, including 100% financing of the equity down payment.

ASSET MANAGEMENT INCENTIVE The General Partner has a vested interest in the management and successful operation of the project through a carried interest participation. Upon sale, investors will receive all of their original funds invested plus a preferred return of 10% per annum. Additional profits are then shared; 80% investors, 20% General Partner. The management company is on a performance incentive to exceed projections.

ASSET IMPROVEMENT Although the complex is in very good condition, the General Partner is undertaking a moderate improvement program at Arbor Valley which will include exterior paint and wood repair, roof repairs and minor cosmetic refurbishment in order to increase the property's curb appeal and maximize the future cash flow.



165 N. Old Orchard Lane



*A*rbor Valley is an attractive “Class A” project located in the white-collar neighbourhood of Lewisville, a northwest suburb of Dallas.

Lewisville is known as the “City of Expanding Horizons” and enjoys an excellent location at the crest of the North Dallas Metroplex sub-markets. It is these sub-markets that have experienced Dallas’ strongest growth both in employment and population. Accordingly, Lewisville has one of the lowest employment rates in Dallas at approximately 3.5%.

Quality of life is foremost in Lewisville with beautifully landscaped residential areas and more than twenty parks and leisure facilities including Lewisville Lake, one of the largest lakes in Texas. Over 6 million visitors are attracted to the city annually to enjoy recreational sports on the lake including sailing, skiing, boating and fishing.

Arbor Valley residents enjoy ample shopping nearby, including the largest mall in north Texas, the Vista Ridge Mall which is just 5 minutes away. Directly adjacent to the property is the Lewisville City Hall, the main Public Library, and the Lewisville Recreational Centre.

The Metroplex hosts various golf and country clubs within minutes of each other including the prestigious Riverchase Private Golf and Country Club. Just a short distance by car or transit, the residents can enjoy the sights and activities that a large cosmopolitan city like Dallas has to offer.

All of these features are merged together by an impressive highway infrastructure which services the Metroplex area and provides easy access to the Dallas or Fort Worth City Centres (both 45 minutes away) and the International Airport (15 minutes away).

ARBOR VALLEY

Arbor Valley is a luxury apartment complex set on 12 acres of mature, professionally landscaped grounds. The 21 individual buildings are attractively finished with brick and wood masonite siding over a wood frame structure and pitched roof design.

Arbor Valley residents can relax in one of two swimming pools with sunning decks or enjoy a game of tennis on the fully-lit tennis court. The large, private clubhouse is excellent for resident functions and can be booked for private parties. An attractive wrought iron perimeter fence with limited access entry gates ensures a quiet, private lifestyle for Arbor Valley residents.

The project consists of 244 residential units ranging from one bedroom, one bathroom suites at 656 square feet to two bedroom, two bathroom suites at 972 square feet. All units feature french-pane windows, mini blinds, ceiling fans, individually controlled heat, hot water and air conditioning, spacious private patios or balconies with additional outside storage. Each bright well-appointed kitchen is complete with dual stainless steel sinks, a frost-free refrigerator, dishwasher and vinyl floor covering. Many units have vaulted ceilings, wood-burning fireplaces and full size washer and dryer hook-ups. Wall to wall carpeting and designer colour schemes are the finishing touches in these fine units.



THE GENERAL PARTNER

The England Group has a successful proven track record of over 3,000 units in North America including 2,298 units acquired in Texas. We currently manage a portfolio of real estate assets totalling over \$170,000,000 in value and generating gross annual income in excess of \$22,000,000. The England Group is in the business of acquiring high quality properties out of distress situations (foreclosure sales) in emerging growth markets. Investors are encouraged to review The England Group's track record. Kevin England has conducted the disposition of a number of investment properties which has resulted in substantial profits to investors. Professional independent management companies with expertise in the particular markets are hired to perform the on-site management for each of these investment properties. This strategy of aggressive management results in the maximization of profits to investors on sale.

PROPERTY STATUS

Arbor Valley is currently 96% leased. The project has been acquired from a foreclosure sale. According to MPF Research, the overall occupancy for the Dallas/Fort Worth Metroplex is approximately 94%. The "Class A" projects are experiencing an even stronger occupancy.

PROFESSIONAL ADVISORS

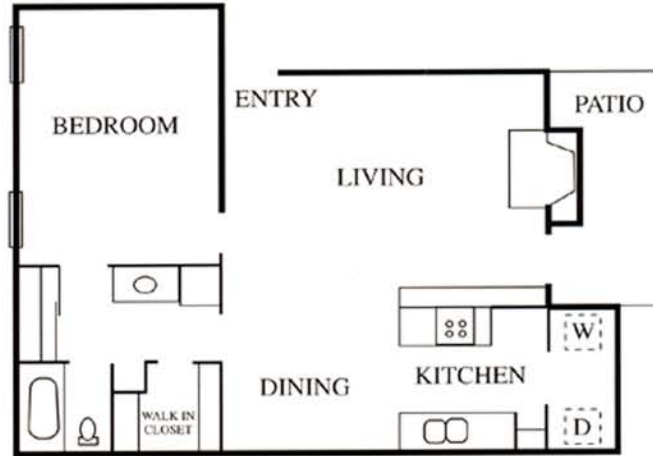
To eliminate any concerns associated with investing outside of Canada, the General Partner has retained the services of a select team of professional advisors: BDO Dunwoody Ward Mallette, accountants and project auditors; Russell & DuMoulin, legal advisors; Thorsteinssons, tax law specialists; and Gardere & Wynne, U.S. real estate lawyers.



ARBOR VALLEY

TYPICAL FLOOR PLANS

**ONE BEDROOM UNIT
AVERAGING 656 SQ.FT.**



**2 BEDROOM UNIT
AVERAGING 972 SQ.FT.**





Residents enjoy a game of tennis at Arbor Valley



Typical homes in the Lewisville sub-market



Vista Ridge Shopping Centre, a regional mall, hosts three major department store



THE ENGLAND GROUP

690 - 1040 West Georgia Street, Vancouver, B.C. V6E 4H1 (604) 685-9500

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