



PALM SPRINGS - PALM DESERT

BERMUDA DUNES

Luxury Resort Style Apartments ♦ \$50,880 Average Total Price



Palm Springs - Palm Desert

"THE GOLF AND TENNIS CAPITAL OF THE WORLD"

More than 2 million visitors each year come to mingle with the celebrities who are drawn by the "Palm Springs mystique."

Originally a hideaway for international royalty, politicians and Hollywood stars, Palm Springs has become one of America's most popular playgrounds for the rich and famous. People flock to the area to soak up the sun, play golf and tennis, eat in fine restaurants and shop in designer boutiques.

The Palm Springs / Palm Desert area is amongst the most exclusive real estate in North America. A dynamic growing hospitality business and a relaxed, unhurried way of life has attracted an enormous number of visitors, many of whom have decided to stay forever.

Due to the excellent quality of life, the Desert area has experienced a dramatic population increase of more than 76% over the past decade. Despite the recessionary pressures in the U.S. in recent years, the Desert area has continued to exceed all Department of Finance growth projections.

The Opportunity - to acquire a luxury resort style apartment complex out of foreclosure at below replacement value in one of the wealthiest areas of North America.

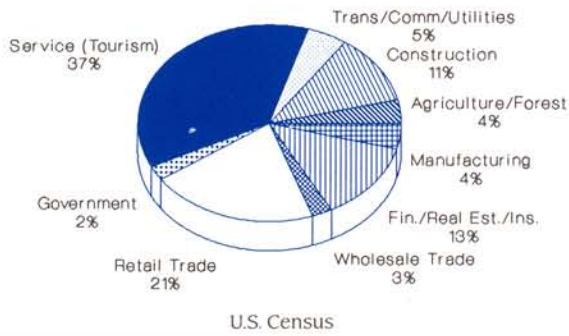




Palm Springs - Palm Desert

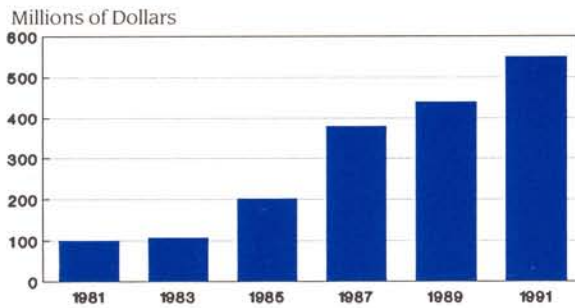
- over 2 million visitors annually make this area one of America's most popular vacation playgrounds
- over 76% growth in population in the past ten years
- average of 350 sunny days per year
- more than 100 golf courses
- more than 600 tennis courts
- over 10,000 swimming pools - greatest concentration of swimming pools anywhere in the world
- over 15,000 hotel rooms including some of the world's most luxurious resorts
- due to the affluent residents in Palm Desert, the per capita spending is 2.39 times greater than the rest of California
- over twelve million people are located within a two hour drive
- retail sales have increased a staggering 570% in the last ten years
- hotel room sales have increased a phenomenal 1538% since 1982

The Palm Desert - Rancho Mirage Labour Market Area



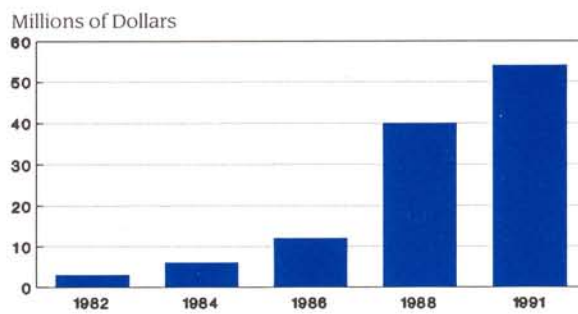
One of the project's pool areas.

Palm Desert - (1981 - 1991) Retail Sales

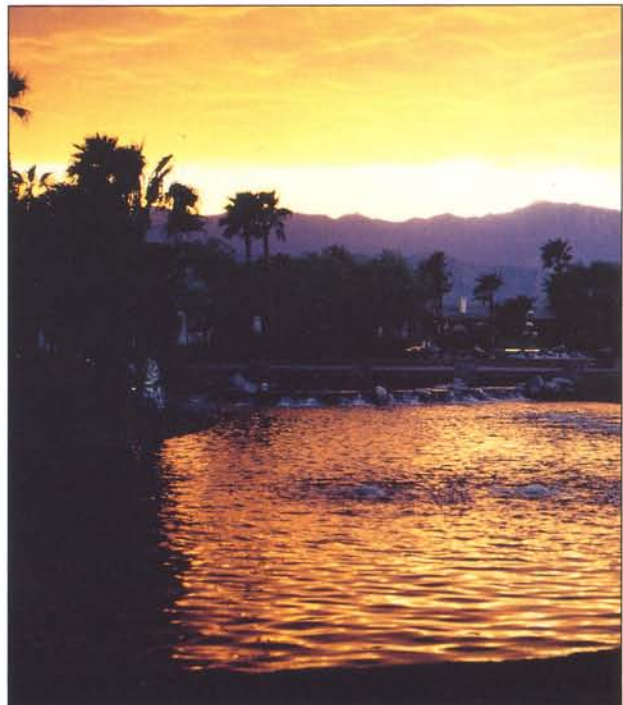


A peaceful sunset in the desert

Palm Desert Tourism



Hotel room sales have increased a phenomenal 1,538%



Investment Highlights

The Bermuda Dunes project consists of 340 luxury resort style suites newly constructed in 1989, and is situated on 23 acres in the Bermuda Dunes area of Palm Desert. An investment in Bermuda Dunes is tailored to fit Canadian investors, with a view of utilizing tax dollars to acquire a luxury apartment unit in one of America's vacation hotspots.

EXCELLENT INVESTMENT TIMING — Bermuda Dunes provides an opportunity to acquire undervalued U.S. real estate at an excellent time. The recent U.S. recession and the corresponding lack of mortgage financing at the time of completion of Bermuda Dunes have created a foreclosure opportunity of which we are able to take advantage.

BELOW REPLACEMENT VALUE — Because Bermuda Dunes has been acquired at an excellent price out of foreclosure, it is offered at below replacement value.

EXCELLENT LOCATION - Bermuda Dunes is located in one of America's wealthiest and most exclusive vacation areas - Palm Desert.

POSITIVE CASH FLOW — Bermuda Dunes is currently producing positive cash flow. For additional investment safety, the Developer has provided a cash reserve pool of \$250,000 U.S.

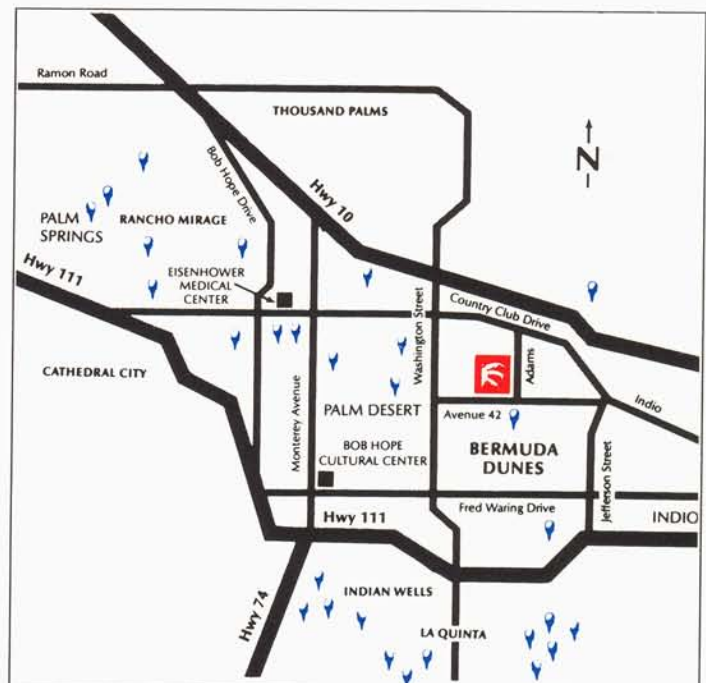
TAX ADVANTAGES — The two-tiered partnership structure permits tax deductions to flow to Canadian investors without having to file an individual U.S. tax return, resulting in a large portion of the investors' equity being recovered through tax savings.

100% FINANCING — Excellent pre-arranged financing is available, including 100% financing of equity down payment.

ASSET MANAGEMENT INCENTIVE — The General Partner has a vested interest in the maintenance and successful operation of the project through a carried interest participation in the property. Upon sale, investors will receive all of their original funds invested plus a preferred return of 10% per annum. Additional profits are shared: 80% investors, 20% General Partner. The base management fee is 4½% with another ½% for exceeding projections.

5 YEAR PRO FORMA GUARANTEE - The financial projections are guaranteed through a right of off-set on the Developer's carried interest in the project.

PERSONAL VACATION USE - An investment in Bermuda Dunes entitles you to personal use of one of the designated vacation suites for a nominal daily charge.



Bermuda Dunes



Bermuda Dunes Garden Apartments is a luxury resort style complex located adjacent to the Bermuda Dunes Country Club, one of the host courses for the "Bob Hope Chrysler Classic" annual golf tournament. The neighbouring country club homes range from \$400,000 to \$2.5 million.

Located just five minutes away from the project is Palm Desert's version of Rodeo Drive known as EL PASEO, a chic world class shopping avenue featuring designer fashion boutiques, exclusive jewellery stores, unique gifts, exciting art galleries and an international array of fine restaurants. The largest shopping mall in the Valley - the Palm Desert Town Centre - is 10 minutes away and includes a ten-screen movie theatre, four large department stores, 140 retail outlets and an olympic-size skating rink.

Palm Desert is considered to be the "new Palm Springs," as primarily all of the Desert's recent development has occurred in this area, with the most elaborate estates located here.

For golf enthusiasts there are several courses in the immediate neighbourhood, and the central location between Interstate 10 and Highway 111 provides easy access to more than 100 golf courses within a 40 minute drive. For those who enjoy live theatre, the McAllum Theatre is just ten minutes away at the Bob Hope Cultural Centre.

Five minutes north of the project, the latest Del Webb luxury retirement community known as "Sun City Palm Springs" is being developed. Creating numerous new jobs over the next several years, this community for active adults encompasses 1,600 acres and includes 5,800 custom built homes; an 18 hole golf course; numerous tennis courts and pools; and a 62,000 sq. ft. recreation centre.

Bermuda Dunes

The project is a 340 unit luxury garden apartment complex newly constructed in 1989. It includes 22 one and two storey buildings situated on 23 acres of lushly landscaped grounds highlighted by palms, exotic flowers, and tropical foliage. The buildings are finished with an attractive stucco exterior and a pitched Spanish concrete tile roof which combine to create a Mediterranean ambience.

The project features include the following:

- three swimming pools
- two fully-lit tennis courts
- three jacuzzi spas
- health and fitness centre
- sand volleyball court
- six gas barbeque centres

This prestigious gated community also features a large private clubhouse which includes a lounge with a big screen TV, a games room and a fully equipped kitchen. There are 164 two-bedroom, two-bath units at 880 square feet; 72 two-bedroom, two-bath units at 872 square feet; and 104 one-bedroom, one-bath units at 656 square feet. Each suite is individually metered, has central air-conditioning and consists of a separate living room and dining room; a full kitchen with a double stainless steel sink, European designed cabinets, self-cleaning oven and range, frost-free refrigerator, built-in dishwasher, garbage disposal and a built-in microwave. All units have full size washer and dryer connections; walk-in closets; ceiling fans; designer carpets and wall coverings; vertical blinds; additional storage areas; large double-glazed windows, and private balconies or patios. All upper floor units have vaulted ceilings.





THE GENERAL PARTNER - The General Partner has a successful proven track record, including 1,700 units it has acquired in the United States. Investors are encouraged to review the England Group's track record.

PROPERTY STATUS - Bermuda Dunes is 96% leased for the month of August, traditionally one of the lowest occupancy months of the year.

SAFETY OF INVESTMENT - 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 the Vista Group, Property Consultants.

PROFESSIONAL ASSET MANAGEMENT - The General Partner will hire an independent fully accredited professional property management firm with a successful history in the Southern California market. The General Partner is currently in the process of making this selection.

Floor Plans



656 Square Feet



872 Square Feet



880 Square Feet

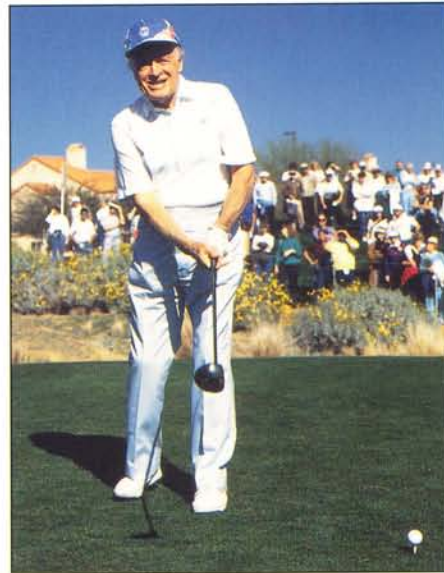


Palm Springs - Palm Desert attractions including the chic EL PASEO shopping avenue.



Typical homes on

Bermuda Dunes



The "Bob Hope Chrysler Classic" annual golf tournament is played at the Bermuda Dunes Country Club.



neighbouring Bermuda Dunes Country Club - average value of approximately \$500,000



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