

CONFIDENTIAL OFFERING MEMORANDUM

Date: November 18, 2016
The Issuer: CGI Fund Capital CAD Corp. (the "Corporation" or the "Issuer")
Head Office: Robson Court, 1000-840 Howe Street, Vancouver, BC V6Z 2M1 Canada
Phone and Fax: Phone: 1-786-581-4800 Fax: 1-786-523-0590
Email: investor@cging.com
Website: www.cging.com
Currently listed or quoted? No. **These securities do not trade on any exchange or market.**
Reporting Issuer/ SEDAR filer No. The Corporation is not a reporting issuer or equivalent in any jurisdiction.
The Offering:



Securities Offered:	4% unsecured Participating Bonds (referred to herein as the "Bonds" or the "Securities"). See Item 5.1 - Terms of Securities.
Price Per Security	\$1.00CAD per Bond (the "Principal Amount").
Min./Max. Offering	An aggregate Minimum Offering of \$270,000CAD (\$200,000USD) and an aggregate Maximum Offering of \$101,250,000CAD (\$75,000,000USD), in conjunction with funds raised in the Concurrent Offerings. Funds available under the Offering may not be sufficient to accomplish the Corporation's proposed objectives.
Min. Subscription	\$10,000CAD (10,000 Bonds) and increments of \$1,000CAD (1,000 Bonds) thereafter. See Item 5.1 - Terms of Securities.
Payment Terms	Certified cheque, bank draft, wire transfer or other form of guaranteed funds which may be acceptable to the Corporation, payable to: "Miller Thomson LLP, in trust", with delivery of a fully executed and completed Subscription Agreement. See Item 5.2 – Subscription Procedures.
Proposed Closing Date(s)	The Initial Closing is expected to occur on November 30, 2016, but may occur at such other earlier or later date or dates when the Minimum Offering is reached, as determined by the Corporation in its sole discretion (the "Initial Closing"). There may be subsequent closings after the Initial Closing, as determined by the Corporation, with the Final Closing to occur upon the earlier of either: i) the last day that CGI U.S. Fund will be issuing limited partnership interests; or ii) 12 months from the Initial Closing (the "Final Closing").
Fixed Interest Rate, Interest Payment Date and Maturity Date	Simple interest at a fixed rate of 4% per annum (the "Fixed Interest Rate") to be paid on or before five (5) years from the date of Closing (the "Interest Payment Date"). The Maturity Date of the Bonds is six (6) years from the date of Closing (the "Maturity Date"). The Corporation shall have the right to extend the Maturity Date by up to four (4) calendar years if CGI U.S. Fund extends the redemption of its limited partnership interests by the corresponding time frame. Notwithstanding the foregoing, the Corporation shall have the sole discretion to pay the Fixed Interest Rate earlier.
Redemption and Early Redemption	99% of the Principal Amount of the Bonds and all accrued and unpaid Interest is due no later than the Maturity Date. The Corporation has the right to redeem up to 99% of the Principal Amount at any time before the Maturity Date with up to ninety (90) days written notice to the Investors. See Item 5.1 – Terms of Securities.
Final Participating Interest Distribution Date	1% of the Principal Amount of the Bonds and the Participating Interest is to be paid to the Investors no later than six (6) months from the Maturity Date. See Item 5.1 – Terms of Securities.

Tax Consequences	There are important tax consequences to these Securities. See Item 6 - Income Tax Consequences and Deferred Plan Eligibility.
Selling Agent	The Corporation will retain Park Capital Management 2012 Inc. (the "Agent") as the exclusive registered exempt market dealer to effect sales of the Bonds. The Corporation will pay a cash Commission to the Agent of four (4%) percent of the aggregate purchase price of Bonds sold to Subscribers referred by the Agent. See Item 7 – Compensation Paid to Sellers and Finders.
Resale Restrictions	The Bonds are subject to restrictions on resale. There is no market for the Bonds and none is expected to develop and therefore, it may be difficult or impossible for you to sell the Bonds. You will be restricted from selling your Bonds for an indefinite period. See Item 10 – Resale Restrictions.
Purchaser's Rights	You have two (2) Business Days to cancel your Subscription Agreement to purchase these Securities. If there is a misrepresentation in this Offering Memorandum or in any OM Marketing Materials, you have the right to either sue for damages or to cancel the Subscription Agreement. See Item 11 - Purchaser's Rights.

The Bonds are offered for sale pursuant to exemptions from prospectus requirement contained in NI 45-106 and may be sold pursuant to exemptions from the registration requirements contained in NI 31-103. No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. Purchasers should read the entire Offering Memorandum for full details about the Offering. This is a risky investment. **See Item 8 – "Risk Factors".** All OM Marketing Materials are deemed to be incorporated by reference into the Offering Memorandum.

This Offering Memorandum is for the confidential use of only those persons to whom it is transmitted in connection with this Offering for the purpose of evaluating the securities offered hereby. By their acceptance of this Offering Memorandum, recipients agree that they will not transmit, reproduce or make available to anyone, other than their professional advisors, this Offering Memorandum or any information contained herein. No person has been authorized to give any information or to make any representation not contained in this Offering Memorandum. Any such information or representation which is given or received must not be relied upon.

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NOTE REGARDING FORWARD- LOOKING STATEMENTS

THIS OFFERING MEMORANDUM AND ANY OM MARKETING MATERIALS MAY CONTAIN FORWARD-LOOKING STATEMENTS. THESE STATEMENTS RELATE TO FUTURE EVENTS OR THE CORPORATION'S FUTURE PERFORMANCE. ALL STATEMENTS OTHER THAN STATEMENTS OF HISTORICAL FACT ARE FORWARD- LOOKING STATEMENTS. FORWARD-LOOKING STATEMENTS ARE OFTEN, BUT NOT ALWAYS, IDENTIFIED BY THE USE OF WORDS SUCH AS "ASSUME", "MAY", "WILL", "SHOULD", "EXPECT", "PLAN", "ANTICIPATE", "BELIEVE", "ESTIMATE", "PREDICT", "POTENTIAL", "TARGETING", "INTEND", "COULD", "MIGHT", "CONTINUE", OR THE NEGATIVE OF THESE TERMS OR OTHER COMPARABLE TERMINOLOGY. THESE STATEMENTS ARE ONLY PREDICTIONS. IN ADDITION, THIS OFFERING MEMORANDUM AND ANY OM MARKETING MATERIALS MAY CONTAIN FORWARD-LOOKING STATEMENTS ATTRIBUTED TO THIRD PARTY INDUSTRY SOURCES. UNDUE RELIANCE SHOULD NOT BE PLACED ON THESE FORWARD-LOOKING STATEMENTS AS THERE CAN BE NO ASSURANCE THAT THE PLANS, INTENTIONS OR EXPECTATIONS UPON WHICH THEY ARE BASED WILL OCCUR. BY ITS NATURE, FORWARD-LOOKING INFORMATION INVOLVES NUMEROUS ASSUMPTIONS, KNOWN AND UNKNOWN RISKS AND UNCERTAINTIES, BOTH GENERAL AND SPECIFIC, THAT CONTRIBUTE TO THE POSSIBILITY THAT THE PREDICTIONS, FORECASTS, PROJECTIONS AND OTHER FORWARD-LOOKING STATEMENTS WILL NOT OCCUR AND MAY CAUSE ACTUAL RESULTS OR EVENTS TO DIFFER MATERIALLY FROM THOSE ANTICIPATED IN SUCH FORWARD-LOOKING STATEMENTS. THE FORWARD-LOOKING STATEMENTS CONTAINED IN THIS OFFERING MEMORANDUM OR IN ANY OM MARKETING MATERIALS ARE EXPRESSLY QUALIFIED BY THIS CAUTIONARY STATEMENT. THESE FORWARD-LOOKING STATEMENTS SPEAK ONLY AS OF THE DATE OF THIS OFFERING MEMORANDUM. THE CORPORATION IS NOT UNDER ANY DUTY TO UPDATE ANY OF THE FORWARD-LOOKING STATEMENTS AFTER THE DATE OF THIS OFFERING MEMORANDUM TO CONFORM SUCH STATEMENTS TO ACTUAL RESULTS OR TO CHANGES IN THE CORPORATION'S EXPECTATIONS EXCEPT AS OTHERWISE REQUIRED BY APPLICABLE LEGISLATION. THE RISKS AND UNCERTAINTIES ATTRIBUTABLE TO THESE FORWARD-LOOKING STATEMENTS MAY ADVERSELY AFFECT THE DISTRIBUTIONS TO BE MADE ON, OR THE RATE OF RETURN ON, THE BONDS. SOME OF THESE ARE DISCUSSED IN ARTICLE 8 – RISK FACTORS. YOU SHOULD CAREFULLY CONSIDER THE RISK FACTORS, IN ADDITION TO THE OTHER INFORMATION PROVIDED HEREIN BY THE CORPORATION OR IN ANY OM MARKETING MATERIALS.

GLOSSARY OF TERMS

In this Offering Memorandum, unless the context otherwise requires, the following words and terms shall have the indicated meanings and grammatical variations of such words and terms shall have corresponding meanings:

“Accountants”	means an independent firm of Chartered Accountants appointed by the Corporation for the time being, whether or not such firm of chartered accountants is regularly retained by the Corporation;
“Advisory Committee”	means the advisory committee to both the CGI U.S. Fund and CGI Offshore Fund. See 2.7 (e) - CGI U.S. Fund Limited Partnership Agreement;
“Agent”	means Park Capital Management 2012 Inc., a registered exempt market dealer and portfolio manager;
“Annual Fee”	means the annual fee payable by the Corporation in cash to Target in an amount equal to: (i) \$2,500; plus (ii) one-half of one percent (being 0.5%) of the total Deferred Plan Capital outstanding, on the last day of the month of the Target Agreement anniversary date falls on, that is in excess of \$500,000; plus (iii) applicable tax. See Item 1.1 - Funds and Item 2.7(a) – Agreement with Target Capital Inc.;
“Bonds” or “Securities”	means the 4% unsecured participating bonds paying the Fixed Interest Rate and Participating Interest offered under this Offering. See Article 5 - Securities Offered;
“Business Day”	means a day that is not a Saturday, Sunday or holiday in the Province of British Columbia;
“Capital Raising Fee”	means the fee payable by the Corporation to Target in cash in an amount equal to one-half of one percent (being 0.5%), plus applicable taxes, of the Deferred Plan Capital raised by the Corporation during a year in excess of \$500,000. See Item 1.1 - Funds and Item 2.7(a) – Agreement with Target Capital Inc.;
“CGI Canadian LP” or the “Limited Partnership”	means CGI Fund CAD LP. See Item 2.1 - Structure;
“CGI Offshore Fund”	means CGI Offshore Fund I, LP, a Cayman Islands exempted limited partnership. See Item 2.1 - Structure;
“CGI Private Placement Memorandum”	means the Private Placement Memorandums of CGI U.S. Fund and CGI Offshore Fund dated July 15, 2016 (as amended, supplemented or restated from time to time). See Item 1.3 – Funds Raised Under this Offering are Part of Concurrent Offerings;
“CGI U.S. Fund” or the “Fund”	means CGI Fund I, LP, a Delaware limited partnership that CGI Canadian LP will be purchasing limited partnership interests in and/or loaning funds to. See Item 2.1 - Structure;
“Class A Shares”	means the Class A Preferred Voting Shares of the Corporation. See Item 4.1 - Share Capital;
“Class B Shares”	means the Class B Common Non-Voting Shares of the Corporation. See Item 4.1 - Share Capital;

“Closing”	means the day or days upon which the Bonds are issued to the Subscribers pursuant to this Offering;
“Closing Date”	means the Closing of the Offering, which will take place periodically at the Corporation’s sole discretion, with the Initial Closing planned for November 30, 2016, but may occur at such other earlier or later date or dates when the Minimum Offering is reached, as determined by the Corporation in its sole discretion;
“Combined Majority (or other specified percentage)-in-Interest”	means limited partners, other than related partners and defaulting limited partners and other partners in any Parallel Funds (other than related partners and defaulting limited partners in such Parallel Fund), that at the time in question have capital commitments aggregating in excess of fifty (50%) percent (or such other specified percentage) of all capital commitments of all limited partners in the partnership (other than related partners and defaulting limited partners);
“Commission”	means the cash compensation of four (4%) percent paid as a commission to the Agent in connection with this Offering. See Article 7 - Compensation Paid to Sellers and Finders;
“Concurrent Offerings”	means separate but concurrent offerings by CGI U.S. Fund and CGI Offshore Fund of an aggregate of up to \$75,000,000USD in conjunction with funds raised pursuant to the Offering by issuing limited partnership interests each by way of the CGI Private Placement Memorandum. See Item 1.3 – Funds Raised Under This Offering are Part of a Concurrent Offering;
“CRA”	means the Canada Revenue Agency;
“Deferred Plan”	means any one of or collectively an RRSP, RRIF, RESP and a TFSA;
“Deferred Plan Capital”	means capital of any kind raised by the Corporation from an RRSP, RRIF, RESP or TFSA pursuant to this Offering;
“Distributable Cash”	<p>means with respect to a particular period, the amount by which the Limited Partnership’s cash on hand or to be received in respect of that period (excluding any proceeds from financing) exceeds:</p> <ul style="list-style-type: none"> a) unpaid administration expenses of the Limited Partnership; b) amounts required for the business and operations of the Limited Partnership, including operating expenses and capital expenditures; c) amounts required in order to meet all debts, liabilities and obligations in respect of any financing, including reserves to ensure compliance with agreements to which the Limited Partnership is subject; and d) any amounts which the General Partner in its discretion determines are necessary to satisfy the Limited Partnership’s current and anticipated debts, liabilities and obligations to comply with applicable laws;
“EE”	means Exempt Experts Inc., a company related to Target by common management. The CEO of Target owns 100% of the issued and outstanding shares in EE;
“Eligible Investor”	has the meaning defined in NI 45-106;

“Final Closing”	the final closing shall occur upon the earlier of the last day that CGI U.S. Fund will be issuing limited partnership interest or twelve (12) months from the Initial Closing;
“Final Participating Interest Distribution Date”	means the remaining one (1%) percent of the Principal Amount and all accrued and unpaid Participating Interest is to be paid to the Investors no later than six (6) months from the Maturity Date. See Item 5.1 – Terms of Securities;
“Fund Manager”	means CGI Investment Management LLC, a Delaware limited liability company that will serve as investment manager to both CGI U.S. Fund and CGI Offshore Fund and will concurrently also manage the Corporation, CGI Canadian LP and the General Partner. See Item 2.1 - Structure;
“GAAP”	means the Canadian generally accepted accounting principles consistently applied;
“General Partner” or “CGI Canadian GP”	means CGI Fund CAD Corp., the general partner of CGI Canadian LP. See Item 2.1 - Structure;
“GP of the Funds”	means CGI Merchant GP, LLC, a Delaware limited liability company and an affiliate of the Sponsor;
“IFRS”	means the International Financial Reporting Standards, the principles, base standards, interpretations and the framework adopted by the International Accounting Standards Board;
“Interest Payment”, “4% Annual Interest” or “Fixed Interest Rate”	means four (4%) percent fixed interest per annum, to be paid on the Interest Payment Date. Notwithstanding the foregoing, the Corporation shall have the sole discretion to pay the Fixed Interest Rate earlier;
“Interest Payment Date”	means five (5) years from the date of Closing;
“Issuer” or “Corporation”	means CGI Fund Capital CAD Corp.;
“LP Unit”	means a limited partnership unit in CGI Canadian LP;
“Maturity Date”	means six (6) years from the date of Closing. The Corporation shall have the right to extend the Maturity Date by up to four (4) calendar years if CGI U.S. Fund extends the redemption of its limited partnership interests by the corresponding time frame;
“Maximum Offering”	means an aggregate of \$101,250,000CAD (\$75,000,000USD), in conjunction with the funds raised in the Concurrent Offerings;
“Minimum Offering”	means an aggregate of \$270,000CAD (\$200,000USD), in conjunction with the funds raised in the Concurrent Offerings;
“Minimum Subscription”	means 10,000 Bonds (\$10,000CAD) and increments of 1,000 Bonds (\$1,000CAD) thereafter;
“NI 31-103”	means National Instrument 31-103 <i>Registration Requirements, Exemptions and Ongoing Registrant Obligations</i> ;
“NI 45-106”	means National Instrument 45-106 <i>Prospectus Exemptions</i> ;

“Non-Arm’s-Length Parties”	means Persons who are “related” or who otherwise do not deal at arm’s length within the meaning of and pursuant to the Tax Act;
“Net Profits or Income”	means the net income received from CGI Canadian LP or any interest received from any loans to CGI Canadian LP, minus any Operating Expenses incurred by the Corporation;
“Offering”	means the offering of up to 101,250,000 Bonds pursuant to the terms of this Offering Memorandum;
“Offering Memorandum”	means this confidential offering memorandum of the Corporation dated November 18, 2016, including any amendments hereto;
“OM Marketing Materials”	means a written communication, other than an OM Standard Term Sheet, intended for prospective Investors regarding the Offering that contains material facts relating to the Issuer, Securities or the Offering;
“OM Standard Term Sheet”	<p>means a written communication intended for prospective Investors regarding the Offering that:</p> <ul style="list-style-type: none"> (a) is dated, (b) includes the following legend, or words to the same effect, on the first page: <p style="margin-left: 40px;">“This document does not provide disclosure of all information required for an investor to make an informed investment decision. Investors should read the offering memorandum, especially the risk factors relating to the securities offered, before making an investment decision.”,</p> (c) contains only the following information in respect of the Issuer, the Securities or the Offering: (i) the name of the Issuer; (ii) the jurisdiction or foreign jurisdiction in which the Issuer’s head office is located; (iii) the statute under which the Issuer is incorporated, continued or organized; (iv) a brief description of the business of the Issuer; (v) a brief description of the Securities; (vi) the price of the Securities; (vii) the total number or dollar amount of the Securities; (viii) the names of any agent, finder or other intermediary, whether registered or not, involved with the Offering and the amount of any commission, fee or discount payable to them; (ix) the proposed or expected closing date of the Offering; (x) a brief description of the use of proceeds; (xi) in the case of debt securities, the maturity date of the debt securities and a brief description of any interest payable on the debt securities; (xii) whether the securities are redeemable or retractable; (xiii) a statement that the securities are eligible, or are expected to be eligible, for investment in registered retirement savings plans, tax-free savings accounts or other registered plans, if the issuer has received, or reasonably expects to receive, a legal opinion that the securities are so eligible; (xiv) contact information for the issuer or any registrant involved; and (d) for the purposes of paragraph (c), “brief description” means a description consisting of no more than three lines of text in type that is at least as large as that used generally in the body of the OM standard term sheet;
“Operating Expenses”	means all expenses that are incurred or paid by the Corporation on behalf of, or in connection with, the management or operation of the Corporation’s

	<p>business, including, without limitation:</p> <ul style="list-style-type: none"> (i) agent's fees, and other fees and expenses payable in connection with the organization and capitalization of the Corporation and the issue of the Bonds pursuant to this Offering or any future offering by the Corporation including, without limitation, the Annual Fee and Capital Raising Fee; (ii) all salaries, compensation and other amounts payable to the consultants and other persons engaged to perform services for the Corporation; (iii) provincial, federal and U.S. taxes and assessments applicable to the Corporation or its assets; (iv) advertising and promotional expenses, insurance premiums, rental expenses, and legal fees and expenses incurred by the Corporation in conduction of its business; (v) general, administrative and overhead costs and expenses incurred by the Corporation; (vi) interest and other charges payable in connection with borrowing by the Corporation with respect to the Bonds and any other loans or mortgages incurred by the Corporation; (vii) accounting, audit, legal, professional and reporting expenses including, without limitation, costs of preparation and documentation of the Corporation's financial statements and accounts, costs of preparation and documentation of federal and provincial tax returns; (viii) expenses incurred with respect to printing and engrain expenses and taxes incurred in connection with the issuance, transfer, registration and recording of documents evidencing ownership of the Bonds; (ix) costs incurred in connection with any litigation in which the Corporation is involved or for which it is responsible, as well as any examination, investigation or other proceeding conducted by any regulatory agency, including legal and accounting fees relating thereto; (x) expenses incurred in changing the form of, amending, converting or modifying the Bonds, or incurred in dissolving or winding up the Corporation; and
	<ul style="list-style-type: none"> (xi) any expenses incurred by CGI Canadian LP, with regards to setting up or maintaining CGI Canadian LP where the Corporation is not reimbursed (for any reason) for the expense;
"Parallel Fund"	one or more pooled investment vehicles having substantially the same terms as the Fund to co-invest with the Fund;
"Participating Interest"	means the Bondholder's right to participate in the Net Profits or Income of the Corporation; See Item 5 - Securities Offered;

"Person"	means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted;
"Principal Amount"	means the principal amount of a Bond outstanding from time to time;
"Real Estate Investments"	shall have the meaning set forth in Item 2.2(b) – Investment Objectives and Strategy ;
"Registered Plans"	mean a trust governed by a RRSP, RESP, RRIF, DPSP or a TFSA, all as defined in the Tax Act, and "Registered Plan" means any one of them;
"Resident"	means resident in Canada for the purposes of the Tax Act;
"RESP"	means Registered Education Savings Plan as defined under the Tax Act;
"RRIF"	means Registered Retirement Income Fund as defined under the Tax Act;
"RRSP"	means Registered Retirement Savings Plan as defined under the Tax Act;
"Securities Act"	means the <i>Securities Act</i> (British Columbia), including the rules and regulations promulgated thereunder, as may be amended from time to time;
"Sponsor"	means CGI Merchant Group, LLC, a Delaware Limited Liability Company. See Item 2.1 - Structure ;
"SPV"	means the special purpose vehicle jointly owned by CGI U.S. Fund and CGI Offshore Fund. See Item 2.2(c) - Initial U.S. Real Estate ;
"Subscribers", "Investors" or "Bondholders"	means those Persons subscribing for Bonds pursuant to this Offering;
"Subscription Agreement"	means an agreement between the Corporation and each Subscriber governing the subscription for Bonds pursuant to this Offering Memorandum and includes all the terms, conditions and exhibits attached thereto, as contained in Schedule "B";
"Subscription Price"	means \$1.00CAD per Bond;
"Target"	means Target Capital Inc., a public Corporation, listed on both the TSX Venture Exchange and the Canadian Securities Exchange trading under the symbol: "TCI". Target presently holds 60% of the issued and outstanding Class A Shares of the Corporation;
"Target Agreement"	means the agreement between Target and the Corporation dated October 21, 2016, the terms of which are referred to in Item 1.1 - Funds and Section 2.7(a) - Agreement with Target Capital Inc. ;
"Tax Act"	means the <i>Income Tax Act</i> (Canada) as amended;
"TFSA"	means a Tax-Free Savings Account as defined under the Tax Act; and
"U.S. Real Estate"	means the real estate assets and real estate investments, to be held by the SPV.

In this Offering Memorandum, references to “dollars” and \$ are to the currency of Canada, unless otherwise indicated.

ARTICLE 1 - USE OF AVAILABLE FUNDS

1.1 FUNDS

The following table discloses the available funds from the Offering:

		Assuming Minimum Offering ⁽¹⁾	Assuming Maximum Offering ⁽²⁾
A	Amount to be raised pursuant to this Offering	\$270,000 ⁽¹⁾	\$101,250,000 ⁽²⁾
B	Selling commissions and fees ⁽³⁾	\$10,800	\$4,050,000
C	Estimated offering costs (e.g., legal, accounting, audit) ⁽⁴⁾	\$65,000	\$65,000
D	Annual Fee and Capital Raising Fee ⁽⁵⁾⁽⁶⁾	\$2,500	\$1,010,000
E	Available funds: $E = A - (B+C+D)$	\$191,700	\$96,125,000
F	Additional sources of funding required	Nil	Nil
G	Working capital deficiency	Nil	Nil
H	Total: $H = (E+F) - G$	\$191,700 ⁽⁷⁾	\$96,125,000 ⁽⁷⁾

Notes:

- (1) The Minimum Offering is the minimum offering that must be raised in conjunction with the Concurrent Offerings. This is assuming the entire amount of the Minimum Offering is raised pursuant to this Offering and is assuming an exchange rate of \$1.00USD:\$1.35CAD.
- (2) The Maximum Offering is the maximum offering that can be raised in conjunction with the Concurrent Offerings. This is assuming the entire amount of the Maximum Offering is raised pursuant to this Offering and is assuming an exchange rate of \$1.00USD:\$1.35CAD. All funds raised in the Offering will be decreased by any amounts that are raised in the Concurrent Offerings.
- (3) The Corporation will pay a commission to the Agent of four percent (4%) of the aggregate purchase price of Bonds sold to Subscribers referred by the Agent. **See Item 7 - Compensation Paid to Sellers and Finders.**
- (4) The estimated costs include legal, consulting and accounting costs associated with this Offering which have been paid by the Corporation to EE, a related party*, to Miller Thomson LLP and to Rice & Co. LLP are estimated to be \$65,000. All offering costs have been advanced on the Corporation's behalf by the Sponsor. This amount is not included in the working capital deficiency set out in note G.
- (5) The Corporation has entered into an agreement with Target** pursuant to which the Corporation shall pay Target the Annual Fee and the Capital Raising Fee. This amount includes the Capital Raising Fee plus the Annual Fee, payment for one year, but does not include the five (5%) percent GST that would be payable. **See Section 2.7(a) - Agreement with Target Capital Inc.**
- (6) Assumes that all funds raised from this Offering have been raised through Deferred Plans.
- (7) **The aggregate funds raised pursuant to the Concurrent Offerings are in U.S. Dollars. The funds raised pursuant to this Offering are in Canadian Dollars. Therefore, the Minimum and Maximum Offerings will be subject to the Canadian and U.S. Dollar exchange rate prevailing at the time.** This assumes an exchange rate of \$1.00USD:\$1.35CAD which is the Bank of Canada close rate on November 17, 2016.

* The Corporation has engaged EE to assist in structuring the terms of this Offering on behalf of the Corporation in the preparation of this Offering. EE has been paid a consulting fee in the amount of \$12,000.00 for performing this service, a portion of which EE will use to pay costs associated with the Offering on the Corporation's behalf.

** Target presently holds 60% of the issued and outstanding Class A Preferred Shares of the Corporation.

1.2 USE OF AVAILABLE FUNDS

The following table provides a detailed breakdown of how the Corporation will use the available funds of this Offering in the twelve (12) months proceeding the date of this Offering Memorandum:

Description of Intended Use of Available Funds Listed in Order of Priority	Assuming Minimum Offering	Assuming Maximum Offering
The Corporation will use the net proceeds of this Offering as follows: <ul style="list-style-type: none">The net proceeds will be invested in/loaned to CGI Canadian LP; andCGI Canadian LP will then use the net proceeds to invest in/loan to CGI U.S. Fund. See Item 2.33 – Development of Business.	\$191,700	\$96,125,000
Total	\$191,700	\$96,125,000

1.3 FUNDS RAISED UNDER THIS OFFERING ARE PART OF CONCURRENT OFFERINGS

CGI U.S. Fund and CGI Offshore Fund will be concurrently raising up to \$75,000,000USD by issuing limited partnership interests each by way of a Private Placement Memorandum dated July 15, 2016 (as amended, supplemented or restated from time to time) (together, the “CGI Private Placement Memorandum”). CGI Canadian LP will be purchasing limited partnership interests of CGI U.S. Fund. Any funds raised under this Offering will reduce the amount that is raised directly by CGI U.S. Fund and CGI Offshore Fund under the Concurrent Offerings. Accordingly, any funds raised by CGI U.S. Fund and CGI Offshore Fund will reduce the amount of limited partnership interests that the Corporation, through CGI Canadian LP, will be entitled to acquire.

The aggregate funds raised pursuant to the Concurrent Offerings are in U.S. Dollars. The funds raised pursuant to this Offering are in Canadian Dollars. Therefore, the Minimum and Maximum Offerings and aggregate funds raised under the Concurrent Offerings will be subject to the Canadian and U.S. Dollar exchange rate prevailing at the time.

1.4 REALLOCATION

We intend to spend the available funds as stated in the Offering Memorandum. We will reallocate funds only for sound business reasons.

This Offering has been set up by the Corporation to purchase limited partnership interests of CGI U.S. Fund through CGI Canadian LP. Notwithstanding the foregoing, there may be cross border tax reasons that make it beneficial for CGI Canadian LP to lend funds to CGI U.S. Fund in addition to purchasing equity. The funds will only be loaned if it is determined in the discretion of the General Partner that the cross border tax benefits are enough to justify the additional cost and security documentation that will be required. The amount that may be loaned versus purchasing limited partnership interests of CGI U.S. Fund may change from time to time. In the event that funds are loaned to CGI U.S. Fund, rather than purchasing equity, the funds shall be loaned pursuant to the following terms: i) the rate of return to be paid on the funds loaned shall be equal to the rate paid on the equity, including any profit participation; and ii) the funds loaned shall rank pari passu with the capital of the CGI U.S. Fund limited partners.

1.5 FUTURE CASH CALLS

An Investor in these securities will not be required to make any additional funds available to the Corporation in addition to their subscription amount.

ARTICLE 2 - BUSINESS OF THE CORPORATION

2.1 STRUCTURE

(a) THE CORPORATION

The Corporation is a corporation incorporated under the *Business Corporations Act* (British Columbia) pursuant to a Certificate of Incorporation dated October 20, 2016. The Corporation's head office is located at Suite 700, 801 Brickell Avenue, Miami, Florida, USA 33131. The Corporation's records and registered office is located at 1000, 840 Howe Street, Vancouver, BC, V6Z 2M1. The Corporation is controlled by Target, as Target owns 6,000 Class A Shares of the Corporation, which represents 60% of all of the Class A Shares of the Corporation. For additional information with respect to Target, please see www.sedar.com.

(b) CGI CANADIAN GP

CGI Canadian GP is a corporation incorporated under the *Business Corporations Act* (Alberta) pursuant to a Certificate of Incorporation dated October 7, 2016. The head office for the company is located at Box 507 -505 Main Street, Arcola, SK S0C 0G0. The records and registered office for the company is located at 3000, 700 - 9th Avenue, S.W., Calgary, Alberta, T2P 3V4. CGI Canadian GP was set up for the sole purpose of acting as the General Partner for CGI Canadian LP and to provide management services to the Canadian LP. **See Item 3.2 Management Experience for the management experience of the sole director.**

As of the date of this Offering Memorandum, the Shareholder of CGI Canadian GP is Scott Hislop and the sole director and officer of CGI Canadian GP is Scott Hislop.

(c) CGI CANADIAN LP

CGI Canadian LP is an Alberta limited partnership set up by way of a Certificate of Limited Partnership filed with the Alberta Corporate registry pursuant to the *Partnership Act* (Alberta) on November 17, 2016. CGI Canadian LP was formed for the purpose of purchasing the limited partnership interests of CGI U.S. Fund and/or loaning funds to CGI U.S. Fund.

(d) CGI U.S. FUND AND CONCURRENT OFFERINGS

CGI U.S. Fund is a Delaware limited partnership set up by way of a Certificate of Limited Partnership filed with the State of Delaware on July 14, 2016. CGI U.S. Fund was formed for the purpose of investing in U.S. Real Estate. The General Partner of the CGI U.S. Fund is CGI Merchant GP, LLC. **CGI U.S. Fund and CGI Offshore Fund will be concurrently raising up to \$75 million USD. CGI Canadian LP will be purchasing limited partnership interests of CGI U.S. Fund and/or loaning funds to CGI U.S. Fund.**

(e) CGI OFFSHORE FUND

CGI Offshore Fund is a Cayman Islands exempted limited partnership set up by way of a Certificate of Limited Partnership filed with the Registrar of Limited Partnerships for the Cayman Islands on July 22, 2016. The limited partnership was formed for the purpose of facilitating investments by U.S. tax-exempt (or entities comprised primarily of U.S. tax-exempt investors) and non-U.S. investors in U.S. Real Estate. CGI Offshore Fund will, concurrently with CGI U.S. Fund and this Offering, be raising up to \$75 million USD. **This will be a concurrent offering, however, CGI Canadian LP will NOT be purchasing limited partnership interests of or loaning funds to CGI Offshore Fund.**

(f) GP OF THE FUNDS

The general partner of both CGI U.S. Fund and CGI Offshore Fund is CGI Merchant GP, LLC, which is a Delaware limited liability company that was formed on July 15, 2016. Raoul Thomas is the sole member of CGI Merchant GP, LLC.

(g) **THE FUND MANAGER**

The Fund Manager (CGI Investment Management LLC) is a Delaware limited liability company that will serve as investment manager to both CGI U.S. Fund and CGI Offshore Fund and will provide certain investment advisory, administrative and related services to the funds. Concurrently, the Fund Manager will also manage the Corporation, CGI Canadian LP and the General Partner. The Fund Manager was formed on November 15, 2016 and is a subsidiary of the Sponsor. Raoul Thomas is the sole member of the Fund Manager and as of the date of this Offering Memorandum, the board of managers of the Fund Manager are Raoul Thomas, Mike Kielty and Susan Traino. **See Item 3.2 Management Experience for management experience.**

(h) **THE SPONSOR**

The Sponsor (CGI Merchant Group, LLC) is a Delaware limited liability company that was formed on October 25, 2006 by Raoul Thomas and is located in Miami, Florida. CGI Merchant Group, LLC is a private equity asset management firm advising and connecting its client group with a diverse array of investment opportunities. The Sponsor is currently managing more than \$400 million USD of assets in the South Florida area. Over the past few years, the Sponsor has positioned more than \$150 million USD of capital for investment in multiple assets including retail, office, and leisure spaces. Raoul Thomas is the sole member, manager and owner of the Sponsor and the executive group of the Sponsor consists of:

- (a) Raoul Thomas – Chief Executive Officer; and
- (b) Susan Traino – Chief Operating Officer and Executive Vice President.

See Item 3.2 Management Experience for management experience.

(i) **VOTING CONTROL - TARGET CAPITAL INC.**

Voting control of the Corporation by Target is to ensure that the Bonds issued pursuant to this Offering are a qualified Deferred Plan investment. **See Item 6 - Income Tax Consequences and Deferred Plan Eligibility.**

Target's control and interest in the Corporation is to earn Annual Fees and Capital Raising Fees and not to participate in the profits of the Corporation pursuant to its agreement with the Corporation (the "**Target Agreement**"). **See Item 2.7(a) - Agreement with Target Capital Inc.** Specifically, the Target Agreement states that:

- (i) Target's shares in the Corporation are non-participating as they are not entitled to dividends;
- (ii) except for the shares acquired on the date of the Target Agreement, Target cannot acquire any additional shares in the Corporation without the approval of the majority of the minority of shareholders of the Corporation;
- (iii) Target cannot increase the Annual Fee or the Capital Raising Fee without the approval of the majority of the minority shareholders of the Corporation;
- (iv) Target will not sell its shares of the Corporation while the Target Agreement is in force and will, upon the termination of the Target Agreement, return all of its shares to the Corporation for total consideration of Sixty (\$60.00) Dollars; and
- (v) Target will not benefit from its position as majority shareholder of the Corporation except as specifically set out in the Target Agreement and should it receive any benefit in addition to the Annual Fee or the Capital Raising Fee, that benefit will be returned to the Corporation for total consideration of Ten (\$10.00) Dollars.

A Subscriber of the securities offered under this Offering Memorandum should understand that Target's assets and management are not in any way committed to the activities of the Corporation

other than voting its shares in the Corporation at shareholder meetings of the Corporation. Target does not encourage or discourage an investment in the Bonds or the Corporation.

Release of Target Capital Inc.

As a term of this Offering, Subscribers are required to grant Target a specific release in the form attached as Schedule “C” to the Subscription Agreement (the “**Target Release**”). Pursuant to the terms of the Target Release, the Subscriber will acknowledge that:

- (i) Target’s assets and management are not in any way committed to the activities of the Corporation other than voting its shares at shareholder meetings of the Corporation. Further, the Subscriber acknowledges that Target has not performed any due diligence on the Corporation, its assets or its management and does not encourage or discourage an investment in the Bonds or the Corporation;
- (ii) Target owes no fiduciary duty of care or any other duty to Subscribers in connection with the Bonds issued under this Offering;
- (iii) Target shall not be liable to Subscribers for any costs, expenses, liabilities, losses or damages suffered or incurred by Subscribers in connection with this investment in the Corporation, including any default by the Corporation in the payment of Interest Payments and/or repayment of the Principal Amount of the Bonds issued pursuant to this Offering; and
- (iv) the Subscriber will release and forever discharge Target, together with its officers, directors, servants, employees, agents and other representatives from any and all actions, causes of action, claims, demands, or other liability of any nature or kind howsoever arising, including, without limitation, any and all claims, past or present, and which may arise in the future, in any way related to the Subscriber’s investment in the Bonds of the Corporation or the acquisition of the Bonds from the Corporation.

The Subscription Agreement to be signed by Subscribers contains a specific acknowledgement by Subscribers acknowledging that Target owes no fiduciary duty of care or any other duty to Subscribers in connection with the Bonds issued under this Offering. Further, in signing the Subscription Agreement, Subscribers are agreeing therein that Target shall not be liable to Subscribers for any liabilities, losses or damages suffered or incurred by Subscribers in connection with this investment, including any default by the Corporation in the payment of Interest Payments and/or repayment of the Principal Amount of the Bonds issued pursuant to this Offering.

All Subscribers are encouraged to seek independent legal advice before executing and delivering the Target Release.

2.2 OUR BUSINESS

(a) The Corporation

The Corporation is in a start-up phase of development and has not carried out business prior to this Offering and has no financial or development history. Since incorporation, the Corporation has been engaged in the preparation of this Offering, which has included, amongst other things, putting in place a management team, Board of Directors and retaining legal counsel.

The Corporation is raising funds pursuant to this Offering for the purpose of indirectly investing in the U.S. Real Estate. The Corporation intends to use the proceeds from this Offering to purchase equity in and/or loan funds to CGI Canadian LP which will then purchase equity in and/or loan funds to CGI U.S. Fund, which will acquire or invest in the U.S. Real Estate.

(b) **Investment Objective and Strategy**

CGI U.S. Fund will invest primarily in office, hotel, resort and recreational properties, mixed-use office and retail properties, and rental and for-sale multi-family properties, through acquisitions and joint ventures. The Fund also may invest, directly or indirectly, in other real estate and real estate-related investments, including, without limitation: (i) industrial properties, student housing and/or senior housing; (ii) other real estate-related assets; and/or (iii) operating companies or other entities involved in real estate (collectively, **“Real Estate Investments”**). CGI U.S. Fund generally expects to acquire preferred and common equity interests in Real Estate Investments, however Real Estate Investments also may include, without limitation, direct and indirect equity investments, a combination of equity and debt investments, participating or mezzanine debt investments, development and redevelopment projects, and mortgage loans.

(c) **Initial U.S. Real Estate**

The Sponsor has made certain real estate investments which are expected to be transferred to a special purpose vehicle (**“SPV”**) jointly owned by CGI U.S. Fund and CGI Offshore Fund that will be created to acquire and own the interest in the assets. The SPV will be owned jointly by CGI U.S. Fund and CGI Offshore Fund *pro rata* based upon the amount of funds raised in each entity out of the total aggregate funds raised.

Nexus Portfolio, Palm Beach, Florida

On April 4, 2013, the Sponsor entered into a joint venture to purchase the real estate and acquired 39.5% of the common equity interests of the Nexus Portfolio. On December 15, 2015, the Sponsor acquired an additional 53% of the common equity interests of the Nexus Portfolio, a robust platform covering 198,427 square feet and comprising 3 office properties in Palm Beach, FL. Following the First Closing of CGI U.S. Fund (as defined below), CGI U.S. Fund intends to acquire 100% of the common equity interests in the Nexus Portfolio and 100% of the preferred equity interests currently outstanding for the property. Since the acquisition, the Sponsor’s focus has been to improve management and occupancy. The Sponsor attained its target levels of occupancy and has shifted its focus on the Nexus Portfolio to optimizing profitability. The Sponsor invested into telecommunications and internet infrastructure for the properties to increase capacity and speed, as well as additional features that are expected to be monetized, potentially translating into higher revenue growth. On the expense side, the Sponsor has been seeking to implement cost-cutting methods to lower operational expenses to a low but sustainable level without disrupting the business flow at the property level. **See Schedule “A” for additional information.**

55 Miracle Mile, Coral Gables, Florida

On October 18, 2013, the Sponsor purchased the real estate and acquired 85% of the common equity interests of 55 Miracle Mile, a luxurious, 65,242 square foot complex with a mixture of retail and office Class “A” tenants in Coral Gables, FL. Following the First Closing of CGI U.S. Fund, the Fund intends to acquire 100% of the common equity interests in 55 Miracle Mile and 100% of the preferred equity interests currently outstanding for the property. Since the acquisition, the Sponsor’s focus has been to improve management and occupancy. Since acquiring the property, the Sponsor has sought to implement a value-add strategy to capitalize on the prevalent economic conditions of the affluent Coral Gables, which is carrying out a multi-million dollar Streetscape Project to transform Miracle Mile (and which the Sponsor expects to have a positive effect on the property value through compressed capitalization rates and rent rates). The Sponsor has made capital and functional improvements to 55 Miracle Mile to create what it believes is the luxury environment needed to attract high-quality tenants. Such improvements have allowed the Sponsor to capture a 5-7% premium on rent rollovers since taking over management of the property. With occupancy stabilized at 95%, the Sponsor believes the property is in a strategic position to reap the benefits of the upcoming reformations the city is performing and will add immediate value to the Fund. **See Schedule “A” for additional information.**

(d) **Additional U.S. Real Estate**

In addition to the Initial U.S. Real Estate, the Sponsor has identified two assets that may be appropriate for CGI U.S. Fund and CGI Offshore Fund. These additional assets will be owned by the SPV that will be created to acquire and own the interest in the assets. The SPV will be owned jointly by CGI U.S. Fund and CGI Offshore Fund *pro rata* based upon the amount of funds raised in each entity out of the total aggregate funds raised.

Majestic Hotel, Miami Beach, Florida

The Sponsor is seeking to make an investment in the Majestic Hotel on behalf of CGI U.S. Fund and CGI Offshore Fund. Depending on the date of the First Closing of CGI U.S. Fund, the Majestic hotel may be acquired by the Sponsor in advance of the First Closing of CGI U.S. Fund and contributed or transferred to the Fund following such closing once the Fund has sufficient capital to acquire the Majestic Hotel and/or the Initial U.S. Real Estate.

The Majestic Hotel is a 49-room hotel with a high-traffic restaurant in Miami Beach, Florida. The Sponsor's strategy in pursuing such investment is to capitalize upon the hotel's relatively low acquisition cost and both reposition and reflag the hotel as one of the only hotels on Ocean Drive with a global hotel operator.

1100 Biscayne, Miami, Florida

On January 3, 2014, the Sponsor purchased the real estate and acquired approximately 40% of the common equity interests in 1100 Biscayne. 1100 Biscayne is still in the final stages of construction, not currently operating and therefore is not currently a value-add property that satisfies the investment criteria of the Sponsor. There is no guarantee that 1100 Biscayne will ever become a value-add property or even if it does become one that it will ever be acquired by the Fund.

1100 Biscayne is a state-of-the-art hotel covering 92,560 square feet, with 129 rooms and a residential complex in downtown Miami, FL. The hotel was acquired in an off-market transaction to be redeveloped, and to increase the room count from 56 to 129. Since the acquisition, the Sponsor's focus has been to re-develop areas of the building and place the world-renowned Melia's "ME" brand, and a high-energy dining experience, catered by The One Group's STK.

2.3 DEVELOPMENT OF BUSINESS

The Corporation intends to use the net proceeds of this Offering as described in **Item 1.2 - Use of Available Funds**. The Corporation and CGI Canadian LP have been set up for the sole purpose of investing in CGI U.S. Fund.

2.4 LONG-TERM OBJECTIVES

Over the next twelve (12) months, the Corporation's goal is to raise up to \$101,250,000CAD (\$75,000,000USD) in conjunction with the Concurrent Offerings. Thereafter, the Corporation's goal is to use the available funds of this Offering to realize profits from the acquisition and disposition of the U.S. Real Estate and to provide a return on investment to Subscribers of Bonds pursuant to this Offering. The Corporation will use the available funds of this Offering to purchase LP Units of CGI Canadian LP, which will in turn use the available funds to purchase limited partnership interests in CGI U.S. Fund which will invest in the U.S. Real Estate.

2.5 SHORT TERM OBJECTIVES AND HOW THE CORPORATION INTENDS TO ACHIEVE THEM

The Corporation's goal for the next twelve (12) months is to raise up to \$101,250,000CAD (\$75,000,000USD) in conjunction with the Concurrent Offerings, available funds of which will be used for the purposes outlined in **Item 1.2 - Use of Available Funds**. All funds raised in the Offering will be decreased by any amounts that are raised in the Concurrent Offerings.

The following outlines the Corporation's short-term objectives and the methods and costs associated with the achievement of these objectives:

What we must do and how we will do it	Target completion date	Our cost to complete
Raise up to \$101,250,000CAD (\$75,000,000USD) in conjunction with the Concurrent Offerings, the available funds of which will be used for the purposes outlined in Item 1.2 - Use of Available Funds .	12 months	\$5,125,000 ⁽¹⁾

Note:

- (1) Of the cost to complete the Offering, assuming \$4,050,000 is paid for selling commissions and \$65,000.00 is paid in professional fees to Miller Thomson LLP and Rice & Co. LLP and the consulting fees associated with this Offering which have been paid to EE. In addition, the cost to complete includes the Annual Fees and Capital Raising Fees payable to Target in the amount of \$1,010,000, based on the Maximum Offering being raised in Deferred Plans. **See Item 1.1 - Funds and Item 2.7(a) - Agreement with Target Capital Inc.**

2.6 INSUFFICIENT FUNDS (CASH RESERVES)

The majority of funds raised pursuant to this Offering will be used indirectly to acquire the U.S. Real Estate. The Corporation does not intend to hold any significant cash reserves, other than those amounts necessary to pay for all administration and operating expenses incurred by the Corporation in the conduct of its business. The funds available as a result of this Offering may not be sufficient to accomplish all of the Corporation's proposed objectives and there is no assurance that alternative financing will be available.

2.7 MATERIAL AGREEMENTS

The following are the key terms of all material agreements which the Corporation has or expects to enter into and which can reasonably be regarded as presently being material to the Corporation or a prospective purchaser of the securities being offered pursuant to this Offering.

(a) Agreement with Target Capital Inc.

For the purposes of this agreement, the capitalized terms below shall have the following meanings:

"Annual Fee" means the annual fee payable by the Corporation in cash to Target in an amount equal to: (i) \$2,500; plus (ii) one-half of one percent (being 0.5%) of the total Deferred Plan Capital outstanding at the date of the anniversary of this Agreement that is in excess of \$500,000; plus (iii) applicable taxes.

"Capital Raising Fee" means the fee payable by the Corporation to Target in cash in an amount equal to one-half of one percent (being 0.5%), plus applicable taxes, of the total Deferred Plan Capital raised by the Corporation during a year in excess of \$500,000.

"Deferred Plan Capital" means capital of any kind raised by the Corporation from an RRSP, RRIF, RESP or TFSA.

"Material Breach" means one or more of the following events:

- (i) the Corporation failing to pay the Annual Fee, the Capital Raising Fee or any amounts payable under the indemnity set out herein within sixty (60) days of such amounts being owed to Target;
- (ii) the Corporation failing to deliver signed copies of the Target Release for each Subscriber of the Corporation's securities;
- (iii) the Corporation failing to include in the Offering Documents the disclosure required by the Target Agreement;

- (iv) the Corporation failing to deliver a signed copy of the Consent to Release Information concurrent with the execution and delivery of the Target Agreement;
- (v) the Corporation failing to provide Target access to its books and records within thirty (30) days of receiving a written request from Target to review such documentation; and
- (vi) the Corporation failing to raise any Deferred Plan Capital within 12 months from the date of the Target Agreement.

“Offering Documents” means any offering memorandum, prospectus or term sheet, and applicable subscription agreement prepared by the Corporation in connection with a distribution of its securities.

“Target Shares” means a majority of the voting preferred shares of the Corporation for an aggregate of \$60.00, being 6,000 Class A Shares of the Corporation held by Target as of this Offering Memorandum.

The Corporation entered into the Target Agreement on October 21, 2016. A summary of some of the material terms of this Agreement are as follows:

The Corporation covenants and agrees to pay to Target:

- (i) the Annual Fee on the date of the Target Agreement and on each anniversary date of the Target Agreement; plus
- (ii) the Capital Raising Fee on the date which the Corporation raises Deferred Plan Capital.

Target invoices are issued on a Net 60 basis. Failure to pay within 60 days will result in interest penalties of 2% per month on the outstanding amount and the Corporation being in Material Breach of this agreement.

For clarity, the Annual Fee is payable at the beginning of each year and is in addition to the Capital Raising Fees paid by the Corporation.

Access to Records. If requested, the Corporation agrees to promptly provide Target with copies of all corporate records (including minute books and financial statements), offering document and securities filings with applicable securities commissions in Canada. Further, the Corporation authorizes Target to request and obtain any information relating to the amount of Deferred Plan Capital raised by the Corporation from deferred plans with any trustee as the Corporation may determine. Concurrent with the execution of the Target Agreement, the Corporation shall execute and deliver to Target the Consent to Release Information, in the form attached to the Target Agreement, and confirms that Target may use the signed Consent to Release Information as required during the term of the Target Agreement.

Target Release / Required Disclosure. The Corporation covenants and agrees to attach the Target Release to the Offering Documents used by the Corporation in the distribution of its securities and shall include the Required Disclosure in all such Offering Documents. Further, the Corporation agrees that it shall not sell any of its securities to any party unless such subscriber has executed and delivered an original copy of the Target Release to the Corporation. The Corporation shall promptly provide Target with the original copies of all such signed Target Release.

Indemnity. It is acknowledged that the Corporation will be raising funds from subscribers pursuant to an offering memorandum or other applicable securities exemptions. The Corporation agrees to indemnify and save harmless Target and its directors, officers and employees from and against all claims, demands, losses, actions, causes of action, costs, charges, expenses, damages and liabilities whatsoever arising out of or in connection with the Target Agreement or Target's shareholdings in the Corporation, including, without limitation, all legal fees and disbursements on a solicitor and its own client basis and costs and expenses incurred in connection with the enforcement of this indemnity. The indemnity shall survive the expiry or termination of the Target Agreement.

Term. The parties agree that the Target Agreement shall be in effect from the date of that Agreement to the date on which Target ceases to be the majority shareholder of the Corporation (holding more than 50% of the voting shares). Notwithstanding the above, if the Target Agreement shall be terminated prior to the date that is two (2) years from the date of the Target Agreement, the Corporation covenants and agrees to pay Target the Annual Fee and the Capital Raising Fee that would have otherwise been payable had Target remained the majority shareholder of the Corporation for two (2) years.

Termination by the Corporation. Subject to the two year minimum payment obligations set out above and the survival of the indemnity set out above, the Corporation may terminate the Target Agreement by providing Target with 90 days written notice (or such shorter notice as may be accepted by Target) along with all such legal documentation as may be required to transfer the Target Shares back to the Corporation.

Termination by Target. In the event of a Material Breach of the Target Agreement by the Corporation, Target shall be entitled to immediately terminate the Target Agreement by providing written notice of such termination to the Corporation along with the original certificate for the Target Shares duly endorsed for transfer by Target to the Corporation. Upon termination of the Target Agreement by Target, the Target Shares shall be deemed transferred to the Corporation in exchange for \$1.00 (the receipt of which will also be deemed to have been accepted by Target). Further, in the event of a Material Breach, the Corporation consents to Target returning the Target Shares to the Corporation's treasury (as a gift) and to take all such further actions as may be necessary to cause such Target Shares to be returned to the Corporation.

The Corporation expects the Target Agreement to continue for the term of the Bonds offered pursuant to this Offering.

(b) **Subscription Agreement with CGI U.S. Fund**

CGI Canadian LP will enter into a subscription agreement with CGI U.S. Fund to subscribe for and purchase limited partnership interests in CGI U.S. Fund. By purchasing limited partnership interests in CGI U.S. Fund, CGI Canadian LP will be a direct party to the CGI U.S. Fund Limited Partnership Agreement described below in Item 2.7(e).

The subscription agreement includes a power of attorney granted to CGI Merchant GP, LLC, the general partner of CGI U.S. Fund. CGI Canadian LP will appoint CGI Merchant GP, LLC its true and lawful attorney (a) to receive and pay over to CGI U.S. Fund all funds received pursuant to the subscription, (b) to complete or correct, on CGI Canadian LP's behalf, all documents to be executed by CGI Canadian LP in connection with its subscription and (c) to execute, acknowledge, swear to, deliver and file: (i) any counterparts of the CGI U.S. Fund Partnership Agreement to be entered into pursuant to the subscription agreement and any amendments, (ii) any amendments to any such amendments, (iii) any agreements or other documents relating to the obligations of CGI U.S. Fund, (iv) any certificates of limited partnership required by law and all amendments thereto, (v) all certificates and other instruments necessary to qualify, or continue the qualification of, CGI U.S. Fund in the jurisdictions where it may be doing business and to preserve the limited liability status of CGI U.S. Fund in the jurisdictions in which CGI U.S. Fund may acquire investments, (vi) any certificates or other instruments which may be required to effectuate any change in the partners of CGI U.S. Fund, (vii) all assignments, conveyances or other instruments or documents necessary to effect the dissolution and/or winding-up of the Fund, and (viii) all other filings with agencies of the federal government, of any state or local government, or of any other jurisdiction, which CGI Merchant GP, LLC considers necessary or desirable to carry out the purposes of the subscription agreement, the CGI U.S. Fund Limited Partnership Agreement and the business of CGI U.S. Fund. The power of attorney shall be deemed coupled with an interest, shall be irrevocable and shall survive the transfer of any partnership interest.

(c) **CGI Fund CAD LP Limited Partnership Agreement**

The Limited Partnership was formed pursuant to the Limited Partnership Agreement dated November 14, 2016 and a Certificate of Limited Partnership was filed on November 17, 2016, under the *Partnership Act* (Alberta). The right of the Partners to receive the allocations of profits and losses among the Partners,

the issuance of LP Units and the requirements related to capital contributions, limitations on withdrawal from the Limited Partnership, restrictions with respect to transfers of the LP Units, the management of the Limited Partnership by the General Partner, the right of the Limited Partners to vote on or consent to certain matters with respect to the Limited Partnership, the events causing the dissolution and liquidation of the Limited Partnership, and the distribution of the Limited Partnership's assets upon such dissolution, as well as additional terms and conditions of the LP Units and rights, powers, duties and obligations of the Limited Partners, are set forth in detail in the CGI Fund CAD LP Limited Partnership Agreement. Below is only a summary of certain provisions of the CGI Fund CAD LP Limited Partnership Agreement. That summary is qualified in its entirety by reference to the CGI Fund CAD LP Limited Partnership Agreement which is available for review by any Limited Partner or prospective Subscriber.

Specific Powers and Duties

The authority and power is vested in the General Partner to manage, control and operate the business and affairs of the Limited Partnership, without limiting the generality of the foregoing, the General Partner has full power and authority for and on behalf of and in the name of the Limited Partnership to:

- (i) negotiate, execute and perform all agreements which require execution by or on behalf of the Limited Partnership involving matters or transactions with respect to the Limited Partnership's business (and such agreements may limit the liability of the Limited Partnership to the assets of the Limited Partnership, with the other party to have no recourse to the assets of the General Partner, even if the same results in the terms of the agreement being less favourable to the Limited Partnership);
- (ii) open and manage bank accounts in the name of the Limited Partnership and spend the capital of the Limited Partnership in the exercise of any right or power exercisable by the General Partner hereunder;
- (iii) borrow funds in the name of the Limited Partnership from time to time, from financial institutions or other lenders as the General Partner may determine without limitation with regard to amount, cost or conditions of reimbursement of such loan;
- (iv) guarantee the debts, liabilities and obligations of a third party;
- (v) mortgage, charge, assign, hypothecate, pledge or otherwise create a security interest in all or any property of the Limited Partnership now owned or hereafter acquired, to secure any present and future borrowings and related expenses of the Limited Partnership and to sell all or any of such property pursuant to a foreclosure or other realization upon the foregoing encumbrances;
- (vi) see to the sound management of the Limited Partnership, and to manage, control and develop all the activities of the Limited Partnership and take all measures necessary or appropriate for the business of the Limited Partnership or ancillary thereto;
- (vii) acquire, maintain, improve, upgrade, expand or dispose of the assets of the Limited Partnership from time to time;
- (viii) incur all costs and expenses in connection with the Limited Partnership;
- (ix) employ, retain, engage or dismiss from employment, personnel, agents, representatives or professionals or other investment participants with the powers and duties upon the terms and for the compensation as in the Discretion of the General Partner may be necessary or advisable in the carrying on of the business of the Limited Partnership;

- (x) engage agents or subcontract administrative functions, to assist the General Partner to carry out its management obligations to the Limited Partnership;
- (xi) invest cash assets of the Limited Partnership that are not immediately required for the business of the Limited Partnership in investments which the General Partner considers appropriate;
- (xii) act as attorney in fact or agent of the Limited Partnership in disbursing and collecting moneys for the Limited Partnership, paying debts and fulfilling the obligations of the Limited Partnership and handling and settling any claims of the Limited Partnership;
- (xiii) commence or defend any action or proceeding in connection with the Limited Partnership;
- (xiv) file returns or other documents required by any governmental or like authority;
- (xv) retain legal counsel, experts, advisors or consultants as the General Partner considers appropriate and rely upon the advice of such Persons;
- (xvi) do anything that is in furtherance of or incidental to the business of the Limited Partnership or that is provided for in the Limited Partnership Agreement;
- (xvii) execute, acknowledge and deliver the documents necessary to effectuate any or all of the foregoing or otherwise in connection with the business of the Limited Partnership;
- (xviii) obtain any insurance coverage; and
- (xix) generally carry out the objectives, purposes and business of the Limited Partnership.

No Person dealing with the Limited Partnership is required to enquire into the authority of the General Partner to do any act, take any proceeding, make any decision or execute and deliver any instrument, deed, agreement or document for or on behalf of or in the name of the Limited Partnership. The General Partner may insert, and may cause agents of the Limited Partnership to insert, the following clause in any contracts or agreements to which the Limited Partnership is a party or by which it is bound:

"CGI Fund CAD LP" is a limited partnership formed under the *Partnership Act* (Alberta), a limited partner of which is only liable for any of its liabilities or any of its losses to the extent of the amount that it has contributed or agreed to contribute to its capital and its pro rata share of any undistributed income."

Resignation and Removal of the General Partner

The General Partner may not be removed as general partner of the Limited Partnership, except as follows:

- (a) the occurrence of any of the following events which has not been cured by the General Partner within thirty (30) days of the occurrence thereof:
 - (i) the passing of any resolution of the directors or shareholders of the General Partner requiring or relating to the bankruptcy or the making of any assignment for the benefit of creditors of the General Partner (or the commencement of any act or proceeding in connection with any of the foregoing which is not contested in good faith by the General Partner); or

- (ii) the appointment of a receiver of all or substantially all of the assets and undertakings;
- (b) the occurrence of any gross negligence, willful misconduct or fraud on the part of the General Partner; or
- (c) the passing of a Special Resolution by the Limited Partners for the removal of the General Partner.

Upon the occurrence of any of the preceding events and the passing of a Special Resolution by the Limited Partners for the removal of the General Partner, the General Partner shall be removed as the General Partner of the Limited Partnership effective upon the appointment of a new general partner and acceptance of such appointment. Any such action by the Limited Partners for removal of the General Partner must also provide for the election and succession of a new general partner.

Allocation and Distribution of Income and Losses

The ability of the Limited Partnership to make distributions of cash and to make cash redemptions of the LP Units will be wholly dependent upon distributions of Distributable Cash pursuant to the terms of the CGI Fund CAD LP Limited Partnership Agreement. The General Partner may in its sole discretion make distributions of Distributable Cash as follows:

- (a) firstly, 0.01% to the General Partner; and
- (b) secondly, to the Limited Partners.

If the General Partner determines to make a distribution of Distributable Cash, the General Partner will distribute Distributable Cash to the Limited Partners whose names appear on the register on the date on which such distribution is being made. Distributions made will be net of any tax required by law to be withheld by the General Partner on behalf of CGI Canadian LP.

Other Advances or Distributions

Subject to and in the same priority as set forth above, the General Partner may, in addition to the advances or distributions described above, advance or distribute Distributable Cash at any other time and establish a record date for making of such advance or distribution. Notwithstanding the foregoing, the General Partner will not make any such advance or distribution if and to the extent such advance or distribution would be contrary to any provision of any other agreement to which CGI Canadian LP is a party, or by which CGI Canadian LP is bound (including any loan agreement) or to any applicable law.

(d) Administration Agreement

The Corporation and the General Partner have each entered into an administration agreement dated November 17, 2016 with the the Fund Manager (CGI Investment Management LLC) to help administer the Corporation and the Limited Partnership.

Pursuant to the Administration Agreement, the General Partner has granted to CGI Investment Management LLC authority to effect the actual administration of the duties of the General Partner under the CGI Fund CAD LP Limited Partnership Agreement. In addition, the Corporation has granted CGI Investment Management LLC the authority to assist with the administration of the Corporation and the Bonds.

(e) CGI U.S. Fund Limited Partnership Agreement

CGI Canadian LP will be a direct party to the CGI U.S. Fund Limited Partnership Agreement dated July 14, 2016. The General Partner, on behalf of CGI Canadian LP, will acquire the limited partnership interests in CGI U.S. Fund. Notwithstanding the foregoing, the Bonds will be directly impacted by this agreement. The following is a summary of the CGI U.S. Fund Limited Partnership Agreement.

Target Commitment

CGI U.S. Fund is seeking up to \$50 million USD in aggregate capital commitments (the “**CGI U.S. Capital Commitments**”) from qualified investors (the “**CGI U.S. Limited Partners**”), subject to the GP of the Fund’s sole discretion to increase the size of the offering to \$75 million USD. Each CGI U.S. Limited Partner’s Capital Commitment shall be the amount that the CGI U.S. Limited Partner specifies as its “**Capital Commitment**” in its Subscription Agreement.

Closing

An initial closing (the “**First Closing of CGI U.S. Fund**”) and subsequent closings shall occur at the discretion of the GP of the Funds; *provided that*, no closing will occur later than twelve (12) months from the First Closing of CGI U.S. Fund unless approved by a Combined Majority-in-Interest.

Commitment Period

CGI U.S. Fund’s commitment period (the “**Commitment Period**”) will commence on the First Closing of CGI U.S. Fund and end on the earliest to occur of: (i) the date that is two (2) years after the Final Closing of CGI U.S. Fund; *provided that*, the GP of the Funds may, in its sole discretion, extend the Commitment Period for up to two (2) additional six (6) month periods; (ii) the occurrence of a Key Principal Event (as defined below); (iii) the date on which the aggregate remaining Capital Commitments of all CGI U.S. Limited Partners have been contributed to the CGI U.S. Fund for the purpose of making Real Estate Investments or paying fund expenses or have been formally reserved for such purposes or are otherwise unavailable to be so invested; and (iv) certain other limited circumstances as set forth in the partnership agreement.

At the expiration of the Commitment Period, the GP of the Funds will not make any additional capital calls except to the extent necessary to (i) pay Fund expenses, including without limitation Management Fees (as defined below); (ii) pay amounts owing or which may be due in respect of any existing indebtedness or other obligations of CGI U.S. Fund; (iii) make follow-on investments in existing Real Estate Investments; or (iv) complete investments identified prior to the end of the Commitment Period that the Manager expects to consummate within ninety (90) days of the end of the Commitment Period or with respect to which the CGI U.S. Fund has, prior to the end of the Commitment Period, entered into a letter of intent, agreement in principle or definitive agreement to invest.

Notwithstanding the foregoing, up to twenty (20%) percent of CGI U.S. Fund’s aggregate Capital Commitments may be designated as reserved for the purpose of making follow-on investments in existing Real Estate Investments following the end of the Commitment Period.

Term

The term of the CGI U.S. Fund will be five (5) years from the Final Closing of CGI U.S. Fund; **provided that, the GP of the Funds, in its sole discretion, may extend the CGI U.S. Fund’s term for up to one (1) additional year.**

Investment Restrictions

Without the consent of the Advisory Committee or a Combined Majority-in-Interest, the GP of the Funds shall not cause CGI U.S. Fund or any other pooled investment vehicles having substantially the same terms as CGI U.S. Fund (“**Parallel Fund**”) to: (i) make an investment in a Real Estate Investment if, as a result of such investment, the total equity capital invested by CGI U.S. Fund and any Parallel Funds in all Real Estate Investments would exceed twenty (20%) percent of the aggregate Capital Commitments of CGI U.S. Fund; (ii) invest equity in publicly traded debt or equity securities; or (iii) make a Real Estate Investment outside the United States.

Borrowing

CGI U.S. Fund does not anticipate using leverage in its acquisition of investments. Without the consent of the Advisory Committee or a Majority-in-Interest, CGI U.S. Fund may not incur indebtedness for

borrowed money or guarantee indebtedness for borrowed money, other than: (i) a subscription line of credit which will be utilized to bridge capital calls; (ii) other short-term indebtedness incurred in the ordinary course of business to fund things other than investments; and (iii) "bad act" guarantees; *provided that*, unless otherwise approved by the Advisory Committee or a Majority-in-Interest, the aggregate indebtedness and guarantees of CGI U.S. Fund for borrowed money (other than "bad act" guarantees) shall not exceed twenty (20%) percent of the aggregate Capital Commitments to CGI U.S. Fund; *provided further*, that any indebtedness incurred by CGI U.S. Fund shall have a maturity of no more than twelve (12) months.

Drawdowns

The GP of the Funds may draw down Capital Commitments, *pro rata*, as necessary to fund investments and meet CGI U.S. Fund expenses. The GP of the Funds will provide CGI U.S. Limited Partners a minimum of ten (10) business days' prior notice (a "**Drawdown Notice**") for each drawdown; *provided that*, in the case of a Drawdown in connection with a closing, the GP of the Funds may provide a Drawdown Notice as few as two (2) business days prior to the drawdown date. Each Drawdown Notice will specify the funding date, amount and proposed use of proceeds for each drawdown, and appropriate payment instructions.

Reinvestment/Recontribution

Proceeds constituting a return of capital (but not income or gain) in respect of a Real Estate Investment may be reinvested by the GP of the Funds at any time during the Commitment Period or, if and to the extent that any such proceeds are distributed to the CGI U.S. Limited Partners, may be added by the GP of the Funds, in its sole discretion, to unfunded Capital Commitments and again be available to be drawn down during the Commitment Period.

Management Fee

CGI U.S. Fund will pay the Fund Manager an annual management fee (the "**Management Fee**") which, during the Commitment Period will be two (2.0%) percent per annum (0.50% quarterly) of CGI U.S. Fund's aggregate Capital Commitments. Following the Commitment Period, the Management Fee will be two (2.0%) percent per annum (0.50% quarterly) of the aggregate unreturned capital contributions to CGI U.S. Fund, plus any amounts reserved for follow-on investments.

Distributions

The GP of the Funds will distribute cash flow, dividends, interest or other income realized from investments, plus proceeds from any disposition or refinancing at least quarterly; however, the GP of the Funds may retain amounts to pay CGI U.S. Fund expenses and reserve funds to meet future expenses and liabilities of the fund. Distributions attributable to each or any Real Estate Investment will be initially apportioned among the CGI U.S. Limited Partners in proportion to their respective capital contributions relating to such investment. The amount so apportioned to a CGI U.S. Limited Partner will then be immediately reapportioned as between such CGI U.S. Limited Partner and the GP of the Funds as follows:

- (i) **Return of Contributed Capital:** 100% to such CGI U.S. Limited Partner until such CGI U.S. Limited Partner has received distributions equal to all such CGI U.S. Limited Partner's capital contributions attributable to realized investments;
- (ii) **Preferred Return:** 100% to such CGI U.S. Limited Partner until such CGI U.S. Limited Partner has received distributions equal to an 8% per annum cumulative return, compounded annually (the "**Preferred Return**") as calculated on all such CGI U.S. Limited Partner's unreturned capital contributions;
- (iii) **Carried Interest Catch-Up:** 100% to the GP of the Funds as an incentive distribution (the "**Carried Interest**") until the GP of the Funds has received cumulative distributions of 20% of the aggregate amount distributed in respect of such CGI U.S. Limited Partner; and

- (iv) **Carried Interest:** (i) thereafter, until such time as the CGI U.S. Limited Partner has received on a cumulative basis, an amount necessary to provide such CGI U.S. Limited Partner with an internal rate of return of 12%, 80% to such CGI U.S. Limited Partner and 20% to the GP of the Funds as additional Carried Interest; and (ii) thereafter 70% to such CGI U.S. Limited Partner and 30% to the GP of the Funds as additional Carried Interest.

Clawback

If, following the distribution of all or substantially all of CGI U.S. Funds assets, the aggregate amount received by any CGI U.S. Limited Partner does not equal or exceed: (i) such CGI U.S. Limited Partner's capital contributions applied to the purchase of Real Estate Investments, plus (ii) amounts paid by such CGI U.S. Limited Partner in respect CGI U.S. Fund's expenses, plus (iii) an amount sufficient to provide an eight (8%) percent per annum cumulative return, compounded annually, the GP of the Funds will be liable to return the after-tax amount of any such excess distributions received by it to the Fund, for distribution to the Partners, at the end of the Fund's term.

Transfer and Withdrawals; Return of Capital Contributions

No CGI U.S. Limited Partner may transfer, or otherwise dispose of, any portion of its Interest, without the prior written consent of the GP of the Fund. The Interests will be subject to restrictions on resale designed to ensure that CGI U.S. Fund will not be required to register under the *Investment Company Act* of 1940 (the "**1940 Act**"), to ensure compliance with the laws regulating the sale of unregistered securities and to satisfy certain tax law considerations. Proposed purchasers of Interests will be required, among other things, to demonstrate sufficient financial wherewithal to meet remaining drawdown obligations.

Defaults

CGI U.S. Limited Partners who fail to fund Capital Commitments when due may be subject to any of the default remedies set forth in the CGI U.S. Limited Partnership Agreement, including forfeiture of their investment in the Fund.

Removal of the General Partner for Cause

CGI U.S. Fund Limited Partners, upon the affirmative vote of a Combined 66²/₃%-in-Interest, will have the right to remove the GP of the Funds and the Fund Manager in the event the GP of the Funds or the Manager has been found by a court of competent jurisdiction to have engaged in willful misconduct or gross negligence in respect of the Fund, or committed an act of actual fraud.

Key Principal Event

If, prior to the expiration or termination of the Commitment Period, the key principal ceases to be, for any reason, including, but not limited to, death, incapacity or adjudication of incompetence, actively involved in the business of the Fund Manager or GP of the Funds, followed by a continuance of such failure for a period of at least 180 days, the GP of the Funds shall promptly notify the CGI U.S. Fund Limited Partners in writing of the occurrence of a "*Key Principal Event*" and the Commitment Period shall terminate until a successor key principal is appointed by the GP of the Funds or the Commitment Period is reinstated by the vote of a Combined 66²/₃%-in-Interest of the CGI U.S. Limited Partners.

Dissolution

CGI U.S. Limited Partners, upon the affirmative vote of a Combined 85%-in-Interest, will have the right to dissolve CGI U.S. Fund, with or without cause.

Termination

Upon termination, CGI U.S. Fund shall be dissolved and wound-up. The GP of the Funds shall distribute the proceeds of such sale or liquidation in the following order of priority, unless otherwise required by law:

- (a) first, to pay all expenses of liquidation;
- (b) second, to pay all creditors of CGI U.S. Fund in the order of priority provided by law;
- (c) third, to the establishment of any reserve which the GP of the Funds may deem necessary; and
- (d) fourth, to the CGI U.S. Fund Limited Partners or their legal representatives in accordance with the waterfall provisions set forth in the “Distributions” section above.

Advisory Committee

The GP of the Funds will establish an advisory committee (the “**Advisory Committee**”) for CGI U.S. Fund and any Parallel Fund composed of CGI U.S. Fund Limited Partners or their representatives (or CGI U.S. Fund Limited Partners of a Parallel Fund or their representatives) selected by the GP of the Funds and/or their representatives. The Advisory Committee will be authorized to resolve certain issues involving conflicts of interest, methods of valuation, and fees paid to the Manager or its affiliates, and, will be responsible for certain other determinations under the Partnership Agreement and will provide guidance as to such issues as are brought to it by the GP of the Funds. The GP of the Funds will seek to appoint a minimum of three (3), but no more than five (5), members to the Advisory Committee.

Financial Reporting

The GP of the Funds will provide the CGI U.S. Fund Limited Partners with annual audited financial statements of CGI U.S. Fund within 120 days after the end of the fiscal year of CGI U.S. Fund and will make reasonable efforts to provide the CGI U.S. Fund Limited Partners with quarterly unaudited financial statements within 90 days after the end of each fiscal quarter.

Fiscal Year

The fiscal year end of the Fund will be December 31.

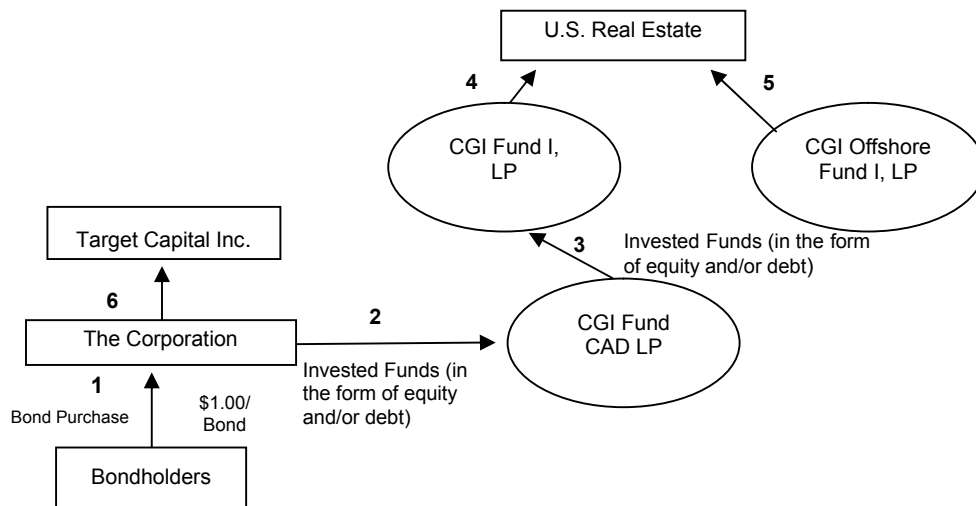
Annual Meeting

CGI U.S. Fund may, in the discretion of the GP of the Funds, hold annual meetings to provide CGI U.S. Fund Limited Partners with the opportunity to review and discuss with the Manager and its employees CGI U.S. Fund’s investment activities and portfolio.

2.8 OFFERING STRUCTURE

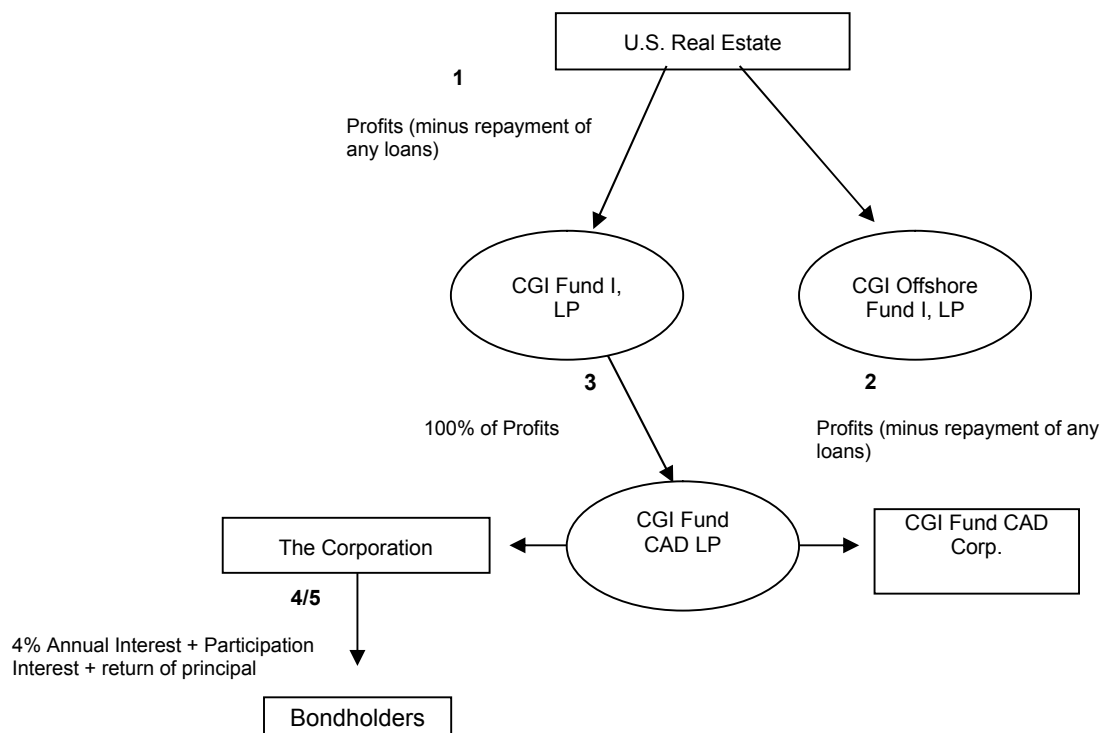
(a) Distribution of Funds from a Subscriber

The following represents the distribution of funds from a Subscriber pursuant to this Offering after the payment of costs and fees associated with this Offering.



1. Subscribers purchase Bonds in the Corporation with Deferred Plans or cash.
2. The Corporation uses the net subscription proceeds from the Offering to purchase LP units in and/or lend funds to CGI Fund CAD LP.
3. CGI Fund CAD LP uses the net subscription proceeds to purchase LP interests in and/or lend funds CGI Fund I, LP. The amount of funds that will be used to purchase equity interests in versus loan funds to CGI Fund I, LP will be determined in the discretion of the General Partner to maximize any and all cross border tax benefits, which may change from time to time. The funds raised will be subject to the Canadian and U.S. Dollar exchange rate, as funds are raised in Canadian Dollars and then invested in or loaned to CGI Fund I, LP in U.S. dollars.
4. The funds are used for the U.S. Real Estate.
5. In addition, CGI Fund I, LP and CGI Offshore Fund I, LP, will be raising funds outside of Canada through the Concurrent Offerings. There could be, but will not always have, common ownership between the CGI U.S. Fund and the CGI Offshore Fund.
6. Target Capital Inc. holds 60% of the issued and outstanding Class A Shares of the Corporation. The Corporation pays Annual Fees and Capital Raising Fees to Target Capital Inc. **See Item 2.7.1 - Agreement with Target Capital Inc.**

The following represents the proposed distribution of funds by the Corporation in the event of a sale, income or any profits derived from the U.S. Real Estate.



1. Funds are generated from sale proceeds, rental income, refinance, etc. of the U.S. Real Estate ("**Profits**"), which will be allocated to either the CGI U.S. Fund or the CGI Offshore Fund or both. There will be a Management Fee of 2% per annum of the Funds aggregate Capital Commitments that will be paid to the Fund Manager.
2. Profits flow through to CGI Canadian LP as a limited partner of CGI U.S. Fund. Profits will also be paid to other subscribers that purchase limited partnership interests of CGI U.S. Fund. The Profits will be subject to the Canadian and U.S. Dollar as the Profits are paid in U.S. Dollars and then paid to the Corporation in Canadian Dollars.
3. Profits flow through to the Corporation as the limited partner of CGI Canadian LP.
4. The Corporation pays interest and principal to its Bondholders.
5. The Corporation pays Participation Interest (as defined below in **Item 5 - Securities Offered**) to its Bondholders.

ARTICLE 3 - DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

3.1 COMPENSATION AND SECURITIES HELD

The following table provides specified information about each director, officer and promoter of the Corporation and each person who directly or indirectly beneficially owns or controls 10% or more of any class of voting securities of the Corporation (a "**Principal Holder**"). Where the Principal Holder is not an individual, the following table provides the name of any person that directly or indirectly, beneficially owns or controls more than 50% of the voting rights of the Principal Holder. The Corporation has not completed its first financial year and no compensation has been paid since its inception, except to Target as set forth below:

Name and Municipality of Principal Residence	Position Held and the Date of Obtaining that Position	Compensation Paid by the Corporation Since Inception and the Compensation Anticipated to be Paid in Current Financial Year	Number, Type and Percentage of Securities Held After Completion of the Minimum Offering	Number, Type and Percentage of Securities Held After the Completion of the Maximum Offering
Target Capital Inc. ⁽¹⁾ Calgary, AB	Shareholder, since October 21, 2016	\$1,010,000 ⁽²⁾	6,000 Class A Shares (60% of all of the Class A Shares)	6,000 Class A Shares (60% of all of the Class A Shares)
CGI Investment Group, LLC Delaware, USA	Shareholder, since October 20, 2016	Nil	4,000 Class A Shares (40% of all of the Class A Shares) 10,000 Class B Shares (100% of all Class B Shares)	4,000 Class A Shares (40% of all of the Class A Shares) 10,000 Class B Shares (100% of all Class B Shares)
Raoul Thomas Miami, Florida, USA	President and Director since October 20, 2016	Nil	Nil	Nil

Notes:

- (1) Target Capital Inc. is a public corporation listed on the TSX Venture Exchange and trading under symbol "TCI".
(2) Assuming the maximum amount payable pursuant to the Target Agreement. **See Item 2.7(a) - Agreement with Target Capital Inc.**

3.2 MANAGEMENT EXPERIENCE

The name and principal occupations of the director and executive officer of the Corporation over the past five (5) years is as follows:

Name	Principal Occupations and Related Experience
Raoul Thomas, President and Director	<p>Raoul Thomas founded and is the Chief Executive Officer of CGI Merchant Group, LLC. Mr. Thomas has over 25 years' experience in global investment banking, capital markets and financing. Prior to founding CGI Merchant Group, LLC in 2006, Mr. Thomas was a U.S. bank regulator in Florida supervising international financial institutions. He was also retained under the prestigious Management Development Program by Barclays Capital after which he was assigned to the Capital Markets desk, working with Latin American banks and bond market syndications.</p> <p>Shortly after his departure from Barclays, Mr. Thomas was recruited by RBC-Caribbean (Royal Bank of Trinidad and Tobago) to lead and develop capital offerings to help advance the regional capital markets. In 2004, Mr. Thomas worked as a private investment banker for Michael Lee-Chin, a Jamaica-born, Canadian billionaire.</p>

The name and principal occupations of the director and executive officer of the General Partner over the past five (5) years is as follows:

Name	Principal Occupations and Related Experience
Scott Hislop, President and Director	<p>Scott Hislop has over 35 years of Executive Management experience in both the agricultural and oil industries. Since 1997, Scott Hislop has been an active player in the Canadian oil industry. He was one of the four original co-founders of Vortex Energy Corp., Southern Exploration Inc., and Aurora Resources Ltd., which has its headquarters in Saskatchewan, Canada. Mr. Hislop has been the Chief Financial</p>

Name	Principal Occupations and Related Experience
	<p>Officer of all three companies since incorporation, and was actively involved in the divestiture of Vortex Energy Corp., Southern Exploration and Aurora Resources to other publically traded companies in 2006 and 2014, respectively.</p> <p>Mr. Hislop is Vice President of a Livestock buying service as well as President and owner of a ranching and feedlot operation. He is also the director and part owner of two franchised Orange Theory Fitness gyms, with the development of three more in Calgary, Alberta. Mr. Hislop is also actively involved in the community, in both charitable and volunteer organizations.</p> <p>Mr. Hislop is the chairman of Moose Mountain Health Care Corp., a volunteer based corporation that recruits physicians and nurses to promote long term stability of the operation of the local health clinic and hospital. Mr. Hislop was a charter member of the local Optimist Club and has promoted local projects for the youth of his community. In his free time, Mr. Hislop enjoys all forms of sporting events and spending time with his three children and granddaughter.</p>

The names and principal occupations of each director and executive officer of the Fund Manager is as follows:

Name	Principal Occupations and Related Experience
Raoul Thomas, Founder and CEO	See Above.
Susan Traino, Chief Operating Officer and Executive Vice President	<p>Susan Traino is the Chief Operating Officer and Executive Vice President of CGI Merchant Group, LLC. Ms. Traino has over 25 years' experience in accounting, finance and operations in the real estate industry. Prior to joining CGI Merchant Group, LLC, Ms. Traino served as the Director of Field and Accounting Services for First Service Residential's Southern Florida High Rise Division.</p> <p>Ms. Traino was the Senior Vice President of Terramark Worldwide and CFO of its subsidiary-TREX, Housing Trust Group and its affiliate, Health Trust America. She was also a Senior Manager at PriceWaterhouse Coopers, LLC. In those roles, Ms. Traino had full responsibility over the companies' finance functions in their property management and construction lines of business, treasury, finance, SEC reporting, asset acquisition and management and project management.</p> <p>Ms. Traino is a Certified Public Accountant, holds the CCIM designation, has a property management license and graduated Magna Cum Laude from Monmouth University.</p>

Mike Keilty Director	<p>Mike Keilty brings over 30 years of Executive Management experience in both the telecommunication and software business. He has led both a large FTSE 100 listed corporation as well as several startup companies with P&L responsibility for over \$1 billion. Mr. Keilty was Chief Executive Officer for BT's North American division which is BT's largest operating unit outside the UK. He successfully launched this business in the US market and grew revenues from \$20 million to more than \$500 million in less than 5 years. As Chief Operating Officer of STI Mobile he launched the Company into the wireless business in the US growing the business to become the second largest prepaid carrier in the US. He was also the Chief Operating Officer of the Nasdaq listed Madge Networks and successfully transitioned the Company from its Token Ring Lan technology into the IP Networking environment, positioning the company for its future growth. Mr. Keilty has prior Board experience, most recently with BCS Global, which is in the IP collaboration marketplace.</p> <p>Mr. Keilty brings a wealth of international experience to the Board, having managed organizations in North America, Europe and Asia. In addition, he has both studied and presented at the Wharton School of Business at the University of Pennsylvania and the International Management Group in Geneva, Switzerland.</p>
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3.3 PENALTIES, SANCTIONS AND BANKRUPTCY

There are no penalties or sanctions that have been in effect during the last ten (10) years or any cease trade orders that have been in effect for a period of more than thirty (30) consecutive days during the past 10 years against an executive officer, director or control person of the Corporation or against a company of which any of the foregoing was an executive officer, director or control person.

No declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors or appointment of a receiver, receiver manager or trustee to hold assets, have been in effect during the last ten (10) years with regard to those individuals or any companies of which any of those individuals was an executive officer, director or control person at that time.

3.4 LOANS

As of the date of the herein Offering Memorandum, there are no outstanding debentures or loans owing to or from any director, officer, manager, promoter or principal holder of the Corporation.

ARTICLE 4 - CAPITAL STRUCTURE

4.1 SHARE CAPITAL

Description of Security ⁽¹⁾	Number Authorized to be Issued	Price per Security	Number Outstanding as at November 18, 2016	Number Outstanding Assuming Completion of Minimum Offering	Number Outstanding Assuming Completion of Maximum Offering
Class A Shares ⁽²⁾	Unlimited	\$0.01	10,000	10,000	10,000
Class B Shares ⁽³⁾	Unlimited	\$0.01	10,000	10,000	10,000

Notes:

- (1) At this time, the Corporation has no plans to issue any additional shares of the Corporation. The Corporation only intends on issuing the Bonds pursuant to this Offering.
- (2) The Class A Shares are held by CGI Investment Group, LLC (4,000) issued October 20, 2016 and Target Capital Inc. (6,000) issued October 21, 2016.
- (3) The Class B Shares are held by CGI Investment Group, LLC.

Class A Preferred Shares

The Corporation is authorized to issue an unlimited number of Class A Preferred Shares (the “**Class A Shares**”). The Class A Shares have, as a class, the following rights, privileges, restrictions and conditions:

Voting Rights

The holders of the Class A Shares shall be entitled to receive notice of, to attend and to vote at all meetings of the shareholders of the Corporation. Each Class A Share shall confer on the holder thereof the right to one vote in person or by proxy at all meetings of shareholders of the Corporation.

Dividend Entitlement

The holders of Class A Shares are not entitled to participate in the profits of the Corporation and are not entitled to receive any dividends.

Entitlement on Dissolution or Winding-Up

In the event of a reduction of capital or the liquidation, dissolution or winding-up of the Corporation or other distribution of property or assets of the Corporation among its shareholders for the purpose of winding-up its affairs (a “**Winding-Up Event**”):

- (i) Prior to the Class A shareholders receiving any consideration in the occurrence of a Winding-Up Event, any Bondholders of the Corporation at the time of such Event shall be entitled to receive from the Corporation an amount equal to the face value of their Bond together with any accrued interest thereon up to the date of payment (the “**Redemption Amount**”) in priority to any distribution of any of the Corporation’s assets or property to the Class A Shareholders. If the Corporation does not have sufficient property or assets to pay the aggregate of the Redemption Amount then each Bondholder will be entitled to their pro rata share of the Corporation’s property or assets in priority to the Class A shareholders; and
- (ii) The holders of the Class A Shares shall be entitled to receive an amount equal to the aggregate amount of paid up capital on the Class A Shares held by them respectively after repayment of the aggregate Redemption Amount and in the event that there is not sufficient property or assets to return the entire amount of paid up capital thereon to all Class A Shareholders, the amount available for distribution shall be distributed to the Class A Shareholders on a pro rata basis according to the number of Class A Shares owned by each shareholder.

Class B Common Shares

The Corporation is authorized to issue an unlimited number of Class B Common Shares (the “**Class B Shares**”) having attached thereto, as a class, the following rights, privileges, restrictions and conditions:

Voting Rights

The holders of the Class B Shares shall be not be entitled to receive notice of, to attend or vote at any meetings of the shareholders of the Corporation.

Dividend Entitlement

The right, subject to any preferential rights attaching to any other class or series of shares of the Corporation, to receive dividends as, when and if declared on the Class B Shares by the Corporation. No dividend may be declared or paid on the Class B shares if payment of the dividend would cause the realizable value of the Corporation’s assets to be less than the aggregate of its liabilities and the amount

required to redeem any Bonds then outstanding having attached thereto a right of redemption or retraction.

Entitlement on Dissolution or Winding-Up

The right, subject to any preferential rights attaching to any Bonds issued by the Corporation, to share in the remaining property of the Corporation upon dissolution after all the Class A Shareholders have received payment of the aggregate amount of paid up capital held by each Class A Shareholder.

4.2 LONG-TERM DEBT SECURITIES

As of November 18, 2016, the Corporation does not have any long term debt. In the event that the Corporation is successful in raising funds pursuant to this Offering, it will have the following debt obligations to Subscribers through the issue of Bonds offered by the Corporation pursuant to this Offering:

Description of Long Term Debt ⁽¹⁾	Number Authorized to be Issued	Interest Rate	Number Outstanding as at November 18, 2016	Number Outstanding Assuming Completion of Minimum Offering	Number Outstanding Assuming Completion of Maximum Offering
Bonds	101,250,000	4% Fixed Interest plus Participating Interest ⁽¹⁾	Nil	270,000 ⁽²⁾ Representing a debt obligation of \$270,000 to Subscribers under this Offering.	101,250,000 ⁽³⁾ Representing a debt obligation of \$101,250,000 to Subscribers under this Offering.

Note:

- (1) With regards to terms of the Bonds, see **Item 5.1 - Terms of Securities** for the terms of the Bonds offered pursuant to this Offering.
- (2) The Minimum Offering is the minimum offering that must be raised in conjunction with the Concurrent Offerings. This is assuming the entire amount of the Minimum Offering is raised pursuant to this Offering and is assuming an exchange rate of \$1.00USD:\$1.35CAD.
- (3) The Maximum Offering is the maximum offering that can be raised in conjunction with the Concurrent Offerings. This is assuming the entire amount of the Maximum Offering is raised pursuant to this Offering and is assuming an exchange rate of \$1.00USD:\$1.35CAD.

4.3 PRIOR SALES

As of November 18, 2016, there are 10,000 Class A Shares and 10,000 Class B Shares of the Corporation issued and outstanding.

Date of Issuance	Type of Security Issued	Number of Securities Issued	Price per Security	Total Funds Received
October 20, 2016	Class A Shares ⁽¹⁾	4,000	\$0.01 per 1 Class A Share	\$40
October 21, 2016	Class A Shares ⁽²⁾	6,000	\$0.01 per 1 Class A Share	\$60
October 20, 2016	Class B Shares ⁽³⁾	10,000	\$0.01 per 1 Class B Share	\$100

Notes:

- (1) Issued to CGI Investment Group, LLC.
- (2) Issued to Target Capital Inc.
- (3) Issued to CGI Investment Group, LLC.

ARTICLE 5 - SECURITIES OFFERED

5.1 TERMS OF SECURITIES

The Corporation is offering up to 101,250,000 Bonds for sale, depending upon the amount raised from the Concurrent Offerings. The minimum number of Bonds that may be purchased by a Subscriber is 10,000 Bonds for a minimum investment of \$10,000, and increments of \$1,000 (1,000 Bonds) thereafter. There is no maximum number of Bonds allocated to any Subscriber.

START

Term and Extension

Subject to the Corporation's right of early redemption, the Corporation shall redeem 99% of the Principal Amount of the Bonds, and all accrued and unpaid interest thereon, on the date that is six (6) years from the date of issuance of the Bond (the "**Maturity Date**"). The Corporation shall have the right to extend the Maturity Date by up to four (4) calendar years if CGI U.S. Fund extends the redemption of its limited partnership interests by the corresponding time frame.

The Corporation shall pay the remaining 1% of the Principal Amount, and all accrued and unpaid interest thereon, to the Bondholders on the Final Participating Interest Distribution Date (as defined below).

Early Redemption

The Corporation shall have the right, which it can exercise in its full discretion, to redeem up to 99% of the Principal Amount of a Bondholder's Bonds at any time during the term of the Bonds by providing the Bondholder with up to 90 days written notice of its intention to do so, through the payment of the aforesaid percentage of the Principal Amount of the Bondholder's Bonds and all accrued and unpaid interest thereon to the date of payment. If the Corporation elects to exercise its right of early redemption as provided for herein, the Corporation shall redeem the Bonds on a pro rata basis from all of the Bondholders.

Fixed Interest Rate

Each Bond will entitle the holder thereof to simple interest at a fixed rate of four (4%) percent per annum to be paid on the outstanding principal of the Bonds during the term of the Bond ("**Fixed Interest Rate**"). The payment of the Fixed Interest Rate shall be made on or before the Interest Payment Date. Notwithstanding the foregoing, the Corporation shall have the sole discretion to the Fixed Interest Rate earlier.

Any unpaid interest shall accrue from the date the interest is due until paid in full to the Holder. Notwithstanding the foregoing, and subject to the Corporation's right of early redemption, all accrued and unpaid interest accruing between the date of issue of the Bonds and the Interest Payment Date shall be paid on the Interest Payment Date.

Participating Interest

Each Bondholder shall be entitled to share in the Net Profits or Income that CGI Canadian LP receives from CGI U.S. Fund that flows through to the Corporation (the "**Participating Interest**"). The distribution of Participating Interest by the Corporation to the Bondholders shall be interest payable by the Corporation to the Bondholders and shall be paid as provided for herein. Notwithstanding the foregoing, the Corporation shall make a final distribution of Participating Interest not previously distributed to the Bondholders no later than six (6) months from the Maturity Date (the "**Final Participating Interest Distribution Date**"). See Item 2.7(e) CGI U.S. Fund Limited Partnership Agreement under heading "**Distributions**" for more information on the distributions to CGI U.S. Limited Partners.

Obligations Unsecured

The Corporation's debt obligations represented by the Bonds are unsecured obligations and will rank *pari passu* amongst themselves and with all other unsecured and unsubordinated obligations of the Corporation, except for such preferences as provided for under applicable law.

Funding of Redemption

Management of the Corporation shall have sole discretion in how the Corporation will fund or finance the redemption of the Bonds. It is the intention that the Corporation will use the net income from CGI U.S. Fund to fund the redemption of the Bonds. However, management may also decide to use its existing cash on hand if any, raise additional capital or equity in the Corporation, or borrow money to accomplish the redemption of the Bonds or use a combination of the above methods. There is no assurance that any of the above methods of funding the redemption of the Bonds will be successful or if accomplished will raise enough funds to redeem all of the Bonds. It is possible that the Corporation may not have the financial ability to redeem all or any Bonds upon maturity. In this event the provisions contained under the heading "**Entitlement on Dissolution or Winding Up**" of **Item 4 - Capital Structure** may apply.

Timing of Redemption

It is the intention of the Corporation that the Corporation aligns the redemption requirements of the Bonds with any income that CGI Canadian LP receives from the ownership of the limited partnership interests of CGI U.S. Fund. In other words, it is the intention of the Corporation that the redemption of the Bonds will line up with profits received from CGI U.S. Fund. If the Corporation receives revenue from CGI U.S. Fund before the Maturity Date, then the Corporation may redeem all or portion of the Principal Amount before the Maturity Date, based upon the net proceeds that the Corporation ultimately receives.

Limited Recourse

Recourse under the Bonds will be limited to the principal sum of the Bonds plus any unpaid and outstanding accrued interest thereon. There is no additional recourse by the Bondholder for any deficiency in value of the Bonds in the event of non-payment or default by the Corporation of redemption of the Bonds at maturity.

An investor in the Bonds should understand that Target's assets and management are not in any way committed to the activities of the Corporation and Target does not encourage or discourage participation in this Offering.

5.2 SUBSCRIPTION PROCEDURES

(a) Subscription Documents

Subscribers wishing to subscribe for Bonds will be required to enter into a Subscription Agreement with the Corporation which will contain, among other things, representations, warranties and covenants by the subscriber that it is duly authorized to purchase the Bonds, that it is purchasing the Bonds as principal and for investment and not with a view to resale and as to its corporate or other status to purchase the Bonds and that the Corporation and the Agent are relying on an exemption from the requirements to provide the Subscriber with a prospectus and as a consequence of acquiring the securities pursuant to this exemption, certain protections, rights and remedies, provided by applicable securities laws, including statutory rights of rescission or damages, will not be available to the Subscriber.

Reference is made to the Subscription Agreement attached as Schedules "B" to this Offering Memorandum for the terms of these representations, warranties and covenants.

In order to subscribe for Bonds, a purchaser must complete, execute and deliver the following documentation to the Corporation at c/o Park Capital Management 2012 Inc.

200-1221 Osler St, Regina, SK S4R 1W4 Attention: Jay Blackmore E-mail: jay@parkcapitalmanagement.com:

- (i) one (1) signed copy of the Subscription Agreement attached as Schedule "B" to the Offering Memorandum including a properly completed and duly executed copy of the appropriate Schedule(s) and Appendices to the Subscription Agreement;
- (ii) a certified cheque or bank draft in an amount equal to the Aggregate Subscription Amount as set out in the Subscription Agreement, payable to: **"Miller Thomson LLP, in trust";**
- (iii) if the Subscriber is purchasing the Securities as principal and the Subscriber is a resident of British Columbia or Newfoundland and Labrador, then the Subscriber must execute the Risk Acknowledgement in the form attached as Schedule "B" to the Subscription Agreement;
- (iv) if the Subscriber is purchasing the Securities as principal and the Subscriber is a resident of Manitoba, Northwest Territories, Nunavut, Prince Edward Island or Yukon then:
 - (I) in the case of a Subscriber that is not an Eligible Investor the following shall apply:
 - (1) the acquisition cost of the Securities shall not exceed \$10,000; and
 - (2) the Subscriber must execute the Risk Acknowledgement in the form attached as Schedule "B" to the Subscription Agreement;
 - (II) in the case of a Subscriber that is an Eligible Investor the following shall be completed by the Subscriber:
 - (1) an Eligible Investor Status Certificate attached as Schedule "A" to the Subscription Agreement;
 - (2) an Eligible Investor Representation Letter in the form attached as Appendix 1 to Schedule "A" to the Subscription Agreement (please initial as indicated); and
 - (3) the Risk Acknowledgement in the form attached as Schedule "B" to the Subscription Agreement.
- (v) if the Subscriber is purchasing the Securities as principal and the Subscriber is a resident in Alberta, New Brunswick, Nova Scotia, Ontario, Quebec or Saskatchewan then the following shall apply:
 - (I) if the Subscriber is an individual, the acquisition cost of all securities acquired upon reliance on Section 2.9 of NI 45-106 by the Subscriber in the preceding twelve (12) months shall not exceed the following amounts:
 - a) in the case of a Subscriber that is not an Eligible Investor, \$10,000;
 - b) in the case of a Subscriber that is an Eligible Investor, \$30,000; or

- c) in the case of a Subscriber that is an Eligible Investor and that received advice from a portfolio manager, investment dealer or exempt market dealer that the investment is suitable, \$100,000;
- (II) if the Subscriber is an Eligible Investor, the Subscriber must complete an Eligible Investor Status Certificate attached as Schedule "A" to the Subscription Agreement;
- (III) if the Subscriber is an Eligible Investor, the Subscriber must complete the Eligible Investor Representation Letter in the form attached as Appendix 1 to Schedule "A" to the Subscription Agreement (please initial as indicated);
- (IV) the Subscriber must execute the Risk Acknowledgement in the form attached as Schedule "B" to the Subscription Agreement; and
- (V) if the Subscriber is an individual, the Subscriber must execute Schedule 1 and Schedule 2 to the Risk Acknowledgement in the form attached Schedule "B" to the Subscription Agreement.
- (vi) Release of any claims against Target Capital Inc. (the controlling Shareholder), as attached as Schedule "C".

Miller Thomson LLP, as legal counsel to the Corporation, will hold the subscription funds in trust until a signed and dated Subscription Agreement is accepted by the Corporation and the Minimum Offering is reached. At that time, Miller Thomson LLP will issue the bond certificates representing the Bonds to the Subscribers.

Subject to applicable securities laws and the Purchaser's two-day cancellation right, a subscription for Bonds, evidenced by a duly completed Subscription Agreement delivered to the Corporation shall be irrevocable by the Subscriber. **See Item 11 - Purchaser's Rights.**

Subscriptions for Bonds will be received, subject to rejection and allotment, in whole or in part, and subject to the right of the Corporation to close the subscription books at any time, without notice. If a subscription for Bonds is not accepted or the Minimum Offering is not met, all subscription proceeds will be promptly returned to the Subscriber without interest.

The Corporation will not hold the closing of its Offering until the Minimum Offering, **in conjunction with the Concurrent Offerings**, is raised. The Closing of the Minimum Offering is scheduled to occur on or before November 30, 2016, or such earlier or later date when the Minimum Offering is reached. Thereafter, Closings will take place periodically at the Corporation's sole discretion with the Final Closing to occur upon the earlier of either: i) the last day that CGI U.S. Fund will be issuing limited partnership interests; or ii) 12 months from the Initial Closing.

It is expected that certificates representing the Bonds, or certified copies of the certificates representing the Bonds, will be available for delivery within a reasonable period of time after the relevant closing date(s). The subscription funds will be held in trust until midnight of the second Business Day subsequent to the date that each Subscription Agreement is signed by a Subscriber.

You should carefully review the terms of the Subscription Agreement accompanying this Offering Memorandum for more detailed information concerning the rights and obligations of you and the Corporation. Execution and delivery of the subscription agreement will bind you to the terms thereof, whether executed by you or by an agent on your behalf. You should consult with your own professional advisors. See Item 8 - Risk Factors.

ARTICLE 6 - INCOME TAX CONSEQUENCES AND DEFERRED PLAN ELIGIBILITY

You should consult your own professional advisers to obtain advice on the income tax consequences that apply to you.

The income tax information set forth below in Item 6.1, 6.2, and 6.3 was provided by Miller Thomson LLP, Canadian tax counsel to the Corporation and also to CGI Canadian LP, and it is based on the current provisions of the Tax Act, the Regulations thereunder and published administrative practices of the CRA. The comments offered do not address the possibility of any challenge to the structure by the CRA under the specific and/or general anti-avoidance rules.

This summary is of a general nature only and is not intended to be legal, tax or business advice to any particular prospective purchase of Bonds. Consequently, Subscribers should seek independent professional advice regarding the income tax consequences of investing in the Bonds, based upon their own particular circumstances.

6.1 SUMMARY OF PRINCIPAL CANADIAN FEDERAL INCOME TAX CONSEQUENCES

The *Income Tax Act* (Canada) (the "**Tax Act**") and regulations thereunder (the "**Regulations**") provide generally that a bond, debenture, note or similar obligation of a Canadian corporation (as defined in the Tax Act) which is controlled directly or indirectly by one or more corporations whose shares are listed on a designated stock exchange in Canada will constitute a "qualified investment" for a Deferred Plan.

In the opinion of Miller Thomson LLP, counsel to the Corporation, and based upon certain representations made by the Corporation to Miller Thomson LLP (pursuant to an Officer's Certificate dated November 18, 2016), **the Bonds will constitute a qualified investment for "Deferred Plans", provided however that the shares of Target are listed on a stock exchange designated by the Minister of Finance, which they currently are, and as long as Target controls the Corporation.** There is no agreement which restricts the ability of Target to vote its shares of the Corporation or appoint a majority of the Board of Directors of the Corporation. As such, Target should be considered to control the Corporation.

There are additional requirements for a TFSA in order for the Bonds not to be a "prohibited investment" which would be subject to a special tax. The Bonds will be a "prohibited investment" if the TFSA account holder does not deal at "arm's length" with the Corporation or the account holder is a "specified shareholder" of the Corporation as defined in the Tax Act, generally a person who has a 10% or greater interest in the Corporation together with non-arm's length persons. Assuming the TFSA account holder meets the above requirements, the Bonds will not be a "prohibited investment".

There can also be additional special taxes for a TFSA, RRSP or RRIF on certain tax "advantages" that unduly exploit the attributes of a TFSA, RRSP or RRIF, including "advantage" on "prohibited investments" and on "non-qualified investments". The rules in the Tax Act that constitute an "advantage" are quite broad, therefore, Subscribers should seek independent professional advice as to the applicability of these rules to their particular circumstances.

The Tax Act and Regulations provide generally that the Bonds will be qualified investments for Deferred Plans, provided however, that certain conditions are satisfied in respect of both the Corporation and the particular Deferred Plan.

At the time that the Bonds are acquired by the Deferred Plan, the Corporation is required to be a "small business corporation" as defined under the Tax Act. A small business corporation, for this purpose, is a Canadian corporation (other than a corporation controlled directly or indirectly in any manner whatever, by one or more non-residents), where all or substantially all (i.e. 90% or more) of the property of the Corporation is used in a "qualifying active business", as that term is described in Income Tax Regulation 5100(1), wherein the business should be considered to be carried on primarily in Canada by a particular corporation if at least 50% of the full-time employees of the corporation and all corporations related thereto that are employed in respect of the particular business are employed in Canada or at least 50% of the salaries and wages paid to employees of the particular corporation and all corporations related thereto that are employed in respect of the business, are reasonably attributable to services rendered in

Canada. It is the Corporation's intention that as at the issuance of the Bonds, it will satisfy the requirements to be considered a small business corporation for purposes of these Regulations.

Also, at the time that the Bonds are acquired by the Deferred Plan, each person who is an annuitant, beneficiary or a subscriber (an "**Annuitant**") under the Deferred Plan must deal at arm's length with the Corporation and must not own, directly or indirectly, 10% or more of the issued Bonds of any class of the capital stock of the Corporation (a "**prohibited investment**"). For purposes of applying this rule, an Annuitant is deemed to own Bonds owned at that time by a person who is not at arms-length with the Annuitant. Persons are also deemed to own Bonds related to options or other contingent rights to acquire Bonds, and are also deemed to own certain Bonds owned by trusts (including Deferred Plans) or partnerships of which the person is a beneficiary or member, respectively.

On December 15, 2011, the Federal Government of Canada passed legislation which enacted a number of changes in respect of the rules governing investments held by Deferred Plans, which was originally tabled in the Federal Budget of June 6, 2011. In general, the changes will subject RRSPs and RRIFs to the rules in respect to "prohibited investments" described above, as well as extending to RRSPs and RRIFs certain penalty taxes with respect to "advantages" formerly applicable only to TFSAs. The penalty tax is generally equal to 50% of the fair market value of the investment at the time it was acquired or at the time it became a "prohibited investment". This penalty tax may be refundable, but only under certain limited circumstances. This will apply to all Deferred Plan investments after March 22, 2011.

Not all securities are eligible for investment in a registered retirement savings plan (RRSP). You should consult your own professional advisers to obtain advice on the income tax consequences that apply to you and your particular factual circumstances and on the eligibility of these Securities for a Deferred Plan.

The income tax information set forth in this Item was provided by Miller Thomson LLP, and it is based on the current provisions of the Tax Act, the Regulations thereunder and published administrative practices of the CRA. The comments offered do not address the possibility of any challenge to the structure by the CRA under the specific and/or general anti-avoidance rules.

This summary is of a general nature only and is not intended to be legal, tax or business advice to any particular prospective purchase of Bonds. Consequently, Subscribers should seek independent professional advice regarding the income tax consequences of investing in the Bonds, based upon their own particular circumstances.

6.2 TAXATION OF THE CANADIAN LIMITED PARTNERSHIP

CGI Fund CAD LP is not itself subject to tax under the Tax Act; however, the income or loss of the Limited Partnership is computed for each of its fiscal periods as if it were a separate person resident in Canada. CGI Fund CAD LP's fiscal year end is December 31.

CGI Fund CAD LP's only significant asset is its partnership interest in and debt to CGI U.S. Fund. As a result, it will be required to include in computing its income for each taxation year: (i) interest on the debt issued by CGI U.S. Fund that accrues to it to the end of the year, or becomes receivable or is received by it before the end of the year, to the extent that the interest was not included in computing its income for a preceding taxation year; and (ii) its share of the net income (or loss) and net taxable capital gains (or allowable capital loss) of CGI U.S. Fund from each source computed for CGI U.S. Fund's fiscal year ending in CGI Fund CAD LP's taxation year in accordance with Canadian income tax rules as if CGI U.S. Fund were a separate person resident in Canada, regardless of whether or not any amount is distributed by CGI U.S. Fund to CGI Fund CAD LP in the taxation year. Deductions may be claimed in respect of expenses incurred by CGI Fund CAD LP for the purpose of earning income, subject to the relevant provisions of the Tax Act.

Subject to the "at-risk" rules and the Proposed Loss Limitation Rule described below, the income or loss of CGI Fund CAD LP for a fiscal year will be allocated to the partners of CGI Fund CAD LP, including the Corporation, on the basis of their respective share of that income or loss as provided in the CGI Canadian LP Limited Partnership Agreement, subjected to the detailed rules in the Tax Act in that regard. Each

partner of the CGI Fund CAD LP, including the Corporation, is required to include in computing such partner's income for a particular taxation year such partner's share of the income or loss of CGI Fund CAD LP for its fiscal year ending in, or coinciding with, such partner's taxation year end, whether or not any of that income is distributed to such partner in the taxation year. Income or loss of CGI Fund CAD LP from a particular source or a particular place (such as foreign source income from the U.S.) will be considered to be income or loss of a partner from the same source and place to the extent of the partner's share thereof. Further, each partner's tax, if any, in respect of a foreign country is considered to include its share thereof paid by the partnership.

If CGI Fund CAD LP does incur losses for tax purposes, each partner including the Corporation will be entitled to deduct in the computation of its income for tax purposes its share of any such losses for any fiscal year to the extent that such partner's investment is "at risk" within the meaning of the Tax Act. In general, the amount "at risk" for a partner in a limited partnership for any taxation year will be the adjusted cost base of the partner's partnership interest at the end of the year (such adjusted cost base to be computed excluding any unpaid portion of the acquisition price payable by the partner for such partnership interest), plus any undistributed income allocated to the limited partner for the year, less any amount owing by the limited partner (or a Person with whom the limited partner does not deal at arm's length) to CGI Fund CAD LP (or a Person with whom it does not deal at arm's length) and less the amount of any benefit that a limited partner (or Person with whom the limited partner does not deal at arm's length) is entitled to receive or obtain for the purpose of reducing, in whole or in part, any loss of the limited partner from the investment.

On October 31, 2003, the Federal Department of Finance released the Proposed Loss Limitation Rule regarding the deductibility of interest and other expenses for the purpose of the Tax Act. The proposals, if enacted, would have effect for taxation years beginning after 2004. Under the proposals, a taxpayer would be considered to have a loss from a source that is a business or a property for a taxation year only if, in that year, it is reasonable to assume that the taxpayer will realize a cumulative profit (excluding capital gains) from the business or property during the period that the business is carried on or that the property is held. If these proposals had been enacted, partners of CGI Fund CAD LP would have only been entitled to claim a loss from their investment in CGI Fund CAD LP in a particular taxation year, if, in the year the loss is claimed, it were reasonable to assume that an overall cumulative profit (excluding any capital gains) would be earned from the investment in CGI Fund CAD LP after taking into account any associated interest expense. The Proposed Loss Limitation Rule had been the subject of a number of submissions to the Minister of Finance. On February 23, 2005, the Ministry of Finance tabled the 2005 Federal Budget. The Budget papers provided that the Department of Finance has sought to respond to such submissions by developing "a more modest legislative initiative" that would respond to those concerns while still achieving the Government's objectives. While the replacement legislation has yet to be released, Department of Finance officials have publicly announced that any such legislation will be applicable to the 2009 and the following calendar years.

Provided that CGI Fund CAD LP invests only in CGI U.S. Fund, that it has reasonably determined will enable CGI Fund CAD LP to earn a cumulative profit (excluding capital gains) from such investments and will enable the partners of CGI Fund CAD LP to earn a cumulative profit (excluding capital gains) from their investment in LP Units, the Proposed Loss Limitation Rule, if enacted, should not negatively impact the ability of the partners of CGI Fund CAD LP to deduct any losses, which may arise from an investment in LP Units. However, since the revised rules have not been released as of the date hereof, tax counsel is not able to provide a definitive opinion in this regard.

6.3 TAXATION OF CGI U.S. FUND

The Canadian taxation of CGI U.S. Fund is generally described above under the heading "**Taxation of the Canadian Limited Partnership**". CGI U.S. Fund's assets will be substantially comprised of U.S. real estate and related investments in the U.S. As a result in computing the income or loss of CGI U.S. Fund, it will include in its income for each taxation year all income earned by it from the U.S. Real Estate and related investments in the U.S. in the year and all net taxable capital gains realized by it in the year. Deductions may be claimed in respect of expenses incurred by CGI U.S. Fund for the purpose of earning income, subject to the relevant provisions of the Tax Act.

The assets held by CGI U.S. Fund will be substantially denominated in U.S. dollars. The cost and proceeds of disposition of assets and all other amounts relevant for the purposes of the Tax Act will be generally determined for the purposes of the Tax Act in Canadian dollars at the exchange rate then prevailing at the time of the transaction. Accordingly, allocations, distributions, capital gains or capital losses realized by CGI U.S. Fund may be affected by fluctuations in the value of foreign currencies relative to Canadian dollars.

ARTICLE 7 - COMPENSATION PAID TO SELLERS AND FINDERS

The Corporation will pay a cash commission to the Agent of four (4%) percent of the aggregate purchase price of Bonds sold to Subscribers referred by the Agent.

ARTICLE 8 - RISK FACTORS

The purchase of Bonds pursuant to this Offering should only be made after consulting with independent and qualified sources of investment and tax advice. Investment in the Bonds at this time is highly speculative due to the stage of the Corporation's development. An investment in Bonds is appropriate only for investors who are prepared to invest money for a long period of time and who have the capacity to absorb a loss of some or all of their investment. Investors must rely on management of the Corporation. Any investment in the Corporation at this stage involves a high degree of risk.

8.1 ISSUER AND INVESTMENT RISK

In addition to the risks of purchasing the Bonds from the Corporation that is disclosed elsewhere within this Offering Memorandum, the following is a non-exhaustive list of the risks:

1. **No Regulatory Review.** Subscribers under this Offering will not have the benefit of a review of this Offering Memorandum or any OM Marketing Materials by any regulatory authorities.
2. **Reporting Obligations.** The Corporation is not, and currently has no intention of becoming, a reporting issuer in any of the provinces or territories of Canada.
3. **Limited Working Capital.** The Corporation will have a limited amount of working capital, as the majority of the proceeds from this Offering will be used to ultimately invest in CGI U.S. Fund.
4. **No Assurance of Additional Funding.** There can be no assurance that any additional funding required by the Corporation will be available on terms attractive to the Corporation, or at all.
5. **No Arm's Length Trustee.** The Bonds are not issued pursuant to a trust indenture and the Bondholders will not have the benefit of an arm's length trustee to hold their security or to coordinate enforcement and realization in the event of a default.
6. **Lenders.** The Bondholders will not have a direct ownership in the Corporation, CGI Canadian LP, CGI U.S. Fund or the U.S. Real Estate. The Bondholders are lenders and accordingly the Corporation has a debt obligation to the Bondholders.
7. **Unsecured Obligations.** As unsecured obligations of the Corporation, the Bonds will rank subordinate to any secured debt and any other types of debt which rank in preference of law or otherwise to the Bonds.
8. **No Independent Counsel.** The Corporation has consulted with independent legal counsel regarding the formation and terms of the Corporation and the offering of Bonds. The Investors have not, however, been independently represented. Therefore, to the extent that the Corporation, the Investors or this Offering could benefit by further independent review, such benefit will not be available. Each prospective Investor should consult his/her/its own legal, tax and financial advisors regarding the desirability of purchasing the Bonds. Legal counsel that prepared the documentation in connection with this transaction, including the agreements

described under "Material Agreements" above, also act as legal counsel for both the Corporation and CGI Canadian LP. There has been no review by independent counsel of the Offering Memorandum, OM Marketing Materials or any of the Material Agreements.

9. **Tax Consequences.** The tax consequences associated with an investment in the Bonds may be subject to changes in federal and provincial tax laws. There can be no assurance that the tax laws will not be changed in a manner that will fundamentally alter the income tax consequences to investors holding or disposing of the Bonds. In the event that Target ceases to control the Corporation or is deemed not to control the Corporation for the purposes of the Tax Act, there may be adverse tax consequences to a Subscriber for Bonds. Upon such an event occurring, the Bonds will cease to constitute qualified investments for Deferred Plan purposes unless the Corporation can arrange to contemporaneously transfer the Class A Shares of the Company to another corporation resident in Canada whose shares are listed on a prescribed Canadian stock exchange, or make other suitable investment arrangements to maintain Deferred Plan eligibility for the Bonds. If the Bonds cease to be eligible Deferred Plan investments, an annuitant under a Deferred Plan which acquires or holds Bonds may be required to include in his or her income the fair market value of the Bonds acquired by the Deferred Plan, may incur penalties, and may have the registration of the Deferred Plan revoked. There is also a risk that CRA may reassess the returns of Subscribers relating to their investments in the Bonds. No advance income tax ruling has been applied for or received with respect to the income tax consequences described in the Offering Memorandum. **See Item 6 - Income Tax Consequences and Deferred Plan Eligibility.**
10. **Not Insured.** The Bonds offered pursuant to this Offering Memorandum are unsecured and are not insured against loss through the Canadian Deposit Insurance Corporation or any other insurance company or program.
11. **Speculative.** The purchase of the Bonds is highly speculative. A potential subscriber should buy them only if it is able to bear the risk of the entire loss of its investment and has no need for immediate liquidity. An investment in the Bonds should not constitute a major portion of a Subscriber's portfolio.
12. **Illiquid Investment.** An investment in the Bonds is an illiquid investment. There is currently no market through which the Bonds may be sold. The Corporation is not a "reporting issuer" in any jurisdiction and a prospectus has not qualified the issuance of the Bonds. Accordingly, investors will be unable to sell the Bonds, subject to some limited exceptions. **See Item 10 - Resale Restrictions.**
13. **Arbitrary Offering Price.** The offering price of the Bonds has been determined by the Corporation. The offering price is not an indication of the value of the Bonds or that any of the Bonds could be sold for an amount equal to the offering price or for any amount.
14. **Return on Investment.** The Corporation's short and long term objective is to indirectly invest in the U.S. Real Estate. A return on investment for a subscriber for Bonds is ultimately dependent upon CGI Fund CAD LP, the General Partner and CGI U.S. Fund's ability to create a return for the Corporation. As a result, there is no assurance or guarantee that the Corporation and, correspondingly, the purchasers of securities pursuant to this Offering, will earn a return on their investment.
15. **Conflict by Directors and Officers.** The directors and officers of the Corporation will not be devoting all of their time to the affairs of the Corporation, but will be devoting such time as required to effectively manage the Corporation. The directors and officers of the Corporation are engaged and will continue to be engaged in the search for business prospects and real estate development projects on their own behalf and on behalf of others.

There are additional potential conflicts of interest to which the directors and officers of the Corporation will be subject in connection with the operations of the Corporation. Situations may arise where the directors and officers will be in direct competition with the Corporation. Conflicts,

if any, will be subject to the procedures and remedies under the *Business Corporations Act* (British Columbia).

16. **Global Financial Markets and U.S. Real Estate.** Global financial markets and U.S. real estate markets can be unpredictable and turbulent. There are a number of events that can have a significant impact on global financial markets and/or U.S. real estate including, without limitation, sharp contradictions in the credit markets resulting in a widening of credit risk spreads and higher costs of funding; a deterioration in the credit ratings of a number of large financial institutions; devaluations and high volatility in global equity, commodity, foreign exchange and precious metals markets and a corresponding lack of market liquidity; a slowdown in economic activity that is affecting major global economies; or a decrease in the job market or tourists in the locations where the U.S. Real Estate is located. These events could have a significant impact on the U.S. Real Estate.
17. **No Assurance of Additional Funding.** There can be no assurance that if additional funding is required by the Corporation to redeem any or all of the Bonds, that such financing will be available on terms satisfactory to the Corporation, or at all. If the Corporation does not have sufficient funds on hand to redeem any or all of the Bonds and cannot secure financing, it will not be able to redeem any or all of the Bonds.
18. **Target.** The Class A Shares of the Corporation are held by Target and CGI Investment Group, LLC. Pursuant to the *Business Corporations Act* (British Columbia) and the constating documents of the Corporation, the holders of the Corporation's Class A Shares have the exclusive right to elect, change and remove the directors of the Corporation. Target has majority voting control of the Corporation and there is no agreement that restricts Target's ability to vote its Class A Shares of the Corporation. Consequently, Target can change the directors of the Corporation and CGI Investment Group, LLC does not have a mechanism to ensure that Raoul Thomas remains the director of the Corporation. There is no assurance that the directors of the Corporation will remain the same as disclosed in this Offering Memorandum.
19. **No History.** The Corporation has been incorporated for the purpose of indirectly investing in the U.S. Real Estate and as a new entity does not have a record of achievement to be relied upon. The Corporation's operations are subject to all the risks inherent in the establishment of a new business enterprise, including a lack of operating history. The Corporation cannot be certain that its investment strategy will be successful. The likelihood of success of the Corporation must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business and real estate investment. If the Corporation fails to address any of these risks or difficulties adequately, its business will likely suffer. Future revenues and profits, if any, will depend upon various factors, including the success, if any, of the property acquisition and rental or sales of the U.S. Real Estate. There is no assurance that the Corporation can operate profitably or that the Corporation will successfully implement its plans.
20. **Decisions.** Decisions regarding the management of the Corporation's affairs will be made exclusively by the officers and directors of the Corporation and not by the shareholders or Bondholders. Accordingly, investors must carefully evaluate the personal experience and business performance of the officers and directors of the Corporation. The Corporation may retain independent contractors to provide services to the Corporation. These contractors have no fiduciary duty to the shareholders or Bondholders and may not perform consistently with the fiduciary duty owed to the shareholders or Bondholders.
21. **No Reference to GAAR.** The structuring of the Offering in general and the ownership of a majority of the voting shares of the Corporation by Target in particular, as a means to make the Bonds eligible investments for Deferred Plans, may be challenged by the CRA under the general anti-avoidance rule ("**GAAR**"). No advance income tax ruling or other comfort has been obtained from any professional firm as to whether or not GAAR would apply in this case. The comments of Miller Thomson LLP referred to in Items 6.1, 6.2 and 6.3 do not address GAAR.

22. **No Control Over or Investment in the U.S. Real Estate.** The Corporation and CGI Canadian LP will have no direct control over the U.S. Real Estate. In addition, the Corporation will not directly invest in the U.S. Real Estate and will not have a mortgage or any security over the U.S. Real Estate. The Subscribers will have to rely upon the Fund Manager to properly manage the U.S. Real Estate.
23. **Related Party Transactions.** This is a related party transaction. Many of the same individuals are directors and officers of the Corporation, the General Partner of CGI Canadian LP and the General Partner of CGI U.S. Fund and CGI Offshore Fund. Certain agreements contemplated in this Offering Memorandum are among related parties. As such, certain contractual terms that might otherwise be included in documentation negotiated with an unrelated party may not be included in such agreements.

8.2 INDUSTRY RISK

1. Risks of Real Property Ownership

There is no assurance that the operations of CGI U.S. Fund will be profitable or that cash from operations will be available for distribution to the Corporation. Because real estate, like many other types of long-term investments, historically has experienced significant fluctuation and cycles in value, specific market conditions may result in occasional or permanent reductions in the value of the Real Estate Investments. The marketability and value of the Real Estate Investments will depend on many factors beyond the control of the Corporation and CGI U.S. Fund, including, without limitation: changes in general economic or local conditions and/or specific industry segments; declines in rental or occupancy rates; competition from other developments; changes in supply of or demand for competing properties in an area (as a result, for instance, of over-building); geographic or market concentration; the ability of CGI U.S. Fund or property managers to manage the real properties; changes in interest rates; the promulgation and enforcement of governmental regulations relating to land use and zoning restrictions, environmental protection and occupational safety; unavailability of mortgage funds which may render the sale or refinancing of a property difficult; uncertainty of cash flow to meet fixed and other obligations; location of the properties; the financial condition of borrowers, tenants, buyers and sellers of property; changes in real estate tax rates and other operating expenses; the potential for uninsured or under-insured property losses; the imposition of rent controls; energy and supply shortages; acts of terrorism; various uninsured or uninsurable risks; and natural disasters. There can be no assurance of profitable operations because the cost of owning the properties may exceed the income produced, particularly since certain expenses related to real estate and its ownership, such as property taxes, utility costs, maintenance costs and insurance, tend to increase over time and are largely beyond the control of the owner. Moreover, although insurance is expected to be obtained to cover most casualty losses and general liability arising from the properties, no insurance will be available to cover cash deficits from ongoing operations.

2. Changes in the Regulatory Landscape

Changes in the regulatory landscape could materially adversely affect the Corporation's business or an investment in CGI U.S. Fund (the "**Fund**"). The Fund and the Fund Manager must comply with various legal requirements, including those imposed by securities, tax and other laws. Moreover, the Fund's investment projects may be subject to statutory and regulatory requirements, including those imposed by zoning, environmental, safety, labor and other regulatory or political authorities. In addition, the adoption of new laws or regulations, or changes in the interpretation of existing laws or regulations, could have a material adverse effect on the investments of the Fund and on the Fund's ability to meet its investment objectives. Such changes could necessitate the creation of new business models and the restructuring of investments to satisfy regulatory requirements, which may be costly and time consuming. Statutory and regulatory requirements also may require the Fund to obtain certain permits or approvals from government entities, and failure to obtain, or a delay in obtaining, such permits or approvals could hinder construction or operation and result in fines or additional costs for the project entity, which could have a material adverse effect on the investment projects of the Fund.

In addition, any property or a portion of property owned by the Fund could become subject to eminent domain or inverse condemnation action. Should any of such laws change during the course of an investor's investment in the Fund, the legal requirements to which the Fund, the Fund Manager and such investors may be subject could differ materially from the current requirements and adversely affect such investor.

Certain investments could also be materially and adversely affected as a result of changes in governmental regulations, and judicial or administrative interpretations of existing governmental regulations that impose more comprehensive or stringent requirements on the Fund or its investments. This was demonstrated in 2010 with the passage of the Dodd-Frank Wall Street Reform and Consumer Protection Act, which was signed into law for the express purpose of further regulating the financial services industry, including private investment funds, private fund managers and mortgage origination, sales, servicing and securitization. Similarly, amendments to the U.S. Bankruptcy Code or other relevant laws could also alter an expected outcome or introduce greater uncertainty regarding the likely outcome of an investment situation.

Moreover, additional regulatory approvals, including without limitation, renewals, extensions, transfers, assignments, re-issuances or similar actions, may become applicable in the future due to a change in governmental regulations or for other reasons. Any such changes could result in increased compliance costs, additional capital expenditures or potential liabilities. Any such events may adversely affect the investment results of the Fund.

3. Investment not Liquid

Real property investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for and for the perceived desirability of, the investment. Such illiquidity may tend to limit CGI U.S. Fund's ability to vary its asset base promptly in response to changing economic or investment conditions. If CGI U.S. Fund was required to liquidate its U.S. Real Estate investments, the proceeds to the Corporation might be significantly less than the total value of its investment on a going concern basis.

4. Occupancy Rates

The ability of any specific U.S. Real Estate that CGI U.S. Fund might acquire to support the debt financing of that property will be dependant on the occupancy or usage rate of that property. Occupancy or usage rates will vary depending on a variety of factors, including the attractiveness of the U.S. Real Estate, general global economic factors affecting the total vacation dollars spent in the United States and other factors. Many of these factors are outside of the control of the Corporation.

5. Currency and Exchange Rate Risks

The Corporation will compute and distribute its income in Canadian dollars. Changes in currency exchange rates between the Canadian and United States dollar will affect the value of the Corporation's portfolio and the unrealized appreciation or depreciation of investments. Further, the Corporation may incur costs in connection with conversions between Canadian and United States currencies.

6. Environmental Risks

Under various environmental laws, ordinances and regulations, the current or previous owner or operator of real property may be liable for the costs of removal or remediation of hazardous or toxic substances on, under or in such property. Such laws could impose liability whether or not CGI U.S. Fund knew of, or was responsible for, the presence of such hazardous or toxic substances. The presence of hazardous or toxic substances, or the failure to remove or remediate such substances, if any, could adversely affect CGI U.S. Fund's ability to sell the U.S. Real Estate or to borrow using the U.S. Real Estate as collateral and could potentially also result in claims against CGI U.S. Fund, CGI Canadian LP and/or the Corporation.

The economic performance and value of the U.S. Real Estate will be subject to all of the risks associated with investing in real estate, including, but not limited to:

- changes in the national, regional and local economic climate;
- local conditions, including an oversupply of U.S. Real Estate that it acquires, or a reduction in demand for the U.S. Real Estate;
- the attractiveness of all or parts of the U.S. Real Estate;
- competition from other available properties; and
- changes in laws and governmental regulations, including those governing usage, zoning, the environment and taxes.

7. Interest Rate Fluctuations

Financing by CGI U.S. Fund may include indebtedness with interest rates which may fluctuate over time and which will result in fluctuations in the cost of borrowing. In addition, increasing interest rates could negatively impact the results and operations of the Fund's Real Estate Investments. Interest rates are highly sensitive to many factors, including governmental monetary and tax policies, domestic and international economic and political considerations and other factors beyond the Fund's control. Increasing interest rates would negatively impact the net income of the Fund's Real Estate Investments because increases in the general level of interest rates will result in higher borrowing costs for the Fund's Real Estate Investments.

To the extent a Real Estate Investment enters into variable rate loan agreements, when interest rates increase, so will its interest costs, which could adversely affect its cash flow, ability to pay principal and interest on its debt, the cost of refinancing its debt when it becomes due and its ability to make or sustain distributions to its owners. An increase in interest rates could decrease the amount buyers may be willing to pay for a property, thereby reducing the market value of the Fund's Real Estate Investments and limiting the Fund's ability to sell Real Estate Investments or to obtain financing secured by its Real Estate Investments. Further, increased interest rates may effectively increase the cost of Real Estate Investments the Fund acquires to the extent the Fund utilizes leverage for those acquisitions and may result in a reduction in the Fund's acquisitions to the extent the Fund reduces the amount it offers to pay for Real Estate Investments, due to the effect of increased interest rates, to a price that sellers may not accept.

8. Properties Subject to Secured Financings

The acquisition, rehabilitation, renovation and development of CGI U.S. Fund's assets may be financed in part by borrowing, which will increase the Fund's exposure to loss. The use of leverage involves a high degree of financial risk and may increase the exposure of the Fund or its investments to factors such as rising interest rates, downturns in the economy or deterioration in the condition of the collateral underlying such investments. The use of leverage will increase the amount of funds available to the Fund for investment but also will increase the risk of loss. The investments may be unsecured and subordinated to substantial amounts of senior indebtedness. The investments may not be protected by financial covenants or limitations upon additional indebtedness. Market fluctuations may significantly decrease the availability, and increase the cost, of leverage. Market conditions could negatively impact the Fund's business, results of operations and financial condition.

Many commercial loans in the present market require variable as opposed to fixed interest rates. In a variable rate loan the debt service can increase substantially, if interest rates rise. The General Partner of CGI U.S. Fund has no control over interest rates and there can be no assurance that a substantial rise in interest rates will not occur. A rise in interest rates may adversely affect the market value of the property in the Fund and the ability of prospective purchasers to finance any acquisition of the Fund's assets. The Corporation can provide no

assurance that lenders with which CGI U.S. Fund has historically had relationships will provide financing for the Fund's projects at all, or at rates and terms comparable to those which CGI U.S. Fund or its affiliates has obtained previously.

Under certain loans, principal and interest payments on indebtedness will have to be made regardless of the sufficiency of cash flow from the Fund's assets. Mortgages requiring "balloon" payments may involve greater risks than mortgages where the principal amount is fully amortized over the term of the loan since the ability to repay the outstanding principal amount of a "balloon" loan may be dependent upon the ability to obtain adequate replacement financing, which will, in turn, be dependent upon interest rates and lenders' policies at the time of refinancing, economic conditions in general and the value of the underlying assets in particular. There is no assurance that replacement financing will be available to make "balloon" payments or that any replacement financing available will be on favorable terms. Lenders or other holders of senior positions would have priority with respect to cash flow prior to the Fund receiving a return.

Since the Fund may engage in portfolio-level financing, several investments may be cross-collateralized and subject to increased risk of loss. In addition, recourse debt may be incurred and may subject the assets of the Fund to additional risk of loss. The Fund's investments may be impaired by a smaller decline in the value of the Fund's assets than is the case where the assets are owned with a proportionately smaller amount of debt. Depending on the level of leverage and decline in value, if mortgage payments are not made when due, one or more of the Fund's assets may be lost (and the Fund's investment therein rendered valueless) as a result of foreclosure by the mortgagee(s). A foreclosure also may have substantial adverse tax consequences for certain investors in the Fund.

The markets in which the Fund operates are affected by a number of factors that are largely beyond its control, but can nonetheless have a potentially significant, negative impact on the Fund. These factors include, among other things:

- conditions in local, national and foreign markets;
- markets and economies generally;
- interest rates and credit spreads;
- fluctuations in cap rates;
- the availability of credit, including the price, terms and conditions under which it can be obtained;
- the quality, pricing and availability of suitable investments and credit losses with respect to Real Estate Investments;
- the ability to obtain accurate market-based valuations;
- loan values relative to the value of the underlying Real Estate Investments;
- default rates on commercial mortgages and the amount of the related losses;
- the actual and perceived state of the real estate markets, market for dividend-paying stocks and public capital markets generally;
- unemployment rates and inflation;
- the attractiveness of other types of investments relative to investments in real estate; and
- geopolitical issues, including political unrest in the Middle East and Ukraine and the possibility of credit defaults by several European countries, the availability and cost of

credit.

Changes in these factors are difficult to predict, and a change in one factor can affect other factors. For example, during 2007, increased default rates in the subprime mortgage market played a role in causing credit spreads to widen, reducing availability of credit on favorable terms, reducing liquidity and price transparency of real estate-related assets, resulting in difficulty in obtaining accurate mark-to-market valuations and causing a negative perception of the state of the real estate markets. These conditions worsened during 2008, and intensified meaningfully during the fourth quarter of 2008 as a result of the global credit and liquidity crisis, resulting in extraordinarily challenging market conditions. Since then, market conditions have generally improved, but they could deteriorate in the future. The risks associated with the Fund's investments will be more acute during periods of economic slowdown or recession, especially if these periods are accompanied by declining real estate values or sustained unemployment.

For all of the above reasons and others set forth herein, the Bonds involve a certain degree of risk. Any person considering the purchase of Bonds should be aware of these and other factors set forth in this Offering Memorandum and should consult with his, her or its legal, tax and financial advisors prior to making an investment in the Bonds. The Bonds should only be purchased by persons who can afford to lose all of their investment.

ARTICLE 9 - REPORTING OBLIGATIONS

Other than as set out below, we are not required to send you any documents on an annual or ongoing basis.

- (a) The Corporation is not a reporting issuer in any jurisdiction. In Alberta, New Brunswick, Ontario, Quebec and Saskatchewan the Issuer must, within 120 days after the end of each its financial year, file with the securities regulatory authority annual financial statements and make them reasonably available to each Subscriber resident in those jurisdictions who has acquired Securities under this Offering Memorandum. In Nova Scotia, the Issuer must, within 120 days after the end of each its financial years, make annual financial statements reasonably available to each Subscriber resident in Nova Scotia who has acquired Securities under this Offering Memorandum. Such financial statements must be provided until the earlier of the date that the Issuer becoming a reporting issuer in any jurisdiction in Canada or the Issuer ceases to carry on business and it must be accompanied by a notice of use of proceeds of the Issuer disclosing in reasonable detail the use of the aggregate gross proceeds raised by the Issuer under this Offering Memorandum. The notice of use of proceeds is not required to be filed if there is no obligation to file annual audited financial statements or the closing unused proceeds balance from prior notices and proceeds raised in the most recently completed financial year is \$Nil.
- (b) In New Brunswick, Nova Scotia and Ontario, the Issuer must make reasonably available to each Subscriber resident in those jurisdictions who has acquired Securities under this Offering Memorandum, a notice of each of the following events within ten (10) days of the occurrence of the event:
 - (i) a discontinuance of the Issuer's business;
 - (ii) a change in the Issuer's industry; or
 - (iii) a change of control of the Issuer.
- (c) Financial statements or other information relating to the Corporation and provided to you in the future may not by itself be sufficient for your needs to enable you to prepare your income tax returns or to assess the performance of your investment.

ARTICLE 10 - RESALE RESTRICTIONS

10.1 RESALE RESTRICTION

These securities will be subject to a number of resale restrictions under securities legislation, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the securities unless you are eligible to rely on and comply with an exemption from the prospectus and registration requirements under securities legislation. For information about these resale restrictions you should consult a lawyer.

10.2 RESTRICTED PERIOD

The certificates representing the Bonds issued pursuant to this Offering will have the following legend inscribed thereon:

“Unless permitted under securities legislation, you cannot trade these securities before the date that is four (4) months and a day after the date the Corporation becomes a reporting issuer in any province or territory of Canada.”

The Corporation has no intention of becoming a reporting issuer in any province or territory of Canada.

10.3 MANITOBA RESALE RESTRICTIONS

For Manitoba residents, unless permitted under securities legislation, you must not trade the securities without the prior written consent of the regulator in Manitoba unless:

- the Corporation has filed a prospectus with the regulator in Manitoba with respect to the securities you have purchased and the regulator in Manitoba has issued a receipt for that prospectus; or
- you have held the securities for at least 12 months.

The regulator in Manitoba will consent to your trade if the regulator is of the opinion that to do so is not prejudicial to the public interest.

ARTICLE 11 - PURCHASER'S RIGHTS

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

Two Day Cancellation Right for a Subscriber

You can cancel your agreement to purchase the Bonds. To do so, you must send a notice to the Corporation before midnight on the second (2nd) Business Day after you sign the Subscription Agreement in respect of the Bonds.

Statutory Rights of Action in the Event of a Misrepresentation

Applicable securities laws in the Offering Jurisdictions provide you with a remedy to sue to cancel your agreement to buy these securities or for damages against the Corporation if this Offering Memorandum, or any amendment thereto, or any OM Marketing Materials, contains a misrepresentation. Unless otherwise noted, in this section, a “**misrepresentation**” means an untrue statement or omission of a material fact that is required to be stated or that is necessary in order to make a statement in this Offering Memorandum not misleading in light of the circumstances in which it was made.

These remedies are available to you 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 misrepresentation when you purchased the securities. In addition, these remedies, or notice with respect thereto, must be exercised or delivered, as the case may be, by you within the strict time limit prescribed in the applicable securities laws.

The applicable contractual and statutory rights are summarized below and will be embodied in the Subscription Agreement to be executed and delivered by you to the Corporation prior to the issuance of the Bonds. By its execution of the Subscription Agreement, the Corporation will be deemed to have granted these rights to you. Subscribers should refer to the applicable securities laws of their respective Offering Jurisdiction for the particulars of these rights or consult with professional advisors.

Rights for Subscribers in the Provinces of Alberta and British Columbia

A Subscriber of Bonds pursuant to this Offering Memorandum who is a resident in Alberta and British Columbia has, in addition to any other rights the Subscriber may have at law, a right of action for damages or rescission against the Corporation if this Offering Memorandum, together with any amendments hereto, or any OM Marketing Materials, contains a misrepresentation. In Alberta and British Columbia, a Subscriber has additional statutory rights of action for damages against every director of the Corporation at the date of this Offering Memorandum and every Person or company who signed this Offering Memorandum.

If this Offering Memorandum contains a misrepresentation, which was a misrepresentation at the time the Bonds were purchased, the Subscriber will be deemed to have relied upon the misrepresentation and will, as provided below, have a right of action against the Corporation for damages or alternatively, while still the owner of any of the Bonds purchased by that Subscriber, for rescission, in which case, if the Subscriber elects to exercise the right of rescission, the Subscriber will have no right of action for damages against the Corporation, provided that:

- (a) no Person or company will be liable if it proves that the Subscriber purchased the securities with knowledge of the misrepresentation;
- (b) in the case of an action for damages, the defendant will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation;
- (c) in no case will the amount recoverable in any action exceed the price at which the securities were purchased by the Subscriber under this Offering Memorandum; and
- (d) in the case of a Subscriber resident in Alberta, no Person or company, other than the Corporation, will be liable if such Person or company is entitled to rely upon certain statutory provisions set out in subsections 204(3)(a) – (e) of the *Securities Act* (Alberta).

In British Columbia and Alberta, no action may be commenced:

- (e) in the case of an action for rescission, more than 180 days after the date of the transaction that gave rise to the cause of action; or
- (f) in the case of any other action, other than an action for rescission, more than the earlier of (i) 180 days after the Subscriber first had knowledge of the facts giving rise to the cause of action; or (ii) three (3) years after the date of the transaction that gave rise to the cause of action.

Subscribers should refer to the applicable provisions of the securities legislation for particulars of the rights or consult with a lawyer.

Statutory Rights of Action for Subscribers in the Province of Manitoba

In the event that this Offering Memorandum (including any amendment hereto) or any OM Marketing Materials delivered to a purchaser of Bonds resident in Manitoba, contains a misrepresentation and it is a

misrepresentation at the time of purchase, the purchaser shall be deemed to have relied upon the misrepresentation and shall have, in addition to any other rights they may have at law: (a) a right of action for damages against (i) the Corporation, (ii) every director of the Corporation at the date of this Offering Memorandum (collectively, the “**Directors**”), and (iii) every person or company who signed this Offering Memorandum (collectively, the “**Signatories**”); and (b) a right of rescission against the Corporation.

If a misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into this Offering Memorandum, the misrepresentation is deemed to be contained in this Offering Memorandum.

A purchaser may elect to exercise a right of rescission against the Corporation, in which case the purchaser will have no right of action for damages against the Corporation, Directors or Signatories.

The Corporation, the Directors and Signatories will not be liable if they prove that the purchaser purchased Bonds with knowledge of the misrepresentation.

All persons or companies referred to above that are found to be liable or accept liability are jointly and severally liable. A person or company who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person who is jointly and severally liable to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable.

A Director or Signatory will not be liable:

- (a) if they prove this Offering Memorandum was sent or delivered to the purchaser without their knowledge or consent and, on becoming aware of its delivery, gave reasonable notice to the Corporation that it was delivered without their knowledge and consent;
- (b) if they prove that, after becoming aware of a misrepresentation in this Offering Memorandum, they withdrew their consent to this Offering Memorandum and gave reasonable notice to the Corporation of their withdrawal and the reasons therefor;
- (c) if, with respect to any part of this Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, opinion or statement of an expert (“Expert Opinion”), such person proves they did not have any reasonable grounds to believe and did not believe that there was a misrepresentation or that the relevant part of this Offering Memorandum did not fairly represent the Expert Opinion or was not a fair copy of, or an extract from, such Expert Opinion; or
- (d) with respect to any part of this Offering Memorandum not purporting to be made on an expert’s authority, or not purporting to be a copy of, or an extract from an Expert Opinion, unless the Director or Signatory (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation, or (ii) believed there had been a misrepresentation.

In an action for damages, the Corporation, the Directors and Signatories will not be liable for all or any part of the damages that they prove do not represent the depreciation in value of the Bonds as a result of the misrepresentation relied upon. The amount recoverable under the right of action shall not exceed the price at which the Bonds were offered for sale.

A purchaser of Bonds to whom this Offering Memorandum was not delivered prior to such purchase in circumstances where such Offering Memorandum was required to be delivered has a right of rescission or a right of action for damages against the Corporation or any dealer who failed to deliver the Offering Memorandum within the prescribed time.

A purchaser of Bonds to whom the Offering Memorandum is required to be sent may rescind the contract to purchase the Bonds by sending a written notice of rescission to the Corporation not later than midnight

on the second day, excluding Saturdays and holidays, after the purchaser signs the agreement to purchase the Bonds.

Unless otherwise provided under applicable securities legislation, no action shall be commenced to enforce a right of action unless the right is exercised:

- (a) in the case of rescission, not later than 180 days from the day of the transaction that gave rise to the cause of action; or
- (b) in the case of an action, other than an action for rescission, the earlier of (i) 180 days from the day the purchaser first had knowledge of the facts giving rise to the cause of action; or (ii) two (2) years from the day of the transaction that gave rise to the cause of action.

The rights discussed above are in addition to, and without derogation from, any other right or remedy which purchasers may have at law and are intended to correspond to the provisions of the *Securities Act* (Manitoba) and are subject to the defences contained therein.

Statutory Rights of Action for Subscribers in the Province of Saskatchewan

In the event that this Offering Memorandum and any amendment thereto or any OM Marketing Materials including any advertising or sales literature used in connection therewith delivered to a purchaser of the securities resident in Saskatchewan contains an untrue statement of a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of the securities (herein called a “material fact”) or omits to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made (herein called a “misrepresentation”), a purchaser will be deemed to have relied upon that misrepresentation and will have a right of action for damages against the Corporation, the promoters and “directors” (as defined in *The Securities Act*, 1988 (Saskatchewan)) of the Corporation, every person or company whose consent has been filed with this Offering Memorandum or amendment thereto but only with respect to reports, opinions or statements that have been made by them, every person who signed this Offering Memorandum or any amendment thereto, and every person who or company that sells the securities on behalf of the Corporation under this Offering Memorandum or amendment thereto.

Alternatively, where the purchaser purchased the securities from the Corporation, the purchaser may elect to exercise a right of rescission against the Corporation.

In addition, where an individual makes a verbal statement to a prospective purchaser that contains a misrepresentation relating to the securities and the verbal statement is made either before or contemporaneously with the purchase of the securities, the purchaser has a right of action for damages against the individual who made the verbal statement.

No person or company is liable, nor does a right of rescission exist, where the person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation. In an action for damages, no person or company will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied on.

No action shall be commenced to enforce these rights more than:

- (a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- (b) in the case of any action, other than an action for rescission, the earlier of one (1) year after the purchaser first had knowledge of the facts giving rise to the cause of action or six (6) years after the date of the transaction that gave rise to the cause of action.

These rights are: (i) in addition to and do not derogate from any other right the purchaser may have at law; and (ii) subject to certain defences as more particularly described in *The Securities Act*, 1988 (Saskatchewan).

Subscribers should consult their own legal advisers with respect to their rights and the remedies available to them. The rights discussed above are in addition to and without derogation from any other rights or remedies, which Subscribers may have at law.

The foregoing rights shall apply to all of the information in any of the OM Marketing Materials, which are deemed to be incorporated by reference into the Offering Memorandum.

ARTICLE 12 - AUDITED FINANCIAL STATEMENTS

CGI Fund Capital CAD Corp.
Financial Statements
November 14, 2016

Independent Auditors' Report

To the Shareholders of CGI Fund Capital CAD Corp.

We have audited the accompanying financial statements of CGI Fund Capital CAD Corp., which comprise the statement of financial position as at November 14, 2016, and the statements of comprehensive income, changes in equity and cash flows for the period from incorporation on October 20, 2016 to November 14, 2016, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of CGI Fund Capital CAD Corp. as at November 14, 2016, and its financial performance, changes in equity and cash flows for the period from incorporation on October 20, 2016 to November 14, 2016 in accordance with International Financial Reporting Standards.

Emphasis of Matter

We draw attention to Note 13 of the financial statements which outlines the offering that CGI Fund Capital CAD Corp. is undertaking subsequent to period end which, if unsuccessful, could have a material effect on the entity's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Rice & Company L.L.P.

CHARTERED ACCOUNTANTS

Calgary, Canada
November 18, 2016

CGI Fund Capital CAD Corp.*(Incorporated under the laws of British Columbia)***Statement of Financial Position****November 14, 2016**

Assets	Notes	
Current asset		
Cash		\$ 200
		<u>200</u>
Deferred financing costs	6	<u>68,175</u>
Total assets		\$ <u>68,375</u>
Liabilities		
Accounts payable and accrued liabilities	7	\$ 52,500
Due to related party	8	<u>15,675</u>
Current and total liabilities		<u>68,175</u>
Equity		
Share capital	10	200
Retained earnings		<u>-</u>
Total equity attributable to equity holders of the Corporation		<u>200</u>
Total liabilities and equity		\$ <u>68,375</u>

See accompanying notes to the financial statements.

These financial statements were approved by the Director of the Corporation on November 18, 2016.

_____, (Signed) "Raoul Thomas", Director

CGI Fund Capital CAD Corp.

Statement of Comprehensive Income

For the Period from Incorporation on October 20, 2016 to November 14, 2016

	Notes	
Expense		
General and administrative	11	\$ <u>-</u>
Total comprehensive income for the period		\$ <u><u>-</u></u>

See accompanying notes to the financial statements.

CGI Fund Capital CAD Corp.

Statement of Changes in Equity

For the Period from Incorporation on October 20, 2016 to November 14, 2016

	Notes	Number of Shares	Share Capital Stated Value	Retained Earnings	Total Equity
Preferred shares issued on incorporation	10	10,000	\$ 100	\$ -	\$ 100
Common shares issued on incorporation	10	10,000	100	-	100
Income for the period		-	-	-	-
Balance at November 14, 2016		20,000	\$ 200	\$ -	\$ 200

See accompanying notes to the financial statements.

CGI Fund Capital CAD Corp.

Statement of Cash Flows

For the Period from Incorporation on October 20, 2016 to November 14, 2016

Cash provided by (used in):

Cash flows from operating activities

Net Income	\$ -
Change in non-cash working capital	52,500

Net cash provided by operating activities	<u>52,500</u>
--	---------------

Cash flows from financing activities

Advances from related party	15,675
Proceeds on issuance of share capital	200

Net cash provided by financing activities	<u>15,875</u>
--	---------------

Net cash flows from investing activities

Increase in deferred financing costs	(68,175)
--------------------------------------	----------

Net cash used in investing activities	<u>(68,175)</u>
--	-----------------

Change in cash, beginning cash, end of period cash	<u>\$ 200</u>
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See accompanying notes to the financial statements.

CGI Fund Capital CAD Corp.

Notes to the Financial Statements

Period from Incorporation on October 20, 2016 to November 14, 2016

1. General business description

CGI Fund Capital CAD Corp. (the "Corporation") was incorporated pursuant to the Business Corporations Act (British Columbia) on October 20, 2016. The Corporation was formed to raise funds pursuant to an offering (note 13) for the purposes of indirectly investing in U.S.A real estate properties in Florida, USA, through a related limited partnership. The Corporation intends to either purchase equity in and/or lend fund to related parties which will acquire or invest in the U.S.A. real estate market.

The proposed business of the Corporation involves a high degree of risk and there is no assurance that the Corporation will be able to raise the amount of funds to finance its activities as disclosed in note 13.

The registered address of the Corporation is 1000, 840 Howe Street, Vancouver, British Columbia, V6Z 2M1.

2. Basis of presentation

2.1 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These financial statements were authorized for issue by the director of the Corporation on November 18, 2016.

2.2 Basis of measurement

The financial statements have been prepared on a historical cost basis except for held for trading financial assets which are measured at fair value with changes in fair value recorded to earnings.

The methods used to measure fair values are discussed in note 4.

2.3 Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Corporation's functional currency.

CGI Fund Capital CAD Corp.

Notes to the Financial Statements

Period from Incorporation on October 20, 2016 to November 14, 2016

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may vary from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is valuation of financial instruments (note 4).

There were no critical estimates and assumptions in determining the value of assets, liabilities and equity as at November 14, 2016.

3. Significant accounting policies

3.1 Financing costs

Financing costs incurred in the course of obtaining debt financing will be capitalized as financing costs and netted against the corresponding debt obtained. These costs are then amortized over the life of the debt instrument to which they pertain using the effective interest rate method. Any financing costs related to the raising of debt, which is extinguished or for which efforts are subsequently abandoned, are expensed in the period in which the debt is extinguished or efforts for raising of the debt are abandoned.

3.2 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

CGI Fund Capital CAD Corp.

Notes to the Financial Statements

Period from Incorporation on October 20, 2016 to November 14, 2016

3.2.1 *Financial assets*

Financial assets include any outstanding accounts receivable and cash and cash equivalents. Purchases and sale of financial assets are recognized on the settlement date, which is the date in which the asset is delivered to or by the Corporation. Financial assets are derecognized when the rights to receive cash flows have expired or are transferred and the Corporation has transferred substantially all risks and rewards of ownership. Financial assets are classified in the following categories at the time of the initial recognition based on the purpose for which the financial assets were acquired:

Classification

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and its performance is evaluated on a fair value basis, in accordance with the Corporation's documented risk management or investment strategy. The Corporation has designated cash as held for trading.

Recognition and measurement

Financial assets carried at fair value through profit or loss are initially recognized, and subsequently carried, at fair value, with changes recognized in the income statement. Transaction costs are expensed when incurred.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date, which are classified as non-current assets. Assets in this category include accounts receivable which are classified as current assets in the statement of financial position.

The Corporation did not have any accounts receivable at November 14, 2016 and, as a result, has not designated any financial assets as loans and receivables as at November 14, 2016.

CGI Fund Capital CAD Corp.

Notes to the Financial Statements

Period from Incorporation on October 20, 2016 to November 14, 2016

Recognition and measurement

Loans and receivables are initially recognized at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment losses. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They consist of investments in equity securities and certain other debt securities. They are included in other non-current financial assets unless management intends to dispose of the investments within 12 months of the balance sheet date. Available-for-sale financial assets are recorded in other comprehensive income until realized, at which time they are recorded through profit or loss. The Corporation has not designated any financial assets as available-for-sale.

Reclassification of financial assets

Reclassification is only permitted in rare circumstances and where the asset is no longer held for the purpose of selling in the short term. In all cases, reclassification of financial assets are limited to debt instruments. Reclassifications are accounted for at fair value of the financial asset at the date of reclassification.

3.2.2 *Financial liabilities*

Financial liabilities primarily consist of accounts payable and accrued liabilities and due to related party. Financial liabilities are initially measured at fair value and subsequently measured at amortized cost for liabilities that are not hedged, and fair value for liabilities that are hedged. Non-performance risk, including the Corporation's own credit risk for financial liabilities, is considered when determining the fair value of financial liabilities.

3.2.3 *Equity instruments*

Common shares are classified as equity. Incremental costs directly attributable to the common shares are recognized as a deduction from equity, net of any tax effects.

CGI Fund Capital CAD Corp.

Notes to the Financial Statements

Period from Incorporation on October 20, 2016 to November 14, 2016

3.2.4 Impairment

The Corporation addresses at each balance sheet date whether there is objective evidence that a financial asset, other than those at fair value through profit and loss, or a group of financial assets, is impaired. When an impairment has occurred, the cumulative loss is recognized in profit or loss.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. Receivables that are assessed not to be impaired are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables may include the Corporation's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 90 days, as well as observable changes in the national or local economic conditions that may default on receivables.

For financial assets carried at amortized cost, the amount of impairment loss recognized is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the financial assets' original effective interest rate.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the period.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of accounts receivable, where the carrying amount is reduced through the use of an allowance account. When an account receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited through the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. Any increase in fair value subsequent to an impairment loss with respect to available-for-sale equity instruments is recognized in other comprehensive income.

CGI Fund Capital CAD Corp.

Notes to the Financial Statements

Period from Incorporation on October 20, 2016 to November 14, 2016

3.3 Income taxes

Income tax expense or recovery is comprised of current and deferred tax. Income tax expense or recovery in profit and loss except to the extent that it relates to items recognized in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, plus any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences, including carry forward of non-capital losses, can be utilized.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they are related to income taxes levied by the same taxation authority on the same taxable entity, or on different tax entities, where the intention is to settle current tax liabilities and asset on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is not probable that the related tax benefit will be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future profit will allow the deferred tax asset to be recovered.

CGI Fund Capital CAD Corp.

Notes to the Financial Statements

Period from Incorporation on October 20, 2016 to November 14, 2016

3.4 Provisions and contingent liabilities

Provisions and contingent liabilities are recognized when there is a present legal or constructive obligation arising as a result of a past event for which it is probable that an outflow of economic benefits will be required to settle the obligation and where a reliable estimate can be made of the amount of the obligation. Provisions and contingent liabilities are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

3.5 Related party transactions

All related party transactions must be disclosed in the financial statements which include the amount of the transactions, the amount of outstanding balances, including terms, provisions for doubtful debts related to outstanding balances and the expense recognized during the period in respect of bad or doubtful debts from related parties.

3.6 Property, plant and equipment

Property, plant and equipment will be stated at cost less accumulated depreciation and recognized impairment loss. Amortization will be charged so as to write off the cost of assets, other than land or properties under construction, over the estimated useful lives, using the declining balance method, at rates to be determined.

Assets held under finance leases will be depreciated over the expected lives on the same basis as owned assets or, where shorter, over the term of the relevant lease.

The gain or loss on the disposal or retirement of an asset will be determined as a difference between the sales proceeds and the carrying amount of the asset and is recognized in the income statement.

CGI Fund Capital CAD Corp.

Notes to the Financial Statements

Period from Incorporation on October 20, 2016 to November 14, 2016

3.7 Revenue and expense recognition

Revenue and expenses will be recognized in the financial statements on an accrual basis.

3.8 New accounting standards and interpretations

In addition to the foregoing accounting policies outlined, the IASB has issued certain new standards, interpretations and amendments to existing standards which are not effective until accounting periods subsequent to November 14, 2016 and which have not yet been adopted by the Corporation. These include:

On January 1, 2018, the Corporation will be required to adopt IFRS 9 "Financial Instruments", which is the result of the first phase of the International Accounting Standards Board ("IASB") project to replace IAS 39 "Financial Instruments: Recognition and measurement". The new standard replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories: amortized cost and fair value. Portions of the standard remain in development and the full impact of the standard on the Corporation's financial statements will not be known until the project is complete.

4. Determination of fair values

Certain of the Corporation's accounting policies and disclosures require the determination of fair value for financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The fair values of cash, accounts payable and accrued liabilities and due to related party approximates their carrying values due to the short term to maturity.

The significance of inputs used in making fair value measurements for assets and liabilities measured at fair value are examined and classified according to a fair value hierarchy. Fair values of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include valuations using inputs other than quoted prices for which all significant outputs are observable, either directly or indirectly and are based on valuation models and techniques where the inputs are derived from quoted indices. Level 3 valuations are based on inputs that are unobservable and significant to the overall fair value measurement.

CGI Fund Capital CAD Corp.

Notes to the Financial Statements

Period from Incorporation on October 20, 2016 to November 14, 2016

Cash is measured at fair value based on a Level 1 designation.

5. Financial risk management

5.1 Overview

The Corporation's planned operations will expose it to a variety of financial risks that arise as a result of its operating and financing activities:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the Corporation's exposure to each of the above risks, the Corporation's objectives, policies and processes for measuring and managing risks, and the Corporation's management of capital.

The Corporation employs risk management strategies and policies to ensure that any exposure to risk is in compliance with the Corporation's business objectives and risk tolerance levels. While the Director has the overall responsibility for the establishment and oversight of the Corporation's risk management framework, management has the responsibility to administer and monitor these risks.

5.2 Credit Risk

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The maximum exposure to credit risk at November 14, 2016 is as follows:

	Carrying amount	
	November 14, 2016	
Cash	\$	200

Cash

Cash consists of cash bank balances. The Corporation manages the credit exposure related to cash by selecting financial institutions with high credit ratings. Given these credit ratings, management does not expect any counterparty to fail to meet its obligations.

CGI Fund Capital CAD Corp.

Notes to the Financial Statements

Period from Incorporation on October 20, 2016 to November 14, 2016

5.3 Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they are due. The Corporation's approach to managing liquidity is to ensure it will have sufficient liquidity to meet its liabilities when due. The Corporation's ongoing liquidity will be impacted by various external events and conditions.

The Corporation's financial liabilities at November 14, 2016 consisted of accounts payable and accrued liabilities and due to related party.

The Corporation expects to repay its financial liabilities in the normal course of operations and to fund future operational and capital requirements through future operational cash flows, as well as future debt securities (note 13).

5.4 Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Corporation's net income or the value of financial instruments. The objective of the Corporation is to manage and mitigate market risk exposures within acceptable limits, while maximizing returns.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. As the Corporation does not currently have any interest bearing debt, the Corporation is not exposed to interest rate risk.

The Corporation had no interest rate swaps or financial contracts in place as at or during the period ended November 14, 2016.

5.5 Capital management

The Corporation's capital management policy is to maintain a strong capital base that optimizes the Corporation's ability to grow, maintain investor and creditor confidence and to provide a platform to create value for its shareholders. The Corporation intends to maintain a flexible capital structure to maximize its ability to pursue additional investment opportunities, which considers the Corporation's early stage of development and the requirement to sustain future development of the business.

CGI Fund Capital CAD Corp.

Notes to the Financial Statements

Period from Incorporation on October 20, 2016 to November 14, 2016

The Corporation will manage its capital structure and make changes to it in the light of changes to economic conditions and the risk characteristics of the nature of the business. The Corporation considers its capital structure to include shareholders' equity and working capital. In order to maintain or adjust the capital structure, the Corporation may from time to time issue shares, seek debt financing and adjust its capital spending to manage its current and projected capital structure.

The Corporation currently has accounts payable and accrued liabilities and due to related party outstanding and it monitors capital based on its current working capital, projected cash flow from operations and anticipated capital expenditures.

The Corporation is not subject to externally imposed capital requirements.

6. Deferred financing costs

The deferred financing costs are professional and consulting fees paid in relation to the offering (note 13).

7. Accounts payable and accrued liabilities

These amount relate to fees incurred in relation to the offering (note 13).

8. Due to related party

The amount is due to CGI Merchant Group, LLC, a Delaware Limited Liability Company (the "Sponsor"), an entity related through common officers and directors of the Corporation. The amount is unsecured, non-interest bearing, and was paid by the Sponsor in relation to the estimated costs of the offering (note 13).

9. Income tax expense

The Corporation has no available estimated non-capital losses and no deferred tax assets as there was no income or loss for the period ended.

CGI Fund Capital CAD Corp.

Notes to the Financial Statements

Period from Incorporation on October 20, 2016 to November 14, 2016

10. Share capital

10.1 Authorized

As at November 14, 2016, the Corporation was authorized to issue the following:

Unlimited number of Class A voting preferred shares
(Class A preferred shares)

Unlimited number of Class B non-voting common shares
(Class B common shares)

10.2 Issued and outstanding

	2016	
	Number	Amount
Class A preferred shares	10,000	\$ 100
Class B common shares	10,000	\$ 100

10.3 The Corporation issued 10,000 Class A preferred shares issued at \$0.01 per share and 10,000 Class B common shares issued at \$0.01 per share during the period ended November 14, 2016.

11. General and administrative

No personnel or general administrative expenses were incurred during the period ended November 14, 2016.

12. Related party transactions

On October 21, 2016, the Corporation signed an agreement with Target Capital Inc. ("Target"), the majority shareholder of the Corporation, whereby the Corporation agrees to pay Target an annual fee equal to \$2,500 plus ½ of 1% of the amount of capital raised from the offering (note 13) in excess of \$500,000 through deferred plans (any one of, or collectively, a Registered Retirement Savings Plan, Registered Retirement Income Fund, Registered Education Savings Plan and Tax-Free Savings Account, all as defined under the Income Tax Act). The minimum term of the agreement is two years but is expected to be renewed until the Bonds issued as a result of the offering (note 13) either mature or are redeemed by the Corporation. This transaction is in the normal course of operations and is measured at the exchange amount of consideration established and agreed to by the related parties.

CGI Fund Capital CAD Corp.

Notes to the Financial Statements

Period from Incorporation on October 20, 2016 to November 14, 2016

13. Subsequent event

The Corporation has prepared an offering memorandum (the “offering”), for the offer of 4% unsecured participating bonds (the “Bonds”), of up to an aggregate maximum of 75,000,000 Bonds at a price of \$1 per Bond for total gross proceeds of \$75,000,000 and a minimum of 200,000 Bonds at a price of \$1 per Bond for total gross proceeds of \$200,000. The Bonds will be issued in Canadian dollars, with the number of Bonds issued to be determined by a U.S.A. dollar equivalent, using an estimated exchange rate of 1.35 for an estimated minimum of \$270,000 and \$101,250,000 of Bonds in Canadian dollar. Each Bond pays 4% simple interest per annum from the date of issue, and shall be payable on or before five years from issuance of the date of the Bonds, subject to advance payment by the Corporation, in its sole discretion. The Bonds shall mature six years from the date of issuance, subject to early redemption or an extension of up to four calendar years by the Corporation if CGI Fund I, LP extends the redemption of its limited partnership units by the corresponding time frame.

Each Bondholder shall be entitled, on a pro-rata basis, to participate in the net profits of the Corporation (the “Participating Interest”). The Corporation may make distributions of the Participating Interest to its bondholders in its sole discretion. Notwithstanding the foregoing, the Corporation shall make a distribution of the Participating Interest not previously distributed to Bondholders no later than six months from the maturity date of the Bonds.

Where allowed by applicable securities legislation, the Corporation intends to offer compensation of up to 4% of the gross proceeds realized on the sale of Bonds under this offering. If agents are retained, the Corporation will pay aggregate fees and commissions of up to 4% of the gross proceeds realized on the Bonds sold by such agent.

Closing of the offering is set to take place periodically at the Corporation’s discretion with the minimum closing to occur on or before November 30, 2016.

ARTICLE 13 - DATE AND CERTIFICATE

Dated: November 18, 2016.

THIS OFFERING MEMORANDUM DOES NOT CONTAIN A MISREPRESENTATION.

ON BEHALF OF THE BOARD OF DIRECTORS OF THE CORPORATION

SIGNED: "Raoul Thomas"

President and Director

SCHEDULE "A"

**TO OFFERING MEMORANDUM OF CGI FUND CAPITAL CAD CORP.
SUBSCRIPTION AGREEMENT FOR BONDS**

All Amounts in U.S. Dollars

Property Name	Location	Type of Real Estate Investment	Date of CGI Acquisition	Appraisal Date	Appraised Value (date of appraisal)	CGI Percentage Ownership	Investment Size¹
Nexus (part of the Nexus portfolio)	Palm Beach, FL	Office Building	04/4/13	10/22/15	\$22.2M (in 2015)	Common Equity: 100% Preferred Equity: 100%	\$9.73M
55 Miracle Mile	Coral Gables, FL	Mixed-use	10/18/13	08/06/14	\$30M (in 2014)	Common Equity: 100% Preferred Equity: 100% Mezzanine Debt: 100%	\$15.3M
Total					\$52.2M		\$25M

¹ Total Investment Size includes CAPEX/TI Reserve and estimated closing costs.

SCHEDULE "B"

TO OFFERING MEMORANDUM OF CGI FUND CAPITAL CAD CORP. SUBSCRIPTION AGREEMENT FOR BONDS

TO: CGI FUND CAPITAL CAD CORP. (the CORPORATION")
AND TO: PARK CAPITAL MANAGEMENT 2012 INC. (the "AGENT")

The undersigned (hereinafter referred to as the "**Subscriber**") hereby irrevocably subscribes for and agrees to purchase the number of bonds (the "**Bonds**" or the "**Purchased Securities**") for the subscription amount set forth below (the "**Subscription Amount**"), representing a subscription price of **\$1.00 per Bond (minimum subscription of \$10,000 and increments of \$1,000 thereafter)**, subject to the terms and conditions set forth in the "**Terms and Conditions of Subscription for Bonds of CGI Fund Capital CAD Corp.**" attached hereto (together with this page and the attached Schedules and Appendices, the "**Subscription Agreement**").

Subscription funds must be delivered by bank draft or certified cheque made payable to: "Miller Thomson LLP, in trust".

Full Legal Name of Subscriber (please print)
By: _____ Signature of Subscriber or its Authorized Representative
Official Title or Capacity (please print)
Name of Signatory (please print name of individual whose signature appears above if different than name of Subscriber)
Date of Execution
Social Insurance Number / Business Number
Subscriber's Address (including postal code)
Telephone Number (including area code)
E-mail Address

Subscription Amount: \$ _____ (Minimum \$10,000 and increments of \$1,000 thereafter)
Number of Bonds: _____ (Minimum 10,000 and increments of 1,000 thereafter)

If the Subscriber is signing as agent for a principal and is not a trust corporation or a portfolio manager in any case, purchasing as a trustee or an agent for accounts fully managed by it, complete the following and ensure that the applicable schedules attached hereto are completed in respect of such principal:

Name of Principal
Principal's address (including postal code)
Telephone Number (including area code)
E-mail Address

Register the Bonds (if different from address above) as follows:
Name
Account reference, if applicable
Contact Name
Address (including postal code)
Telephone Number (including area code)

Deliver the Bonds (if different from address given) as follows:
Name
Account reference, if applicable
Contact Name
Address (including postal code)
Telephone Number (including area code)

By executing this Subscription Agreement, you are consenting (on your behalf and, if applicable, on behalf of the beneficial purchaser for whom you are contracting), to the collection, use and disclosure of personal information in the manner described in the in Section 6 of this Subscription.

FOR OFFICE USE ONLY

Acceptance: The Corporation hereby accepts the subscription as set forth above on the terms and conditions contained herein.

CGI FUND CAPITAL CAD CORP.

Date of Acceptance: _____

Per: _____

Bond Certificate No. Issued

SUBSCRIPTION AGREEMENT

CGI FUND CAPITAL CAD CORP. (THE "CORPORATION")

Please make sure that your subscription includes:

1. one (1) signed copy of the Subscription Agreement;
2. a cheque or bank draft in an amount equal to the Aggregate Subscription Amount, payable to: **"Miller Thomson LLP, in trust"**;
3. a properly completed and duly executed copy of the appropriate Schedule(s) to the Subscription Agreement applicable to the exemption that is being relied upon:
 - (a) if the Subscriber is purchasing the Purchased Securities as principal and the Subscriber is a resident of British Columbia or Newfoundland and Labrador, then the Subscriber must execute the Risk Acknowledgement in the form attached as Schedule "B" to the Subscription Agreement;
 - (b) if the Subscriber is purchasing the Purchased Securities as principal and the Subscriber is a resident of Manitoba, Northwest Territories, Nunavut, Prince Edward Island or Yukon then:
 - (i) in the case of a Subscriber that is not an Eligible Investor the following shall apply:
 - (1) the acquisition cost of the Purchased Securities shall not exceed \$10,000; and
 - (2) the Subscriber must execute the Risk Acknowledgement in the form attached as Schedule "B" to the Subscription Agreement.
 - (ii) in the case of a Subscriber that is an Eligible Investor the following shall be completed by the Subscriber:
 - (1) an Eligible Investor Status Certificate attached as Schedule "A" to the Subscription Agreement;
 - (2) an Eligible Investor Representation Letter in the form attached as Appendix 1 to Schedule "A" to the Subscription Agreement (please initial as indicated); and
 - (3) the Risk Acknowledgement in the form attached as Schedule "B" to the Subscription Agreement.
 - (c) if the Subscriber is purchasing the Purchased Securities as principal and the Subscriber is a resident in Alberta, New Brunswick, Nova Scotia, Ontario, Quebec or Saskatchewan then the following shall apply:
 - (i) if the Subscriber is an individual, the acquisition cost of all securities acquired upon reliance on Section 2.9 of NI 45-106 by the Subscriber in the preceding twelve (12) months shall not exceed the following amounts:
 - (1) in the case of a Subscriber that is not an Eligible Investor, \$10,000;
 - (2) in the case of a Subscriber that is an Eligible Investor, \$30,000; or
 - (3) in the case of a Subscriber that is an Eligible Investor and that received advice from a portfolio manager, investment dealer or exempt market dealer that the investment is suitable, \$100,000;

- (ii) if the Subscriber is an Eligible Investor, the Subscriber must complete an Eligible Investor Status Certificate attached as Schedule "A" to the Subscription Agreement;
 - (iii) if the Subscriber is an Eligible Investor, the Subscriber must complete the Eligible Investor Representation Letter in the form attached as Appendix 1 to Schedule "A" to the Subscription Agreement (**please initial as indicated**);
 - (ii) the Subscriber must execute the Risk Acknowledgement in the form attached as Schedule "B" to the Subscription Agreement; and
 - (iii) if the Subscriber is an individual, the Subscriber must execute Schedule 1 and Schedule 2 to the Risk Acknowledgement in the form attached as Schedule "B" to the Subscription Agreement.
4. Release of any claims against Target Capital Inc. (the controlling Shareholder), as attached as Schedule "C".

PLEASE DELIVER YOUR SUBSCRIPTION AGREEMENT TO:

**CGI FUND CAPITAL CAD CORP.
c/o PARK CAPITAL MANAGEMENT 2012 INC.
200-1221 Osler St
Regina, SK S4R 1W4
Attention: Jay Blackmore
E-mail: jay@parkcapitalmanagement.com**

**TERMS AND CONDITIONS OF SUBSCRIPTION AGREEMENT FOR BONDS OF
CGI FUND CAPITAL CAD CORP.**

1. DEFINITIONS

In this Agreement:

- (a) **"Agent"** means Park Capital Management 2012 Inc., a registered exempt market dealer and portfolio manager;
- (b) **"Aggregate Subscription Amount"** means the aggregate dollar amount of the subscription under this Subscription Agreement;
- (c) **"Agreement"** or **"Subscription Agreement"** means this subscription agreement as may be amended from time to time;
- (d) **"Bonds"** means the bonds of the Corporation being offered pursuant to the Offering;
- (e) **"Business Day"** means a day on which Canadian chartered banks are open for the transaction of regular business in the City of Vancouver, British Columbia;
- (f) **"CGI Private Placement Memorandum"** has the meaning defined in "Concurrent Offerings";
- (g) **"Closing"** means the one or more closing(s) of the purchase and sale of the Offered Securities;
- (h) **"Closing Date"** means the date on which a Closing of the sale of the Offered Securities takes place, or such other date or dates designated by the Corporation, with the initial Closing Date set to occur on November 30, 2016, but may occur at such other earlier or later date, or dates, as determined by the Corporation in its sole discretion once the Minimum Offering is reached;
- (i) **"Concurrent Offerings"** means separate but concurrent offerings by CGI Fund I, LP, a Delaware limited partnership and CGI Offshore Fund I, LP, a Cayman Islands exempted limited partnership of an aggregate of up to \$75,000,000USD in conjunction with funds raised pursuant to the Offering by issuing limited partnership interests each by way of a Private Placement Memorandum dated July 15, 2016 (as amended, supplemented or restated from time to time) (together, the **"CGI Private Placement Memorandum"**);
- (j) **"Corporation"** means CGI Fund Capital CAD Corp., a corporation incorporated under the *Business Corporation Act* (British Columbia);
- (k) **"Eligible Investor"** has the meaning defined in NI 45-106;
- (l) **"Maximum Offering"** means the aggregate of \$101,250,000, in conjunction with funds raised in the Concurrent Offerings;
- (m) **"Minimum Offering"** means the aggregate of \$270,000, in conjunction with funds raised in the Concurrent Offerings;
- (n) **"Minimum Subscription"** means \$10,000 (10,000 Bonds) and increments of \$1,000 (1,000 Bonds) thereafter;
- (o) **"NI 31-103"** means National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* of the Canadian Securities Administrators;
- (p) **"NI 45-106"** means National Instrument 45-106 *Prospectus Exemptions* of the Canadian Securities Administrators;
- (q) **"Offered Securities"** means the 101,250,000 Bonds being offered under this Offering;

- (r) **"Offering"** means the offering of up to 101,250,000 Bonds;
- (s) **"Offering Jurisdictions"** means the Provinces or Territories of Canada in which the Bonds are offered for sale;
- (t) **"Offering Memorandum"** means the offering memorandum of the Corporation dated November 18, 2016;
- (u) **"Person"** means an individual, a firm, a Corporation, a syndicate, a partnership, a trust, an association, an unincorporated organization, a joint venture, an investment club, a government or an agency political subdivision thereof and every other from of legal or business entity of whatsoever nature of kind;
- (v) **"Purchased Securities"** means the Offered Securities purchased by the Subscriber, as set out on the front page of this Subscription Agreement;
- (w) **"Securities Laws"** means the securities legislation and regulations of, and the instruments, policies, rules, orders, codes, notices and interpretation notes of the applicable securities regulatory authority or applicable securities regulatory authorities of, the Offering Jurisdictions including but not limited to NI 45-106 and NI 31-103;
- (x) **"Subscriber"** means the signatory herein;
- (y) **"Subscription Amount"** means those funds received by the Corporation with respect to the Purchased Securities subscribed for under this Agreement;
- (z) **"Subscription Price"** means \$1.00 per Bond; and
- (aa) **"Tax Act"** means the *Income Tax Act* (Canada), as amended, re-enacted or replaced from time to time.

2. REPRESENTATIONS AND UNDERTAKINGS OF THE SUBSCRIBER

- (a) The Subscriber hereby represents and warrants to the Corporation and to the Agent and acknowledges that the Corporation and the Agent are relying upon such representations and warranties in connection with the issue and sale of the Bonds that:
 - (i) the Subscriber acknowledges that the Bonds subscribed for by it hereunder form part of a larger offering by the Corporation of up to 101,250,000 Bonds (the **"Offering"**) with a Minimum Offering of 270,000 Bonds, **in conjunction with funds raised in the Concurrent Offerings;**
 - (i) CGI Fund I, LP, a Delaware limited partnership and CGI Offshore Fund I, LP, a Cayman Islands exempted limited partnership will be concurrently raising up to \$75,000,000USD by issuing limited partnership interests pursuant to the CGI Private Placement Memorandum. **Accordingly, any funds raised pursuant to the Concurrent Offerings will reduce the amount of Bonds that can be issued pursuant to this Offering. The aggregate funds raised pursuant to the Concurrent Offerings are in U.S. Dollars. The funds raised pursuant to this Offering are in Canadian Dollars. Therefore, the Minimum and Maximum Offerings and aggregate funds raised under the Concurrent Offerings will be subject to the Canadian and U.S. Dollar exchange rate.**
 - (ii) the Offering is being sold pursuant to an agency agreement between the Corporation and the Agent and the Corporation will pay broker's commissions to the Agent on terms as set out in such agency agreement;
 - (iii) this Agreement has been duly and validly authorized, executed and delivered by the Subscriber and constitutes a legal, valid and binding agreement of the Subscriber enforceable against the Subscriber;

- (iv) by entering into this Agreement and the transactions contemplated hereby will not result in a violation of any of the terms and provisions of any law applicable to the Subscriber, or any of its documents where the Subscriber is a corporation, or of any agreement to which the Subscriber is a party or by which the Subscriber is bound;
- (v) the Subscriber is purchasing the Bonds subscribed for as principal for his/her/its own account for investment only and not with a view to resale or distribution and unless exempted by an order of the securities commission or similar regulatory authority of the province in which he/she/it resides:
- (vi) if a resident of Alberta, Saskatchewan, Manitoba, Quebec, Ontario, New Brunswick, Nova Scotia, Prince Edward Island, Northwest Territories, Nunavut or Yukon and is purchasing more than \$10,000 worth of Bonds, the Subscriber has concurrently executed and delivered the "Eligible Investor" Status Certificate attached as Schedule "A" to this Subscription Agreement and Appendix 1 to Schedule "A";
- (vii) the Subscriber knows that he/she/it is purchasing the Bonds pursuant to prospectus and registration exemptions under the Securities Laws and, as a consequence:
 - (A) he/she/it is restricted from using most of the civil remedies available under securities legislation;
 - (B) he/she/it may not receive information that would otherwise be required to be provided to him/her under securities legislation; and
 - (C) the Corporation is relieved from certain obligations that would otherwise apply under the Securities Legislation;
- (viii) the Subscriber has received and reviewed the Offering Memorandum and has concurrently executed and delivered to the Corporation a Risk Acknowledgement in the form attached hereto as Schedule "B" to this Subscription Agreement and if the Subscriber is a resident in Alberta, New Brunswick, Nova Scotia, Ontario, Quebec or Saskatchewan and is an individual, the Subscriber must execute Schedule 1 and Schedule 2 to the Risk Acknowledgement in the form attached hereto as Schedule "B";
- (ix) the Subscriber has relied solely upon the Offering Memorandum and not upon any other verbal or written representation as to fact or otherwise made by or on behalf of the Corporation except as expressly set forth herein;
- (x) the Subscriber acknowledges that:
 - (A) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Bonds;
 - (B) there are risks associated with the purchase of the Bonds;
 - (C) all of the Bondholders will rank *pari passu* amongst themselves;
 - (D) there are restrictions on the Subscriber's ability to resell the Bonds and it is the responsibility of the Subscriber to find out what those restrictions are and to comply with them before selling the Bonds; and
 - (D) the certificates evidencing the Bonds shall bear a legend referring to such restrictions on resale and neither the Corporation nor any transfer agent of the Corporation will register any transfer of such securities not made in compliance with such restrictions on resale;

but subject nevertheless to the requirement that he/she/it will not resell the Bonds except in accordance with applicable securities legislation and applicable stock exchange rules;

- (xi) the Subscriber has such knowledge in financial and business affairs as to be capable of evaluating the merits and risks of his/her/its investment and is able to bear the economic risk of loss of his/her/its entire investment;
 - (xii) the Subscriber acknowledges that Corporation's counsel is acting solely as counsel to the Corporation, the Agent's counsel is acting solely as counsel to the Agent and, in each case, not as counsel to the Subscriber;
 - (xiii) the Subscriber acknowledges that he/she/it is aware of the characteristics of the Bonds, the risks relating to an investment therein and of the fact that he/she/it may not be able to resell the Bonds except in accordance with limited exemptions under applicable securities legislation and regulatory policy until expiry of the applicable restricted period. The Subscriber acknowledges that the Corporation is not a reporting issuer or equivalent in any jurisdiction, thus, the applicable hold period may never expire, and if no further exemption may be relied upon and if no discretionary order is obtained, the Subscriber could be required to hold the Bonds for an indefinite period of time. The Subscriber further acknowledges that he/she/it has been advised by the Corporation to consult his/her/its own legal counsel in the jurisdiction of residence for full particulars of resale restrictions applicable to him/her/it;
 - (xiv) the Subscriber is not a non-resident of Canada for the purposes of the Tax Act; and
 - (xv) none of the funds the Subscriber is using to purchase the Bonds are, to the knowledge of the Subscriber, proceeds obtained or derived, directly or indirectly, as a result of illegal activities.
- (b) The Subscriber hereby undertakes that the Subscriber will not resell the Bonds purchased hereunder except in compliance with applicable securities legislation and only with approval of the Board of Directors of the Corporation.
- (c) The Subscriber hereby undertakes to execute, deliver, file and otherwise assist the Corporation in filing, such reports, undertakings and other documents with respect to the issue, holding and resale of the Bonds as may be required (including pursuant to the Tax Act and Securities Laws).
- (d) The Subscriber agrees that the above representations, warranties and covenants will be true and correct both as of the execution of this Agreement and as of the Closing and will survive the completion of the issuance of the Bonds. The Subscriber agrees to indemnify the Corporation and its directors and officers against all losses, claims, costs, expenses and damages or liabilities which any of them may suffer or incur, caused or arising from reliance thereon. The Subscriber further undertakes to immediately notify the Corporation at c/o Robson Court, 1000-840 Howe Street, Vancouver, BC, V6Z 2M1 Attention: Raoul Thomas, President of any change in any statement or other information relating to the Subscriber set forth herein which takes place prior to the Closing.
- (e) The Subscriber acknowledges and consents to:
- (i) the fact that the Corporation is collecting personal information of the Subscriber including information provided by the Subscriber on the cover page and in the appendices, schedules and forms forming part of this Agreement ("**Personal Information**");
 - (ii) the Corporation and its respective agents and legal counsel will retain such Personal Information for as long as permitted or required by law or business practices;
 - (iii) the disclosure of Personal Information by the Corporation to securities regulatory authorities (the "**Commissions**"), the registrar and transfer agent, their legal counsel and any other party involved in the purchase and sale of the Bonds;

- (iv) the collection, use and disclosure of Personal Information by the Corporation, its agents and the Commissions from time to time; and
- (v) the collection, use and disclosure of Personal Information by the Commissions for the purposes of the administration and enforcement of the securities legislation of the jurisdiction of each Commission.

The Subscriber has been advised that if it has questions about the indirect collection of Personal Information by the Ontario Securities Commission, please contact the Administrative Assistant to the Director of Corporate Finance, Suite 1903, Box 5520, Queen Street West, Toronto, Ontario, M5J 2S8, Telephone: 416.593.8086.

2. LEGENDS

For the purposes of complying with applicable Securities Laws, including National Instrument 45-102 *Resale of Securities*, the Subscriber understands and acknowledges that the certificates representing the Purchased Securities will bear the following legend:

"Unless permitted under securities legislation you cannot trade the securities before the date that is 4 months and a day after the date the Corporation becomes a reporting issuer in any province or territory of Canada."

3. REPRESENTATIONS AND WARRANTIES OF THE CORPORATION

The Corporation represents and warrants to and for the benefit of the Subscriber (and acknowledges that the Subscriber is relying thereon) that:

- (a) the Corporation has been duly incorporated and organized, and is a valid and subsisting corporation, under the laws of the Province of British Columbia;
- (b) the Corporation, has the full corporate right, power and authority to execute and deliver this Agreement and to authorize the issuance of the Offered Securities to the Subscriber;
- (c) all necessary corporate action will have been taken by the relevant Closing Date to authorize the issue and sale of, and the delivery of certificates representing, the Offered Securities and, upon payment of the requisite consideration for such Offered Securities, the Bonds will be validly issued;
- (d) this Agreement constitutes a binding obligation of the Corporation enforceable in accordance with its terms; and
- (e) the execution and delivery of, and the performance of the terms of the Agreement by the Corporation, including the issue of the Purchased Securities described herein do not constitute a breach of, or default under, the constating documents of the Corporation or any law, regulation, order or ruling applicable to the Corporation or any agreement, contract or indenture to which the Corporation is a party or by which it is bound.

4. CLOSING

The closing of the Offered Securities will be completed at the offices of Miller Thomson LLP in Calgary, Alberta at 11:00 a.m. (Calgary time) (the "**Closing Time**"), which will take place periodically at the Corporation's sole discretion, with the initial closing set for November 30, 2016, or at such other time or such other date as determined by the Corporation in its sole discretion once the Minimum Offering is reached.

5. GENERAL TERMS

- (a) This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein, without reference to conflicts of law.
- (b) This Agreement shall be subject to the approval of all securities and regulatory authorities having jurisdiction.
- (c) The Corporation will have the right to accept or reject the Subscriber's subscription in whole or in part at any time prior to Closing. Notwithstanding the foregoing, the Subscriber acknowledges and agrees that the acceptance of this Agreement will be conditional, among other things, upon the sale of the Bonds to the Subscriber being exempt from any prospectus requirements of applicable Securities Laws.
- (d) This Agreement may be executed in several counterparts each of which when so executed shall be deemed to be an original, and such counterparts shall constitute one and the same instrument and notwithstanding the date of execution shall be deemed to bear date as of the date of this Agreement. This Agreement shall be considered properly executed by any party if executed and transmitted by facsimile or executed, scanned and sent by electronic mail to the other party or its solicitors and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.
- (e) The Subscriber agrees that the Corporation and the Agent will not be liable for any misrepresentation if the Subscriber purchased Offered Securities with knowledge of the misrepresentation; and in any event, in an action for damages, the Corporation and the Agent are not liable for all or any portion of such damages that do not represent the depreciation in value of Purchased Securities as a result of the misrepresentation relied upon.
- (f) The Subscriber agrees that in no case shall the Corporation or the Agent be liable for the amount recoverable as a result of a breach of the representations and warranties in this Agreement in excess of the price at which Purchased Securities were sold to the Subscriber.
- (g) This Agreement represents the entire agreement of the parties hereto relating to the subject matter hereof and there are no representations, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein.
- (h) The Subscriber hereby consents to the collection, use and disclosure by the Corporation and its authorized agents and representatives of the Subscriber's personal information set forth herein ("**Personal Information**") to enable the Corporation to fulfill its regulatory and reporting requirements and recognizes that this disclosure may result in the disclosure of some or all of the Personal Information becoming public information and, without limiting the foregoing, consents to the disclosure of such Personal Information to the Corporation's authorized agents and representatives; securities commissions and/or other regulatory agencies in any jurisdiction in which the rules and requirements of such body may require such reporting; or as may be required or permitted by law.
- (i) In order to permit the Corporation to comply with the requirements of Personal Information Protection and Electronic Documents (Canada) ("**PIPEDA**"), the Subscriber expressly consents to the disclosure by the Corporation in any submission or filing that the Corporation may be required to make with any applicable regulatory authority of any Personal Information.
- (j) The funds representing the aggregate Subscription Price which will be advanced by the Subscriber to the Corporation hereunder will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) Act* (Canada) (the "**PCMLTFA**") and the Subscriber, acknowledges that the Corporation may in the future be required by law to disclose the name of the Subscriber and other information relating to this Subscription Agreement and the subscription of the Subscriber hereunder, on a confidential basis, pursuant to the PCMLTFA. To the best of its knowledge: (i) none of the subscription funds to be

provided by the Subscriber: (A) have been or will be derived from or related to any activity that is deemed criminal under the law of Canada, the United States of America, or any other jurisdiction; or (B) are being tendered on behalf of a person or entity who has not been identified to the Subscriber; and (ii) it shall promptly notify the Corporation if the Subscriber discovers that any of such representations ceases to be true, and provide the Corporation with appropriate information in connection therewith.

- (k) Should the Subscriber's subscription payment be submitted to the Corporation's lawyers, in trust or otherwise, then the Subscriber agrees that the solicitors shall have no accountability to the Subscriber whatsoever, and acknowledges that the solicitors are merely depositing recipients for the Corporation and have no solicitor's obligations of any nature whatsoever to the Subscriber. The Subscriber agrees that submission of the payment to the solicitors in trust is to be deposited into the account of the Corporation at closing and shall be the sole and exclusive property of the Corporation at that point. The only duty the solicitors shall have to the Subscriber is to deliver the subscription agreement (as delivered) and the subscription monies to the Corporation, and the solicitors shall require no further instruction from the Subscriber in order to deliver the same to the Corporation. Under no circumstances shall the Corporation's solicitors be considered to be giving legal or other advice or services to the Subscriber and no communication between the Subscriber and such solicitors shall be considered advice (at the most only administrative subscription assistance on behalf of the Corporation) but the Subscriber shall rely solely and exclusively on his own judgment and the advice of his/her/its own independent legal counsel.
- (l) Time is of the essence hereof.
- (m) This Subscription Agreement represents the entire agreement of the parties hereto relating to the subject matter hereof and there are no representations, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein.
- (n) The covenants, representations and warranties contained herein shall survive the closing of the transactions contemplated hereby.
- (o) In this Subscription Agreement (including attachments), references to "\$" or "Cdn. \$" are to Canadian dollars.
- (p) Wherever the singular, plural, masculine, feminine or neuter is used throughout this Agreement the same shall be construed as meaning the singular, plural, masculine, feminine, neuter, body politic or body corporate where the fact or context so requires and the provisions hereof and all covenants herein shall be construed to be joint and several when applicable to more than one party.

SCHEDULE "A" TO SUBSCRIPTION AGREEMENT OF CGI FUND CAPITAL CAD CORP.

"ELIGIBLE INVESTOR" STATUS CERTIFICATE

TO: CGI FUND CAPITAL CAD CORP. (THE "CORPORATION")
AND TO: PARK CAPITAL MANAGEMENT 2012 INC. (THE "AGENT")

In connection with the purchase by the undersigned or the disclosed principal, as the case may be (the "**Purchaser**") of Bonds (the "**Purchased Securities**") of the Corporation the undersigned hereby represents, warrants, covenants to and certifies to the Corporation, the Agent and their respective legal counsel (on behalf of itself or on behalf of the disclosed principal, as the case may be) that:

1) the Purchaser:

- a) is a resident of Manitoba, Northwest Territories, Nunavut, Prince Edward Island or Yukon, is subject to the Securities Laws of one of those jurisdictions and is purchasing more than \$10,000 of Bonds;
- b) is a resident in Alberta, New Brunswick, Nova Scotia, Ontario, Quebec or Saskatchewan, is subject to the Securities Laws of one of those jurisdictions and if the Subscriber is an individual, the acquisition cost of all securities acquired upon reliance on Section 2.9 of NI 45-106 by the Purchaser in the preceding twelve (12) months shall not exceed the following amounts:
 - (i) \$30,000; or
 - (ii) \$100,000 if the Purchaser has received advice from a portfolio manager, investment dealer or exempt market dealer that the investment is suitable;
- c) is an "**eligible investor**" within the meaning of National Instrument 45-106 *Prospectus Exemptions*, by virtue of satisfying the indicated criterion as set out in Appendix 1 to this certificate (**you must also initial Appendix 1 to this Certificate**);
- d) has received and reviewed the Offering Memorandum prepared in accordance with NI 45-106, is purchasing the Bonds as principal and has reviewed and duly completed the Risk Acknowledgement Form attached hereto as Schedule "B" (**you must also complete Schedule "B" to this Agreement**);
- e) if the Purchaser is a resident in Alberta, New Brunswick, Nova Scotia, Ontario, Quebec or Saskatchewan and is an individual, the Purchaser has reviewed and duly completed Schedule 1 and Schedule 2 to the Risk Acknowledgement in the form attached hereto as Schedule "B" (**you must also complete Schedule 1 and Schedule 2 to Schedule "B" to this Agreement**);

2) the above representations, warranties and covenants will be true and correct both as of the execution of this certificate and as of the closing time of the purchase and sale of the Purchased Securities and will survive the completion of the issue of the Purchased Securities; and

3) the foregoing representations, warranties and covenants are made by the undersigned with the intent that they be relied upon in determining the suitability of the undersigned as a purchaser of the Purchased Securities and the undersigned undertakes to immediately notify the Corporation and the Agent of any change in any statement or other information relating to the Purchaser set forth herein which takes place prior to the closing time of the purchase and sale of the Purchased Securities.

DATED at _____ in the Province of _____ this ____ day of _____, 201____.

Print Name of Purchaser

Authorized Signature

Name and Title (if applicable)

APPENDIX 1 TO SCHEDULE "A"

ELIGIBLE INVESTOR REPRESENTATION LETTER

[Initial below the category or categories which describes you]

- (a) a person whose
- _____ (i) net assets, alone or with a spouse, in the case of an individual, exceed \$400,000;
- _____ (ii) net income before taxes exceeded \$75,000 in each of the two most recent calendar years and who reasonably expects to exceed that income level in the current calendar year; or
- _____ (iii) net income before taxes, alone or with a spouse, in the case of an individual, exceeded \$125,000 in each of the two most recent calendar years and who reasonably expects to exceed that income level in the current calendar year;
- _____ (q) a person of which a majority of the voting securities are beneficially owned by eligible investors or a majority of the directors are eligible investors;
- _____ (r) a general partnership in which all of the partners are eligible investors;
- (s) a limited partnership of which the majority of the general partners are eligible investors;
- _____ (t) a trust or estate in which all of the beneficiaries or a majority of the trustees or executors are eligible investors;
- _____ (u) an accredited investor;
- (v) a person described in Section 2.5 of NI 45-106 [*Family, friends and business associates*]; or
- _____ (w) in Manitoba, Northwest Territories, Nunavut, Prince Edward Island and Yukon, a person that has obtained advice regarding the suitability of the investment and, if the person is resident in a jurisdiction of Canada, that advice has been obtained from an eligibility adviser, as defined in NI 45-106.

SCHEDULE "B" TO SUBSCRIPTION AGREEMENT OF CGI FUND CAPITAL CAD CORP.

RISK ACKNOWLEDGMENT FORM 45-106F4

<p style="text-align: center;">RISK ACKNOWLEDGEMENT</p> <ul style="list-style-type: none">• I acknowledge that this is a risky investment.• I am investing entirely at my own risk.• No securities regulatory authority or regulator has evaluated or endorsed the merits of these securities or the disclosure in the offering memorandum.• I will not be able to sell these securities except in very limited circumstances. I may never be able to sell these securities.• The securities are redeemable, but I may only be able to redeem them in limited circumstances.• I could lose all the money I invest. <p>I am investing \$_____ [total consideration] in total; this includes any amount I am obliged to pay in future. CGI Fund Capital CAD Corp. will pay 4% of this to Park Capital Management 2012 Inc. as a fee or commission.</p> <p>I acknowledge that this is a risky investment and that I could lose all the money I invest.</p> <table><tr><td>_____ Date</td><td>_____ Signature of Purchaser</td></tr><tr><td></td><td>_____ Print Name of Purchaser</td></tr></table> <p style="text-align: center;">Sign two (2) copies of this document. Keep one (1) copy for your records</p>	_____ Date	_____ Signature of Purchaser		_____ Print Name of Purchaser	WARNING
_____ Date	_____ Signature of Purchaser				
	_____ Print Name of Purchaser				

You have two (2) business days to cancel your purchase

To do so, send a notice to CGI Fund Capital CAD Corp. stating that you want to cancel your purchase. You must send the notice before midnight on the second (2nd) business day after you sign the agreement to purchase the securities. You can send the notice by fax or deliver it in person to CGI Fund Capital CAD Corp. at its business address. Keep a copy of the notice for your records.

CGI Fund Capital CAD Corp.
c/o Robson Court
1000-840 Howe Street
Vancouver, BC V6Z 2M1
Phone: 1-786-581-4800 Fax: 1-786-523-0590
E-mail: investor@cgimg.com

You are buying Exempt Market Securities

They are called exempt market securities because two parts of securities law do not apply to them. If an issuer wants to sell exempt market securities to you:

- the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and
- the securities do not have to be sold by an investment dealer registered with a securities regulatory authority or regulator.

There are restrictions on your ability to resell exempt market securities. Exempt market securities are more risky than other securities.

You will receive an offering memorandum

Read the offering memorandum carefully because it has important information about the issuer and its securities. Keep the offering memorandum because you have rights based on it. Talk to a lawyer for details about these rights.

The securities you are buying are not listed

The securities you are buying are not listed on any stock exchange, and they may never be listed. You may never be able to sell these securities.

The issuer of your securities is a non-reporting issuer

A non-reporting issuer does not have to publish financial information or notify the public of changes in its business. You may not receive ongoing information about this issuer.

For more information on the exempt market, call your local securities regulatory authority or regulator.

Alberta Securities Commission

Suite 600, 250-5th Street SW
Calgary, Alberta, Canada T2P 0R4
Telephone: (403) 297-2069
Facsimile: (403) 297-4113
Email: asc.nrd.inquiries@asc.ca
Web site: <http://www.albertasecurities.com>

Manitoba Securities Commission

500 - 400 St. Mary Avenue
Winnipeg, Manitoba, Canada R3C 4K5
Telephone: (204) 945-2548
Facsimile: (204) 945-0330
Email: securities@gov.mb.ca
Web site: <http://www.mbsecurities.ca>

**Government of the Northwest Territories
Office of the Superintendent of Securities**

1st Floor Stuart M. Hodgson Building
5009 - 49th Street
Government of the Northwest Territories
Yellowknife, Northwest Territories, Canada X1A 2L9
Telephone: (867) 767-9305
Facsimile: (867) 873-0243

Nova Scotia Securities Commission

Suite 400, Duke Tower
5251 Duke Street
Halifax, Nova Scotia, Canada B3J 1P3
Telephone: (902) 424-7768
Facsimile: (902) 424-4625
Web site: <http://nssc.novascotia.ca/>

Ontario Securities Commission

Suite 1903, Box 55
20 Queen Street West
Toronto, Ontario, Canada M5H 3S8
Telephone: (416) 593-8314
Facsimile: (416) 593-3666
Email: inquiries@osc.gov.on.ca
Web site: <http://www.osc.gov.on.ca>

**Financial and Consumer Affairs Authority of
Saskatchewan**

Suite 601, 1919 Saskatchewan Drive
Regina, Saskatchewan, Canada S4P 4H2
Telephone: (306) 787-5645
Facsimile: (306) 787-5899
Email: registrationfcaa@gov.sk.ca
Website: <http://www.fcaa.gov.sk.ca>

British Columbia Securities Commission

P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia, Canada V7Y 1L2
Telephone: (604) 899-6500
General Facsimile: (604) 899-6506
Email: inquiries@bcsc.bc.ca
Web site: <http://www.bcsc.bc.ca>

NB Financial and Consumer Services Commission

85 Charlotte Street, Suite 300
Saint John, New Brunswick, Canada E2L 2J2
Telephone: (506) 658-3060
Facsimile: (506) 658-3059
Email: information@nbsc-cvmnb.ca
Web site: <http://www.nbsc-cvmnb.ca>

**Newfoundland and Labrador
Financial Services Regulation Division**

P.O. Box 8700
2nd Floor, West Block Confederation Building
St. John's, NFL, Canada A1B 4J6
Telephone: (709) 729-4189
Facsimile: (709) 729-6187
Email: scon@gov.nl.ca
Web site: <http://www.gs.gov.nl.ca/>

**Government of Nunavut
Superintendent of Securities**

1st Floor, Brown Building
P.O. Box 1000 - Station 570
Iqaluit, Nunavut, Canada X0A 0H0
Telephone: (867) 975-6190
Facsimile: (867) 975-6194

**Prince Edward Island
Office of the Attorney General**

95 Rochford Street, P.O. Box 2000
4th Floor Shaw Building
Charlottetown, PEI, Canada C1A 7N8
Telephone: (902) 368-4569
Facsimile: (902) 368-5283
Web site: <http://www.gov.pe.ca>

**Superintendent of Securities
Government of Yukon**

2134 - 2nd Avenue
P.O. Box 2703
Whitehorse, Yukon, Canada Y1A 5H6
Telephone: (867) 667-5005 or (867) 667-5225
Facsimile: (867) 393-6251
Web site: <http://www.gov.yk.ca>

SCHEDULE 1 TO SCHEDULE "B"

Classification of Investors Under the Offering memorandum Exemption

Instructions: This schedule must be completed together with the Risk Acknowledgement Form and Schedule 2 by individuals purchasing securities under the exemption (the offering memorandum exemption) in subsection 2.9(2.1) of National Instrument 45-106 *Prospectus Exemptions* (NI 45-106) in Alberta, New Brunswick, Nova Scotia, Ontario, Québec and Saskatchewan.

How you qualify to buy securities under the offering memorandum exemption		
Initial the statement under A, B, C or D containing the criteria that applies to you. (You may initial more than one statement.) If you initial a statement under B or C, you are not required to complete A.		
A. You are an eligible investor because:		Your initials
Eligible Investor	Your net income before taxes was more than \$75,000 in each of the 2 most recent calendar years, and you expect it to be more than \$75,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Your net income before taxes combined with your spouse's was more than \$125,000 in each of the 2 most recent calendar years, and you expect your combined net income to be more than \$125,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Either alone or with your spouse, you have net assets worth more than \$400,000. (Your net assets are your total assets, including real estate, minus your total debt including any mortgage on your property.)	

B. You are an eligible investor, as a person described in section 2.3 - Accredited Investor of NI 45-106 or, as applicable in Ontario, subsection 7.3(3) of the Securities Act (Ontario), because:		Your initials
Accredited Investor	Your net income before taxes was more than \$200,000 in each of the 2 most recent calendar years, and you expect it to be more than \$200,000 in this calendar year. (You can find your net income tax before taxes on your personal income tax return.)	
	Your net income before taxes combined with your spouse's was more than \$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than \$300,000 in the current calendar year.	
	Either alone or with your spouse, you own more than \$1 million in cash and securities, after subtracting any debt related to the cash and securities.	
	Either alone or with your spouse, you have net assets worth more than \$5 million. (Your net assets are your total assets (including real estate) minus your total debt.)	

C. You are an eligible investor, as a person described in section 2.5 - Family, Friends and Business Associates of NI 45-106, because:		Your initials
Family, Friends and Business Associates	<p>You are:</p> <p>1) <i>[check all applicable boxes]</i></p> <p><input type="checkbox"/> a director of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> an executive officer of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> a control person of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> a founder of the issuer</p> <p>OR</p> <p>2) <i>[check all applicable boxes]</i></p> <p><input type="checkbox"/> a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above</p> <p><input type="checkbox"/> a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above</p>	
	<p>You are a family member of _____</p> <p><i>[Instruction: Insert the name of the person who is your relative either directly or through his or her spouse], who holds the following position at the issuer or an affiliate of the issuer: _____</i></p> <p>You are the _____ of that person or that person's spouse. <i>[Instruction: To qualify for this investment, you must be (a) the spouse of the person listed above or (b) the parent, grandparent, brother, sister, child or grandchild of that person or that person's spouse.]</i></p>	
	<p>You are a close personal friend of _____</p> <p><i>[Instruction: Insert the name of your close personal friend], who holds the following position at the issuer or an affiliate of the issuer: _____</i></p> <p>_____.</p> <p>You have known that person for _____ years.</p>	
	<p>You are a close business associate of _____</p> <p><i>[Instruction: Insert the name of your close business associate], who holds the following position at the issuer or an affiliate of the issuer: _____</i></p> <p>_____.</p> <p>You have known that person for _____ years.</p>	

D. You are not an eligible investor.		Your initials
Not an Eligible Investor	You acknowledge that you are not an eligible investor.	

SCHEDULE 2 TO SCHEDULE "B"

Investment Limits for Investors Under the Offering Memorandum Exemption

Instructions: This schedule must be completed together with the Risk Acknowledgement Form and Schedule 1 by individuals purchasing securities under the exemption (the offering memorandum exemption) in subsection 2.9(2.1) of National Instrument 45-106 *Prospectus Exemptions* (NI 45-106) in Alberta, New Brunswick, Nova Scotia, Ontario, Québec and Saskatchewan.

SECTION 1 TO BE COMPLETED BY THE PURCHASER		
1. Investment limits you are subject to when purchasing securities under the offering memorandum exemption		
<p>You may be subject to annual investment limits that apply to all securities acquired under the offering memorandum exemption in a 12 month period, depending on the criteria under which you qualify as identified in Schedule 1. Initial the statement that applies to you.</p>		
A. You are an eligible investor.		Your initials
Eligible Investor	<p>As an eligible investor that is an individual, you cannot invest more than \$30,000 in all offering memorandum exemption investments made in the previous 12 months, unless you have received advice from a portfolio manager, investment dealer or exempt market dealer, as identified in section 2 of this schedule, that your investment is suitable.</p> <p>Initial one of the following statements:</p>	
	<p>You confirm that, after taking into account your investment of \$_____ today in this issuer, you have not exceeded your investment limit of \$30,000 in all offering memorandum exemption investments made in the previous 12 months.</p>	
	<p>You confirm that you received advice from a portfolio manager, investment dealer or exempt market dealer, as identified in section 2 of this schedule that the following investment is suitable.</p> <p>You confirm that, after taking into account your investment of \$_____ today in this issuer, you have not exceeded your investment limit in all offering memorandum exemption investments made in the previous 12 months of \$100,000.</p>	
B. You are an eligible investor, as a person described in section 2.3 - Accredited investor of NI 45-106 or, as applicable in Ontario, subsection 7.3(3) of the Securities Act (Ontario).		Your initials
Accredited Investor	<p>You acknowledge that, by qualifying as an eligible investor as a person described in section 2.3 - Accredited Investor, you are not subject to investment limits.</p>	

C. You are an eligible investor, as a person described in section 2.5 - Family, Friends and Business Associates of NI 45-106.		Your initials
Family, Friends and Business Associates	You acknowledge that, by qualifying as an eligible investor as a person described in section 2.5 - Family, Friends and Business Associates, you are not subject to investment limits.	

D. You are not an eligible investor.		Your initials
Not an Eligible Investor	<p>You acknowledge that you cannot invest more than \$10,000 in all offering memorandum exemption investments made in the previous 12 months.</p> <p>You confirm that, after taking into account your investment of \$_____ today in this issuer, you have not exceeded your investment limit of \$10,000 in all offering memorandum exemption investments made in the previous 12 months.</p>	

SECTION 2 TO BE COMPLETED BY THE REGISTRANT	
2. Registrant information	
This section must only be completed if an investor has received advice from a portfolio manager, investment dealer or exempt market dealer concerning his or her investment.	
First and last name of registrant (please print):	
Registered as:	
Telephone:	Email:
Name of firm:	
Date:	

SCHEDULE "C" TO SUBSCRIPTION AGREEMENT OF CGI FUND CAPITAL CAD CORP.
RELEASE OF ANY CLAIMS BY SUBSCRIBER AGAINST CONTROLLING SHAREHOLDER

TO: TARGET CAPITAL INC.

In consideration for Target Capital Inc. ("**Target**") continuing to act as the controlling shareholder of CGI Fund Capital CAD Corp. (the "**Corporation**") and such other good and valuable consideration, the adequacy and sufficiency of which is hereby acknowledged and confirmed, the undersigned hereby agree as follows:

1. Prior to subscribing for securities of the Corporation (the "**Securities**"), the undersigned subscriber (the "**Subscriber**") acknowledges that it has received an offering memorandum, prospectus or term sheet from the Corporation (the "**Offering Documents**").
2. The Subscriber confirms that it has read the Offering Documents and understands the terms on which the Securities are being offered.
3. The Subscriber acknowledges and confirms that Target's assets and management are not in any way committed to the activities of the Corporation. Further, the Subscriber acknowledges that Target has not performed any due diligence on the Corporation, its assets or its management and does not encourage or discourage an investment in the Corporation.
4. The Subscriber hereby acknowledges that Target owes no fiduciary duty of care or any other duty to the Subscriber in connection with the Securities issued by the Corporation. **Further, the Subscriber agrees that Target shall not be liable to the Subscriber for any costs, expenses, liabilities, losses or damages suffered or incurred by the Subscriber in connection with its investment in the Corporation, including any default by the Corporation in the payment of interest and/or repayment of the principal of the Securities issued by the Corporation.**
5. The Subscriber hereby releases and forever discharges Target, together with its officers, directors, servants, employees, agents and other representatives from any and all actions, causes of action, claims, demands, or other liability of any nature or kind howsoever arising, including, without limitation, any and all claims, past or present, and which may arise in the future, in any way related to the Subscriber's investment in the Corporation or the acquisition of the Securities from the Corporation.
6. The Subscriber acknowledges and confirms that it was encouraged to seek independent legal advice before executing and delivering this release.
7. This release may be executed in several counterparts and by facsimile, each of which when so executed shall be deemed to be an original, and all such counterparts shall be deemed to be executed effective as of the day and year hereinafter written.

Dated as of the ____ day of _____, 201__.

(Signature of Subscriber)

(Name of Subscriber – please print)