

CAPITAL DIRECT I INCOME TRUST

SUBSCRIPTION AGREEMENT

TO: Capital Direct I Income Trust
c/o Capital Direct Management Ltd.
Suite 305, 555 West 8th Avenue
Vancouver, British Columbia, V5Z 1C6

AND TO: Computershare Trust Company of Canada

Re: Subscription for Units

The undersigned (the “Subscriber”) hereby tenders this subscription (the “Subscription”) pursuant to the Confidential Offering Memorandum dated April 30, 2018 (the “Offering Memorandum”), as amended and restated from time to time, relating to Capital Direct I Income Trust (the “Trust”) and subscribes for and agrees to take up and purchase those units in the Trust (the “Units”) set out below, at a subscription price of \$10.00 per Unit (the “Subscription Price”). The number of Units hereby subscribed for equals the aggregate Subscription Price agreed to be paid, divided by such Subscription Price. The Subscriber shall complete this Subscription by delivering to Capital Direct Management Ltd. (the “Manager”):

- (a) a certified cheque or bank draft for the aggregate Subscription Price for the Units subscribed for, payable to a trust account determined by the Manager, unless subscriptions are being placed through a Dealer/intermediary, in which case, the aggregate Subscription Price should be made payable to the processing Dealer/intermediary;
- (b) if the Subscriber is resident in British Columbia and is relying on the “offering memorandum” exemption under National Instrument 45-106 - *Prospectus Exemptions* (“NI 45-106”):
 - (i) **Form 45-106F4 – Appendix I or Form 45-106F4 – Appendix IV**, as applicable, one copy to be retained by the Subscriber, one copy to be delivered to the Trust, and
 - (ii) if the Subscriber is not purchasing Class A Units through a Dealer, two copies of the **BC Instrument 32-517 Risk Acknowledgement Form – Appendix V**, one copy to be retained by the Subscriber, one copy to be delivered to the Trust;
- (c) if the Subscriber is resident in Manitoba and is relying on the “offering memorandum” exemption under NI 45-106:
 - (i) two copies of the **Form 45-106F4 – Appendix I**, one copy to be retained by the Subscriber, one copy to be delivered to the Trust, and
 - (ii) the **Eligible Investor Questionnaire – Appendix II**, one copy to be delivered to the Trust, if the Subscriber is purchasing Units having an aggregate subscription price of greater than \$10,000;
- (d) if the Subscriber is resident in Alberta, Saskatchewan, Ontario or Québec and is relying on the “offering memorandum” exemption under NI 45-106:
 - (i) two copies of the **Form 45-106F4 – Appendix I**, one copy to be retained by the Subscriber, one copy to be delivered to the Trust, and
 - (ii) if the Subscriber is an individual, two copies of **Schedules 1 and 2** attached to the **Form 45-106F4 – Appendix I**, one copy to be retained by the Subscriber, one copy to be delivered to the Trust. If this Subscription will result in the Subscriber investing greater than \$10,000 in all offering memorandum exemption investments made in the previous 12 month period, the Subscriber must meet the definition of “Eligible Investor”. If this

Subscription will result in the Subscriber investing greater than \$30,000 (but no more than \$100,000) in all offering memorandum exemption investments made in the previous 12 month period, the Subscriber must seek suitability advice with respect to the investment from a portfolio manager, investment dealer or exempt market dealer. These investment limits do not apply to Subscribers who meet the definition of “Eligible Investor” because they are “accredited investors”, nor do they apply to non-individuals;

- (e) if the Subscriber is resident in British Columbia and is an “accredited investor” (“Accredited Investor”) as defined in NI 45-106:
 - (i) one copy of the **Accredited Investor Status Certificate – Appendix III** (including, if applicable, the **Form 45-106F9 – Risk Acknowledgement Form for Individual Accredited Investors**, attached as **Schedule A to Appendix III**), and
 - (ii) if the Subscriber is not purchasing Class A Units through a Dealer/intermediary, two copies of the **BC Instrument 32-517 Risk Acknowledgement Form – Appendix V**, one copy to be retained by the Subscriber, one copy to be delivered to the Trust;
- (f) if the Subscriber is resident in Alberta, Saskatchewan, Manitoba, Ontario or Québec, is an Accredited Investor and is purchasing Units pursuant to the “accredited investor” exemption under NI 45-106, one copy of the **Accredited Investor Status Certificate – Appendix III** (including, if applicable, the **Form 45-106F9 – Risk Acknowledgement Form for Individual Accredited Investors**, attached as **Schedule A to Appendix III**);
- (g) if the Subscriber is resident in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario or Québec and is purchasing Units pursuant to the “minimum amount exemption” under NI 45-106:
 - (i) the Subscriber is a non-individual, is purchasing the Units as principal, the securities have an aggregate acquisition cost of not less than \$150,000 and the Subscriber is not a person created or used, solely to purchase or hold securities in reliance on the exemption from the prospectus requirements, and
 - (ii) if the Subscriber is resident in British Columbia and the Subscriber is not purchasing those Class A Units through a Dealer/intermediary, two copies of the **BC Instrument 32-517 Risk Acknowledgement Form – Appendix V**, one copy to be retained by the Subscriber, one copy to be delivered to the Trust; and
- (h) any further documentation as may be required by the Manager or the Trust to confirm the eligibility of the Subscriber under applicable securities laws.

The Terms and Conditions attached to this Subscription as Exhibit A are incorporated into and form part of this Subscription. By signing this Subscription and delivering it to the Manager, you are acknowledging and agreeing to the Terms and Conditions in Exhibit A. The undersigned Subscriber hereby subscribes for the following Units in the Trust:

Number of Class A Units: _____ (minimum of 500 Units)	Total Subscription Price: \$ _____
Number of Class C Units: _____ (minimum of 500 Units)	Total Subscription Price: \$ _____
Number of Class F Units: _____ (minimum of 500 Units)	Total Subscription Price: \$ _____

DATED at _____, this _____ day of _____, _____.

If Subscriber is an Individual or Joint Subscriber:

Name of Subscriber (please print)

Signature of Subscriber

Social Insurance Number

Name of Co-Subscriber for Joint Accounts (please print)

Signature of Co-Subscriber

Social Insurance Number

For All Subscribers:

(Address of Subscriber)

(City)

(Postal Code)

(Telephone Number)

(Fax Number)

(Business Telephone Number)

(Email Address)

If Subscriber is a Corporation:

Name of Subscriber (please print)

By: _____
Signature of Authorized Person

Name of Authorized Person

Business Number

Details of Beneficial Purchaser, if not the same as Subscriber:

(Name of Beneficial Purchaser)

(Disclosed Principal's Residential Address)

The Subscriber hereby directs the Trust to enter its name (or the name of its nominee) on the register of Subscribers and deliver confirmation of the purchase of the Units as follows:

REGISTRATION INSTRUCTIONS:	DELIVERY INSTRUCTIONS:
Name to appear on the register	Name and account reference, if applicable
Account reference, if applicable	Contact Name
Address	Address
	Telephone Number

<p>1. State whether the Subscriber is an Insider of the Trust or Manager:</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>2. State whether the Subscriber is a "registrant". A "registrant" means a person registered or required to be registered under applicable Securities Laws:</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>3. State whether the Subscriber will participate in the distribution reinvestment plan:</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p>

This Subscription is accepted by the Manager on behalf of the Trust this _____ day of _____, 20__.

CAPITAL DIRECT MANAGEMENT LTD.

Per:

Authorized Signatory

THIS RISK ACKNOWLEDGEMENT FORM IS TO BE COMPLETED WHEN RELYING ON THE OFFERING MEMORANDUM EXEMPTION

**APPENDIX I
FORM 45-106F4**

**RISK ACKNOWLEDGEMENT
(TWO COPIES REQUIRED)**

- 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.

I am investing \$_____ [total consideration] in total; this includes any amount I am obliged to pay in the future. Capital Direct Management Ltd. will pay \$_____ [amount of fee or commission] of this to _____ [name of person or company selling the securities] as a fee or commission.

I acknowledge that this is a risky investment and that I could lose all the money I invest.

Date

Signature of Purchaser

Print name of Purchaser

Sign 2 copies of this document. Keep one copy for your records.

WARNING

You have 2 business days to cancel your purchase

To do so, send a notice to Capital Direct I Income Trust c/o Capital Direct Management Ltd. stating that you want to cancel your purchase. You must send the notice before midnight on the 2nd business day after you sign the agreement to purchase the securities. You can send the notice by fax or email or deliver it in person to Capital Direct I Income Trust c/o Capital Direct Management Ltd. at its business address. Keep a copy of the notice for your records.

Issuer Name and Address:

Capital Direct I Income Trust
c/o Capital Direct Management Ltd.
Suite 305, 555 West 8th Avenue
Vancouver, British Columbia, V5Z 1C6
Fax: 604-430-3287 Website: www.incometrustone.com
Email: CDIT@CapitalDirect.ca

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 will not receive ongoing information about this issuer.

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

British Columbia Securities Commission
Main Phone: (604) 899-6854
Website: <http://www.bcsc.bc.ca/>

Alberta Securities Commission
Main Phone: (403) 297-6454
Website: <http://www.albertasecurities.com/>

Manitoba Securities Commission
Main Phone: (204) 945-2548
Website: <http://www.mbsecurities.ca/>

Autorité des marchés financiers
Main Phone: 514-395-0337 or 1-877-525-0337
Website: <http://www.lautorite.qc.ca/>

Securities Division, Financial and Consumer Affairs
Authority of Saskatchewan
Main Phone: (306) 787-5645
Website: <http://www.fcaa.gov.sk.ca/>

Ontario Securities Commission
Main Phone: (416) 593- 8314
Website: <http://www.osc.gov.on.ca/>

The purchaser must sign 2 copies of this form. The purchaser and the issuer must each receive a signed copy.

Schedule 1

Complete this Form if you are a Subscriber in Alberta, Saskatchewan, Ontario or Québec who is relying on the Offering Memorandum Exemption (unless you are a non-individual)

Classification of Subscribers 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, Saskatchewan, Ontario and Québec.

How you qualify to buy securities under the offering memorandum exemption

Initial the statement under A, B or C containing the criteria that applies to you. (You may initial more than one statement.) If you initial a statement under B, 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 <i>Securities Act</i> (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 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.)	

D. You are not an eligible investor.		Your initials
NOT AN ELIGIBLE INVESTOR	You acknowledge that you are not an eligible investor.	

Schedule 2

Complete this Form if you are a Subscriber in Alberta, Saskatchewan, Ontario or Québec who is relying on the Offering Memorandum Exemption (unless you are a non-individual)

Investment Limits for Subscribers 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, Saskatchewan, Ontario or Québec.

SECTION 1 TO BE COMPLETED BY THE PURCHASER

1. Investment limits you are subject to when purchasing securities under the offering memorandum exemption

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.

A. You are an eligible investor.		Your initials
ELIGIBLE INVESTOR	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.	
	Initial one of the following statements:	
	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.	
	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.	
	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.	

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	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.	

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

[Instruction: this section must only be completed if a subscriber 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:

[Instruction: indicate whether registered as a dealing representative or advising representative]

Telephone:

Email:

Name of firm:

[Instruction: indicate whether registered as an exempt market dealer, investment dealer or portfolio manager.]

Date:

Complete this form if you are:

- ***A Subscriber in Manitoba***
- ***Relying on the Offering Memorandum Exemption; and***
- ***Purchasing Units for Greater than \$10,000***

APPENDIX II

ELIGIBLE INVESTOR QUESTIONNAIRE

The undersigned, as a purchaser of units (the “Units”) of Capital Direct I Income Trust (the “Trust”), has represented to the Trust and Capital Direct Management Ltd. (the “Manager”) that the undersigned is an “eligible investor” as defined in section 1.1 of National Instrument 45-106 – *Prospectus Exemptions*. The undersigned has indicated below the categories which it, he or she satisfies to qualify as an “eligible investor”.

The undersigned understands that each of the Trust and the Manager is relying on this information in determining to sell securities to the undersigned in a manner exempt from the prospectus requirements of applicable securities laws and the Trust or the Manager may require additional information or action to be taken by the undersigned to verify the undersigned’s eligibility for this exemption.

ELIGIBLE INVESTOR STATUS

The undersigned represents and warrants that it, he or she is **[check each applicable item]**:

- (a) a person or company 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;
- (b) a person or company of which a majority of the voting securities are beneficially owned by eligible investors or a majority of the directors are eligible investors;
- (c) a general partnership of which all of the partners are eligible investors;
- (d) a limited partnership of which the majority of the general partners are eligible investors;
- (e) a trust or estate in which all of the beneficiaries or a majority of the trustees or executors are eligible investors;
- (f) an accredited investor;
- (g) a director, executive officer or control person of the Manager, or a spouse, parent, grandparent, brother, sister, child or grandchild of a director, executive officer or control person of the Manager or of a spouse of a director, executive officer or control person of the Manager, or a close personal friend or close business associate of a director, executive officer or control person of the Manager; or

- (h) a person or company that has obtained advice regarding the suitability of the investment and, if the person or company is resident in a jurisdiction of Canada, that advice has been obtained from an eligibility adviser.

As used in this questionnaire, the following term has the following meaning:

“eligibility adviser” means:

- (a) a person that is registered as an investment dealer and authorized to give advice with respect to the type of security being distributed; and
- (b) in Manitoba, also means a lawyer who is a practising member in good standing with a law society of a jurisdiction of Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or management accountants in a jurisdiction of Canada provided that the lawyer or public accountant:
 - (i) does not have a professional, business or personal relationship with the issuer, or any of its directors, executive officers, founders or control persons, and
 - (ii) has not acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person or company that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months.

IN WITNESS WHEREOF, the undersigned has executed this Questionnaire as of the _____ day of _____, 20_____.

If a Corporation, Partnership or Other Entity:

If an Individual:

Name of Entity

Signature

Type of Entity

Print or Type Name

Signature of Person Signing

Print or Type Name and Title of Person Signing

APPENDIX III

ACCREDITED INVESTOR STATUS CERTIFICATE

Reference is made to the subscription agreement between the Issuer and the undersigned (referred to herein as the “**Subscriber**”) dated as of the date hereof (the “**Subscription Agreement**”).

The categories listed herein contain certain specifically defined terms. Terms not otherwise defined herein have the meanings attributed to them in the Subscription Agreement and in National Instrument 45-106 – Prospectus Exemptions (“NI 45-106”) promulgated under the applicable Securities Laws. If you are unsure as to the meanings of those terms, or are unsure as to the applicability of any category below, please contact your legal advisor before completing this certificate.

In connection with the purchase by the undersigned Subscriber of the Units, the Subscriber, on its own behalf and on behalf of the Disclosed Principal (collectively, the “**Subscriber**”), hereby represents, warrants, covenants and certifies to the Issuer (and acknowledges that the Issuer and its legal counsel is relying thereon) that:

- (a) the Subscriber is purchasing the Units as principal for its own account and not for the benefit of any other person;
- (b) the Subscriber is an “accredited investor” within the meaning of NI 45-106 on the basis that the undersigned fits within one of the categories of an “accredited investor” reproduced below, beside which the undersigned has indicated the undersigned belongs to such category;
- (c) the Subscriber was not created or used solely to purchase or hold securities as an accredited investor as described in paragraph (m) below; and
- (d) upon execution of this Appendix III by the Subscriber, this Appendix III shall be incorporated into and form a part of the Subscription Agreement.

The undersigned understands that the Issuer is relying on this information in determining to sell securities to the undersigned in a manner exempt from the prospectus requirements of the *Securities Act* (British Columbia), the *Securities Act* (Alberta), *The Securities Act, 1988* (Saskatchewan), *The Securities Act* (Manitoba), the *Securities Act* (Ontario) and the *Securities Act* (Québec) as applicable, and that the Issuer may require additional information or action to be taken by the undersigned to verify the undersigned’s eligibility for this exemption.

Note: Individual subscribers must complete the Risk Acknowledgement Form included at Schedule A to this Appendix III unless they check item (j.1) below.

Prior to completing this Status Certificate, please review the definitions at the end of this Appendix.

(PLEASE CHECK THE BOX OF THE APPLICABLE CATEGORY OF ACCREDITED INVESTOR)

- (a) a Canadian financial institution (as defined under NI 45-106 or, if in Ontario, as described in paragraph 1, 2 or 3 of subsection 73.1 of the *Securities Act (Ontario)*), or an authorized foreign bank listed in Schedule III of the *Bank Act* (Canada);
- (b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada);
- (c) a subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary;

- (d) a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer (if in Ontario, except as otherwise prescribed by the regulations);
- (e) an individual registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d);
- (e.1) an individual formerly registered under the securities legislation of a jurisdiction of Canada, other than an individual formerly registered solely as a representative of a limited market dealer under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador);
- (f) the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada;
- (g) a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec;
- (h) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government;
- (i) a pension fund that is regulated by the Office of the Superintendent of Financial Institutions (Canada), a pension commission or similar regulatory authority of a jurisdiction of Canada;
- (j) an individual who, either alone or with a spouse, beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$1,000,000;

(Note: If you check this box you must also complete and sign the Risk Acknowledgement Form for Individual Accredited Investors attached as Schedule A to this Appendix III)

- (j.1) an individual who beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$5,000,000;
- (k) an individual whose net income before taxes exceeded \$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse exceeded \$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year;

(Note: If you check this box you must also complete and sign the Risk Acknowledgement Form for Individual Accredited Investors attached as Schedule A to this Appendix III)

- (l) an individual who, either alone or with a spouse, has net assets of at least \$5,000,000;

(Note: If you check this box you must also complete and sign the Risk Acknowledgement Form for Individual Accredited Investors attached as Schedule A to this Appendix III)

- (m) a person, other than an individual or investment fund, that has net assets of at least \$5,000,000 as shown on its most recently prepared financial statements and was not created, or is used, solely to purchase or hold securities as an accredited investor;

- (n) an investment fund that distributes or has distributed its securities only to:
 - (i) a person that is or was an accredited investor at the time of the distribution,
 - (ii) a person that acquires or acquired securities in the circumstances referred to in Sections 2.10 – *Minimum amount investment*, or 2.19 – *Additional investment in investment funds* of NI 45-106, or
 - (iii) a person described in paragraph (i) or (ii) that acquires or acquired securities under Section 2.18 – *Investment fund reinvestments* of NI 45-106;
- (o) an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator, or in Québec, the securities regulatory authority, has issued a receipt;
- (p) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be;
- (q) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction;
- (r) a registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded;
- (s) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) through (d) or paragraph (i) in form and function;
- (t) a person in respect of which all of the owners of interests, direct, indirect, or beneficial, except the voting securities required by law to be owned by directors, are persons that are Accredited Investors;
- (u) an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser;
- (v) a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as an accredited investor; or
- (w) a trust established by an accredited investor for the benefit of the accredited investor's family members of which a majority of the trustees are Accredited Investors and all of the beneficiaries are the Accredited Investor's spouse, a former spouse of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of that accredited investor, of that accredited investor's spouse or of that accredited investor's former spouse.

For the purposes hereof, the following definitions are included for convenience:

“bank” means a bank named in Schedule I or II of the *Bank Act* (Canada).

“Canadian financial institution” means:

- (a) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under Section 473(1) of that Act; or

- (b) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada.

“control person” means any person that holds or is one of a combination of persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, that holds:

- (a) a sufficient number of the voting rights attached to all securities of an issuer to affect materially the control of the issuer; or
- (b) more than 20% of the voting rights attached to all outstanding voting securities of an issuer except where there is evidence showing that the holding of those securities does not affect materially the control of the issuer.

“director” means:

- (a) a member of the board of directors of a company or an individual who performs similar functions for a company; and
- (b) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company.

“eligibility adviser” means:

- (a) a **person** that is registered as an investment dealer and authorized to give advice with respect to the type of security being distributed; and
- (b) in Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction of Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not:
 - (i) have a professional, business or personal relationship with the issuer, or any of its directors, executive officers, founders, or control persons, and
 - (ii) have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months.

“executive officer” means, for an issuer, an individual who is:

- (a) a chair, vice-chair or president;
- (b) a vice-president in charge of a principal business unit, division or function including sales, finance or production; or
- (c) performing a policy-making function in respect of the issuer.

“financial assets” means:

- (a) cash;
- (b) securities; or

- (c) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation.

“founder” means, in respect of an issuer, a person who:

- (a) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer; and
- (b) at the time of the distribution or trade is actively involved in the business of the issuer.

“fully managed account” means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client’s express consent to a transaction.

“investment fund” means a mutual fund or a non-redeemable investment fund, and, for greater certainty in British Columbia, includes: (i) an employee venture capital corporation that does not have a restricted constitution and is registered under Part 2 of the *Employee Investment Act* (British Columbia) and whose business objective is making multiple investments, and (ii) a venture capital corporation registered under Part 1 of the *Small Business Venture Capital Act* (British Columbia) whose business objective is making multiple investments.

“non-redeemable investment fund” means an issuer:

- (a) whose primary purpose is to invest money provided by its securityholders;
- (b) that does not invest for the purpose of:
 - (i) exercising or seeking to exercise control of an issuer, other than an issuer that is a mutual fund or a non-redeemable investment fund, or
 - (ii) being actively involved in the management of any issuer in which it invests, other than an issuer that is a mutual fund or a non-redeemable investment fund, and
- (c) that is not a mutual fund.

“person” includes:

- (a) an individual;
- (b) a corporation;
- (c) a partnership, trust, fund, and an association, syndicate, organization or other organized group of persons, whether incorporated or not; and
- (d) an individual or other person in that person’s capacity as a trustee, executor, administrator or personal or other legal representative.

“related liabilities” means:

- (a) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets; or
- (b) liabilities that are secured by financial assets.

“**Schedule III bank**” means an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

“**spouse**” means an individual who:

- (a) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual;
- (b) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender; or
- (c) in Alberta, is an individual referred to in paragraph (a) or (b), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta).

“**subsidiary**” means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary.

Affiliates and Control:

1. An issuer is considered to be an “**affiliate**” of another issuer if one of them is the subsidiary of the other, or if both are subsidiaries of the same company or each of them is controlled by the same person.
2. A person (the “first person”) is considered to “**control**” another person (the “second person”) if:
 - (a) the first person, directly or indirectly, beneficially owns or exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation;
 - (b) the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests of the partnership; or
 - (c) the second person is a limited partnership and the general partner of the limited partnership is the first person.

The foregoing representations contained in this certificate are true and accurate as of the date of this certificate and will be true and accurate as of the time of issuance of the Units. If any such representations shall not be true and accurate prior to the time of issuance of the Units, the undersigned shall give immediate written notice of such fact to the Issuer and its legal counsel prior to the time of issuance of the Units.

Dated: _____

Signed: _____

Witness (If Subscriber is an Individual)

Print the name of Subscriber

Print Name of Witness

If Subscriber is a corporation, print name and title of Authorized Signing Officer

SCHEDULE A TO APPENDIX III

Form 45-106F9 – Risk Acknowledgement Form
for Individual Accredited Investors

WARNING!
This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.

SECTION 1 TO BE COMPLETED BY THE TRUST, MANAGER OR SELLING SECURITY HOLDER	
1. About your investment	
Type of securities: Trust Units	Issuer: Capital Direct I Income Trust (the "Trust")
Purchased from: the Trust	
SECTIONS 2 TO 4 TO BE COMPLETED BY THE PURCHASER	
2. Risk acknowledgement	
	Your Initials:
This investment is risky. Initial that you understand that:	
Risk of loss - You could lose your entire investment of \$_____ [Instruction: Insert the total dollar amount of the investment.]	
Liquidity risk - You may not be able to sell your investment quickly - or at all.	
Lack of information - You may receive little or no information about your investment.	
Lack of advice - You will not receive advice from the salesperson about whether this investment is suitable for you unless the salesperson is registered. The salesperson is the person who meets with you, or provides information to you about making this investment. To check whether the salesperson is registered, go to www.aretheyregistered.ca .	
3. Accredited investor status	
You must meet at least one of the following criteria to be able to make this investment. Initial the statement that applies to you. (You may initial more than one statement.) The person identified in section 6 is responsible for ensuring that you meet the definition of accredited investor. That person, or the salesperson identified in section 5, can help you if you have questions about whether you meet the criteria:	
<ul style="list-style-type: none"> • 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 the current calendar year. [You can find your net income taxes on your personal income tax return]. 	
<ul style="list-style-type: none"> • 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. 	
<ul style="list-style-type: none"> • 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. 	
	Your Initials:

<ul style="list-style-type: none">• 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).	
4. Your name and signature	
By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form.	
First and last name (please print):	
Signature:	Date:
SECTION 5 TO BE COMPLETED BY THE SALESPERSON	
5. Salesperson information	
<i>[Instruction: The salesperson is the person who meets with, or provides information to, the purchaser with respect to making this investment. That could include a representative of the issuer or selling security holder, a registrant or a person who is exempt from the registration requirement.]</i>	
First and last name of salesperson (please print):	
Telephone:	Email:
Name of firm (if registered):	
SECTION 6 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
6. For more information about this investment	
For more information about Capital Direct I Income Trust: Capital Direct I Income Trust c/o Capital Direct Management Ltd., manager of Capital Direct I Income Trust of Suite 305, 555 West 8th Avenue Vancouver, British Columbia, V5Z 1C6 604 430 1498 Email: Vancouver@capitaldirect.ca	
For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at www.securities-administrators.ca	

THIS RISK ACKNOWLEDGEMENT FORM IS TO BE COMPLETED WHEN RELYING ON THE OFFERING MEMORANDUM EXEMPTION

APPENDIX IV

FORM 45-106F4

**RISK ACKNOWLEDGEMENT
(TWO COPIES REQUIRED)**

<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.• The person selling me these securities is not registered with a securities regulatory authority or regulator and has no duty to tell me whether this investment is suitable for me.• 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 the future. Capital Direct Management Ltd. will pay \$_____ [amount of fee or commission] of this to _____ [name of person or company selling the securities] 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>_____</td><td>_____</td></tr><tr><td>Date</td><td>Signature of Purchaser</td></tr><tr><td></td><td>_____</td></tr><tr><td></td><td>Print name of Purchaser</td></tr></table> <p>Sign 2 copies of this document. Keep one copy for your records.</p>	_____	_____	Date	Signature of Purchaser		_____		Print name of Purchaser	WARNING
_____	_____								
Date	Signature of Purchaser								

	Print name of Purchaser								

You have 2 business days to cancel your purchase

To do so, send a notice to Capital Direct I Income Trust c/o Capital Direct Management Ltd. stating that you want to cancel your purchase. You must send the notice before midnight on the 2nd business day after you sign the agreement to purchase the securities. You can send the notice by fax or email or deliver it in person to Capital Direct I Income Trust c/o Capital Direct Management Ltd. at its business address. Keep a copy of the notice for your records.

Issuer Name and Address:

Capital Direct I Income Trust
c/o Capital Direct Management Ltd.
Suite 305, 555 West 8th Avenue
Vancouver, British Columbia, V5Z 1C6
Fax: 604-430-3287 Website: www.incometrustone.com
Email: CDIT@CapitalDirect.ca

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.

You will not receive advice

You will not get professional advice about whether the investment is suitable for you. But you can still seek that advice from a registered adviser or registered dealer. In Manitoba, Northwest Territories, Nunavut, Prince Edward Island and Yukon to qualify as an eligible investor, you may be required to obtain that advice.

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 will not receive ongoing information about this issuer.

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

British Columbia Securities Commission
Main Phone: (604) 899-6854
Website: <http://www.bcsc.bc.ca/>

Alberta Securities Commission
Main Phone: (403) 297-6454
Website: <http://www.albertasecurities.com/>

Manitoba Securities Commission
Main Phone: (204) 945-2548
Website: <http://www.mbsecurities.ca/>

Autorité des marchés financiers
Main Phone: 514-395-0337 or 1-877-525-0337
Website: <http://www.lautorite.qc.ca/>

Securities Division, Financial and Consumer Affairs
Authority of Saskatchewan
Main Phone: (306) 787-5645
Website: <http://www.fcaa.gov.sk.ca/>

Ontario Securities Commission
Main Phone: (416) 593- 8314
Website: <http://www.osc.gov.on.ca/>

The purchaser must sign 2 copies of this form. The purchaser and the issuer must each receive a signed copy.

APPENDIX V
RISK ACKNOWLEDGEMENT UNDER BC INSTRUMENT 32-517
(TWO COPIES REQUIRED)

*Exemption From Dealer Registration Requirement
for Trades in Securities of Mortgage Investment Entities*

Name of Issuer: **Capital Direct I Income Trust**

Name of Seller: _____

I acknowledge that

- the person selling me these securities is not registered with a securities regulatory authority and is prohibited from telling me that this investment is suitable for me;
- the person selling me these securities does not act for me;
- this is a risky investment and I could lose all of my money;
- I am investing entirely at my own risk.

Date

Signature of Purchaser

Print Name of Purchaser

Name of salesperson
acting on behalf of the seller

Sign two copies of this document. Keep one copy for your records and return one copy to the Trust.

National Instrument 45-106 – *Prospectus Exemptions* may require you to sign an additional risk acknowledgement form.

If you want advice about the merits of this investment and whether these securities are a suitable investment for you, contact a registered adviser or dealer.

EXHIBIT A TERMS AND CONDITIONS

1. Conditions, Acceptance and Delivery

The Subscriber acknowledges and agrees that the issuance by the Trust to the Subscriber of the Units is subject to prior sale and to:

- (a) the acceptance of this Subscription, in whole or in part, by the Manager on behalf of the Trust in its sole and absolute discretion; and
- (b) the availability to the Trust and the Manager of exemptions (“Exemptions”) under all applicable securities laws, rules and regulations which, in the opinion of counsel to the Trust and the Manager, may be relied upon by the Trust in order to permit it to offer and sell the Units to the Subscriber without the necessity of filing and having approved a prospectus pursuant to such securities laws, rules and regulations.

The Trust intends to issue the Units in reliance on the Exemptions set out in the applicable securities legislation of the jurisdiction in which the Subscriber is resident or to which the Subscriber is subject.

The Subscriber agrees to provide the Trust and the Manager with such information and to execute and deliver to the Trust and the Manager such securities forms as they may require, and such other undertakings, questionnaires and other documents as the Trust and the Manager may request in order to enable them to determine the availability to them of Exemptions. Such information, forms, undertakings, questionnaires and other documents form part of and are incorporated into this Subscription with the same effect as if each constitutes a representation and warranty of the Subscriber set forth in section 3 hereof. The Subscriber consents to the filing of such forms, undertakings, questionnaires and other documents with any securities regulatory authority in connection with the transactions contemplated hereby.

The Subscriber will comply with all applicable securities laws concerning the purchase and holding of the Units and any resale of the Units.

2. Receipt of Offering Memorandum

If the Subscriber is relying on the “offering memorandum” exemption, the Subscriber acknowledges the receipt of a copy of the Offering Memorandum.

3. Subscriber’s Representations, Warranties and Acknowledgements

The Subscriber represents, warrants and acknowledges to the Trust and the Manager as representations, warranties and acknowledgements that are true as of the date of this Subscription and will be true as of the date of acceptance that:

- (a) if the Subscriber is a corporation, the Subscriber is a valid and subsisting corporation, has the necessary corporate capacity and authority to execute and deliver this Subscription and to observe and perform its covenants and obligations hereunder and has taken all necessary corporate action in respect thereof, or, if the Subscriber is a partnership, syndicate or other form of unincorporated organization, the Subscriber has the necessary legal capacity and authority to execute and deliver this Subscription and to observe and perform its covenants and obligations hereunder and has obtained all necessary approvals in respect thereof, and, in either case, upon acceptance by the Manager, this Subscription will constitute a legal, valid and binding contract of the Subscriber enforceable against the Subscriber in accordance with its terms;

- (b) the Subscriber is a resident of only the jurisdiction referred to under the section entitled "For All Subscribers – Address of Subscriber" on the third page of this Subscription, which address is the residence or place of business of the Subscriber and was not created or used solely for the purpose of acquiring Units and the Subscriber was solicited in that jurisdiction;
- (c) the Subscriber is purchasing the Units as principal, for its own account, and not for the benefit of any other person, for investment only and not with a view to resale or distribution thereof, or is deemed to be purchasing as principal under all applicable securities laws, and is one of the following:
 - (i) resident in or otherwise subject to the applicable securities legislation of the Province of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario or Québec and is purchasing Units pursuant to the "minimum amount exemption", and:
 - (A) the Subscriber is a non-individual, is purchasing the Units as principal, the securities have an aggregate acquisition cost of not less than \$150,000 and the Subscriber is not a person (1) formed, created, established, or incorporated or used, solely for the purpose of permitting the purchase of the Units without a prospectus to purchase or hold securities in reliance on the exemption from the prospectus requirements, or (2) the aggregate acquisition cost of the Units for each member, partner, beneficiary or shareholder of the partnership, syndicate, unincorporated organization, trust or corporation, as applicable, is not less than \$150,000, and
 - (B) if the Subscriber is resident in British Columbia, is purchasing Class A Units and the Subscriber is not purchasing those Class A Units through a Dealer/intermediary, the Subscriber has duly completed and delivered to the Manager a BC Instrument 32-517 Risk Acknowledgement in the form attached as Appendix V, or
 - (ii) resident in or otherwise subject to the applicable securities legislation of the Province of British Columbia and either:
 - (A) has received a copy of the Offering Memorandum and has duly completed and delivered to the Manager a Form 45-106F4 Risk Acknowledgement in the form attached as Appendix I and if the Subscriber is purchasing Class A Units and the Subscriber is not purchasing those Class A Units through a Dealer/intermediary, has duly completed and delivered to the Manager a Form 45-106F4 Risk Acknowledgement in the form attached as Appendix IV and a BC Instrument 32-517 Risk Acknowledgement in the form attached as Appendix V, or
 - (B) is an Accredited Investor as defined in NI 45-106, has confirmed such status to the Trust and the Manager pursuant to a completed and signed Accredited Investor Status Certificate in the form attached as Appendix III (including, if applicable the Form 45-106F9 – Risk Acknowledgement Form for Individual Accredited Investors, attached as Schedule A to Appendix III) and if the Subscriber is purchasing Class A Units and the Subscriber is not purchasing those Class A Units through a Dealer/intermediary, has duly completed and delivered to the Manager a BC Instrument 32-517 Risk Acknowledgement in the form attached as Appendix V; or
 - (iii) resident in or otherwise subject to the applicable securities legislation of the Province of Manitoba, and either:
 - (A) has received a copy of the Offering Memorandum, and:

- (I) has duly completed and delivered to the Manager a Form 45-106F4 Risk Acknowledgement in the form attached as Appendix I, and
 - (II) if purchasing Units having an aggregate acquisition cost of greater than \$10,000 is an “eligible investor” as defined in NI 45-106 and has confirmed such status to the Manager and has duly completed and delivered to the Manager an Eligible Investor Questionnaire in the form attached as Appendix II; or
 - (B) is an accredited investor as defined in NI 45-106, has confirmed such status to the Manager and has duly completed and delivered to the Manager an Accredited Investor Status Certificate in the form attached as Appendix III (including, if applicable the Form 45-106F9 – Risk Acknowledgement Form for Individual Accredited Investors attached as Schedule A to Appendix III); or
- (iv) resident in or otherwise subject to the applicable securities legislation of the Province of Alberta, Saskatchewan, Ontario or Québec, and either:
- (A) has received a copy of the Offering Memorandum, and:
 - (I) has duly completed and delivered to the Trust a Form 45-106F4 Risk Acknowledgement in the form attached as Appendix I, and
 - (II) if an individual, has completed Schedules 1 and 2 attached to the Form 45-106F4 Risk Acknowledgement in the form attached as Appendix I, or
 - (B) is an accredited investor as defined in NI 45-106, has confirmed such status to the Trust and the Manager pursuant to a completed and signed Accredited Investor Status Certificate in the form attached as Appendix III (including, if applicable the Form 45-106F9 – Risk Acknowledgement Form for Individual Accredited Investors attached as Schedule A to Appendix III);
- (d) the Subscriber was outside the United States at the time of execution and delivery of this Subscription; no offers to sell the Units were made by any person to the Subscriber while the Subscriber was in the United States; the Subscriber acknowledges that the Units have not been registered under the United States Securities Act of 1933 (the “U.S. Securities Act”) and may not be offered or sold in the United States unless an exemption from such registration requirements is available; the Subscriber understands that the Trust has no obligation or present intention of filing a registration statement under the U.S. Securities Act in respect of the Units; and the Subscriber is purchasing the Units for its own account, for the account of a beneficial purchaser for whom it is exercising sole investment discretion, or for the account of a beneficial purchaser that was outside the United States at the time of making its decision to invest in the Units and no offer to sell the Units was made by any person to such beneficial purchaser while the beneficial purchaser was in the United States;
- (e) the Subscriber is aware of the risks and other characteristics of the Units and of the fact that the Subscriber may not transfer the Units and that the Units have limited retraction rights;
- (f) the Subscriber has such knowledge and experience in financial and business affairs as to be capable of evaluating the merits and risks of the investment in the Units and is able to bear the economic risk of loss of such investment;
- (g) if the Subscriber is relying on the “offering memorandum” exemption, the Subscriber has read the Offering Memorandum and has had the opportunity to ask questions of, and receive answers from,

the Manager, or a person authorized to act on behalf of either the Trust or the Manager, concerning the business and affairs of the Trust and the attributes of the Units which the Subscriber deems necessary and appropriate;

- (h) if the Subscriber is relying on the “offering memorandum” exemption, in investing in the Units, the Subscriber is relying solely on the representations and warranties contained in the Offering Memorandum;
- (i) the Subscriber has sought no advice in relation to the investment in the Units from the Manager or any of its affiliates, associates, agents, employees or representatives and neither the Manager nor any of its affiliates, associates, agents, employees or representatives has provided any advice to the Subscriber in relation to such purchase, and the Subscriber has been advised to consult with its own advisers with respect to an investment in the Units;
- (j) none of the funds being used to purchase the Units are to the Subscriber’s knowledge proceeds obtained or derived directly or indirectly as a result of illegal activities. The funds being used to purchase the Subscriber’s Units which will be advanced by the Subscriber to the Manager hereunder will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) (the “PCMLA”) and the Subscriber acknowledges that the Manager may in the future be required by law to disclose the Subscriber’s name and other information relating to this Subscription, on a confidential basis, pursuant to the PCMLA. To the best of its knowledge (a) none of the funds to be provided by the Subscriber are being tendered on behalf of a person or entity who has not been identified to the Subscriber, and (b) it shall promptly notify the Manager if it discovers that any of such representations ceases to be true, and to provide the Manager with appropriate information in connection therewith;
- (k) the Subscriber hereby acknowledges that there is no market for the Units, the Units are not transferable and the Units to be issued pursuant to this Subscription will be subject to resale restrictions imposed under applicable securities laws and the rules of regulatory bodies having jurisdiction and that the Trust is not a reporting issuer in any of the Provinces of Canada and does not presently intend to become a reporting issuer in any Province of Canada, the Units will be subject to an indefinite hold period and the Subscriber hereby agrees to be bound by and comply with such restrictions;
- (l) the Subscriber acknowledges that no certificates representing the Units will be issued but the Manager will deliver or cause to be delivered, a written confirmation to the Subscriber indicating details of the transaction and containing such legend regarding resale as required under applicable securities law;
- (m) the Subscriber acknowledges that it has been advised to consult its own legal advisors with respect to applicable resale restrictions and that it is solely responsible for complying with such restrictions and neither the Trust nor the Manager are in any manner responsible for ensuring compliance by the Subscriber with the applicable resale restrictions;
- (n) the Subscriber agrees to make, execute and deliver any and all further assurances or other documents necessary to give full force and effect to the meaning and intent of this Subscription, including any such documentation that the Trust or the Manager may require to verify eligibility of the Subscriber under applicable securities laws; and
- (o) if the Subscriber is resident in the Province of Alberta, Saskatchewan, Manitoba, Ontario or Québec, the Subscriber acknowledges that it has purchased the Units subscribed for pursuant to this Subscription through a securities dealer registered in the Province of Alberta, Saskatchewan, Manitoba, Ontario or Québec or an exempt market dealer registered in the Province of Alberta, Saskatchewan, Manitoba, Ontario or Québec.

The foregoing representations, warranties and acknowledgements are made by the Subscriber with the intent that each may be relied upon by the Trust and the Manager without further enquiry for purposes of determining the suitability of the Subscriber as a holder of the Units and of determining the availability to the Trust and the Manager of the prospectus exemptions set out in section 3.

4. Revocation

The Subscriber agrees that this Subscription is given for valuable consideration and, subject to the two day cancellation right and, as applicable, the statutory or contractual rights of action provided for in the Offering Memorandum, and subject to applicable securities laws, may not be withdrawn, cancelled, terminated or revoked by the Subscriber. The acceptance of this Subscription will be effective upon endorsement of acceptance by the Manager on behalf of the Trust.

5. Indemnity

The Subscriber agrees to indemnify and hold harmless the Trust, the Manager and their directors, officers, employees, agents and shareholders from and against any and all loss, liability, claim, damage and expense whatsoever arising out of or based upon any representation or warranty of the Subscriber contained herein or in any document furnished by the Subscriber to the Trust or the Manager in connection with this Subscription being untrue in any material respect or any breach or failure by the Subscriber to comply with any covenant or agreement made by the Subscriber herein or in any document furnished by the Subscriber to the Trust or the Manager in connection herewith.

6. Notices

Any notice or communication which the Trust or the Subscriber is required or may desire to give or to make upon the other hereunder will be effective and valid only if in writing, signed by or on behalf of the party giving the notice or making the communication, and delivered personally to the other party or sent by courier, delivery service or by registered or certified mail, addressed to their respective addresses set forth on pages 1 and 3 hereof (or, in either case, to such other address or person of which either party has given notice or made communication to the other in accordance with the foregoing).

7. Use of Personal Information

The Subscriber (on its own behalf and, if applicable, on behalf of any person for whose benefit the Subscriber is subscribing) acknowledges and consents to the fact the Trust and the Manager are collecting the Subscriber's (and any beneficial purchaser's) personal information for the purpose of completing the Subscriber's subscription. The Subscriber (on its own behalf and, if applicable, on behalf of any person for whose benefit the Subscriber is subscribing) acknowledges and consents to the Trust and the Manager retaining the personal information for as long as permitted or required by applicable law or business practices. The Subscriber (on its own behalf and, if applicable, on behalf of any person for whose benefit the Subscriber is subscribing) further acknowledges and consents to the fact that the Trust or the Manager may be required by applicable securities laws, stock exchange or other rules to provide regulatory authorities any personal information provided by the Subscriber respecting itself (and any beneficial purchaser). The Subscriber represents and warrants that it has the authority to provide the consents and acknowledgements set out in this paragraph on behalf of all beneficial purchasers.

The Subscriber hereby acknowledges and consents to the collection, use, and disclosure of certain Personal Information by the British Columbia, Alberta, Saskatchewan, Manitoba and Québec Securities Commissions, including the publishing or otherwise making available to the public Personal Information including, for individuals, their name, number and type of securities purchased, the aggregate Subscription Proceeds, and the Subscriber's insider or registrant status, if applicable, and for non-individual Subscribers, the above information and their address, contact person name and telephone number and the exemption that the Subscriber is relying on in purchasing the Units. The Subscriber agrees and acknowledges that the Trust or the Manager may use the Personal Information provided by the Subscriber to verify the eligibility of the Subscriber under applicable securities laws.

The Subscriber authorizes the indirect collection of Personal Information by the Ontario Securities Commission and confirms that the Subscriber has been notified by the Manager:

- (a) that the Trust will be delivering such Personal Information to the Ontario Securities Commission;
- (b) that such Personal Information is being collected indirectly by the Ontario Securities Commission under the authority granted to it under the securities laws of the Province of Ontario;
- (c) that such Personal Information is being collected for the purpose of the administration and enforcement of the securities laws of the Province of Ontario; and
- (d) that the title, business address and business telephone number of the public official in the Province of Ontario who can answer questions about the Ontario Securities Commission's indirect collection of Personal Information is as follows:

Administrative Support Clerk
Ontario Securities Commission
Suite 1903, Box 55, 20 Queen Street West
Toronto, Ontario M5H 3S8
Telephone: 416 593 3684

Herein, "Personal Information" means any information about the Subscriber required to be disclosed to a Securities Commission, whether pursuant to a Securities Commission form or a request made by a Securities Commission.

8. Miscellaneous

The agreement resulting from the acceptance of this Subscription by the Manager on behalf of the Trust contains the whole agreement between the Trust and the Subscriber in respect of the subject matters hereof and there are no representations, warranties, terms, conditions or collateral agreements, express, implied or statutory, other than as expressly set forth herein and in the Offering Memorandum, and all amendments thereto, if the Subscriber has relied on the "offering memorandum" exemption. All representations, warranties, agreements and covenants made by the Subscriber herein will survive the execution, delivery and acceptance of this Subscription. Neither this Subscription nor any of the rights arising hereunder will be capable of assignment or transfer by the Subscriber in any manner except with the written consent of the Trust. This Subscription will enure to the benefit of and be binding upon the Trust, the Manager and the Subscriber and their respective successors and permitted assigns and heirs, administrators, executors and other legal representatives. This Subscription and the rights and obligations of the parties hereunder will be governed by and construed in accordance with the laws of the Province of Ontario and any legal action or proceeding with respect therein or hereto will be brought in the courts of the Province of Ontario.

The Subscriber hereby authorizes the Manager to correct any minor errors in, or complete any minor information missing from, the Form 45-106F4 (Appendix I and Appendix IV) and Schedules 1 and 2 to Appendix I, the Eligible Investor Questionnaire (Appendix II), the Accredited Investor Status Certificate (Appendix III) and Schedule A to the Accredited Investor Status Certificate, or the BC Instrument 32-517 Risk Acknowledgement (Appendix V), if applicable, which has been executed by the Subscriber and delivered to the Manager. The Subscriber agrees to make, execute and deliver any and all further assurances or other documents necessary to give full force and effect to the meaning and intent of this Subscription, including any such documentation that the Manager may require to verify eligibility of the Subscriber under applicable securities laws and the Subscriber consents to the filing of such documents and any other documents as may be required to be filed with any securities regulatory authority in connection with the offering of the Units.

9. Income Tax Legislation

Since the provisions of the *Income Tax Act* (Canada) and any other legislation imposing taxation consequences on the Subscriber are complex and since the general effect of the aforesaid legislation (including their effect in the event of the death of the Subscriber or the sale of a Unit by or to the Subscriber) depends on the particular

circumstances of each party, **the Subscriber does hereby expressly acknowledge that it has been advised to seek independent professional advice on the taxation and investment aspects of the Trust** and that neither the Manager nor the Trust make representations with respect to matters of taxation and shall not be responsible for any taxation consequences or, without restricting the generality of the foregoing and notwithstanding the terms hereof and of the Offering Memorandum, for the deductibility or reasonableness of any expenses, or for any loss, costs, charges or expenses in respect thereof.

10. Rights of Action

For those Subscribers who are relying on the “offering memorandum” exemption, effective at the date of acceptance of this Subscription, the Trust hereby grants the applicable statutory or contractual right of action for rescission or damages to the Subscriber for the applicable province of residence of the Subscriber, as set forth in the Offering Memorandum, as if such rights were fully set forth in this Subscription and such rights are incorporated by reference into this Subscription.

11. Trust Account

If the Subscriber has paid the Subscription Price with a certified cheque to a trust account where the funds will be held in trust for the Subscriber, the Subscriber hereby acknowledges that such trust account is managed by a trustee acting on behalf of the Trust and the Subscriber hereby directs such trustee to pay such funds to the Trust upon delivery of a signed copy of this Subscription Agreement from the Subscriber to the Trust or such trustee.

12. Defined Terms

Capitalized terms herein shall, unless otherwise defined herein, have the meanings ascribed to them in the Offering Memorandum.

13. Language

The parties hereto confirm their express wish that this Subscription and all documents and agreements directly or indirectly relating thereto be drawn up in the English language. Les parties reconnaissent leur volonté express que la présente ainsi que tous les documents et contrats s’y rattachant directement ou indirectement soient rédigés en anglais.