

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)**

- 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.

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.

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.