



## Term Sheet

### CGI Fund Equity CAD LP Corp LP Units

<b>Issuer:</b>	CGI Fund Equity CAD LP (the “Partnership”).
<b>Offering:</b>	Limited partnership units of the Partnership (the “LP Units”).
<b>Issue Price:</b>	\$10.00 USD or CDN per LP Unit
<b>Minimum Subscription:</b>	\$25,000USD or CDN (2,500 LP Units)
<b>Agents:</b>	Industrial Alliance Securities Inc. (the “Lead Agent”)
<b>Size of Offering:</b>	A maximum of \$47,500,000 USD or such larger amount as the Partnership and the Lead Agent may mutually agree upon.
<b>Term:</b>	The term of the Partnership will be six (6) years.
<b>Partnership Fund Expenses:</b>	Up to \$125,000 in start-up costs to cover legal, accounting and other 3 <sup>rd</sup> party fees and up to \$225,000 in working capital needs per year for the duration of the term of 6 years.
<b>Agents’ Commission:</b>	Cash commission equal to 6.0%. The Partnership may also pay a finders fee of up to 1.0% of the aggregate gross proceeds from the sale of LP Units referred by other registered dealers.
<b>Use of Proceeds:</b>	The Partnership will use the net proceeds of the Offering to invest in CGI Fund I, LP (“US Fund”). The US Fund will use the net proceeds to fund the existing portfolio and additional real estate acquisitions.
<b>US Fund:</b>	The US Fund is a limited partnership organized under the laws of the State of Delaware for the purpose of investing in real estate and real estate-related investments.
<b>Investment Objective and Strategy:</b>	The US Fund’s investment objective is to provide investors with long-term capital appreciation. The US Fund seeks to achieve its investment objective by pursuing a value-add strategy targeting discounted real estate assets. The intent of the General Partner is to deploy the US Fund’s capital in Florida, with capital to be invested in other US metro regions on a case-by-case basis. The US Fund will have the ability to invest up to 25% of the US Fund’s total assets

in other geographical regions of the United States. The US Fund intends to focus in the middle market where the Fund Manager deems competition to be limited and will seek to invest in assets that the Fund Manager believes are undermanaged or underperforming.

The US Fund will invest primarily in office properties, mixed-use office and retail properties, and for-sale multi-family properties, through acquisitions and joint ventures. The US Fund also may invest, directly or indirectly, in other real estate and real estate-related investments, including, without limitation: (i) industrial properties, (ii) other real estate-related assets; and/or (iii) operating companies or other entities involved in real estate (collectively, “**Real Estate Investments**”). The US 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, and mortgage loans.

The US Fund may hold each or any Real Estate Investment in a separate business entity and treat it as a separate real estate asset or entity.

**Portfolio Assets:** The Sponsor and/or its affiliates have acquired certain assets (the “**Portfolio Assets**”) that currently reside in the US Fund. Additional assets that meet the US Fund’s Investment Strategy may be transferred to the US Fund as they are acquired. The Portfolio Assets, are expected to comprise approximately 18% of the US Fund’s target Capital Commitments.

**Sponsor:** CGI Merchant Group, LLC, a Delaware limited liability company (the “**Sponsor**”), a private equity firm with over \$250 million of gross assets under management in multiple asset classes including hotel, retail, and offices primarily located in Florida.

**General Partner:** CGI Merchant GP, LLC (the “**General Partner**”) is a Delaware limited liability company and an affiliate of the Sponsor.

**Fund Manager:** CGI Investment Management, LLC, a Delaware limited liability company and subsidiary of the Sponsor (the “**Fund Manager**”), will provide certain investment advisory, administrative and related services to the US Fund.

The Fund Manager may, in its discretion, delegate certain of its advisory and management duties to one or more sub-advisors.

**Target Commitment:** The US Fund is seeking up to \$150 million USD in aggregate capital commitments (the “**Capital Commitments**”) from qualified investors (the “**Limited Partners**”), subject to the General Partner’s sole discretion to increase the size of the offering to \$200 million. Each Limited Partner’s Capital Commitment shall be the amount that the Limited Partner specifies as its “Capital Commitment” in its Subscription Agreement, subject to the discretion of the General Partner to reject in whole or in part the offer of a subscription

for any reason. The Partnership will be a Limited Partner of the US Fund and its contribution will be included in the Capital Commitment.

**Sponsor Capital Commitment:**

The Sponsor and its affiliates will make Capital Commitments (including Capital Commitments made in-kind through its transfer of the Portfolio Assets) in an aggregate amount of not less than 5% of the aggregate Capital Commitments. The Sponsor will have contributed an aggregate of 5% in Capital Commitments upon Final Closing of the US Fund.

**Investment Restrictions:**

Without the consent of the Advisory Committee, the General Partner shall not cause the US Fund to: (i) make an investment in a Real Estate Investment if, as a result of such investment, the total equity capital invested by the US Fund in all Real Estate Investments that are located outside the Sun Belt Region would exceed 25% of the aggregate Capital Commitments of the US Fund; (ii) invest equity in publicly-traded debt or equity securities (disregarding any temporary investments, publicly-traded securities received in respect of, or in exchange for, any existing Real Estate Investment pursuant to a merger, recapitalization, stock dividend or otherwise, or securities acquired directly from the issuer pursuant to a privately negotiated transaction); or (iii) make a Real Estate Investment outside the United States.

The “**Sun Belt Region**” is the region in the United States that stretches across the Southern and Southwestern portions of the country and includes the states of Florida, Georgia, South Carolina, Alabama, Mississippi, Louisiana, Texas, New Mexico, and Arizona.

**Borrowing:**

Without the consent of the Advisory Committee, the US Fund may not incur indebtedness for borrowed money or guaranty 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” guaranties; *provided that*, unless otherwise approved by the Advisory Committee, the aggregate indebtedness and guaranties of the US Fund for borrowed money (other than “bad act” guaranties) shall not exceed (x) thirty five percent (35%) of the aggregate Capital Commitments to the US Fund if the aggregate Capital Commitments to the US Fund are less than \$100 million and (y) twenty percent (20%) of the aggregate Capital Commitments to the US Fund if the aggregate Capital Commitments to the US Fund are greater than \$100 million; *provided further*, that any indebtedness incurred by the US Fund shall have a maturity of no more than 12 months. Notwithstanding the foregoing, the General Partner will have the right, in its sole discretion, to cause or permit any subsidiary of the US Fund or any other entity in which the US Fund makes an investment to incur or assume indebtedness at any time without limitation.

**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 General Partner at any time during the Commitment Period or, if and to the extent that any such proceeds are distributed to the Limited Partners, may be added by the General Partner, in its sole discretion, to unfunded Capital Commitments and again be available to be drawn down during the Commitment Period.

**Management Fee:** The US Fund will pay the Fund Manager an annual management fee (the “**Management Fee**”) payable quarterly in advance on a calendar year basis. During the Commitment Period, the Management Fee will be 2.0% *per annum* (0.50% quarterly) of the US Fund’s aggregate Capital Commitments. Following the Commitment Period, the Management Fee will be 1.5% *per annum* (0.375% quarterly) of the aggregate unreturned capital contributions to the US Fund, plus any amounts reserved for follow-on investments.

The Management Fee will be prorated for any period of less than a full fiscal quarter.

The Management Fee will be allocable to and determined in respect of the capital accounts of the Limited Partners subject to the Management Fee.

**Distributions:** The General Partner will distribute cash flow, dividends, interest or other income realized from investments, plus proceeds from any disposition or refinancing at least quarterly; however, the General Partner may retain amounts to pay US Fund expenses and reserve funds to meet future expenses and liabilities of the US Fund.

Distributions will be made in cash and in U.S. dollars (distributions of other property may be made only with the consent of the Advisory Committee or a Majority-in-Interest). However, upon termination of the US Fund, distributions also may include restricted securities or other assets of the US Fund or which the General Partner will seek a valuation from an independent third-party real estate appraisal firm, an independent leading banking firm or other appropriate independent expert(s).

Distributions attributable to each or any Real Estate Investment will be initially apportioned among the Limited Partners in proportion to their respective capital contributions relating to such investment. The amount so apportioned to a Limited Partner will then be immediately reapportioned as between such Limited Partner and the General Partner as follows:

- (i) **Return of Contributed Capital:** 100% to such Limited Partner until such Limited Partner has received distributions equal to all such Limited

Partner's capital contributions attributable to realized investments;

- (ii) **Preferred Return:** 100% to such Limited Partner until such Limited Partner has received distributions equal to a 8% *per annum* cumulative return, compounded annually (the "**Preferred Return**") as calculated on all such Limited Partner's unreturned capital contributions;
- (iii) **Carried Interest Catch-Up:** 50% to the General Partner and 50% to such Limited Partner as an incentive distribution (the "**Carried Interest**") until the General Partner has received cumulative distributions of 20% of the aggregate amount distributed in respect of such Limited Partner pursuant to clause (ii) above and this clause (iii); and
- (iv) **Carried Interest:** therefore, 80% to such Limited Partners and 20% to General Partners as additional Carried Interest.

Notwithstanding any distribution provision of the Partnership Agreement to the contrary, the General Partner may, in its sole discretion, waive or reduce all or part of the Carried Interest payable with respect to any Limited Partner, without waiving or reducing the Carried Interest that is payable with respect to other Limited Partners.

The US Fund may make tax distributions to any Partner in amounts intended to enable such Limited Partner to discharge deemed U.S. federal, state and local income tax liabilities due on allocations which have been or will be made by the US Fund to such Partner.

**Claw back:**

If, following the distribution of all or substantially all of the US Fund's assets pursuant to the Partnership Agreement, the aggregate amount received by any Limited Partner does not equal or exceed: (i) such Limited Partner's capital contributions applied to the purchase of Real Estate Investments, plus (ii) amounts paid by such Limited Partner in respect of US Fund expenses, plus (iii) an amount sufficient to provide an 8% *per annum* cumulative return, compounded annually, on the amount set forth in clause (i) and (ii) above, the General Partner will be liable to return the after-tax amount of any such excess distributions received by it to the US Fund, for distribution to the Partners, at the end of the US Fund's term.

**Capital Accounts and Allocations:**

A capital account will be established for each Partner. Income, expense, gain and loss of the US Fund will generally be allocated to the Partners' capital accounts in a manner consistent with the distribution of proceeds from investments as described above.

Any withholding tax paid by the US Fund to a governmental entity in respect of an allocation or distribution made by the US Fund to a Partner generally will be treated as a distribution and subtracted from such Partner's capital account balance.

**Termination:**

Upon termination, the US Fund shall be dissolved and wound-up. The General Partner shall proceed with the orderly sale or liquidation of the assets of the US Fund and shall apply and distribute the proceeds of such sale or liquidation in the following order of priority, unless otherwise required by law:

- i. first, to pay all expenses of liquidation;
- ii. second, to pay all creditors of the US Fund (including Limited Partners who are creditors) in the order of priority provided by law or otherwise;
- iii. third, to the establishment of any reserve which the General Partner may deem necessary (such reserve may be paid over to an escrow agent); and
- iv. fourth, to the Limited Partners or their legal representatives in accordance with the waterfall provisions set forth in the “Distributions” section of this Summary of Principal Terms.

Upon dissolution, the General Partner may in its sole and absolute discretion (a) liquidate all or a portion of the US Fund’s assets and apply the proceeds of such liquidation in the manner set forth above and/or (b) hire independent appraisers to appraise the value of the US Fund’s assets not sold or otherwise disposed of or determine the fair market value of such assets, and allocate any unrealized gain or loss determined by such appraisal to the Limited Partners as though the properties in question had been sold on the date of distribution and, after giving effect to any such adjustment, distribute said assets in the manner set forth above; *provided that*, the General Partner shall in good faith attempt to liquidate sufficient US Fund assets to satisfy in cash the debts and liabilities described above.

If a Limited Partner shall, upon the advice of counsel, determine that there is a reasonable likelihood that any distribution in kind of an asset would cause such Limited Partner to be in violation of any law, regulation or order, such Limited Partner and the General Partner shall each use commercially reasonable efforts to make alternative arrangements for the sale or transfer into an escrow account of any such distribution on mutually agreeable terms.

A reasonable amount of time shall be allowed for the orderly liquidation of the assets of the US Fund and the discharge of liabilities to creditors so as to enable the General Partner to minimize the losses attendant upon such liquidation.

**Advisory Committee:**

The General Partner will establish an advisory committee (the “**Advisory Committee**”) for the US Fund composed of Limited Partners or their representatives selected by the General Partner 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 Fund 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 General Partner. The General Partner will be entitled to attend and participate in Advisory Committee sessions, but will not be entitled to participate in any vote of the Advisory Committee. The General Partner will seek to appoint a minimum of three (3), but no more than five (5), members to the Advisory Committee.

The cost of holding Advisory Committee meetings, including the reasonable travel and accommodation costs of Advisory Committee members, will be borne by the US Fund.

**Listing:** The LP units will not be listed

**Subscription Agreements Due:** October 24 by 12 noon EST

**Closing:** October 30

**Selling Concession:** Class A LP Units 4% cash compensation  
Class F LP Units 0% cash compensation