

CLASS ACTION SETTLEMENT AGREEMENT

This Settlement Agreement made effective this ____ day of June, 2015.

Between:

SIMON OKKERSE and SIMON OKKERSE AS REPRESENTATIVE PLAINTIFF (the
“Plaintiffs”)

and

CBI PROPERTY INCOME CORP., KEYSTONE COMMUNITIES LTD., CBI
INVESTMENTS LTD., CBI CAPITAL INC., RON CADMAN and TRAVIS CADMAN (the
“Defendants”)

WHEREAS:

- (a) A class action, Court of Queen’s Bench of Alberta (the “Court”) Action No. 1301-06573 (the “Action”) has been commenced by the Plaintiffs, but not certified as a class proceeding. CBI Property Income Corp., Keystone Communities Ltd., CBI Investments Ltd., CBI Capital Inc., Ron Cadman and Travis Cadman are the named Defendants in the Action;
- (b) The Action alleges that, *inter alia*, the Defendants breached duties owed to the Plaintiffs and acted oppressively with respect to the Plaintiffs’ investment for the purpose of developing the Property;
- (c) The Defendants, and each of them, deny the allegations and claims made in the Action, and deny any wrongdoing or liability;
- (d) This Settlement Agreement is intended by the Parties to fully and finally compromise, resolve, release and settle the Action and to discontinue the Action with prejudice, subject to the terms and conditions below and without any admission or concession as to the merits of any claim or defence by any of the Parties;
- (e) Based on the analyses of the facts and law applicable to the claims of the Plaintiffs, having regard to the burdens, expense in conducting litigation, the risks and uncertainties of the litigation and the ultimate outcome, the Plaintiffs and their legal counsel have concluded that this Settlement Agreement provides substantial benefits to the Class Members and is fair, reasonable and in the best interests of the Class Members;
- (f) The Defendants, and each of them, while denying liability and wrongdoing, and while asserting the existence of good and valid defences to the Action, have concluded that this Settlement Agreement is desirable in order to

avoid the uncertainty, delay and expense of litigation, and to resolve completely the pending and potential claims of the Class Members;

- (g) The Plaintiffs and Defendants intend that certification for settlement purposes of a multi-jurisdictional class shall be brought in the Court, in accordance with sections 4 and 9.1 of the *Class Proceedings Act*;
- (h) The Plaintiffs and Defendants intend that this Settlement Agreement be binding on all those in Canada who invested in the development of the Property further to the Offering Memoranda prior to or on the date that the Court approves the Notice of Certification and Settlement Approval Hearing, and that all claims by all such persons are included and will be satisfied by this Settlement Agreement, subject only to those who opt out in a timely manner in compliance with the procedures set forth herein for doing so. It is acknowledged that the Defendants would not have entered into this Settlement Agreement if not for the foregoing;
- (i) Neither this Settlement Agreement nor any step taken to carry out this Settlement Agreement, nor any document relating to it is or may be construed or used as an admission by or against the Defendants, or any of them, for the truth of any allegations or claims or regarding liability or the certifiability of the Action herein as a class action; or as a waiver of any applicable legal right or benefit, unless otherwise expressly stated herein. Further, neither this Settlement Agreement nor any document relating to, or action taken to carry out, this Settlement Agreement shall be offered, tendered or received in evidence in any action or proceeding against the Defendants, or any of them, the Plaintiffs or the Class Members, or any of them, in any court, administrative agency or other tribunal for any purpose whatsoever other than to enforce the provisions of the Settlement Agreement or to seek court approval of the Settlement Agreement in the manner as described below;
- (j) The Parties understand and acknowledge that this Agreement must be approved by the Court, and have agreed upon a form of Certification and Settlement Approval Order which is attached hereto as **Schedule "A"**.

NOW THEREFORE, in consideration of the covenants, agreements and releases set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

I. DEFINITIONS

1.1 The following terms used in this Agreement have the meanings specified below:

“Certification and Settlement Approval Order” means the Order of the Court that the Parties have agreed to seek as part of this settlement to certify the Action as a class proceeding and to approve the settlement on the terms and conditions set out in this Settlement Agreement, in the form attached hereto as **Schedule “A”**.

“Class Members” means the **Plaintiff Class** and means “All individuals other than Excluded Persons who have invested money with the Defendants in the Investment, directly or indirectly, and suffered a loss of all or part of that Investment, and were Shareholders or Noteholders of record on or before June 23rd, 2015.

“Class Proceedings Act” means the *Class Proceedings Act*, SA 2003, c C-16.5.

“Consideration” means all of the Settlement Benefits set out at section 4.1 of this Settlement Agreement.

“Deadline for Opt-Out and Claim Filing” means the date that is 45 days after the date the Notice of Settlement and Claims Process is approved by the Court.

“Defendants” means the Defendants cited in the Action.

“Defendants’ Counsel” means Jensen Shawa Solomon Duguid Hawkes LLP.

“Effective Date” means the earliest date by which all of the following have occurred: (1) this Settlement Agreement has been executed by all of the Parties hereto; (2) the Alberta Action has been discontinued with prejudice, with required court approvals obtained; (3) the time to appeal the discontinuance, judgment or approval orders, if appeals lie, has expired, or, if an appeal is taken from such discontinuance, judgment or approval then: (i) the appeal proceedings have been exhausted; or (ii) the Court makes an order as to the timing of the Effective Date.

“Excluded Persons” means the Defendants, any past or present subsidiaries, affiliates, officers, directors, senior employees, partners, legal representatives, heirs, predecessors, successors and assigns of one of the Defendants, and any individual who is a member of the immediate family of the Defendants Ron Cadman or Travis Cadman, including:

- i. parents, grandparents, or great grandparents;
- ii. aunts or uncles, whether related by blood, by law, or by marriage;
- iii. siblings, whether related by blood, by law, or by marriage;
- iv. any direct descendants, including children, grandchildren, and so forth.

“Final” with respect to any order or judgment of the Court, including but not limited to, the Settlement Approval Order, means the first business day twenty-one (21) days following the day on which such order has been granted and entered, so long as the order or judgment has not been appealed, been made subject of a leave to appeal application, withdrawn, rescinded, modified, vacated or reversed by the Court. If an appeal from the order or judgment is taken, Final means upon such appeal being finally disposed of.

“Investment” means the securities purchased by the Plaintiff Class pursuant to the Offering Memoranda, being Class “B” shares and / or series 1, 2 or 3 notes of CBI Property Income Corp.

“Notice of Settlement and Claims Process” has the meaning set out in section 6.1 below.

“Notice Period” is the period of time between the date the Class Members are sent Notice of Settlement and Claims Process and the Deadline for Opt-Out and Claim Filing, being 45 days from the date that the Certification and Settlement Approval Order has been granted by the Court.

“Offering Memoranda” means all Offering Memoranda issued by CBI Property Income Corp inclusive of the draft offering memorandum of March 25th, 2009, and all subsequent amended and restated offering memoranda.

“Parties” means collectively the Plaintiffs and the Defendants.

“Plaintiffs” means the Plaintiffs in the Action.

“Plaintiffs’ Counsel” means McGuigan Nelson LLP.

“Property” means the lands which are legally described as follows:

1. Lot 33, Block 2, Plan 0723036 [5804 68th Avenue Close, Rocky Mountain House, AB]
2. Lot 35, Block 2, Plan 0723036 [5808 68th Avenue Close, Rocky Mountain House, AB]
3. Lot 36, Block 2, Plan 0723036 [5809 68th Avenue Close, Rocky Mountain House, AB]
4. Lot 39, Block 2, Plan 0723036 [5803 68th Avenue Close, Rocky Mountain House, AB]
5. Lot 55, Block 1, Plan 0723036 [6803 58th Avenue Close, Rocky Mountain House, AB]
6. Lot 43, Block 16, Plan 0824952 [5013 54th Avenue Close, Rocky Mountain House, AB]

7. Lot 44, Block 16, Plan 0824952 [5011 54th Avenue Close, Rocky Mountain House, AB]
8. Lot 45, Block 16 , Plan 0824952 [5009 54th Avenue Close Rocky Mountain House, AB]
9. Meridian 5, Range 1, Township 26, Section 24, Quarter North West, containing 64.7 hectares (160 Acres) more or less, excepting the east half of legal subdivision 14 containing 8.09 hectares (20 Acres), ,more or less, and excepting thereout all mines and minerals (the “**Keystone Business Park Property**”)
10. Plan 0425420, Block 18, Lot 199, excepting thereout all mines and minerals (the “**Venu Property**”)

“**Released Claims**” and “**Releasees**” have the meanings set out in paragraph 10.1 below.

“**Representative Plaintiff**” means Simon Okkerse, or such other person made a representative plaintiff in this Action from time to time.

“**Settlement Agreement**” means this Agreement, which shall apply to and resolve the Action.

“**Settlement Class**” and “**Settlement Class Members**” means Class Members excluding those individuals who opt out of the Class in a timely manner in compliance with the procedures set forth herein for doing so.

“**Subject Claims**” means all claims or other proceedings at law, in equity or under a statute including declaratory or subrogated claims, all causes of action for damages (actual, compensatory, punitive or exemplary), losses, injuries, contribution, indemnity and other relief over, and all claims for interest, costs, disbursements, expenses, taxes, including GST, penalties and lawyers’ fees, known or unknown, that the Plaintiff Class or any member of the Plaintiff Class, ever had, now has, or hereafter can, shall or may have to the date hereof and into the future, relating to or arising from the Investment with or in the Defendants or any of them, or any related or affiliated company or entity or made as advanced in the Action, as amended from time to time, or claims or allegations that could have been made or advanced against the Defendants in the Action.

II. **CERTIFICATION OF COMMON ISSUES**

- 2.1 The Defendants consent to the certification of the common issues set out in **Schedule “B”**, as part of the Certification and Settlement Approval Order, as described below.

III. **APPROVAL ORDER**

- 3.1 The parties shall take all steps necessary to ensure that all approval orders are sought in an expeditious manner from the Court.

- 3.2 On a date to be agreed between the Parties, an Order from the Court approving the “Notice of Certification and Settlement Approval Hearing” will be sought in the form attached to this Settlement Agreement as **Schedule “C”**, which will *inter alia* advise proposed Class Members of their right to appear in the Court to object to the Settlement Agreement.

IV. SETTLEMENT BENEFITS

- 4.1 In consideration of the terms and covenants herein, including any claims for costs, the Defendants shall:
- a. Provide the amount of \$60,000.00 CAD in full and final settlement of the Action.
- 4.2 Section 4.1 comprises all the “Settlement Benefits”.
- 4.3 The Defendants, and any of them, shall have no liability or responsibility with respect to any conduct of the Plaintiff Class members or Plaintiffs’ Counsel, in connection with the use of or administration of the Settlement Benefits once the Consideration is transferred to Plaintiffs’ Counsel. Plaintiffs’ Counsel will apply to the Honourable Justice MacLeod as case management justice for approval of payments made from and distribution of the Settlement Benefits to the Plaintiff Class, but intend that the full \$60,000.00 shall comprise a contribution to the legal costs of the Plaintiff Class.

V. SETTLEMENT CONDITIONS

- 5.1 The Court shall approve the Certification and Settlement Approval Order and this Settlement Agreement.
- 5.2 The Action shall be dismissed by the Court as against the Defendants in its entirety.

VI. NOTICE OF CERTIFICATION AND SETTLEMENT APPROVAL HEARING

- 6.1 The Defendants will make commercially reasonable efforts to compile a list of the last known email addresses and contact information of those people or entities who participated in the Investment and may be Class Members as of the date that the Court approves the Notice of Certification and Settlement Approval Hearing (the “Shareholder and Noteholder List”). Within 30 days of Court approval of the Notice of Certification and Settlement Approval Hearing, the Defendants or Defendants’ counsel will email all people or entities on the Shareholder and Noteholder List the Notice of Certification and Settlement Approval Hearing. The Defendants or Defendants’ counsel will mail, by standard mail, the Notice of Certification and Settlement Approval Hearing only to those people or entities who are on the Shareholder or Noteholder list but for whom no email address is known. The cost of providing this notice to people and entities on the Shareholder and Noteholder List shall be borne by the

Defendants, and it is agreed there shall be no contribution by the Plaintiffs to those costs, nor shall the Defendants make application seeking restitution of these costs against the Property.

VII. NOTICE OF SETTLEMENT AND CLAIMS PROCESS

- 7.1 No later than 15 days following the date that the Certification and Settlement Approval Order is issued and entered, Plaintiffs' Counsel will email Class Members at the last known email addresses according to the Shareholder and Noteholder List, or, if the prospective Class Member has no known email, Plaintiffs' Counsel will send, by standard mail, written correspondence to those prospective Class Members' last known address, a "Notice of Settlement and Claims Process" to all prospective Class Members, including an "Opt Out Form" (in substantially the form attached as **Schedule "D"** to this Settlement Agreement) and a Claim Form (in substantially the form attached as **Schedule "E"** to this Settlement Agreement), and Plaintiffs' Counsel will post the notice on their firm website. The Notice to all Class Members will advise prospective Class Members that they are entitled to: a) opt out of the proceeding; or alternatively b) make a claim against the Settlement Benefits.
- 7.2 Class Members will have until the Deadline for Opt-Out and Claim Filing to opt out of the Action by returning the Opt Out Form as directed by the Notice of Settlement and Claims Process, or alternatively, to claim against the Settlement Benefits by submitting the Claim form. For clarity, Class Members will have 45 days after the date that the Notice of Settlement and Claims Process is **approved** by the Court to opt out or, alternatively, to make a claim. Plaintiffs' Counsel will forward a copy of any such opt out notices to Defendants' Counsel.
- 7.3 Prior to making a claim against the Settlement Benefits, Settlement Class Members will submit a claim and therein acknowledge that no additional amounts may be claimed as against the Defendants or any of them.

VIII. OPTING OUT

- 8.1 Class Members who opt out of this Settlement Agreement shall be excluded from the terms of the Settlement Agreement and from any and all rights and obligations under the Settlement Agreement. Class Members who do not opt out in the manner prescribed shall be deemed to have elected to participate in this Settlement Agreement and shall be bound by this Settlement Agreement and all related releases and Court orders, regardless of whether they receive any consideration or participate in the claims process.

IX. EFFECT OF NON-APPROVAL BY THE COURT

- 9.1 If the settlement and this Settlement Agreement are not approved by the Court, or if the Court does not approve the dismissal of the Action:

- (a) This Settlement Agreement shall be null and void and shall have no force or effect, and no Party to the Settlement shall be bound by any of its terms except the terms of this section; and,
- (b) This Settlement Agreement and all of its provisions and negotiations, all documents and information exchanged in furtherance of settlement, and all statements and proceedings relating to it, and the fact of its existence and any of its terms, shall be without prejudice to the rights of the Parties all of whom shall be restored to their respective positions existing immediately before the Settlement Agreement and negotiations in respect of it. For clarity and without limitation, this Settlement Agreement is without prejudice to the rights of each Party to seek or oppose certification in the Action should the Settlement Agreement not be approved by the Court.

X. RELEASE

- 10.1 Effective as of the Effective Date, the Plaintiffs and Settlement Class Members herewith, personally and on behalf of their respective heirs, legal representatives, attorneys, guardians, estate trustees, executors, trustees, successors and assigns, and their past or present parent, subsidiary, affiliated, predecessor, successor and related companies, trusts, and partnerships shall be deemed to have released and do hereby release and forever discharge the Defendants, and each of them, and each of their affiliates, parents, subsidiary, predecessor, successor, and related companies, trusts, partnerships and other entities and their respective past, present and future stockholders, directors, officers, trustees, employees, agents, including legal counsel and attorneys, financial advisors, sales agents, sellers, contractors, subcontractors, insurers, licensees and licensors, partners, and any other party (and the affiliates, predecessors, successors and companies related to any other party) (the "Releasees") from any and all claims, demands, actions, causes of action, suits, debts, damages, losses, expenses, interest, costs, duties, accounts, Notes, covenants, contracts, rights and all other liabilities of any kind or description, under common law, equity or statute or otherwise, that they have or may have, including assigned claims, whether known or unknown, asserted or unasserted, related to, in connection with or arising from, directly or indirectly, the claims and allegations that were raised or which could have been raised in the Action (the "Released Claims"). Any entities who are Releasees who are not parties to the Action are intended to be third party beneficiaries of this release, and the parties intend to confer a benefit upon each of them which is enforceable by each of them.
- 10.2 Effective as of the Effective Date, the Plaintiffs and the Settlement Class Members further agree not to make any claims, or to commence or continue any proceedings against any other person, partnership, corporation or continue any proceedings against any other person, partnership, corporation or other entity of any kind who or that might claim contribution or indemnity or any other

relief of a monetary, declaratory or injunctive nature from the Defendants, or any of them, or any of their predecessors, successors, related entities or affiliates in connection with the claims released in this Settlement Agreement. The Plaintiffs and Settlement Class Members further agree to discontinue, on a without costs and with prejudice basis, any claims they, or any of them, have commenced against the Defendants, or any of them, for the Released Claims, and for any claims, losses or actions arising from the matters, facts, and issues raised in this Action.

- 10.3 The Settlement Approval order shall finally and forever bar and enjoin the initiation, prosecution or assertion of any of the Released Claims of the Plaintiffs and of all Settlement Class Members in any court or any forum. The Settlement Agreement shall be the sole and exclusive remedy for any and all Released Claims of the Settlement Class. No Releasee shall be subject to liability or expense of any kind with respect to any Released Claim.

XI. CLASS COUNSEL LEGAL FEES AND EXPENSES

- 11.1 Plaintiffs' Counsel shall seek approval of their legal fees, disbursements, and taxes and the administration of the Settlement Benefits through Justice Macleod as the case management Justice, at the time of the Settlement Approval Hearing. Plaintiffs' Counsel will be seeking to use the entirety of the Settlement Benefits, in the amount of \$60,000.00, towards legal fees, costs and disbursements.
- 11.2 Plaintiffs' Counsel acknowledges that the Defendants and Defendants' Counsel takes no position with respect to the intended use, distribution, or ultimate disposition of the Settlement Benefits for the payment of Plaintiffs' Counsel's legal fees, costs, and disbursements.

XII. NO ADMISSIONS, NO USE

- 12.1 This Settlement Agreement exists and is entered into for settlement purposes only. Neither this Settlement Agreement nor any step taken to carry out this Settlement Agreement, nor any document relating to it shall:
- (a) Constitute, be construed as or be admissible in evidence as an admission or a concession on the part of either the Plaintiffs or Defendants, or any of them, with respect to any claim, allegation, wrongdoing, fault, violation or law or liability or any defence, including regarding the certifiability of the Action outside settlement; or,
 - (b) Be offered, tendered or received in evidence in any other civil, criminal, administrative, or regulatory action or proceeding, whether before a court, agency, or tribunal for any purposes whatsoever against any of the Plaintiffs, Defendants, of Class Member other than such civil proceeding as may be necessary to effectuate the provisions of this Settlement Agreement.

12.2 Each party represents that he/she/it shall not take any contrary position.

XIII. ENTIRE AGREEMENT

13.1 This Settlement Agreement, together with the preambles and attached schedules, constitute the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior understandings, representations, negotiations, discussions, and agreements, whether written or oral, which may have occurred prior hereto pertaining to the subject matter hereof. There are no other written warranties or representations between the Parties in connection with the subject matter hereof except as specifically set forth herein. The Parties have not relied on any such warranties or representations in entering into this Settlement Agreement.

13.2 This Settlement Agreement may not be changed, modified or amended except in writing as signed by all Parties and, if required, approved by the Court. The Parties contemplate that, if approved by the Court, certain of the Schedules relating to Class Notices may be modified by subsequent agreement prior to dissemination to the Class.

13.3 All counsel of record represent that they are unaware of any other pending Canadian litigation involving the subject of this settlement and that they have the authority, on behalf of their respective clients, to execute, deliver and perform their obligations under this Settlement Agreement and confirm that this Settlement Agreement constitutes a legal and binding obligation of their respective clients.

XIV. MISCELLANEOUS PROVISIONS

14.1 It is the intention of the Parties that this Settlement Agreement be the final settlement and resolution in all respects of all claims against the Defendants, and any of them, regarding the claims in the Action in all jurisdictions. However, in the event that Proceedings are commenced in another jurisdiction in relation to the matters comprising the subject of the Action and Released Claims, by an individual who was not a member of the Plaintiff Class, the Plaintiffs agree to provide reasonable assistance to the Defendants, or any of them, including but not limited to providing relevant records and making themselves available for witness interviews or examinations, with a view to having the matter or claim discontinued or dismissed.

14.2 The Parties acknowledge that it is their intent to cooperate to the extent necessary to effectuate and implement all terms and conditions of this Settlement Agreement.

14.3 The Settlement Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta. The Court of Queen's Bench of Alberta has exclusive jurisdiction over any issues arising from this Settlement Agreement, its implementation, and enforcement.

- 14.4 Plaintiffs' Counsel, on behalf of the Plaintiff Class, is expressly authorized by the Plaintiff Class to take all appropriate actions required or permitted to be taken by them pursuant to the Settlement Agreement to effectuate its terms.
- 14.5 All notices hereunder shall be delivered to the Parties' respective counsel or such other addressee as any Party may designate in accordance with this Settlement Agreement.
- 14.6 This Settlement Agreement may be executed in one or more counterparts. All executed counterparts and each of them will be deemed to be one and the same instrument.

IN WITNESS WHEREOF the Parties hereto have executed this Settlement Agreement as of the date written below.

Executed this _____ day of _____, 2015.

Witness

Simon Okkerse and Simon Okkerse as
Representative Plaintiff

Print Name

CBI PROPERTY INCOME CORP.

Witness

Print
Name: _____
Title: _____

Print Name

KEYSTONE COMMUNITIES LTD.

Witness

Print
Name: _____
Title: _____

Print Name

CBI INVESTMENTS LTD.

Witness

Print Name

Print
Name: _____
Title: _____

CBI CAPITAL INC.

Witness

Print Name

Print
Name: _____
Title: _____

RON CADMAN

Witness

Print Name

TRAVIS CADMAN

Witness

Print Name

Schedule "A"

Proposed Certification and Settlement Approval Order

COURT FILE NUMBER	1301-06573
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFFS	SIMON OKKERSE and SIMON OKKERSE AS REPRESENTATIVE PLAINTIFF
DEFENDANTS	CBI PROPERTY INCOME CORP., KEYSTONE COMMUNITIES LTD., CBI INVESTMENTS LTD., CBI CAPITAL INC., RON CADMAN and TRAVIS CADMAN
DOCUMENT	ORDER
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	MCGUIGAN NELSON LLP Barristers and Solicitors 300, 1550 – 8th Street S.W. Calgary, Alberta T2R 1K1 Phone: 403-265-7744 Fax: 403-265-7528 Attention: Kevin P. McGuigan

Clerk's Stamp

THIS MOTION made by the Plaintiffs for an Order seeking certification of this Action and approving the settlement of this Action in accordance with the Settlement Agreement entered into with the Defendants, approving Class Counsel's fees and disbursements, and for other declaratory relief.

ON READING the materials filed and on hearing submissions of counsel for the Plaintiffs and counsel for the Defendants:

1. THIS COURT ORDERS that the use of capitalized terms in this Order shall have the same meaning as those in the Settlement Agreement dated **[DATE OF SETTLEMENT AGREEMENT]** between the Plaintiffs and the Defendants (attached hereto as Schedule "A").
2. THIS COURT ORDERS AND DECLARES that the Settlement Agreement is fair, reasonable and in the best interests of the Class.
3. THIS COURT ORDERS that this Action is certified as a class proceeding, and that:
 - a. Simon Okkerse is appointed as the representative plaintiff for the class; and,
 - b. The class consists of all those persons and entities in Canada who purchased or acquired shares or notes in CBI Property Income Corp. on or before June 23rd, except for Excluded Persons, as defined in the Settlement Agreement dated **[DATE OF SETTLEMENT AGREEMENT]** between the Plaintiffs and the Defendants (attached hereto as Schedule "A");

4. THIS COURT ORDERS that the common issues certified are as set out in Schedule "B" to the attached Settlement Agreement.
5. THIS COURT ORDERS that the settlement of this action on the terms set forth in the attached Settlement Agreement, including the schedules thereto, be and is hereby approved pursuant to section 35 of the *Class Proceedings Act*, RSA 2003, c C-16.5 ("*Class Proceedings Act*") and shall be implemented in accordance with its terms.
6. THIS COURT ORDERS AND DECLARES that the Settlement Agreement, including the schedules thereto, is incorporated by reference into and forms part of this Order and is binding upon each member of the Class who has not opted out and his or her heirs, executors, administrators, legal representatives, successors and assigns including those persons who are under disability.
7. THIS COURT ORDERS AND DECLARES that following the Effective Date, each Class Member who has not opted out (the "Settlement Class") shall consent and shall be deemed to have consented to the dismissal as against the Defendants of any actions he, she or it has commenced without costs and with prejudice.
8. THIS COURT ORDERS AND DECLARES that, upon the Effective Date, any other action commenced by any member of the Settlement Class shall be and is hereby dismissed against the Defendants without costs and with prejudice.
9. THIS COURT ORDERS AND DECLARES that each member of the Settlement Class and his or her heirs, executors, administrators, legal representatives, successors and assigns, and others as set out in the Settlement Agreement have fully, finally and forever absolutely released and discharged the Defendants and any of their predecessors, successors, related entities or Affiliates from and in respect of all claims released in the Settlement Agreement on the terms set out therein.
10. THIS COURT ORDERS AND DECLARES that each member of the Settlement Class who has commenced any action or taken any proceeding relating in any way to the Released Claims shall consent and shall be deemed to have consented to the dismissal of such action or proceeding against any of the Defendants, without costs and with prejudice.
11. THIS COURT ORDERS AND DECLARES that each action or proceeding commenced in Alberta by a member of the Settlement Class shall be and is hereby dismissed against the Defendants herein, without costs and with prejudice.
12. THIS COURT ORDERS that McGuigan Nelson LLP and Kevin McGuigan are hereby appointed as Administrator to effect the administration of the settlement in accordance with the Settlement Agreement.
13. THIS COURT DECLARES that this Order and the settlement approved hereby are not based upon any finding or admission of liability or wrongdoing by the Defendants, and there has been no admission in respect of liability by the Defendants.
14. THIS COURT ORDERS that jurisdiction is retained by the Court to consider any further appropriate applications concerning the administration of the settlement.
15. THIS COURT ORDERS that, in accordance with subsection 33(6) of the *Class Proceedings Act*, Plaintiffs' Class Counsel's fees and disbursements are approved at \$60,000.00.

The Honourable Justice A.D. MacLeod

APPROVED AS TO FORM AND CONTENT:

JSS BARRISTERS
Counsel for the Defendants

Per: _____
Elizabeth Aspinall

Schedule “B” Common Issues

Definitions

The following terms used in this list of common issues have the meanings specified below:

“**Class Members**” means “All individuals other than Excluded Persons who have invested money with the Defendants in the PIC Investment, directly or indirectly, and suffered a loss of all or part of that Investment, and were Shareholders or Noteholders of record on or before June 23rd, 2015.

“**Corporate Defendants**” means CBI Property Income Corp., Keystone Communities Ltd., CBI Investments Ltd., and CBI Capital Inc.

“**Defendants**” means the Defendants cited in the Action.

“**Excluded Persons**” means the Defendants, any past or present subsidiaries, affiliates, officers, directors, senior employees, partners, legal representatives, heirs, predecessors, successors and assigns of one of the Defendants, and any individual who is a member of the immediate family of the Defendants Ron Cadman or Travis Cadman, including:

- i. parents, grandparents, or great grandparents;
- ii. aunts or uncles, whether related by blood, by law, or by marriage;
- iii. siblings, whether related by blood, by law, or by marriage, and;
- iv. any direct descendants, including children, grandchildren, and so forth.

“**Individual Defendants**” means Ron Cadman and Travis Cadman

Piercing the Corporate Veil

- a. Did the Individual Defendants as principals of the Corporate Defendants use the corporate structures of the Corporate Defendants as cloaks, shams or alter egos for the purpose of and to facilitate performing wrongful, unlawful and improper acts that have caused harm to the Class Members?
 - i. If yes, should the Individual Defendants be held liable for any found breaches?

Misrepresentation

- b. Did the Defendants make any misrepresentation, negligent, fraudulent, or innocent, to class members?
 - i. If yes, was any misrepresentation made to Class Members intended by the representor(s) to be relied on by Class Members?
 - ii. If yes, was any misrepresentation in fact relied on by Class Members?
 - iii. If yes, did Class Members suffer any detriment?

Conspiracy

- c. Did the Defendants enter into an agreement, arrangement or joint plan or form a common intention or otherwise act in a planned and concerted manner for the purpose of loaning

funds to various other projects, controlled by various Defendants without proper security being taken?

- i. If the answer to issue (c) is yes, did the Defendants agree to and commit unlawful acts directed towards Class Members in order to further their conspiracy?
 - ii. If the answer to issue (c) is yes, what acts did each of the Defendants perform in execution of their conspiracy?
 - iii. If the answer to issue (c) is yes, did the Defendants know or ought the Defendants to have known that injury to Class Members was likely to result from their unlawful conduct?
- d. If the answer to any of issues (c)(i), c(ii) or c(iii) is yes:
- i. can it be determined on a common basis whether Class Members suffered harm as a result of the various acts undertaken by the Defendants in furtherance of their unlawful conspiracy?; and
 - ii. if the answer to (d)(i) is yes, did Class Members suffer harm as a result of the various acts undertaken by the Defendants in furtherance of their unlawful conspiracy?

Unjust Enrichment

- e. Were the Defendants, or any of them, enriched through their receipt and use of the Class Member Funds?
 - i. If so, have Class Members suffered a corresponding deprivation?
 - ii. Is there a juristic reason for the enrichment/deprivation?

Breach of Contract

- f. Did the Defendants, or any of them, breach the terms of the Offering Memorandum?

Negligence

- g. Did any of the Defendants owe Class Members a duty of care?
 - i. If any of the Defendants owed a duty of care to Class Members, did any of them breach that duty of care?; and,
 - ii. If the Defendants, or any of them, breached a duty of care owed to Class Members, did that breach cause Class Members to suffer any loss?

Breach of Fiduciary Duty

- h. Did the Defendants, or any of them, owe a fiduciary duty to the class members?
 - i. If yes, did the Defendants breach that duty?
 - ii. If yes, did Class Members suffer damages as a result?

Oppression

- i. Did the Defendants engage in any conduct that was oppressive to Class Members?

Breaches of Securities Act

- j. Did the Defendants breach the Alberta *Securities Act*, RSA 2000, c S-4?
 - i. If yes, are the Defendants liable to Class Members as a consequence of that breach?
 - ii. If the answer to (j) is yes, have the Class Members initiated this Action outside the applicable limitation period?
 - iii. If the answer to (j) is yes, and the answer to j(ii) is no, did any such breach or breaches cause any loss to Class Members?

Remedies

- k. What, if any, remedies are Class Members entitled to?