

SUBSCRIPTION AGREEMENT

This Subscription Agreement applies to applicants making an application for a permanent resident visa in the Investor Class on or after December 1, 2010, and is

BETWEEN:

Her Majesty the Queen in Right of Canada as represented by the Minister of Citizenship and Immigration on behalf of and solely as Agent and not as principal for each Approved Fund ("the Minister")

- and -

(Subscriber's Name) ("the Subscriber")

NOW THEREFORE in consideration of the material covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each party hereto, the parties covenant and agree as follows:

1. Interpretation

In this Agreement, the following capitalized terms have the meaning given to them in this section:

"Agreement" means this Subscription Agreement;

"Minister" means the Minister of Citizenship and Immigration;

"Program" means the Immigrant Investor Program;

"Province" means a province or territory of Canada;

"Regulations" means the Immigration and Refugee Protection Regulations, as amended from time to time.

The following capitalized terms have the same meaning as that described in section 88(1) of the Regulations;

"Agent"

"Allocation Period"

"Approved Fund"

"Debt Obligation"

"Fund"

“Investment”
“Investor”
“Provincial Allocation”

The above terms are also set out in Schedule A attached hereto.

2. Purpose

The purpose of this Subscription Agreement is to allow the Subscriber to subscribe for Debt Obligations of Approved Funds in the Program.

The Subscriber hereby subscribes for a Debt Obligation of each Approved Fund, each in an amount equal to the respective Provincial Allocations of those Approved Funds, calculated in accordance with the Regulations and in the total aggregate amount of \$800,000 of lawful money of Canada. The Debt Obligations of each Approved Fund, as represented by the promissory note to be issued to the Subscriber, are several obligations. Each Approved Fund is severally liable only for the amount of its respective Provincial Allocation, without any interest whatsoever, and not for the Provincial Allocation of another Approved Fund. The Subscriber makes this payment in the Approved Funds as an Investment under the Program and will receive from the Minister a promissory note in the form set out in the “Pro Forma Fund Agreement” attached as Schedule B.

The method and timing of payment by the Subscriber shall be made in accordance with instructions to be provided by the Minister.

3. General

a) Applicable Law

This Subscription Agreement and the Debt Obligations, delivered by the Minister on behalf of the Approved Funds which issue it, shall be governed by and construed in accordance with the applicable laws of the province or territory of the respective Approved Fund and the laws of Canada applicable thereto. Any action for enforcement of this Subscription Agreement or the Debt Obligation against any Approved Fund, or province or territory that approved it, as the case may be, may only be brought in the Court of the province or territory of the respective Approved Fund. The Subscriber agrees to attorn to the exclusive jurisdiction of those respective courts.

b) Time of the Essence

Time shall in all respects be of the essence in this Subscription Agreement and the Debt Obligations.

c) Compliance with Directions

The Subscriber may at any time provide to the Minister an irrevocable direction, in form satisfactory to the Minister, to make payment that is due and payable under the Debt Obligations

to any other person and the Minister shall comply with such a direction. The Minister shall, upon the written demand of the person named in the direction executed by the Subscriber, confirm to that person that no prepayments have been made hereunder and the Minister has not been directed to make payment hereunder to any other person.

d) Debt Obligations to be Non-transferable

The promissory note in the form attached may be pledged or hypothecated by the Subscriber or if applicable by any person named in the direction executed by the Subscriber and by any subsequent holder of the promissory note but shall not be transferable or assignable. The promissory note is not a negotiable instrument.

4. Subscriber's Representations

The Subscriber warrants and represents the following which representations and warranties shall survive delivery to the Subscriber of the Debt Obligations:

- a) Subject to paragraph (b), the Subscriber understands that the Investment will be returned within ninety (90) days after the Subscriber makes a written request to the Approved Funds through the Minister in accordance with section 92(b) of the Regulations as long as the Subscriber's request to the Minister for payment has been received by the Minister before a visa for permanent residence has been issued regardless of whether or not the Subscriber is aware of such visa issuance. This request can only be made by the Subscriber to the Minister either as a result of a withdrawal of the application for permanent residence, or by a refusal by the Minister of the application for permanent residence.
- b) The Subscriber understands that once the visa for permanent residence is issued the Investment will not be repaid to him until thirty (30) days after the expiry of the Allocation Period in accordance with paragraph 92(i) of the Regulations.
- c) The Subscriber acknowledges receipt of information as to the nature of the Program and has received sufficient information regarding the Investment in order to make an informed decision on the merits, feasibility, investment potential, security and commercial viability of the Investment. After careful consideration the Subscriber has decided to make an aggregate Investment of \$800,000 of lawful money of Canada, ("the Investment") to be allocated to the said Approved Funds in Provincial Allocations in accordance with the formula in the Immigration Regulations.
- d) The Subscriber acknowledges that there has been no reliance placed on any verbal or written representations made by the Minister on behalf of the said Approved Funds and confirms that the decision of the Subscriber to invest is based solely on the Regulations, the Subscription Agreement and schedules attached.
- e) The Subscriber acknowledges understanding the significance and effect of the Debt Obligations and the obligations of the Approved Funds and the Minister respectively, in

relation to the Investment, by reading the Subscription Agreement and the schedules attached, by seeking necessary additional information, and by seeking independent financial, legal or other advice as required.

- f) The Subscriber acknowledges an awareness that the Investment is secured by the Debt Obligation, in the form of a non-negotiable promissory note in the form set out in the “Pro Forma Fund Agreement” attached as Schedule B to the Subscription Agreement, which shall be issued severally by each Approved Fund and prepared and delivered by the Minister to the Subscriber in an amount equal to the Provincial Allocation of that Fund. The total amount of Provincial Allocations shall be equal to the total amount of the Investment.
- g) The Subscriber agrees to indemnify and hold harmless the Minister, his officers, employees and agents from all claims and demands including costs and expenses arising from or incidental thereto in respect of any loss or damage sustained or suffered or alleged to have been sustained or suffered by the Subscriber as a result of the making of an Investment under the Program.
- h) The Subscriber acknowledges that this Investment is being made of free will and consent and without compulsion on the part of others and will assume full responsibility for making this Investment and has received full independent advice regarding the risks; if any, associated with this Investment.
- i) The Subscriber recognizes that making an Investment under the Program is just one of a number of requirements for obtaining a visa for permanent residence in Canada and that a final decision on the admission to Canada for permanent residence is dependent on compliance with the provisions of the *Immigration and Refugee Protection Act* and Regulations.

5. No Assignment

This Subscription Agreement shall not be assigned.

6. Security for Debt Obligation

In the event of a default or failure to repay any Provincial Allocation by the applicable Approved Fund, the principal amount of the Provincial Allocation under the promissory note is, in accordance with section 91(b) of the Regulations either guaranteed by the applicable province, or the applicable province will be liable for such payment.

SIGNATURES

This Agreement has been signed on behalf of Her Majesty the Queen in Right of Canada by the Minister of Citizenship and Immigration, and the Subscriber.

**HER MAJESTY THE QUEEN IN RIGHT OF CANADA
on behalf of and solely as Agent and not as principal for each Approved Fund**

Per: _____
Minister of Citizenship and Immigration

On: _____
(dd/mm/yyyy)

SUBSCRIBER: _____

Signature: _____

On: _____
(dd/mm/yyyy)

Schedule A

DEFINITIONS

"Agent" means, in respect of a fund, the Minister acting as agent on behalf of a fund that has been approved by a province;

"Allocation period" means, in respect of the provincial allocation of an investor, the period of five years beginning on the first day of the second month after the month in which the agent receives the investment;

"Approved fund" means a fund that is approved by the Minister under section 91.;

"Debt obligation" has the same meaning as in subsection 2(1) of the Canada Business Corporations Act;

"Fund" means a corporation that is controlled by the government of a province and is authorized to create or continue employment in Canada in order to foster the development of a strong and viable economy;

"Investment" means, in respect of an investor, a sum of \$800,000 that

(a) in the case of an investor other than an investor selected by a province, is paid by the investor to the agent for allocation to all approved funds in existence as of the date the allocation period begins and that is not refundable, during the period beginning on the day a permanent resident visa is issued to the investor and ending at the end of the allocation period, and

(b) in the case of an investor selected by a province, is invested by the investor in accordance with an investment proposal within the meaning of the laws of the province and is not refundable for a period of at least five years, as calculated in accordance with the laws of the province;

"Investor" means a foreign national who

(a) has business experience;

(b) has a legally obtained net worth of at least \$1,600,000; and

(c) indicates in writing to an officer that they intend to make or have made an investment.

"Provincial allocation" means, the portion of an investor's investment in an approved fund calculated in accordance with subsection (2).

(2) For purposes of the definition "provincial allocation" in subsection (1), the provincial allocation shall be calculated as of the first day of the allocation period in accordance with the formula

$$A + B$$

where

A equals \$400,000 divided by the number of approved funds that are not suspended; and

B equals \$400,000 multiplied by the gross domestic product at market prices of the province that has approved the non-suspended fund, divided by the total of the gross domestic products at market prices of all the provinces that have approved a fund that is not suspended.

(3) For the purpose of subsection (2), the gross domestic product is the one for the calendar year before the calendar year that immediately precedes the date of provincial allocation, as set out in the table entitled "Provincial accounts GDP at market prices by province (millions of dollars)" in the Canadian Economic Observer Historical Statistical Supplement, published by Statistics Canada.

Schedule B

PRO FORMA FUND AGREEMENT

This Fund Agreement takes effect on December 1st, 2010, upon the entering into force of the amendments to the Immigration and Refugee Protection Regulations governing the Immigrant Investor Program. This agreement applies to all applications for permanent resident visas in the federal Investors Class received at an immigration office on or after that date.

BETWEEN:

**HER MAJESTY THE QUEEN IN RIGHT OF CANADA
AS REPRESENTED BY THE MINISTER OF CITIZENSHIP AND IMMIGRATION**

(hereinafter referred to as the “Minister”)

-and-

XYZ FUND

WHEREAS the Immigrant Investor Program, as provided for in the Immigration and Refugee Protection Regulations, provides an opportunity for experienced business persons to immigrate to Canada after making an investment in a Fund approved by a Province and the Minister;

AND WHEREAS the Minister has established the Immigrant Investor Program on the basis of the central collection of Investments whereby the Minister acts as Agent for Approved Funds by receiving Investments from immigrant Investors and disbursing them to Approved Funds in accordance with an allocation formula set out in the Immigration and Refugee Protection Regulations;

AND WHEREAS at the end of the Allocation Period, the Minister will receive the Investors’ Provincial Allocations from each Approved Fund and subsequently return it to the Investor;

AND WHEREAS pursuant to subsection 5(1) of the *Immigration and Refugee Protection Act* (IRPA), the Immigration and Refugee Protection Regulations have been enacted to provide a regulatory framework for the Immigrant Investor Program to authorize the Minister:

- a) to approve a Fund if:
 - i. the Fund has been approved by a province;
 - ii. the province provides documentation to the Minister stating that, if the Fund fails to transfer the Provincial Allocation to the Agent in accordance with paragraph

92(g) of the Immigration and Refugee Regulations, the province will be liable to transfer to the Agent an amount equal to the Provincial Allocation in order to repay the Investor in accordance with paragraph 92(i) of the Regulations;

- iii. the Fund will be the only non-suspended Approved Fund in the province; and
- iv. the Fund has entered into this Agreement.

WHEREAS the objective of the Immigrant Investor Program is to foster the development of a strong and viable economy and prosperity of all regions of Canada and the Immigration and Refugee Protection Regulations require Approved Funds participating in the Program to invest in economic initiatives, which will create employment in Canada to foster the development of a strong and viable economy;

WHEREAS XYZ Fund is an Approved Fund;

AND WHEREAS it is the intent of the Parties that this Agreement takes effect on December 1st, 2010, upon the entering into force of the amendments to the Immigration and Refugee Protection Regulations.

NOW THEREFORE, in accordance with the principles set out above, the Minister and XYZ Fund hereby agree as follows:

1. Interpretation

In this Agreement, the following capitalized terms have the meaning given to them in this section:

“**Agreement**” means this agreement;

“**Minister**” means the Minister of Citizenship and Immigration;

“**Party**” means the Minister or XYZ Fund and “**Parties**” means the Minister and XYZ Fund;

“**Program**” means the Immigrant Investor Program;

“**Province**” means a province or territory of Canada;

“**Regulations**” means the Immigration and Refugee Protection Regulations, as amended from time to time; and

the following capitalized terms have the same meaning as that described in section 88 of the Regulations:

“**Agent**”

“Allocation Period”
“Approved Fund”
“Debt Obligation”
“Fund”
“Investment”
“Investor”
“Provincial Allocation”

2. Purpose

The purpose of this Agreement is to put in place a legal mechanism for receiving Investments from Investors, disbursing them to Approved Funds and at the end of the Allocation Period returning them to Investors in order:

- a) to create an effective relationship between the Minister and the Approved Fund for the administration of the Program;
- b) to establish a process and mechanisms for the Minister and the Approved Fund for the administration of the Program;
- c) to delineate the responsibilities of the Minister and the Approved Fund in administering the Program;
- d) to enable the XYZ Fund to appoint the Minister as its Agent for the purposes set out in the Regulations.

3. Appointment of Minister as Agent

- s) The XYZ Fund hereby appoints the Minister as Agent of the XYZ Fund in respect of the Debt Obligation upon and subject to the terms and conditions herein and therein contained and the Minister hereby accepts such appointment.
- b) The Minister shall act as registrar in respect of the Debt Obligations and as Agent of the XYZ Fund for such purpose and shall at all times keep a register for the Debt Obligations in which shall be entered the names of the holders of the Debt Obligations, and the particulars of the Debt Obligations held by them.
- c) All monies paid to the Minister by Investors pursuant to issuance of the Debt Obligations of the XYZ Fund shall be held by the Minister in a separate account from the moment when such monies are received, on behalf of the XYZ Fund.
- d) All repayments of Provincial Allocations paid to the Minister by the XYZ Fund shall be held by the Minister in a separate account, from the moment when such monies are

received until the time of actual repayment to the Investor, on behalf of the holders of Debt Obligations to be applied by the Minister, as Agent, to payments due on the Debt Obligations at the time and in the manner provided for in this Agreement and in the terms and conditions of the Debt Obligations or any direction executed by an Investor.

- e) Applications by Investors for the replacement of Debt Obligations shall be made to the Minister. Applications for destroyed, lost or stolen Debt Obligations shall be accompanied by proof of the destruction, loss or theft of the Debt Obligations, and indemnities satisfactory to the Minister. The Minister shall forward all copies of documents relating to the replacement of any Debt Obligation to the XYZ Fund on a timely basis.
- f) All expenses associated with the procurement of any indemnity and with the preparation, authentication and delivery of replacement Debt Obligations shall be borne by the holder of the Debt Obligation.
- g) Subject to paragraph 5(i) of this Agreement, the XYZ Fund shall not pay any fees to the Minister or reimburse the Minister for any expenses in connection with the matters set out in this Agreement.

4. Obligations of the Minister

The Minister's obligations hereunder include:

- a) In accordance with subparagraph 91(d) (i) of the Regulations, to receive the Provincial Allocation from the Investor and keep it until the beginning of the Allocation Period unless the Provincial Allocation is repaid to the Investor under paragraph 92(b) of the Regulations.
- b) In accordance with subparagraph 91(d) (ii) of the Regulations, to transfer the Investor's Provincial Allocation to the XYZ Fund at the beginning of the Allocation Period in accordance with paragraph 92(d) of the Regulations, unless the XYZ Fund is suspended under subsection 93(1) of the Regulations.
- c) In accordance with subparagraph 91(d) (iii) of the Regulations, to prepare and deliver to the Investor a Debt Obligation, in the form attached as Schedule "A", at the beginning of the Allocation Period in accordance with paragraph 92(e) of the Regulations.
- d) In accordance with subparagraph 91(d)(iv) of the Regulations, to receive the Provincial Allocation transferred by the XYZ Fund at the end of the Allocation Period in accordance with paragraph 92(g) of the Regulations.
- e) In accordance with subparagraph 91(d)(v) of the Regulations, in the event of default by the XYZ Fund to transfer the Provincial Allocation under paragraph 92(g) of the

Regulations, to receive the Provincial Allocation from the province in accordance with paragraph 92(h) of the Regulations.

- f) In accordance with subparagraph 91(d)(vi) of the Regulations, to repay the Provincial Allocation to the Investor thirty (30) days after the expiry of the Allocation Period in accordance with paragraph 92(i) of the Regulations.

5. Obligations of the XYZ Fund

The Fund's obligations hereunder include:

- a) In accordance with paragraph 92(a) of the Regulations, to receive the Provincial Allocation from the Agent.
- b) In accordance with paragraph 92(b) of the Regulations, to repay the Investor, through the Agent, the Investor's Provincial Allocation within ninety (90) days after the date of receipt by the Agent of a written request from the Investor whether the request is a result of a unilateral decision by the Investor to withdraw his application for permanent residence or is a result of a refusal by the Minister of the Investor's application for permanent residence, provided that such a request for repayment has been received by the Agent before a visa has been issued to the Investor, regardless of whether or not the Investor is aware of such visa issuance; and,
- c) In accordance with paragraph 92(c) of the Regulations to repay the Investor's Provincial Allocation to the Agent within thirty (30) days after the Agent informs the Approved Fund that the Investor has made a request in accordance with paragraph (b).
- d) In accordance with paragraph 92(d) of the Regulations, to receive through the Agent the Provincial Allocation on the first day of the Allocation Period if the XYZ Fund is not suspended.
- e) In accordance with paragraph 92(e) of the Regulations, on the first day of the Allocation Period, an Approved Fund that receives the Provincial Allocation shall issue to the Investor, through the Agent, a Debt Obligation that is in an amount equal to its Provincial Allocation, that is due and payable thirty (30) days after the expiry of the Allocation Period and that cannot be transferred but can be pledged as security.
- f) In accordance with paragraph 92(f) of the Regulations, to use the Provincial Allocation during the Allocation Period, for the purpose of creating or continuing employment in XYZ to foster the development of a strong and viable economy.
- g) In accordance with paragraph 92(g) of the Regulations, to transfer at the end of the Allocation Period, the Provincial Allocation to the Agent for repayment to the Investor in accordance with paragraph 92(i) of the Regulations.

- h) In accordance with paragraph 92(i) of the Regulations, to repay the Provincial Allocation to the Investor through the Agent thirty (30) days after the expiry of the Allocation Period, thereby extinguishing the Debt Obligation in respect of that Provincial Allocation.
- i) In accordance with Section 95 of the Regulations, to submit to the Minister, until all Investors in the Fund have been repaid in accordance with paragraph 92(i) of the Regulations, the following periodic report for the purpose of demonstrating compliance with paragraph 92(f) of the Regulations:
 - (a) A quarterly report on the use of Provincial Allocations, including:
 - (i) the names of the recipients of the portion of the Provincial Allocations invested,
 - (ii) a description of and the terms of the security received for that Investment,
 - (iii) the date on which the portion of the Provincial Allocation is invested,
 - (iv) the date on which the portion of the Provincial Allocations invested is recovered by the Fund,
 - (v) a brief description of the use of the portion of the Provincial Allocation invested,
 - (vi) the number of full-time job equivalents created by the portion of the Provincial Allocations invested, and
 - (vii) the code of each recipient of the Investment as set out in the Canadian Standard Industrial Classification for Companies and Enterprises, 1980, and
 - (b) Audited financial statements for the XYZ Fund, submitted within 180 days after the end of each financial year.
- j) In the event the XYZ Fund or XYZ fails to transfer the Investor's Provincial Allocation to the Minister in accordance with paragraph 92(g) of the Regulations or paragraph 92(h) of the Regulations as the case may be, the XYZ Fund shall pay interest to the Minister on the outstanding amount due at a rate equal to the rate established by the Minister of Finance (of Canada) to Crown Corporations that is in effect on the first day of January in the year in which transfer of the Investor's Provincial Allocation is due to the Minister. Interest shall be calculated for the period between the date specified for the transfer of the Investor's Provincial Allocation and the date the transfer is effected. The XYZ Fund shall pay an additional 1% of the principal amount outstanding on the Investor's Provincial Allocation to the Minister as a fee that represents additional administration costs incurred by the Minister.
- k) To provide the Minister with satisfactory evidence, or in the alternative, warranty and representation satisfactory to the Minister that the XYZ Fund has complied with the Securities Act (XYZ) or any other applicable provincial or territorial legislation.

6. Standard of Care and Indemnities

- a) The Minister as Agent shall not be bound in any way by the Debt Obligation between the Investor and the XYZ Fund. The only duties of the Minister shall be as Agent of the XYZ Fund and to act in accordance with the terms of this Agreement and the Regulations.
- b) The Minister as Agent shall exercise due diligence in carrying out his duties pursuant to the terms of this Agreement.
- c) Neither the Minister nor his officers, employees or agents shall have, by reason of this Agreement, any trustee or fiduciary relationship with the XYZ Fund.
- d) The XYZ Fund shall indemnify and hold harmless the Minister as Agent against all claims, actions, demands, losses, damages, costs, liabilities, fines or other proceedings, by whomsoever made, sustained, brought or prosecuted to the extent such are based upon, occasioned by, or attributable to, any willful or negligent act or omission of the XYZ Fund, its directors, officers or employees. The obligations of the XYZ Fund under this section shall survive payment of the Debt Obligations.
- e) The Minister as Agent shall indemnify and hold harmless the XYZ Fund against all claims, actions, demands, losses, damages, costs, liabilities, fines or other proceedings, by whomsoever made, sustained, brought or prosecuted to the extent such are based upon, occasioned by, or attributable to, any willful or negligent act or omission of the Minister, his officers, employees or agents. The obligations of the Minister as Agent under this section shall survive payment of the Debt Obligations.
- f) Each indemnified Party shall give prompt notice to each indemnifying Party of any action commenced against it in respect of which indemnity may be sought under this Agreement but failure to so notify any indemnifying Party shall not relieve it from any liability which it may have otherwise than on account of this indemnity. An indemnifying Party may participate at their own expense in the defense of such action. If it so elects within a reasonable time after receipt of such notice, an indemnifying Party may assume the defense of such action with legal advisors chosen by it and approved by the indemnified Party defendant in such action, unless such indemnified Party reasonably objects to such assumption on the ground that there may be legal defenses available to it which are different from or in addition to those available to such indemnifying Party, but an indemnifying Party may not settle any action commenced against an indemnified Party without the written consent of the indemnified Party. If an indemnifying Party assumes the defense of any such action, the indemnifying Party shall not be liable for any fees or expenses of the legal advisors of the indemnified Party incurred thereafter in connection with such action.
- g) The Minister, his officers, employees or agents shall not bear any liability or responsibility whatsoever arising from the delay or failure of the XYZ Fund or XYZ in repaying the Investor his Provincial Allocation, except as a result of the Minister, his officers, employees or agents failing to duly perform his obligations or duties set out in this Agreement.

- h) The Minister may from time to time request instruction, directions, documents or instruments apparently signed or issued by XYZ that approved the XYZ Fund as an Approved Fund. The Minister may rely and act upon any of these instructions, directions, documents or instruments as the case may be and it shall not be necessary for the Minister to inquire into the due authority and execution or genuineness thereof.

7. Default

In addition to the right to suspend under section 93 of the Regulations, a default by the XYZ Fund of this Agreement shall be deemed to have occurred if:

- a) The XYZ Fund fails to perform any of its obligations and responsibilities under this Agreement; or
- b) The XYZ Fund becomes insolvent and ceases its operations.

8. Dispute Resolution

- a) The Parties agree to use their best efforts to resolve any disputes under this Agreement as efficiently and cost effectively as possible.
- b) At all relevant times, the Parties will:
 - i. make bona fide efforts to resolve disputes under this Agreement by negotiations in good faith,
 - ii. ensure their representatives will meet to resolve each dispute without litigation, controversy or any claims arising from this Agreement, or breach of it, and
 - iii. provide frank, candid and timely disclosure of all relevant facts, information and documents to facilitate those negotiations.
- c) If a dispute under this Agreement cannot be resolved through negotiations in good faith, the Parties agree to participate in a mediation with a mutually acceptable mediator.
- d) The Parties will share the cost of the mediator equally and bear their own costs of mediation.
- e) Any dispute that cannot be resolved between the Parties hereto, whether arising during the period of this Agreement or at any time thereafter which touches upon the validity, construction, meaning, performance or effect of this Agreement or the rights and liabilities of the Parties hereto or any matter arising out of or connected with this Agreement shall be subject to an arbitration tribunal governed by the Commercial

Arbitration Code referred to in the *Commercial Arbitration Act* (1986 S.C. Chap. 22) and the decision shall be final and binding as between the Parties hereto and shall not be subject to appeal.

- f) Any arbitration to be carried out shall be subject to the following provisions, namely:
- i. The Party desiring arbitration shall nominate one (1) arbitrator and shall notify the other Party hereto of such nomination. Such notice shall set forth a brief description of the matter submitted for arbitration and, if appropriate, the paragraph hereof pursuant to which such matter is so submitted. Such other Party shall within thirty (30) days after receiving such notice nominate an arbitrator and the two (2) arbitrators shall select a chairman of the arbitral tribunal to act jointly with them. If said arbitrators shall be unable to agree in the selection of such chairman, the chairman shall be designated by the Minister;
 - ii. The arbitration shall take place in the City of Ottawa in the Province of Ontario. The chairman shall fix the time and place for the purpose of hearing such evidence and representations as either of the parties may present and, subject to the provisions hereof, the decision of the arbitrators and chairman or of any two (2) of them in writing shall be binding upon Parties both in respect of procedure and the conduct of the Parties during the proceedings and the final determination of the issues therein. Said arbitrators and chairman shall, after hearing any evidence and representations that the Parties may submit, make their decision and reduce the same to writing and deliver one (1) copy thereof to each of the Parties hereto. The majority of the chairman and arbitrators may determine any matters of procedure for the arbitration not specified herein;
 - iii. If the Party hereto receiving the notice of the nomination of an arbitrator by the Party desiring arbitration fails within the said thirty (30) days to nominate an arbitrator, then the arbitrator nominated by the Party desiring arbitration may proceed alone to determine the dispute in such manner and at such time as he shall think fit and his decision shall, subject to the provisions hereof, be binding upon the Parties; and
 - iv. Notwithstanding the foregoing, any arbitration may be carried out by a single arbitrator if the Parties hereto so agree, in which event the provisions of this subsection shall apply, with such modifications, as the circumstances require.
- g) If a dispute under this Agreement is not resolved in favour of the XYZ Fund, the Minister shall be entitled to suspend the XYZ Fund as result of the breach of the Agreement.

9. Records and Reports

- a) The Minister shall keep a full and complete record of:

- i. all Debt Obligations (including all payments received from the XYZ Fund which are held by the Minister pursuant to this Agreement) and of their payment, cancellation or destruction and any original documents received by the Minister in respect thereof; and
 - ii. all replacement Debt Obligations issued in substitution for destroyed, stolen or lost Debt Obligations and any original documents received by the Minister in respect thereof.
- b) The Minister shall inform the XYZ Fund promptly of any notice she may receive from registered holders of Debt Obligations.
- c) The XYZ Fund and the Minister may, from time to time, agree in writing upon policies and procedures regarding the administration of monies and the dealing with Debt Obligations.

10. Start Date and Termination

The Agreement takes effect on December 1st, 2010, as stated in the introductory clause. The Agreement shall terminate if the XYZ Fund has repaid the Provincial Allocation to all Investors and the Minister has revoked approval of the XYZ Fund in accordance with paragraph 94 of the Regulations.

11. Minister Shall Not Subcontract and Agreement Not Transferable or Assignable

The Minister shall not subcontract his obligations under this Agreement. Neither Party shall grant, transfer, or assign this Agreement or any right, title, privilege, interest or obligation herein without the prior written consent of the other. Any such purported grant, transfer or assignment without the written consent of the XYZ Fund or the Minister as the case may be, shall be null and void.

12. Amendments

This Agreement may be amended or supplemented by the Parties hereto without notice to or the consent of any holder of Debt Obligations, for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained herein, or in any manner which the Parties may deem necessary or desirable and which, does not adversely affect the interests of any holder of Debt Obligations.

13. Waiver of Provisions

Any provision of this Agreement for the sole benefit of one Party to this Agreement may be waived in whole or in part by that Party without prejudice to that Party's rights in the event of the breach of any other provision hereof. The waiver by either Party of any breach of any provision hereof shall not be taken or held to be a waiver of any further breach of the same provision. A waiver shall be binding on the waiving Party only if it is in writing.

14. Payment

Any payment of a Provincial Allocation by the Minister to an Approved Fund or by an Approved Fund to the Minister shall be made by a wire transfer or another agreed upon method of transfer of the monies, that comprise the Provincial Allocation.

15. Applicable Law

This Agreement shall be governed by and construed in accordance with the applicable laws of XYZ

16. Time of Essence

Time shall in all respects be of the essence in this Agreement.

17. Notices

Except as otherwise provided herein, notices required or permitted to be given hereunder must be given in writing and shall be effective only upon receipt by the Party to whom addressed at its address as set out herein or at such other address as it may by notice designate. Notices given to a Party shall be deemed received, if sent electronically or by facsimile, on the day next following their transmission provided electronic confirmation of receipt is produced at point of transmission and if sent by ordinary mail, ten (10) days following the date of mailing.

XYZ Fund:

Address:

The Minister:

Address:

8th Floor

Jean Edmonds South Tower

365 Laurier Avenue West
Ottawa, Ontario
K1A 1L1

SIGNATURES

This Agreement has been signed on behalf of Her Majesty the Queen in Right of Canada by the Minister of Citizenship and Immigration, and on behalf of XYZ Fund, _____
(name of authorized signing officer), _____ (title of authorized signing officer).

HER MAJESTY THE QUEEN IN RIGHT OF CANADA

Original signed by: _____
Minister of Citizenship and Immigration

On: _____
(dd/mm/yyyy)

XYZ FUND

Original signed by: _____
Authorized signing officer

On: _____
(dd/mm/yyyy)

Schedule “A” Pro Forma Debt Obligation

IMMIGRANT INVESTOR PROGRAM ZERO INTEREST PROMISSORY NOTE

Amount: The sum total of each Approved Fund’s Provincial Allocation, equal to an aggregate amount of \$800,000 in lawful money of Canada

Maturity Date:

Investor:

Annual Interest Rate: zero (0%) per cent

This promissory note is issued to the Investor pursuant to agreements between each of the Minister of Citizenship and Immigration and the Approved Funds set out herein, and in accordance with the *Immigration and Refugee Protection Regulations*.

FOR VALUE RECEIVED, the undersigned Approved Funds acknowledge themselves indebted and severally promise to pay in full, without interest, upon presentment and surrender of the promissory note at the designated office of the Minister of Citizenship and Immigration by the registered holder or the registered holder’s duly authorized attorney, in an amount equal to each respective Provincial Allocation set out below.

Province or Territory Controlling the Approved Fund	Approved Fund, Principal Debtor	Provincial Allocation (several obligations)
Newfoundland	_____	\$
Prince Edward Island	_____	\$
Nova Scotia	_____	\$
New Brunswick	_____	\$
Quebec	_____	\$
Ontario	_____	\$
Manitoba	_____	\$

Saskatchewan	_____	\$
Alberta	_____	\$
British Columbia	_____	\$
Yukon	_____	\$
North West Territories	_____	\$
Nunavut	_____	\$ -----

**TOTAL Aggregate
indebtedness represented
by this Note: \$800,000**

Dated at Ottawa, Canada, this _____ day of _____ 201_.

EACH OF THE APPROVED FUNDS set
out above, severally

By: Her Majesty the Queen in Right of Canada
as represented by The Minister of
Citizenship and Immigration on behalf of
and solely as Agent and not as principal for
each Approved Fund

The obligations of each Approved Fund herein are several obligations only. Each Fund is severally liable only for the amount of its respective Provincial Allocation (as set out in the chart, above), without any interest whatsoever, and not for the Provincial Allocation of any other Approved Fund.

The principal amount of the Provincial Allocation under this promissory note is, in accordance with s.91(b) of the *Immigration and Refugee Protection Regulations*, in the event of a default or failure to repay any Provincial Allocation by the applicable Approved Fund, either guaranteed by the applicable province, or the applicable province will be liable for such payment.

This promissory note shall severally bind each of the Approved Funds and their successors and assigns. This promissory note shall not be assigned or transferred by the Investor except by way of pledge as security or as otherwise permitted pursuant to the *Immigration and Refugee Protection Regulations*.

To obtain a reimbursement at the end of the period prescribed by the *Immigration and Refugee Protection Regulations*, the promissory note must be signed by the owner of the promissory note and witnessed. The owner's full name and address must be written on the promissory note.

Name: _____
Address: _____

I am entitled to repayment under this note and hereby surrender for reimbursement.

Signature of Owner of Promissory Note

Date

Signature of Witness

Date

Please return the Promissory Note to the following address for reimbursement:

Citizenship and Immigration Canada
Business Immigration
Jean Edmonds Tower South
8th Floor
365 Laurier Avenue West
Ottawa, Ontario
K1A 1L1
Canada