

SUBSCRIPTION DOCUMENTS



MWM

REAL ESTATE GROUP LIMITED

A MEMBER OF THE MWM GLOBAL HOLDINGS GROUP

Administrative Agent
Abacus Trust and Management Services Limited
2nd Floor Geneva Place
333 Waterfront Drive
P.O. Box 3339
Road Town, Tortola
British Virgin Islands
Telephone No: (284)-494-4388
Fax No: (284)-494-3088

Date: August 1st, 2006

SUBSCRIPTION AGREEMENT

Amount of Subscription: _____ SHARES

MWM Real Estate Group Limited
2nd Floor, Geneva Place
333 Waterfront Drive
P.O. Box 3339
Road Town
Tortola
British Virgin Islands
Telephone No: (284)-494-4388
Fax No: (284)-494-3088

Re: MWM Real Estate Group Limited (the "Company")

ISSUANCE OF SHARES

<hr/> Name of Investor (PLEASE PRINT OR TYPE)	<hr/> Nationality
	Please Initial / Check One: <input type="checkbox"/> Corporation Bank or Insurance Company <input type="checkbox"/> Partnership <input type="checkbox"/> Individual(s) <input type="checkbox"/> Other (Please Specify) <hr/>
Residential Address or Principal Place of Business Address <hr/> Street <hr/> <hr/> City <hr/> State, Zip <hr/> Country	Mailing Address if different from Investor's Residential Address or Principal Place of Business Address: <hr/> Street <hr/> <hr/> City <hr/> State, Zip <hr/> Country

_____ Attention	_____ Attention
_____ Telephone Number	_____ Telephone Number
_____ Website/Email Address	_____ Website/Email Address
If Investor is an individual (natural person), please indicate country of citizenship and residence: _____ Country of Citizenship _____ Country of Residence	If Investor is an individual (natural person), please indicate country of citizenship and residence: _____ Country of Citizenship _____ Country of Residence

Communications to Investor

Please send confirmation of this purchase and any other communications (including statements and redemption checks and any dividend checks to (check/initial one)):

- ___ residence or principal business address above
- ___ mailing address above

Registration of Shares

Shares maintained on the undersigned's behalf are to be registered in the books of the Company in the name of:

(INSERT NAME AND ADDRESS)

Please fax a copy of this document to MWM Real Estate Group Limited, c/o Fax No: (284)-494-4388, and mail the original to MWM Real Estate Group Limited, 2nd Floor, Geneva Place, P.O. Box 3339, 333 Waterfront Drive, Road Town, Tortola, British Virgin Islands.

DEFINITIONS

Board of Directors	The Board of Directors of the Company from time to time.
Capital Commitments	The amount of Shares that any one Investor has made a commitment to purchase once called upon to do so.
Closing	The Company intends to hold an initial closing upon receiving investor Subscriptions of at least Fifty Million United States Dollars (USD\$50,000,000.00). Additional shareholders may be admitted at subsequent closings at the discretion of the Directors after the initial closing.
The Company	MWM Real Estate Group Limited.
Custodian	Abacus Trust and Management Services Limited.
Drawdown	Generally subscriptions will be drawn down as needed to complete real estate investments or to provide for expenses of the Company, with a minimum of twenty-one (21) days prior written notice. The first capital call will be applied to make a qualifying real estate investment in accordance with the investment guidelines.
Investment Manager	MWM Management Company Limited.
Shares	Non-voting participating preference shares in the Company. The Company is presently authorised to issue 9,000,000 of such shares.
U.S. Person	A national or resident of the United States of America, a partnership or other entity created or organised in or under the laws of the United States of America or any political sub-division thereof and any estate or trust the income of which is subject to Federal income taxation in the United States of America regardless of its source.

August 1st, 2006

Dear Sirs:

Re: MWM Real Estate Group Limited

Reference is made to the confidential Offering Circular and Listing Prospectus of the Company and all supplements thereto (the "Prospectus") with respect to the offering of Shares of MWM Real Estate Group Limited, a British Virgin Islands Corporation (the "Company") offered on each subscription date following receipt of this Agreement. Capitalized terms used but not defined herein shall have the respective meanings given them in the Prospectus. All references to currency are to U.S. Dollars.

The undersigned subscribing investor (the "Investor") and the Company agree as follows:

1. Subscription for the Shares

The Investor subscribes for and agrees to an investment in the number of Shares (including fractional shares) which can be purchased with the subscription amount noted on the first page hereof (a "Subscription Commitment"). Such Shares will be issued from time to time by the Company in allotments as determined by the Board of Directors, on the terms provided for herein and in the Prospectus, and in the Memorandum of Association of the Company ("the Memorandum") and the Articles of Association of the Company ("the Articles" and, collectively referred to as "the Memorandum and Articles"). The Investor agrees to, and understands, the terms and conditions upon which the Shares are being offered, including, without limitation, the risk factors referred to in the Offering Circular and Prospectus. The Investor further attests to the fact that the opportunity to take independent legal advice and other advice has been taken. The subscription for the Shares contained herein may be rejected in whole or in part by the Company.

The first date for subscription of Shares shall be September 1st, 2006 or such other date as the Board of Directors shall designate upon not less than two days notice to the Administrative Agent ("Subscription Date"). On or prior to the Subscription Date, Investors shall deliver this Subscription Agreement to Abacus Trust and Management Services Limited (the "Administrative Agent") in duplicate at 2nd Floor, Geneva Place, P.O. Box 3339, 333 Waterfront Drive, Road Town, Tortola, British Virgin Islands.

2. Payment by the Investor

Shares will be issued to the Investor from time to time at the discretion of the Board of Directors (each such issuance a "Drawdown"). All Shares subscribed for by a particular Investor shall constitute a series. Shares issued at different Drawdowns shall constitute separate classes of a series or the Company may designate share classes as investments necessitate. The Investor shall pay for Shares in separate Drawdowns or in one Drawdown at the option of the Company. The subscription price for shares in any series on the date of any Drawdown shall be USD\$100.00 per share plus the amount per share of specified company expenses allocated or allocable to such class or series, or a price determined pursuant to the Memorandum and Articles. The Administrative Agent will provide each Investor with a notice (the "Notice of Drawdown") at least twenty-one (21) days prior to the date payment is required. Share ownership is maintained in book entry form. Share certificates will not be issued.

3. Representations and Warranties of the Company

The Company represents and warrants that:

- 3.1 The Company is a corporation duly formed, validly existing and in good standing under the laws of the British Virgin Islands and has all requisite power and authority to carry on its business as now conducted and as proposed to be conducted as described in the Prospectus. The Investment Manager is a corporation duly organized, validly existing and in good standing under the laws of the British Virgin Islands and has all requisite corporate power and authority to act as the Investment Manager as contemplated by the Prospectus, and to carry out the terms of this Agreement and the Memorandum and Articles applicable to it.
- 3.2 The execution and delivery of this Agreement by the Company has been authorized by all necessary action on behalf of the Company, and this Agreement is a legal, valid and binding agreement of the Company, enforceable against the Company in accordance with its terms.
- 3.3 The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby will not conflict with or result in any violation of or default under any provision of the Memorandum and Articles, or any agreement or other instrument to which the Company is a party or by which it or any of its properties are bound, or any permit, franchise,

judgment, decree, statute, rule or regulation applicable to the Company or its business or properties.

- 3.4 Neither the Company nor anyone acting on its behalf has taken or will take any action that would subject the transactions contemplated by Section 1 hereof to the registration requirements of the Securities Act of 1933, as amended of the United States of America (the "Securities Act").
- 3.5 The Company is not required to register as an "investment company" under the Investment Company Act of 1940, as amended of the laws of the United States of America (the "Investment Company Act"). The Company is incorporated as a closed end investment company and as such is not regulated by the Mutual Funds Act, 1996 (as amended) of the laws of the British Virgin Islands. The Company is therefore not subject to the supervision of the British Virgin Islands Financial Services Commission and the Financial Services Commission has neither verified the information contained in this Subscription Agreement or the Prospectus nor given corresponding approval. As a consequence of the foregoing, there is no financial obligation or compensation scheme imposed on or by the Government of the British Virgin Islands in favour of or available to the investors in the Company.
- 3.6 There is no action, proceeding or investigation pending or threatened against the Company which questions the validity of this Agreement or the Memorandum and Articles or any action taken or to be taken pursuant to this Agreement or the Memorandum and Articles.
- 3.7 There are no placement or other similar fees payable by the Company in connection with the negotiation of this Agreement or the consummation of transactions contemplated hereby.
- 3.8 The Prospectus, when read in conjunction with this Agreement, its exhibits and schedules, and the Memorandum and Articles do not, as of the date hereof, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained herein and therein misleading.

4. Eligibility Representations of the Investor

The Investor represents and warrants that:

- 4.1 (a) if an individual, the Investor is of legal age, and has citizenship and residency as set forth at the beginning of this Subscription Agreement; OR
(b) if a corporation, partnership, trust or other legal entity, it is organized under the laws of, and has its principal place of business in, the jurisdictions set forth at the beginning of this Subscription Agreement.
- 4.2 the Investor is an eligible client as defined below:
 - (a) FOR INDIVIDUAL INVESTORS:
 - (i) HOLDING FOREIGN INCENTIVE SHARES ONLY - If I have checked the box on page 1 indicating that I am an individual, I certify that I am an "eligible client" because (i) immediately after purchasing Shares, I will have at least USD\$100,000.00 under the management of the Investment Manager and its affiliates, whether through an investment in the Company or otherwise; and(ii) I have an individual net worth, including assets held jointly with my spouse, in excess of USD\$1,000,000.00 (or the equivalent in any freely convertible currency). As used in the foregoing sentence, "net worth" means the excess of total assets at fair market value over total liabilities, OR
 - (ii) HOLDING LOCAL INCENTIVE SHARES - If I have checked the box on page 1 indicating that I am an individual, I certify that I am an "eligible client" because immediately after purchasing Shares, I will have at least USD\$50,000.00 under the management of the Investment Manager and its affiliates, whether through an investment in the Company or otherwise;
 - (b) FOR INVESTORS OTHER THAN INDIVIDUALS: If I have checked a box on page 1 indicating that I am not an individual, I certify that I am the duly authorized representative of the undersigned entity, and that the Investor is an "eligible client" because:
 - (i) the Investor is a company (as defined in the U.S. Investment Advisors Act of 1940, as amended of the laws of the United States of America), but not (w) an investment company registered under the Investment Company Act (as amended) of the laws of the United States of America, (x) a company required to register as an investment company under the Investment Company Act, (y) an entity which would be defined as an investment company under Section 3(a) of the Investment Company Act but for the exception provided from that definition by Section 3(c)(1) of such Act, or (z) a private business development company as defined in Section 202(a) of the Investment Advisors Act of 1940, as amended of the laws of the United States of America; and (this may need some clarification)
 - (ii) the Investor or its sole shareholder either has a net worth in excess of USD\$1,000,000.00 or, immediately after purchasing Shares will have at least USD\$100,000.00 under the management of the Investment Manager and its affiliates, whether through the ownership of Shares or otherwise. As used in the foregoing sentence, "net worth" means the excess of total tangible assets at current value less total liabilities.

4.3 The Investor:

- (a) has not and shall not acquire the Shares in the United States of America;
- (b) represents and warrants that he, she or it is not a U.S. Person, and acknowledges that the Shares may not be owned by, and that the Investor will not resell, re-offer or transfer any Shares or any interest therein to a U.S. Person. IT IS THE RESPONSIBILITY OF EACH INVESTOR TO VERIFY THAT HE, SHE OR IT IS NOT A U.S. PERSON;
- (c) acknowledges that the Shares subscribed for hereunder have not been and will not be registered under the Securities Act of the laws of the United States of America, or any other law of the United States of America or any state or any other jurisdiction thereof;
- (d) acknowledges that re-offers, re-sales or any transfer of the Shares may be made only in compliance with the applicable securities laws of the BVI and only with the prior authorization of the Board of Directors which may, in its discretion, decline to issue any Shares to, or register Shares in the name of, any person; and
- (e) will not transfer any Shares except on the books of the Company and acknowledges that the Shares shall be transferable only to investors who are "eligible clients" as defined above and who are not "U.S. Persons," and only with the consent of the Board of Directors.

4.4 The Investor has received and read a copy of the Prospectus. The Investor acknowledges that in making his decision to subscribe for Shares he, she or it has relied solely upon independent investigations made by him, her or it and has sought legal advice and any other type of advice necessary. The Investor understands the investment objectives and policies of, and the investment strategies which may be pursued by, the Company. The Investor's investment in the Shares is consistent with the investment purposes and objectives and cash flow requirements of the Investor and will not adversely affect the Investor's overall need for diversification and liquidity. The Investor has not reproduced, duplicated or delivered the Prospectus to any other person, except as authorized by the Company.

4.5 The Investor has had the opportunity to ask questions of, and receive answers from, the Company or its authorized representatives concerning the terms and conditions of the Investor's acquisition of the Shares being subscribed for hereby, and to obtain any additional information, which the Company or its authorized representatives possess or can acquire without unreasonable effort or expense, necessary to verify the accuracy of the information given by the Company or its authorized representatives to the undersigned.

4.6 The Investor has such knowledge and experience in financial and business matters that the Investor is capable of evaluating the merits and risks of the Investor's investment in the Shares and is able to bear such risks, and has obtained, in the Investor's judgment, sufficient information from the Company or its authorized representatives to evaluate the merits and risks of such investment. The Investor has evaluated the risks of investing in the Shares and has determined that the Shares are a suitable investment for the Investor. The Investor has not utilized any other person as a purchaser representative in connection with evaluating such merits and risks.

4.7 The Investor can afford a complete loss of the investment in the Shares, can afford to hold the investment in the Shares for an indefinite period of time, and acknowledges that distributions, including, without limitation, the proceeds of redemptions, may be paid in cash or in kind.

4.8 The Investor understands the method of compensation under the Management Agreement between the Company and the Investment Manager and acknowledges that the Management Agreement is not an arm's length contract between the Company and the Investment Manager.

4.9 The Investor is acquiring the Shares subscribed for herein for investment purposes only and not with a view to distribute or resell such Shares.

4.10 The Investor has consulted with his, her or its own advisors and is fully informed as to the legal and tax requirements within the Investor's own country (countries) regarding a purchase of the Shares and otherwise.

4.11 The Investor understands that the Company may compulsorily repurchase such Shares in accordance with its Articles of Association for any reason, including, without limitation, if the Board of Directors of the Company believes that a U.S. Person is the beneficial owner of Shares.

4.12 The Investor shall within ten (10) business days notify the Company at the address given above of any change in citizenship or residence or if any of the representations and warranties contained in Section 4 are no longer true and correct with respect to such Investor, and acknowledges that the Shares may be redeemed if the Investor is no longer an eligible investor or such redemption is otherwise authorized by the Company's Board of Directors in order to avoid tax or regulatory consequences which the Board of Directors in its sole discretion deems to be adverse to the Company or its Shareholders pursuant to the Articles of Association.

5. Other Representations of the Investor

5.1.1 The execution, delivery and performance by the Investor of this Agreement are within the powers of the Investor, have been duly authorized and will not constitute or result in a breach or default under or conflict with any order, ruling or regulation of any court or other tribunal or of any governmental commission or agency, or any agreement or other undertaking, to which the Investor is a party or by which the Investor is bound, and, if the Investor is not an individual, will not violate any provisions of the incorporation papers, by-laws, indenture of trust or partnership agreement, as may be applicable, of the Investor. If the

Investor is an individual, he or she has the requisite legal competence and capacity to execute the same. If the Investor is not an individual, the signatory has been duly authorized to execute this Agreement. This Agreement constitutes a legal, valid and binding obligation of the Investor, enforceable in accordance with its terms.

- 5.1.2 The Investor shall indemnify and hold the Company harmless from and against all claims, demands, suits, actions and/or proceedings (including costs as between Attorney-at-Law and own client on a full indemnity basis) made or brought by any person against the Company and any loss arising therefrom in respect of, and/or arising out of, any breach and/or default referred to in paragraph 5.1.1 above.
- 5.2 The Investor agrees to provide such further documentation as shall be reasonably required by the Company.

6. Conditions to Closing

The Investor's obligation in order to be admitted into the Company at the Closing is subject to the fulfillment (or waiver by Investor), prior to or at the time of the Closing, of the following conditions:

- 6.1 The Memorandum and Articles shall have been duly authorized, executed and delivered by the Company. Other Investors shall have aggregate Capital Commitments such that when they are taken together with the Investor's Shares, the total is estimated to be at least Fifty Million United States Dollars (USD\$50,000,000.00). Any necessary filing with respect to the Company shall have been duly delivered for filing in such place or places as are required by the laws of the British Virgin Islands. The Memorandum and Articles shall be in full force and effect.
- 6.2 The representations and warranties of the Company contained in this Agreement shall be true and correct in all material respects when made and at the time of the Closing, except as such representations and warranties are affected by the consummation of the transactions contemplated by this Agreement or the Memorandum and Articles.
- 6.3 On the date of the Closing, the Investor's subscription hereunder shall be permitted by the laws and regulations of each jurisdiction to which the Investor is subject, that is, both the Investor's jurisdiction of domicile, and otherwise.
- 6.4 In the event that, in the sole discretion of the Board of Directors, the Investor has complied with the provisions set out in paragraphs 6.1 – 6.3 above, the Company will deliver to the Investor a certificate, dated the date of the Closing, certifying as to the fulfillment of the conditions specified in Sections 6.1 through 6.3.
- 6.5 The Investor will receive opinions in relation to the legal status of the Company, dated the date of the Closing, from Lanx Lancis BVI, special British Virgin Islands counsel to the Company.
- 6.6 All corporate and other proceedings in connection with the transactions contemplated by this Agreement and all documents and instruments incident to such transactions shall be satisfactory to the Investor, and the Investor shall have received all such counterpart originals or certified or other copies of such documents as the Investor may reasonably request.
- 6.7 If at the Closing any of the conditions specified in this Agreement shall not have been fulfilled, the Investor shall, at the Investor's election, be relieved of all further obligations under this Agreement and the Memorandum and Articles without thereby waiving any other rights the Investor may have by reason of such non-fulfillment. If the Investor elects to be relieved of his/her/its obligations under this Agreement pursuant to the immediately preceding sentence, the Memorandum and Articles shall be null and void as to the Investor, the Power of Attorney executed by the Investor shall be used only to carry out and effect the actions required by this sentence, and the Company shall promptly take, or cause to be taken, all steps necessary to nullify the Memorandum and Articles as to the Investor.

7. Conditions to Obligations of the Company and Investment Manager

The obligations of the Company and the Investment Manager to admit any person as an Investor of the Company at the Closing shall be subject to the fulfillment (or waiver by the Company), prior to or at the time of the Closing, of the following conditions:

- 7.1 The Articles of Association shall have been duly authorized, executed and delivered. Other Investors shall have aggregate Capital Commitments such that, when they are taken together with the Investor's Shares, the total is estimated to be at least Fifty Million United State Dollars (USD\$50,000,000.00). Any necessary filing with respect to the Memorandum and Articles shall have been duly delivered for filing in such place or places as are required by the laws of the British Virgin Islands.
- 7.2 The representations and warranties made by the Investor in this Agreement shall be true and correct in all material respects when made and at the time of the Closing.
- 7.3 The Investor shall have duly performed and complied in all material respects with all agreements and conditions contained in this Agreement required to be performed or complied with by the Investor prior to or at the Closing.

8. General

- 8.1 The Investor acknowledges that under the laws of the British Virgin Islands and the Articles of Association, each Director and officer of the Company is entitled to be indemnified out of the assets of the Company against all expenses (including legal

fees and disbursements), losses, liabilities, judgments or fines which such Director or officer may sustain or incur in or about the execution of the duties of such office or otherwise in relation thereto, that no Director or officer is liable for any loss, damage or misfortune which may happen to, or be incurred by, the Company in the execution of the duties of such office, or in relation thereto, except for such Director's or officer's own wilful misconduct, if in the determination of the Board of Directors, such Director or officer acted honestly and in good faith with a view to the best interests of the Company and had no reasonable cause to believe that his conduct was unlawful and that the determination of the Board of Directors is, in the absence of fraud, conclusive for purposes of indemnification.

- 8.2 This Agreement (a) shall be binding upon the Investor and the heirs, legal representatives, successors, and permitted assigns of the Investor and shall inure to the benefit of the Company and its successors and assigns, (b) shall be governed, construed and enforced in accordance with the laws of the British Virgin Islands, (c) shall survive the acceptance of the Investor as a shareholder of the Company, and (d) shall, if the Investor consists of more than one person, be the joint and several obligation of each of such persons.
- 8.3 The Investor irrevocably agrees that any suit, action or proceeding which the Investor wishes to bring against the Company with respect to this Agreement and any or all transactions relating hereto and thereto shall be brought in the courts of the British Virgin Islands. The Investor irrevocably submits to the jurisdiction of the BVI Courts with respect to any such suit, action or proceeding and agrees and consents that service of process as provided by British Virgin Islands law may be made upon the Investor in any such suit, action or proceeding brought in any of said courts by serving process on a designated registered agent for such purpose in the BVI, and shall not claim that any such suit, action or proceeding has been brought in an inconvenient forum. The Investor further irrevocably consents to the service of process out of any of the aforesaid courts, in any such suit, action or proceeding, by the mailing of copies thereof, by certified or registered mail, return receipt requested, addressed to the Investor at the address of the Investor then duly appearing on the records of the Company. The Investor shall be required to appoint a registered local agent to accept service of notices, process or any other document to be served pursuant to the operation of the Company. Nothing contained herein shall affect the right of the Company to commence any action, suit or proceeding or otherwise to proceed against the Investor in any other jurisdiction or to serve process upon the Investor in any manner permitted by any applicable law in any relevant jurisdiction.
- 8.4 The Investor agrees to indemnify and hold harmless the Company, the Investment Manager, the Administrative Agent and their respective principals, affiliates, agents and all other associated persons from and against any and all loss, damage or liability (including attorneys' fees) due to or arising out of a breach of any representation, warranty or agreement of the Investor contained in this Agreement.
- 8.5 If any provision of this Agreement is invalid or unenforceable under any applicable law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such applicable law. Any provision hereof which may be held invalid or unenforceable under any applicable law shall not affect the validity or enforceability of any other provisions hereof, and to this extent the provisions hereof, shall be severable.

9. Management Fees

Initial Charge

The Board of Directors allows the Investment Manager to make an initial sales charge of between 2%-3% of the subscription amount on all subscriptions. The initial charge is payable to the Investment Manager, which may at its discretion pay recognised agents and intermediaries, including but not limited to, solicitors, bankers, accountants, stockbrokers and registered financial advisors a commission based on the amount invested under applications received through their referral out of the proceeds of the said initial charge.

Annual Charges

The management and investment advisory fee is 1%, p.a. based on average Net Asset Value of each class of shares calculated by the Custodian as at June 30th and December 31st. Such fees are payable quarterly.

The Custodian and administrative fee charged to each of the sub portfolios/class accounts is as follows:

0.20% p.a. on the net assets from USD\$30,000,000.00 to USD\$50,000,000.00;

0.175% p.a. on the net assets from USD\$50,000,000.00 to USD\$80,000,000.00;and

0.15% p.a. on the net assets over USD\$80,000,000.00.

based on the Net Asset Value of each Class calculated by the Custodian as at June 30th and December 31st. Such fees are payable semi-annually.

10. Power of Attorney

The Investor hereby constitutes and appoints the Investment Manager as its true and lawful attorney-in-fact, with full power in the name and on behalf of the Investor to take any and all actions as may be necessary or desirable to accomplish the transfer of all legal and beneficial title to Shares held by the Investor to itself or its designated nominee should the Board of Directors designate the Investor as having committed a Default under Section 11 hereof.

11. Defaulting Investors

- 11.1 **Default:** The Investor acknowledges and agrees that if it fails to purchase Shares as required by a Notice of Drawdown and any such failure continues for ten (10) Business Days after receipt of written notice of such failure (as opposed to the Notice of Drawdown) thereof from the Company (a "Default"), then such Investor (a "Defaulting Member") may be designated as being in default. The date of default shall be deemed to be the last day designated in the Notice of Drawdown for payment ("the Date of Default"). The Board of Directors may choose not to designate any given Investor as a Defaulting Member and may agree to waive or permit the cure of any Default, subject to such conditions as the Board of Directors and the Defaulting Member may agree upon. The Company shall promptly notify each non-defaulting Investor of each default (a "Default Notice").
- 11.2 **Consequences of Default:** In the event that an Investor becomes a Defaulting Member, the Investor agrees and understands that the following provisions shall apply:
- (a) Whenever the consent of the Investors is required or permitted pursuant to the Articles of Association or under the Act, a Defaulting Member shall not be entitled to participate in such consent, and such consent shall be tabulated as if such Defaulting Member were not an Investor, with the remaining amount of the Defaulting Member's Subscription deemed to be zero until it is assumed pursuant to Section 11.3.
 - (b) As of the date of a Default Notice pursuant to Section 11.1, the Defaulting Member shall have no further rights under the Articles of Association and shall not be entitled to participate in any manner in the Company. As of the date of the Default, a Defaulting Member's Remaining Subscription Amount (the "Defaulted Commitments") and purchase of Shares included in the Rate of Return Pool shall each be deemed to be zero (except with respect to Section 11.4(b)).
- 11.3 **Transfer of Defaulted Interest to Interim Holder:** The Investment Manager, as the Defaulting Member's attorney-in-fact pursuant to the Power of Attorney contained herein, shall immediately sell all legal and beneficial title to Shares held by any Defaulting Member (the "Defaulted Shares"), to itself or to a nominee designated by the Investment Manager (the Investment Manager or such nominee being referred to as the "Interim Holder") for the consideration of one dollar. After such sale, a Defaulting Member shall have no further interest in the Shares. While the Defaulted Shares are held by the Interim Holder, the Interim Holder shall not be entitled to participate in any required or permitted consent pursuant to the Articles of Association, and any such consent taken during such period shall be tabulated as if the Defaulted Shares were not outstanding. A Defaulting Member understands and agrees that, after Date of Default, it will have no further right to the profits or any earnings and, if and to the extent any of the same are received by a Defaulting Member, they shall be held in trust by the Defaulting Member and immediately accounted for and paid over to the Interim Holder.
- 11.4 **Notice of Default to Other Investors – Assumption of Defaulted Commitment:**
- (a) Promptly after the occurrence of any Default, the Company shall give notice of such Default to all Investors other than the Defaulting Member (the "Non- Defaulting Members"). Such notice may include the name of the Defaulting Member, the total amount of its prior Share purchases, and its Remaining Subscription Amount, if any, and the amount of the defaulted Share purchase.
 - (b) Each of the Non-Defaulting Members shall have an option, exercisable within ten (10) Business Days following the date of the notice referred to herein to purchase all or any portion of the Defaulted Member's Shares and to assume the Defaulted Member's Commitments as follows:
 - (ii) by executing a written agreement providing that this Subscription Agreement shall be deemed to be amended to increase its amount of Subscription by the amount equal to the Subscription of the Defaulting Member, or any portion thereof, and affirming its representations and warranties in this Subscription Agreement as of the date of such written agreement; and
 - (ii) by tendering payment to the Interim Holder of an amount equal to the sum of the Defaulting Member's unreturned paid in capital, determined without giving effect to Section 11.2 (b).(may need some clarification)Each Investor agrees that if two or more Non-Defaulting Members have given notice of their intent to exercise the option granted under this Section 11.4 and are unable to agree as to the apportionment thereof, each such Non-Defaulting Member shall participate in the option in proportion to its respective pro rata share of the total Subscriptions.
 - (c) If the Non-Defaulting Members do not assume the entire Amount of Subscription of the Defaulting Member pursuant to Section 11.4, then the Company, in the sole discretion of the Board of Directors, may offer the portion of the Defaulting Member's Subscription which was not assumed and the corresponding Shares to any other person or persons, at such price and on such terms as the Company may deem appropriate under the circumstances, provided that (i) such price and terms offered to such Person or Persons cannot be any more favourable than the price and terms offered to the Non-Defaulting Members and (ii) the Company shall give five (5) Business Days' prior written notice to the Non-Defaulting Members of the identity of such Person or Persons.
 - (d) Any amounts which the Interim Holder shall receive from Non-Defaulting Members in connection with the exercise of the option referred to in Section 11.4 shall be paid as follows:

First, to the payment of all costs and expenses to the Company, of the transactions contemplated by this Section 11, including but not limited to all filing, recording and publishing fees and costs and fees and disbursements of counsel

employed by the Company; and

Second, the balance to the Non-Defaulting Members in proportion to their respective Subscriptions.

(e) Other earnings received from the Company, shall be paid pro rata to the parties exercising the option under Section 11.4.

(f) The undersigned agrees that each of (i) the Series associated with Investors acquiring Defaulted Shares, on the one hand, and the Series associated with the Defaulting Member, on the other, and (ii) the Rate of Return Pool, shall be appropriately adjusted to give effect to any transfers pursuant to Section 11.4. The positive balance, if any, in the Series associated with the Defaulting Member, after giving effect to any such adjustments, shall be distributed as follows:

First, the payment of all costs and expenses of the Company of the character referred to in paragraph first of Section 5.4(d) to the extent not previously provided for under such paragraph; and

Second, the balance to Non-Defaulting holders of Shares in proportion to their respective Subscriptions.

11.5 Obligations of Defaulting Member Not Extinguished:

Notwithstanding any other provision of this agreement, the obligations of any Defaulting Member to the Company hereunder shall not be extinguished as a result of the transactions contemplated by Section 11. Such obligations shall only be extinguished by, and to the extent of, the payments of contributions pursuant to Section 11.4 or actually made in the place of payments by the Defaulting Member by any Person who assumes the Defaulted Commitments pursuant to this Section 11. If the Defaulted Commitments are not assumed as contemplated thereby, or if payment in full of all obligations of a Defaulting Member is not made, the Company shall have the right, at its sole discretion, to pursue all remedies at law or in equity available to it. For the avoidance of doubt, Defaulting Members do not relinquish any obligations in relation to the Shares purchased before Default pursuant to the terms and conditions of this Agreement.

12. Nominee

If the undersigned is acting as agent, representative or nominee for an Investor who is the beneficial owner of the Shares subscribed for herein ("the Beneficial Owner"), the undersigned understands and acknowledges that the representations, warranties and agreements made herein are made by the undersigned (a) with respect to the undersigned and (b) with respect to the Beneficial Owner of the Shares subscribed for hereby. The undersigned represents and warrants that he or she has all requisite power and authority from said Beneficial Owner to execute and perform the obligations under this Application. The undersigned agrees to indemnify the Company and its Directors, officers and agents for any and all costs, fees and expenses (including legal fees and disbursements) in connection with any damages resulting from the undersigned's or the Beneficial Owner's misrepresentation or misstatement contained herein, or the assertion of the undersigned's lack of proper authorization from the Beneficial Owner of the Shares subscribed to hereby enter into this Application or perform the obligations hereof.

13. Other Subscription Agreements

Each Investor is entitled the most favourable provisions afforded any other Investor under any Subscription Agreement to the Company.

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of the ___ day of _____, 200__.

For individual investors:

(Signature)

(Please Type Name)

OR

IN WITNESS WHEREOF the undersigned hereto has set its hands and seal as of the ___ day of _____, 200__.

For other than individual investors:

(Please Type Name of Investor)

By: _____
(Signature)

(Please Type Name of Signatory)

Title

