



TAX EFFICIENT OPPORTUNITY / RRSP & TFSA ELIGIBLE  
CHESTERMERE LANDS DEVELOPMENT CORPORATION



CBIGROUP®



# Chestermere Lands

Chestermere Lands Development Corporation (Chestermere Lands) is an investment opportunity within the town of Chestermere, adjacent to the east city limits of Calgary, Alberta. Chestermere Lands has entered into an agreement to acquire up to a 25% undivided interest in a joint venture with an affiliate of United Communities<sup>1</sup> in lands spanning 316 acres that will have a mix of single and multifamily homes, commercial space and parks. The land is expected to be comprised of approximately 1,200 residential lots and provide much needed housing for the booming community of Chestermere.



**OPPORTUNITY FOR  
TAX EFFICIENCY**



**RRSP & TFSA  
ELIGIBLE**



**CANADIAN**



**STRONG  
PARTNERSHIP**

<sup>1</sup> Upon closing of the Offer to Purchase, Chestermere Lands Development Corporation will enter into a Joint Venture agreement with 2007 United Lands Limited Partnership by its general partner 2007 United Lands Corporation (an affiliate of United Communities), to develop 316 acres of land located in the Town of Chestermere.



## Project Details

<b>Offering Amount:</b>	Maximum: \$16.6 million (16,600 offered units)	Minimum: \$500,000 (500 offered units)
<b>Price Per Unit:</b>	\$1,000 per offered unit	
<b>Minimum Subscription:</b>	\$20,000 (20 offered units)	
<b>Deferred Plan Eligibility:</b>	CLDC offered units are a qualified investment for deferred plans such as RRSP/RRIF/LIRA/RESP <sup>2</sup> .	
<b>Management Fees:</b>	5% Development management fee	
<b>Performance Fees:</b>	An 8% hurdle rate is required to be provided to the investors prior to management being able to participate in any profits, which will be split 70/30 - investors/management.	
<b>Tax Efficiency:</b>	<p>Chestermere Lands has been constructed to allow investors to utilize the TFSA investment vehicle to earn money and pay no tax on the return that is earned on the TFSA portion of the investment.</p> <p><b>Example:</b> An investor can invest \$20k (\$18k from RRSP/\$2k TFSA). The 8% hurdle rate is paid to their RRSP and principal, and the balance of project profits will be paid into their TFSA where amounts are received tax-free<sup>2</sup>.</p>	
<b>Payment Terms:</b>	Investors must pay the applicable subscription price in full by certified cheque, bank draft or such other manner as may be accepted by CLDC, in its sole discretion, at the time of delivering fully executed subscription documents.	
<b>Tax Consequences:</b>	There are important tax consequences relating to the Class B and C shares. Investors should seek independent professional advice based upon their own particular circumstances	

This summary has been prepared for informational purposes only and does not constitute an offering of securities, and cannot be relied upon for making your investment decision. This summary is qualified in its entirety by the applicable Offering Memorandum. Reference should be made to the Offering Memorandum prior to determining whether the securities are a suitable investment for purchase. Please read the Offering Memorandum in its entirety before investing. This investment is not guaranteed or insured, and its value changes depending, among other things, on economic factors and market trends. This summary may vary from that presented in the Offering Memorandum. All capitalized terms and phrases in this document which are not otherwise defined herein shall have the meanings set out in the Offering Memorandum. This summary contains forward-looking statements including speculation or stated beliefs about future events, such as market and economic conditions, company or security performance or other projections. Forward-looking statements are based on the opinions and estimates of management at the date the information is given, and is subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements.

<sup>2</sup> Based upon representations by CLDC to counsel, the CLDC Class B and Class C shares will be a qualified investment for Deferred Plans and for Tax Free Savings Accounts (TFSA) respectively. While the Offering Memorandum contains a general description of certain tax consequences, it is not tax advice. Consult your tax advisor with respect to this investment.



## Why Chestermere?

CBI Group strongly believes in the future of Calgary and its surrounding communities as the economic capital of Alberta. This belief is based on a number of important factors, including the oil and gas industry, Alberta's lower personal and corporate tax rates<sup>1</sup> and population growth forecasts. The Town of Chestermere, which is adjacent to the eastern city limits of Calgary, Alberta, has grown at an unprecedented rate and is a relatively untapped market for all types of business and industry<sup>2</sup>. With close proximity to Calgary and major transportation routes, along with Alberta's lower tax rate, the town is seeing significant growth and investment<sup>3</sup>. Our confidence in this growth potential is apparently shared by other developers planning both commercial and residential communities. A large-scale real estate developer is developing a key site approximately 3 kilometers west from Chestermere Lands that is proposed to accommodate a 1.5 million square foot retail complex, scheduled to open in the Fall of 2011. The proximity to the downtown core is also a key to growth. Less than 18 kilometers, or a short 21 minute drive, Chestermere is closer than many booming communities in the Calgary suburban area. In addition, Chestermere Lands also has direct access to Highway 1A and is within 3.5 kilometers of the forthcoming Southeast Extension of the Calgary Ring Road; key infrastructure in the Calgary growth regions.

1 Government of Alberta – Finance and Enterprise. [http://www.finance.alberta.ca/business/tax\\_rebates/index.htm](http://www.finance.alberta.ca/business/tax_rebates/index.htm)

2 Government of Alberta – Finance and Enterprise. [http://www.finance.alberta.ca/business/tax\\_rebates/index.htm](http://www.finance.alberta.ca/business/tax_rebates/index.htm)

3 The Town of Chestermere Annexation Committee with Brown and Associates & Associated planning Group, Growth Study 2007

"Calgary is the best place in Canada to invest in the residential real estate market"

~ *Calgary Herald.*

"Investment report ranks Calgary #1 in Canadian real estate markets",

June 4, 2010

"From 2006 to 2016 the calculated average annual growth rate is projected at 17.6%, compared to Calgary's regional growth rate of 6%. The town is projected to be home to a whopping 62,500 people by 2050"

~ *The Town of Chestermere Annexation Committee with Brown & Associates Planning Group, Growth Study 2007*

"After skyrocketing from 424 people in 1980 to nearly 14,000 last year, it's no exaggeration when a town official describes Chestermere as growing fast and hard"

~ *Calgary Herald. Chestermere 'growing fast and hard', April 2010*





## Economy

The proximity of the Town of Chestermere to Calgary creates a significant tie to the city. Calgary continues to be a major centre for the global energy industry, however its rapidly expanding economy has diversified far beyond its traditional strength. Technology, manufacturing, financial and business services, transportation and logistics, and film and creative industries are examples of the many industries contributing to Calgary and Alberta's exponential growth<sup>1</sup>. Following the recent recessionary period, economists now say that Alberta will lead the country in economic growth in 2011 after falling behind the national average<sup>2</sup>. The availability of jobs, a younger demographic and the higher average family income continue to drive growth and demand in the housing market<sup>3</sup>. This, along with the optimism in the Canadian economy, makes Calgary and its surrounding communities an excellent investment opportunity.

- 1 Alberta First, Welcome to Calgary!, <http://www.albertafirst.com/profiles/statspack/20366.html>
- 2 Calgary Herald. "Alberta to lead economic growth in Canada in '11 after lagging in '10" May 2010
- 3 Navigating a brand new world – CREB. 2010



## Employment Growth

Employment growth in the Calgary area has been a lagging indicator<sup>1</sup>. Significant employment growth is expected to appear from 2011 onwards. Jobs are expected to average 760,000 in 2010 and increase to 781,000 in 2011; a four percent increase over 2009<sup>2</sup>. Employment numbers in Alberta are driven by energy prices<sup>3</sup>. With the recent price hike in oil, a rise in oil sands activity may give an added boost to investment and manufacturing. This may help to improve other business sectors and employment. Statistics Canada also reported an additional 30,000 full-time jobs being added to the labour force between April and May, 2010<sup>4</sup>.

- 1 Calgary's Economic Outlook 2010-2015. The City of Calgary Finance and Supply. 2010
- 2 Calgary's Economic Outlook 2010-2015. The City of Calgary Finance and Supply. 2010
- 3 Calgary's Economic Outlook 2010-2015. The City of Calgary Finance and Supply. 2010
- 4 Statistics Canada



## Housing Market

The Town of Chestermere has recently been performing similarly to comparable suburban Calgary markets during Q3 of 2010<sup>1</sup>. Ultimately, employment and economic conditions will drive housing demand, but with Calgary's economy seeing solid improvements in the first quarter of 2010, Alberta is seen as a stable market for investment<sup>2</sup>. Alberta continues to buck the deterioration in affordability across Canada as well<sup>3</sup>. House prices and income levels remain fairly stable, keeping the cost of ownership in reach for a higher percentage of Albertans<sup>4</sup>.

- 1 MLS Statistics, September 2010
- 2 Housing Trends and Affordability. RBC. May 2010
- 3 Housing Trends and Affordability. RBC. May 2010
- 4 Housing Trends and Affordability. RBC. May 2010

Area	Median Price	Median Price Per SqFt
Chestermere	\$456,250	\$224.49
Silverado	\$423,900	\$223.74
Copperfield	\$373,500	\$235.48
New Brighton	\$367,000	\$229.01
Chapparral	\$432,500	\$226.72

Based on the median MLS sales price of two story, single family, detached, residences with 3 or more bedrooms over the past 90 days, as of September 20, 2010

# Population Growth:

The Town of Chestermere has grown at an unprecedented rate in the last decade. From 2001 to 2006 the town has grown from 3,856 people to 9,564, a five-year growth rate of 148%<sup>1</sup>. In addition, the Growth Study developed by the Town of Chestermere Annexation Committee with Brown & Associates

Planning Group in 2007 projected the average annual growth rate from 2006 to 2016 to be 17.6%, compared to Calgary's regional growth rate of 6%<sup>2</sup>.

Currently home to over 12,000 people, Chestermere is one of Calgary's high growth centers and will be a focal point for future regional growth<sup>3</sup>.



- 1 2006 Census. Statistics Canada
- 2 The Town of Chestermere Annexation Committee with Brown & Associates Planning Group, Growth Study 2007
- 3 The Town of Chestermere Annexation Committee with Brown & Associates Planning Group, Growth Study 2007

Calgary Region and Town of Chestermere Population Projections	30-Year Projection				Long-term
	2007	2016	2026	2036	2056
<b>Calgary Economic Region</b>					
City of Calgary population	962,275	1,144,853	1,356,487	1,506,122	1,819,644
Rest of region population	202,362	286,674	362,157	403,278	487,227
Calgary economic region population	1,164,637	1,431,527	1,718,644	1,909,400	2,306,872

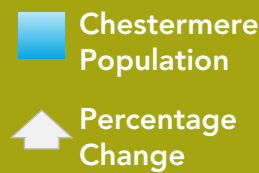
Town of Chestermere					
Number of people	9,564	26,426	40,013	47,415	62,526
Average annual growth rate (calculated)		17.6%	5.1%	1.8%	1.6%

Source: The Town of Chestermere Annexation Committee with Brown & Associates Planning Group, Growth Study 2007

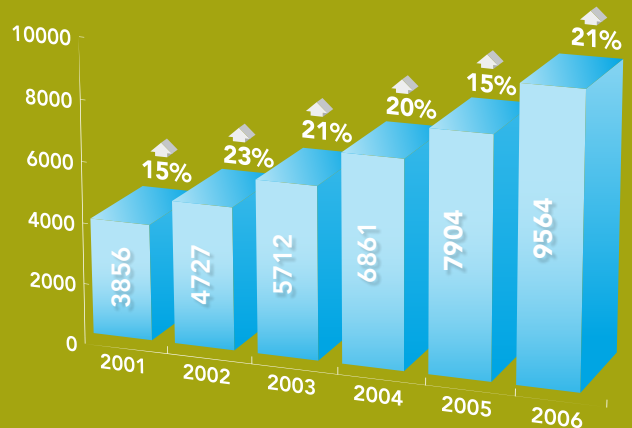
Percent of "Rest of Region" growth (forecast)		20%	20%	20%	20%
Percent of Calgary Region growth (calculated)		6%	5%	4%	4%

**Rest of region:** is the total population growth within the Calgary Economic Region that is located outside the City of Calgary.

## Historical Chestermere Population Growth



Source: The Town of Chestermere Annexation Committee with Brown & Associates Planning Group, Growth Study 2007



## Proposed Community and Development Mix

The proposed development spans 316 acres and planned to have a mix of single and multi family homes, commercial space and parks<sup>1</sup>. The land is expected to yield approximately 1,200 average size residential lots and appeal primarily to families in the second level move up category. The development is intended to include a preferred group of builders from United Communities current builder group. Builders are to be selected based on their positions to assume commitment to the project and the quality and reputation they provide.

1 United Communities, June 2010





Crystal Ridge - Okotoks



Drake Landing - Okotoks



Discovery Ridge - Calgary

Other United Communities: Silverado, Sage Hill, Aspen, Bridlewood, Christie Park, Cougar Ridge, Discovery Ridge, Edgemont, Fairways, Hawkstone, Hidden Valley, Lakeview Landing, Springhaven, Springborough, Royal Birchmount and many more.

## Relationship Strength CBI Group & United Communities

United Communities is a prominent, Alberta based real estate development company that has been in operation since the 1980's. They are committed to building master planned, architecturally controlled and themed communities, where streets and lanes, parks, playgrounds and recreation amenities integrate together in the grand plan. They have successfully developed many master-planned communities in Alberta and California, encompassing about 30,000 serviced lots. Over the last 10 years they have developed roughly 4,500 acres of land, for projects now complete, current and ongoing<sup>1</sup>.

CBI Group remains on the cutting edge of the real estate investment industry by structuring and delivering opportunities designed to produce returns for our clients. By utilizing knowledge of economic indicators and real estate markets to identify solid investment opportunities, CBI Group works to discover high-yielding real estate investment opportunities in a range of residential and commercial sectors in North America. With a range of investment offerings, CBI Group aims to assist investors with building wealth by offering strategically acquired assets in economically viable markets through attractive investment vehicles.

Chestermere Lands has entered into an agreement to acquire up to a 25% undivided interest in a joint venture with 2007 United Lands Limited Partnership (an affiliate of United Communities), with 2007 United Lands Limited Partnership developing the land and CBI Group offering an investment opportunity for you to participate in<sup>2</sup>.

With United Communities' 30 years of experience and success in real estate development and CBI Group's success with packaging arm chair real estate investment opportunities, this relationship is bound to have positive results.

<sup>1</sup> United Communities, July 2010

<sup>2</sup> Upon closing of offer to purchase, Chestermere Lands Development Corporation will enter into a joint venture agreement with 2007 United Lands Limited Partnership by its general partner 2007 United Lands Corporation (an affiliate of United Communities), to develop the Chestermere Lands.



## Chestermere Lands Financial Outlook

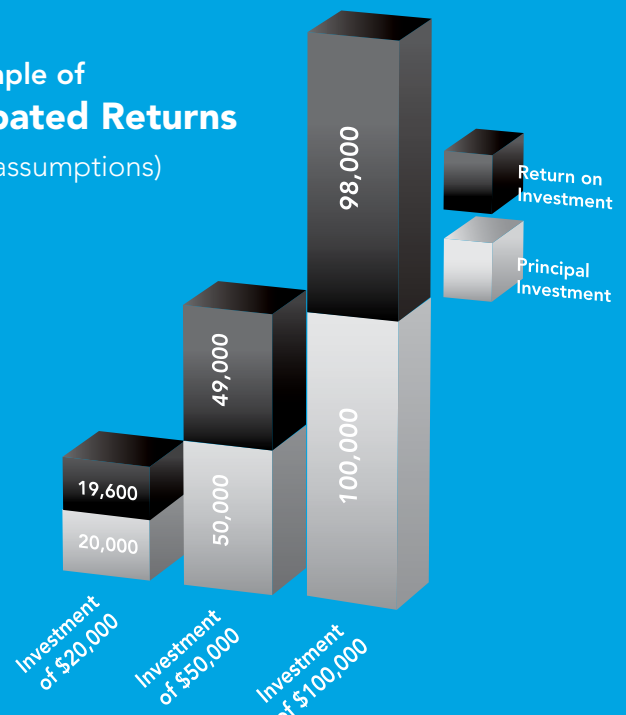
Projected annualized rate of return (7-8 year investment):	12.25 - 14%
Projected internal rate of return:	15.88%
Projected year of first distribution:	2013
Return of capital:	1.00
Projected profit:	0.98
Base case multiplier:	1.98
Projected principal and hurdle rate distribution:	year 3 - 7
Projected profit distribution:	year 7 - 8

Forecasts are subject to many risks which are out of the control of CBI Investments Ltd. The forecasted internal rate of return (IRR), the base case multiplier and the payback timing are based on assumptions and calculations believed by CBI Investments Ltd, to be true and fair upon CLDC raising the maximum offering. Actual results will likely be different than those presented.

These forward looking statements involve a number of risks and uncertainties. These beliefs, assumptions and expectations can change as a result of many possible events or factors, in which case our business, financial condition and results of operations may vary materially from those expressed. Items 8 & 9 in the Offering Memorandum regarding Forward Looking Statements and Risk Factors should be read in conjunction with these assumptions.

If the issuer is unable to raise sufficient funds to cover its obligations under the Offer to Purchase (OTP) or otherwise breaches the OTP, the OTP may terminate, which would materially adversely affect CLDC and its prospects. Investors should review the OM in detail before making an investment.

### An example of Anticipated Returns (pre-tax assumptions)





## *How to Invest*

Contact us today to learn how you can invest in Chestermere Lands.

[www.CBIGroupInvestments.com](http://www.CBIGroupInvestments.com)

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