

AROI MORTGAGE INVESTMENT CORPORATION INC.
(the “Company”)

SUBSCRIPTION AGREEMENT
INSTRUCTIONS

1. Please read the Subscription Agreement carefully, including the attached Schedules.
2. Complete, sign and deliver this Subscription Agreement to the Company’s legal counsel as described in paragraph c. below. In particular:
 - a. complete and sign the first page of the Subscription Agreement. **A minimum subscription of \$5,000.00 is required** (including \$10.00 for one Common Share for all new Subscribers);
 - b. complete the schedule that applies to you and your relationship to the Company:
 - i. If you are an “accredited investor”, complete and sign Schedule “A” - *Statement of Accredited Investors* and Exhibit “I” thereto, if applicable; OR
 - ii. If you are relying on the disclosure contained in the Offering Memorandum (as defined herein), complete and sign Schedule “B” - *Form 45-106F4 - Risk Acknowledgement*.

The Company is relying on your representations about you and your relationship to the Company in the applicable schedule that an exemption is available from the requirement of the Company to file and provide you with a prospectus under the Securities Laws (as defined herein). If an exemption is not available, the Company will not be able to accept your offer to purchase the securities hereunder.

- c. Return the signed Subscription Agreement and the applicable Schedules “A” or “B” (with the applicable sections and exhibits completed), together with Schedule “C” and payment of the Subscription Funds, as defined herein, set out on the first page by wire transfer or by certified cheque, bank draft or money order payable to “Cox & Palmer, in trust” and delivered to the Company’s legal counsel at the following address:

Cox & Palmer
 Barristers and Solicitors
 Suite 1100, Purdy’s Wharf Tower I
 1959 Upper Water Street
 Halifax, Nova Scotia B3J 3N2

Attention: Patrick Fitzgerald

Payment of the Subscription Funds by wire transfer must be made in Canadian dollars to:

Cox & Palmer In Trust
 Bank: Canadian Imperial Bank of Commerce, 1809 Barrington Street, Halifax, NS
 Account No: 27 01413 (Canadian Dollar Acct)
 Transit #: 00003
 Bank Key: 010
 SWIFT code: CIBCCATT

The funds received as the Subscription Funds will be held in trust by the Company’s legal counsel until this Subscription Agreement is accepted by the Company and the Closing (as defined herein) occurs.

**SUBSCRIPTION AGREEMENT
(2016 and 2017 – Nova Scotia, New Brunswick and Ontario)**

TO: AROI MORTGAGE INVESTMENT CORPORATION INC. (the “Company”)

The undersigned (hereinafter referred to as the “Subscriber”) hereby irrevocably subscribes for and offers to purchase from the Company the number of Class A non-voting redeemable preferred shares (the “Shares”, which term includes one common share of the Company if the Subscriber is not already a shareholder of the Company, the terms and conditions of which are as described in Schedule “D” hereto) for \$10.00 per Share in the aggregate consideration set forth below upon and subject to the Terms and Conditions of the Subscription Agreement for Shares of the Company attached hereto.

<p>_____</p> <p>(Name of Subscriber – please print)</p> <p>By: _____</p> <p style="text-align: center;">Signature of Subscriber or Authorized Signature</p> <p>_____</p> <p style="text-align: center;">(Official Capacity or Title – please print)</p> <p>_____</p> <p>Please print name of individual whose signature appears above if different than the name of the subscriber printed above.</p> <p>_____</p> <p>(Subscriber’s Address)</p> <p>_____</p> <p>_____</p> <p>(Telephone Number)</p> <p>_____</p> <p>(Social Insurance or Taxation Account Number of Subscriber)</p>	<p>Number of Shares: _____ (+ one Common Share*) x \$10.00</p> <p><i>*If the Subscriber is not already a shareholder of the Company.</i></p> <hr/> <p>Aggregate Subscription Price: _____</p> <p style="text-align: center;">(the “Subscription Funds”)</p> <hr/> <p>If the Subscriber is signing as agent for a principal and is not a trust company or a portfolio manager purchasing as trustee or agent for accounts fully managed by it, complete the following:</p> <p>_____</p> <p>Name of Principal</p> <p>_____</p> <p>Principal’s address</p> <p>_____</p> <p>_____</p>
<p>The Subscriber elects to receive dividends payable on the Class A Preferred Shares as follows (pick one):</p> <p>Cash _____</p> <p>Additional Class A Preferred Shares _____</p> <p style="text-align: right;">(Initial your choice)</p>	<p><u>Securities of the Company current owned:</u></p> <p>_____</p> <p>Direct Ownership</p> <p>_____</p> <p>Indirect Ownership</p> <p>_____</p>
<p><u>Register the Shares as set forth below:</u></p> <p>_____</p> <p>Name</p> <p>_____</p> <p>Account reference, if applicable</p> <p>_____</p> <p>_____</p> <p>Address</p> <p>_____</p>	<p><u>Deliver the Shares as set forth below:</u></p> <p>_____</p> <p>Name</p> <p>_____</p> <p>Account reference, if applicable</p> <p>_____</p> <p>Contact Name</p> <p>_____</p> <p>Address</p> <p>_____</p>

NOTE: THE CLOSING IS SCHEDULED FOR _____, 201__ AND ALL SUBSCRIPTION AGREEMENTS AND SUBSCRIPTION FUNDS SHOULD BE DELIVERED BY _____, 201__.

ACCEPTANCE: The Company hereby accepts the above subscription for the Shares upon and subject to the Terms and Conditions of the Subscription Agreement for Shares (contained herein), and the Company represents and warrants to the Subscriber that the representations and warranties made by or on behalf of the Company are true and correct in all material respects as of this date and that the Subscriber is entitled to rely thereon.

Dated the ____ day of _____, 201__

AROI MORTGAGE INVESTMENT CORPORATION INC.

Per: _____
Matthew Hennigar
Vice President

**TERMS AND CONDITIONS OF THE SUBSCRIPTION AGREEMENT FOR SHARES OF
AROI MORTGAGE INVESTMENT CORPORATION INC.**

1. **Definitions.** For the purposes of this Subscription Agreement, the terms set forth below shall have the following meanings:
- (a) **“Business Day”** means a day other than a Saturday, Sunday or any other day on which the principal chartered banks located in Halifax, Nova Scotia are open for business;
 - (b) **“Class A Preferred Shares”** means the Class A non-voting redeemable preferred shares of the Company offered for sale under this Subscription Agreement;
 - (c) **“Closing”** means the completion of the Offering, which may occur in stages on different dates;
 - (d) **“Closing Date”** means _____, 201__ or such other date or time as determined by the Company without notice to the Subscribers upon satisfaction or waiver of the conditions to Closing;
 - (e) **“Closing Time”** means 11:00 a.m. (Halifax time);
 - (f) **“Common Shares”** means the voting common shares of the Company, of which a holder of Class A Preferred Shares must have one Common Share;
 - (g) **“Company”** means AROI Mortgage Investment Corporation Inc., and includes any successor corporation to or of the Company;
 - (h) **“Disclosed Principal”** has the meaning ascribed thereto in section 6(c) hereof;
 - (i) **“NI 45-106”** means National Instrument 45-106 *Prospectus Exemptions*;
 - (j) **“Offering”** means the offering of Shares hereunder;
 - (k) **“Offering Jurisdictions”** means Nova Scotia, New Brunswick, Ontario and such other jurisdictions outside Canada as may be determined by the Company from time to time excluding the United States;
 - (l) **“Offering Memorandum”** means the offering memorandum of the Company dated _____, ___, 2016, in the form required by NI 45-106, and any updates or amendments thereto;
 - (m) **“Securities Laws”** means the securities laws, regulations, rules and orders in the Offering Jurisdictions, and elsewhere as may be applicable, and the applicable published policy statements, instruments, blanket orders and rulings issued or adopted by the securities regulators in the Offering Jurisdictions and the Canadian Securities Administrators;
 - (n) **“Shares”** has the meaning ascribed thereto on page 1 of this Subscription Agreement;
 - (o) **“Subscriber”** means the Subscriber for the shares as set out on the face page of this Subscription Agreement;
 - (p) **“Subscription Agreement”** means this agreement (including the schedules hereto) resulting from acceptance by the Company of the offer herein to purchase the Shares by the Subscriber;
 - (q) **“Subscription Funds”** has the meaning ascribed thereto on page 1 of this Subscription Agreement;
 - (r) **“Subscription Price”** means the subscription price of \$10.00 per Share.

- (s) “**Subscriber’s Shares**” means those Shares which the Subscriber has agreed to purchase under this Subscription Agreement;
- (t) “**Tax Act**” means the *Income Tax Act* (Canada), as may be amended from time to time, and any successor legislation;
- (u) “**United States**” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
- (v) “**U.S. Securities Act**” means the United States *Securities Act of 1933*, as amended; and
- (w) “**U.S. Person**” has the meaning ascribed to it in Regulation S under the U.S. Securities Act. Without limiting the foregoing, but for greater clarity in this Subscription Agreement, a U.S. Person includes, subject to the exclusions set forth in Regulation S, (i) any natural person resident in the United States, (ii) any partnership or corporation organized or incorporated under the laws of the United States, (iii) any estate or trust of which any executor, administrator or trustee is a U.S. Person, (iv) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States, and (v) any partnership or corporation organized or incorporated under the laws of any non-U.S. jurisdiction which is formed by a U.S. Person principally for the purpose of investing in securities not registered under the U.S. Securities Act, unless it is organized or incorporated, and owned, by U.S. accredited investors who are not natural persons, estates or trusts.

2. **Description of Shares.** The securities subscribed for hereunder shall be that number of Class A Preferred Shares, and if the Subscriber is not already a shareholder of the Company, one Common Share in the capital of the Company set out on page 1 of this Subscription Agreement

The Shares will be subject to resale restrictions under applicable securities legislation. Subscribers are advised to consult their own legal and other professional advisors in connection with the purchase, holding and disposition of the Shares.

3. **Terms of the Offering.** The Subscriber agrees to pay to the Company the Subscription Funds as set forth and described on page 1 of this Subscription Agreement for the Shares subscribed for herein by delivering to the Company’s legal counsel, Cox & Palmer, at Suite 1100, Purdy’s Wharf Tower I, 1959 Upper Water Street, Halifax, Nova Scotia, B3J 3N2, concurrent upon the execution and delivery of this Subscription Agreement (in duplicate), the Subscription Funds by wire transfer or by certified cheque, bank draft or money order in the full amount of the Subscription Price per share for the Shares subscribed for hereunder in accordance with paragraph 12 herein. The Subscriber hereby acknowledges that acceptance of the subscription is subject to rejection or allotment, in whole or in part, by the Company. The Subscriber acknowledges that the Shares are being sold by the Company only in the Offering Jurisdictions. Subject to the terms hereof, this subscription will be effective upon its acceptance by the Company.

4. **Representations, Warranties and Covenants of the Company.** By executing this Subscription Agreement, the Company represents, warrants and covenants to the Subscriber (and acknowledges that the Subscriber is relying thereon) that:

- (a) the Company is duly organized and validly existing under the laws of Nova Scotia and is in good standing under such laws. The Company has the requisite corporate power and authority to own and operate its properties and assets and to carry on its business as currently conducted and as proposed to be conducted;
- (b) the Company will have at the Closing Date all requisite legal and corporate power and authority to execute and deliver this Subscription Agreement, to sell and issue the Shares, and to carry out and perform its obligations under the terms of this Subscription Agreement;
- (c) all corporate action on the part of the Company, its directors, and its shareholders necessary for the authorization, execution, delivery and performance of this Subscription Agreement by the Company will be taken prior to the Closing;

- (d) the Company is not a party to any actions, suits or proceedings which could materially affect its business or financial condition, and to the best of the Company's knowledge no such actions, suits or proceedings are contemplated or have been threatened;
- (e) there are no judgments against the Company which are unsatisfied, nor are there any consent decrees or injunctions to which the Company is subject;
- (f) the Company is not in default of any of the requirements of the Securities Laws;
- (g) no order ceasing or suspending trading in securities of the Company nor prohibiting the sale of such securities has been issued and remains outstanding against the Company or its directors, officers or promoters and no investigations or proceedings for such purposes are pending or, to the best of the Company's knowledge, threatened; and
- (h) the execution and delivery of, and the performance of the terms of, this Subscription Agreement by the Company does not and will not constitute a breach of or default under the constating documents of the Company.

5. **Acknowledgments of the Subscriber**. The Subscriber acknowledges and covenants that, as of the date of execution of this Subscription Agreement and as at the Closing Time:

- (a) the Shares are being offered for sale only on a 'private placement' basis and the Company has advised the Subscriber that the Company is relying on exemptions (and such sales are conditional upon the existence of such exemptions or the receipt of such orders, consents and approvals as are necessary to make such sales exempt) from the requirements to provide the Subscriber with a prospectus and to sell securities through a person registered to sell securities under the Securities Laws and, as a consequence of acquiring securities pursuant to these exemptions:
 - (i) certain protections, rights and remedies applicable to offerings by way of prospectus provided by such securities legislation will not be available to the Subscriber,
 - (ii) information that would otherwise be provided to the Subscriber under such securities legislation will not be provided to it, and
 - (iii) the Company is relieved from various obligations under such securities legislation that would otherwise apply to it.
- (b) the Subscriber, if relying on the Offering Memorandum exemption (Schedule B) has received a copy of the Offering Memorandum and has been afforded the full opportunity to review the Offering Memorandum.
- (c) The Subscriber is solely responsible, at its own expense, for obtaining such tax, investment, legal and other professional advice as it considers appropriate in connection with this Subscription Agreement and the purchase of the Shares;
- (d) the Company is entitled to rely on the statements and answers of the Subscriber contained in this Subscription Agreement and the Subscriber will hold the Company harmless from any loss or damage it may suffer as a result from the Subscriber's failure to correctly complete this Subscription Agreement;
- (e) there are restrictions on the Subscriber's ability to resell the Shares, and the Subscriber has (or others for whom it is contracting hereunder have) been advised to consult their own legal advisers with respect to applicable resale restrictions, and it is the responsibility of the Subscriber (and others for whom it is contracting hereunder) to find out what those restrictions are and to comply with the applicable resale restrictions before selling the Shares (and the Company is not in any way responsible for compliance with the applicable resale restrictions);
- (f) the Subscriber has been independently advised as to the applicable hold period imposed in respect of the Shares by the securities legislation in the jurisdiction in which it resides, and confirms that

no representation has been made respecting the applicable hold periods for the Shares and that it is aware of the risks and other characteristics of the Shares and of the fact that the Subscriber may not resell the Shares except in accordance with applicable securities legislation and regulatory policy until expiry of the applicable hold period and compliance with the other requirements of applicable law;

- (g) the Subscriber acknowledges that certificates representing the Shares will contain legends denoting the applicable resale restrictions and that there is no government or other insurance covering the Shares;
- (h) this Subscription Agreement is not enforceable by the Subscriber unless it has been accepted by the Company and the Company may, in its sole discretion, elect not to accept the subscription from the Subscriber and will return, without interest or deduction, the funds received from the Subscriber in respect of the Subscription Funds;
- (i) this Subscription Agreement has been entered into by the Subscriber for valuable consideration and may not be revoked or withdrawn by the Subscriber except pursuant to the right of cancellation set out under the "Purchasers' Rights" section in the Offering Memorandum and it is not assignable by the Subscriber without the written consent of the Company, which consent may be unreasonably withheld;
- (j) the Company is not in the business of trading securities or advising on securities, and is not registered under any securities legislation for the purposes of selling the Shares;
- (k) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Shares or, if provided, the Offering Memorandum,;
- (l) the Subscriber understands that any anticipated federal or provincial income tax benefits of a mortgage investment corporation may be adversely affected by the adoption of new laws or interpretations or amendments to existing laws or regulations;
- (m) there is no government or other insurance covering the Shares;
- (n) there are risks associated with the purchase of the Shares;
- (o) the Company has not advised, recommended or otherwise represented to the Subscriber that the Shares are suitable to the Subscriber, with regard to the Subscriber's:
 - (i) investment needs and objectives;
 - (ii) financial circumstances, or
 - (iii) risk tolerance;
- (p) the Subscriber acknowledges that the Shares will not be listed for trading on any stock exchange and the Company is not, and may never be, a reporting issuer in any province, territory or jurisdiction of Canada and there currently is no public market for any of the securities of the Company, including the Shares, and one may never develop;
- (q) the Subscriber acknowledges that the Shares have not been registered under the U.S. Securities Act or the securities laws of any state in the United States or any jurisdiction outside Canada, and may not be offered or sold in the United States or to a U.S. Person or in any other jurisdiction outside Canada unless an exemption from such registration requirements is available, and the Subscriber understands that the Company has no obligation or present intention of filing a registration statement under the U.S. Securities Act or any state securities laws or any applicable securities laws of any jurisdiction outside Canada in respect of the Shares;
- (r) the Subscriber is solely responsible for obtaining such legal, tax and other advice as is appropriate in connection with the execution, delivery and performance of this Subscription Agreement and

the transactions contemplated hereunder, and the Company's legal counsel, Cox & Palmer, are acting solely for the Company in connection with the Offering by way of private placement and the Subscriber may not rely upon such counsel in any respect; and

- (s) this subscription is subject to the acceptance of the Company.

6. **Representations, Warranties and Covenants of the Subscriber.** The Subscriber covenants, represents and warrants to the Company, as of the date of execution of this Subscription Agreement and at the Closing Time (which covenants, representations and warranties shall survive the Closing) as follows:

- (a) if the Subscriber is purchasing the Shares as principal for its own account, the Subscriber is purchasing the Shares for investment only and not for the benefit of any other person or company and not with a view to the resale, distribution or other disposition, and no other person, company, firm or other organization has a beneficial interest in the Shares being purchased;
- (b) if an individual, the Subscriber is the full age of majority and is legally competent to execute this Subscription Agreement and take all action pursuant hereto;
- (c) if the Subscriber is not purchasing the Shares for its own account but is purchasing the Shares as agent for disclosed principals, each disclosed principal (the "**Disclosed Principal**") for whom the Subscriber is acting is purchasing as principal for its own account, and not for the benefit of any other person, and is purchasing for investment only and not with a view to resale, distribution or other disposition, and in its capacity as agent, the Subscriber is duly authorized to enter into this Subscription Agreement and acting in compliance with all applicable securities and other laws;
- (d) if the Subscriber is not purchasing the Shares for its own account but for one or more accounts that permit the Subscriber to purchase securities on behalf of such accounts in the Subscriber's sole discretion without reference to, or specific instructions regarding such investment from, the holders of such accounts (commonly called 'fully managed' accounts), the Subscriber is duly authorized to enter in this Subscription Agreement and complete the transactions contemplated hereby and is:
- (i) a trust company or trust corporation which has received a business authorization under the laws of a province or territory of Canada to carry on such business in such province or territory, and the Subscriber is purchasing such securities as an agent or trustee for accounts that are fully managed by the Subscriber, or
- (ii) an adviser managing the investment portfolios of clients through discretionary authority granted by one or more clients and the Subscriber is registered as such an adviser under the Securities Laws or is exempt from such registration and the Subscriber is purchasing securities as an agent for accounts that are fully managed by the Subscriber;
- (e) neither the Subscriber nor any party on whose behalf it is acting has been created, established, formed or incorporated solely, or is used primarily, to acquire securities or to permit the purchase of the Shares without a prospectus in reliance on an exemption from the prospectus requirements of applicable securities legislation;
- (f) the Subscriber and any beneficial purchaser for whom it is acting, including the Disclosed Principal:
- (i) are resident in Nova Scotia, New Brunswick or Ontario; or
- (ii) if resident in a jurisdiction outside Canada, the subscriber is:
- (A) knowledgeable of, or has been independently advised as to the applicable Securities Laws and rules of the securities regulatory authorities having application in the jurisdiction in which the Subscriber is resident which would apply to the acquisition of the Shares, if any, and has complied therewith;

- (B) is purchasing the Shares pursuant to exemptions from the prospectus and registration requirements under the applicable Securities Laws of the jurisdiction in which the Subscriber is resident or, if such is not applicable, the Subscriber is permitted to purchase the Shares under the applicable Securities Laws of the jurisdiction in which the Subscriber is resident without the need to rely on any exemption(s); and
 - (C) the applicable Securities Laws of the jurisdiction in which the Subscriber is resident do not require the Company to make any filings or seek any approvals of any nature whatsoever from any regulatory authorities of any kind whatsoever in the jurisdiction in which the Subscriber is resident in connection with the issue and sale or resale of the Shares;
- (g) the entering into this Subscription Agreement and the transactions contemplated hereby do not result in the violation of laws applicable to the Subscriber or a Disclosed Principal, or the constating documents of the Subscriber or a Disclosed Principal, or of any agreement, written or oral, to which the Subscriber or Disclosed Principal may be a party or by which the Subscriber or Disclosed Principal is or may be bound, and will not cause the Company or any of its officers or directors to become subject to or require any disclosure, prospectus, registration or other reporting requirement to which the Company is not otherwise subject;
 - (h) the Subscriber has the legal capacity and competence to enter into and execute this Agreement and to take all actions required pursuant hereto and, if the Subscriber is a corporation, partnership, unincorporated association or other entity, it is duly incorporated or created and validly subsisting under the laws of its jurisdiction of incorporation or organization, and all necessary approvals by its directors, shareholders and others have been obtained to authorize execution of this Subscription Agreement on behalf of the Subscriber;
 - (i) the Subscriber has duly executed and delivered this Subscription Agreement and it constitutes a legal, valid and binding agreement of the Subscriber enforceable against the Subscriber;
 - (j) the Subscriber has no knowledge of a “material fact” or a “material change” (as those terms are defined in the Securities Laws) in the affairs of the Company that has not generally been disclosed to the public;
 - (k) other than financial statements of the most recent fiscal year, the Subscriber has not received, or requested, any sales or advertising literature or any other document (other than the Offering Memorandum if relying on the Offering Memorandum exemption – Schedule B) describing the business and affairs of the Company which have been prepared for delivery to and review by the Subscriber;
 - (l) other than the Offering Memorandum (if relying on the Offering Memorandum exemption – Schedule B), the Subscriber has relied solely upon the publicly available information relating to the Company and not upon any verbal or written representation as to fact or otherwise made by or on behalf of the Company;
 - (m) the Subscriber has not purchased the Shares in reliance on any general solicitation or advertising campaign, including advertisements, articles, notices, or other communications published in any newspaper, magazine or similar media, or broadcast over radio or television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;
 - (n) the Subscriber:
 - (i) did not receive the offer to purchase the Shares in the United States, was outside the United States when it (or its authorized signatory, if it is not an individual) executed and delivered this Subscription Agreement, the Shares are not being acquired, directly or

indirectly, for the account or benefit of a U.S. Person or a person in the United States and the Subscriber does not have any agreement or understanding (either written or oral) with any U.S. Person or a person in the United States respecting:

- (A) the transfer or assignment of any rights or interests in any of the Shares;
 - (B) the division of profits, losses, fees, commissions, or any financial stake in connection with this Subscription Agreement; or
 - (C) the voting of the Shares;
- (ii) has no intention to distribute either directly or indirectly any of the Shares in the United States or to U.S. Persons; and
 - (iii) the current structure of the Offering and all transactions and activities contemplated hereunder is not a scheme to avoid the registration requirements of the U.S. Securities Act;
- (o) the Subscriber and, if applicable, the Disclosed Principal, have such knowledge in financial and business affairs as to be capable of evaluating the merits and risks of its investment in the Shares and are able to bear the economic risk of loss of its investment;
 - (p) the Subscriber understands that the sale and delivery of the Shares is conditional upon such sale being exempt from the requirements as to the filing of a prospectus or upon the issuance of such orders, consents or approvals as may be required to permit such sale without the requirement of filing a prospectus, and the representations, warranties and covenants contained in the applicable Schedules to this Subscription Agreement are and will be true and correct as of the date hereof and as of the Closing Time;
 - (q) if required by applicable securities legislation, regulations, rules, policies or orders or by any securities commission, stock exchange or other regulatory authority, the Subscriber and, if applicable, the Disclosed Principal, will execute, deliver, file and otherwise assist the Company in filing, such reports, undertakings and other documents with respect to the issue of the Shares;
 - (r) the Subscriber is not acting jointly or in concert with any other subscriber for the purposes of the acquisition of the Shares;
 - (s) if the Subscriber is acting as agent for a Disclosed Principal, the Subscriber is duly authorized to execute and deliver this Subscription Agreement and all other necessary documentation in connection with such subscription on behalf of such Disclosed Principal, and this Subscription Agreement has been duly authorized, executed and delivered by or on behalf of, and constitutes a legal, valid and binding agreement of, such Disclosed Principal;
 - (t) the Subscriber and/or the Company may be required to provide the applicable securities regulatory authorities with a list setting forth the identities of the beneficial purchasers of the Shares;
 - (u) the Subscriber and, if applicable, the Disclosed Principal, consent to the release by the Company of certain information regarding this subscription, including the Subscriber's name, address and the number of Shares purchased, in compliance with securities regulatory policies to regulatory authorities in the applicable jurisdictions;
 - (v) the Subscriber will immediately notify the Company if any of its representations and warranties contained herein would be inaccurate if made after the date hereof;
 - (w) the Subscriber covenants that the representations and warranties made herein will be true and correct as at the Closing Date with the same force and effect as if they had been made by the Subscriber at the Closing Time;
 - (x) the Subscriber is purchasing the Shares as principal and no other person, corporation, firm or other organization will have the beneficial interest in the Shares and the Subscriber, or, if it is acting as

an agent for one or more Disclosed Principals resident in the Offering Jurisdiction, the Disclosed Principal:

- (i) is an “**accredited investor**” as defined in NI 45-106. Specifically, the Subscriber or Disclosed Principal, as the case may be, satisfies one or more of the categories included in the definition “accredited investor” as set out in Schedule “A” attached hereto and has executed and delivered herewith a copy of Schedule “A” and Exhibit “1” to Schedule “A”. The Subscriber, or the Disclosed Principal if the Subscriber is purchasing as agent, was not created nor used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of “accredited investor” in NI 45-106; OR
- (ii) is a person that is described under the “Offering Memorandum” exemption in NI 45-106 and has received an Offering Memorandum in compliance with the exemption, and has signed and delivered to the Company the Risk Acknowledgement (Form 45-106F4) attached hereto as Schedule “B”;
- (y) if the Subscriber is an accredited investor pursuant to subsection 2.3(j), (j.1), (k) or (l) of NI 45-106, the Subscriber has the documentary evidence necessary to demonstrate the Subscriber satisfies the criteria in any of subsections 2.3(j), (j.1), (k) or (l) of NI 45-106 and shall, upon request by the Company, deliver copies of such documents as the Company deems necessary, in its sole discretion, to verify that the Subscriber has satisfied such criteria, and the Subscriber has executed and delivered a Form 45-106F9 – *Form for Individual Accredited Investors* as attached hereto as Exhibit “1” to Schedule “A”;
- (z) the Subscriber will not resell the Shares except in accordance with the provisions of applicable securities legislation;
- (aa) the Subscriber, upon becoming a shareholder of the Company, will not sell, transfer or otherwise dispose of the Shares acquired by him pursuant to this Subscription Agreement in any way which would result in the Company no longer qualifying as a mortgage investment corporation for the purposes of the Tax Act and affirms his knowledge of the provisions of the Tax Act governing the restrictions imposed upon mortgage investment corporation and their shareholders;
- (bb) the Subscriber understands that any anticipated federal or provincial income tax benefits may be adversely affected by the adoption of new laws or interpretations on amendments to existing laws or regulations;
- (cc) the Subscriber understands that affiliates may engage in material transactions with the Company which may result in a profit and, in the future, may be engaged in businesses which are competitive with that of the Company, and the Subscriber agrees and consents to such activities, even though there are conflicts of interest therein;
- (dd) the Subscriber will provide prior notice to the Company in the event that it may become a “non-resident” of Canada or a “non-Canadian” within the meaning of the *Investment Canada Act* (Canada);
- (ee) this subscription by the Subscriber has not been induced by any representations or warranties by any person whatsoever with regard to the future value of the Shares, that any person will resell or repurchase the Shares, or that the Shares will be listed and posted for trading on any stock exchange;
- (ff) the funds representing the Subscription Funds for the Subscriber’s Shares which will be advanced by the Subscriber hereunder do not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and the Subscriber acknowledges that the Company may in the future be required by law to disclose the Subscriber’s name and other information relating to this Subscription Agreement and the Subscriber’s subscription hereunder, on a confidential basis, pursuant to such Act. To the best of its knowledge:
 - (a) none of the Subscription Funds to be provided by the Subscriber (i) have been or will be derived from or related to any activity that is deemed criminal under the law of Canada, the United

States of America, or any other jurisdiction; or (ii) are being tendered on behalf of a person or entity who has not been identified to the Subscriber; and (b) the Subscriber shall promptly notify the Company if the Subscriber discovers that any such representations cease to be true, and to provide the Company with appropriate information in connection therewith;

- (gg) If relying on the Offering Memorandum exemption (schedule “B”) the Subscriber has received and reviewed, prior to the execution of this Subscription Agreement, the Offering Memorandum and the Subscriber fully understands the contents and effect of the Offering Memorandum. By virtue of the Subscriber’s investment knowledge or experience, or by virtue of the Subscriber’s consultation with or advice from his/her/its professional advisors, the Subscriber is in a position to evaluate the prospective investment on the basis of the Offering Memorandum.
- (hh) If relying on the Accredited Investor exemption (schedule “A”) the Subscriber has received and reviewed, prior to the execution of this Subscription Agreement, the March 31, 2016 financial statements and the Subscriber fully understands the contents and effect of these financial statements. By virtue of the Subscriber’s investment knowledge or experience, or by virtue of the Subscriber’s consultation with or advice from his/her/its professional advisors, the Subscriber is in a position to evaluate the prospective investment on the basis of these financial statements.
- (ii)

7. **Reliance Upon Representations, Warranties and Covenants.** The Subscriber acknowledges that the representations, warranties and covenants contained in this Subscription Agreement are made with the intent that they be relied upon by the Company in determining the Subscriber’s eligibility to purchase the Shares. The Subscriber agrees that, by accepting the Shares, the Subscriber shall be representing and warranting that the foregoing representations and warranties are true as at the Closing Time with the same force and effect as if they had been made by the Subscriber at the Closing Time and that they shall survive the purchase by the Subscriber of the Shares and shall continue in full force and effect notwithstanding any subsequent disposition by the Subscriber of the Shares.

8. **Legending of Share Certificates.** The Subscriber hereby acknowledges that the following legend will be placed upon the certificates representing the Shares:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE LATER OF (A) THE [date of the Closing], AND (B) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.”

9. **Repurchase of Common Shares by the Company.** In the event that all of a Subscriber’s Class A Preferred Shares will be redeemed or transferred to an existing shareholder of the Company, the Subscriber agrees to the concurrent repurchase for cancellation by the Company of the Subscriber’s one Common Share at a purchase price equal to the price paid for the one Common Share. In this regard, the Subscriber further agrees to the following:

- (a) the share certificate representing the Subscriber’s one Common Share shall be kept in the Company’s minute book; and
- (b) the Subscriber shall execute and deliver to the Company the stock transfer power of attorney attached to this Subscription Agreement as Schedule “C”, which shall be held in escrow by the Company until such time as the Class A Preferred Shares held by the Subscriber are to be redeemed or transferred to an existing shareholder of the Company.

Pursuant to such redemption or transfer, the Subscriber acknowledges and agrees that the Company shall concurrently effect the re-purchase of the Subscriber’s one Common Share without any further action on the part of the Subscriber.

10. **Collection and Use of Personal Information.** The Subscriber acknowledges and consents to the fact that the Company is collecting the Subscriber’s personal information for the purpose of fulfilling the

Company's obligations under this Subscription Agreement. The Subscriber further acknowledges and consents to the fact that the Company may be required by the applicable securities laws to provide securities regulators with any personal information provided by the Subscriber, according to the requirements of the applicable securities laws and may be required to provide a list setting forth the identities of the beneficial purchasers of the Shares to the securities regulators or other regulatory bodies or persons pursuant to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)*. In addition, by executing this Subscription Agreement, the Subscriber (on its own behalf and, if applicable, on behalf of each beneficial purchaser on whose behalf the Subscriber is acting):

- (a) acknowledges, consents and authorizes the Company to collect the Subscriber's personal information for the purpose of completing the Subscriber's subscription; and
- (b) acknowledges and consents to the Company retaining the personal information for as long as permitted or required by applicable law or business practices.

Further, if the Subscriber is resident in Ontario or otherwise subject to the securities legislation of Ontario, the Subscriber acknowledges, consents and authorizes the Company to deliver to the Ontario Securities Commission personal information (such as full name, residential address and telephone number) pertaining to the Subscriber (and any beneficial purchaser) and further acknowledges and consents to the fact that the Company may be required by applicable Securities Laws, stock exchange rules and Investment Regulatory Organization of Canada rules to provide regulatory authorities any personal information provided by the Subscriber respecting itself (and any beneficial purchaser). The Subscriber (on its own behalf and, if applicable, on behalf of each beneficial purchaser for whose benefit the Subscriber is acting) acknowledges that this information may be collected indirectly by the Ontario Securities Commission (as applicable), and may be collected by other securities regulators (as applicable), under the authority granted to it in applicable securities laws. The Subscriber acknowledges that this information is being collected for the purposes of the administration and enforcement of the securities legislation of Ontario and further acknowledges that the public official in Ontario who can answer questions about the Ontario Securities Commission's indirect collection of such information is the Administrative Support Clerk, Suite 1903, Box 55, 20 Queen Street West, Toronto, Ontario M5H 3S8, who may be contacted at (416) 593-3684. The Subscriber represents and warrants that it has the authority to provide the consents, acknowledgements and authorizations set out in this paragraph.

11. **Conditions to Closing.**

A. Conditions to Closing of the Company. The Company's obligation to sell and issue the Shares is subject to the fulfillment of the following conditions (in favour of the Company) as of the Closing Date which may be waived by the Company in whole or in part:

- (a) Mortgage Investment Corporation. The Subscriber's subscription for Shares must not result in the Company's inability to satisfy the criteria set out in the Tax Act required in order for the Company to qualify as a mortgage investment corporation under the Tax Act, including, among other things, that no one shareholder may own more than 25% of a class of issued shares following the Closing.
- (b) Delivery of Stock Transfer Power of Attorney. The Subscriber shall have executed and delivered the stock transfer power of attorney in favor of the Company as contemplated in Section 9 of this Subscription Agreement.
- (c) Representations and Warranties. The representations and warranties made by the Subscriber in Section 6 hereof shall be true and correct in all material respects when made and shall be true and correct in all material respects on the Closing Date.
- (d) Covenants. All covenants, agreements, and conditions contained in this Subscription Agreement to be performed by the Subscriber on or prior to the Closing Date shall have been performed or complied with in all material respects.

B. Conditions to Closing of the Subscriber. The Subscriber's obligation to purchase the Shares is subject to the fulfillment of the following conditions as of the Closing Date which may be waived by the Subscriber in whole or in part:

- (a) Representations and Warranties. The representations and warranties made by the Company in paragraph 4 hereof shall be true and correct in all material respects when made and shall be true and correct in all material respects on the Closing Date.

12. Subscription Procedure and Closing.

- (a) The Subscriber must complete, sign and deliver one (1) executed copy of the Subscription Agreement, including those of the following schedules that are applicable to the Subscriber:
- (i) Schedule “A” – *Statement of Accredited Investor* including Exhibit “1” thereto, if applicable; or
- (ii) Schedule “B” – *Form 45-106 F4 – Risk Acknowledgement*;

together with the signed Schedule “C” – *Stock Transfer Power* and Subscription Funds to the Company’s legal counsel in at the address set out subsection (b) of this paragraph 12 below.

- (b) The delivery and sale of the Shares and payment of the Subscription Funds for the Shares will be completed (the “**Closing**”) at the Halifax office of the Company’s legal counsel, Cox & Palmer, located at Suite 1100, 1959 Purdy’s Wharf, Halifax, Nova Scotia B3J 3N2 at the **Closing Time** on or about the **Closing Date**. Subsequent Closings may occur and subscription proceeds received after the Closing Date will be held by the Company or the Company’s legal counsel until such later date or dates determined by the Company without notice (each such date being a “**Closing Date**”).
- (c) Not later than two (2) Business Days prior to the Closing Date, the Subscriber shall deliver the Subscription Funds to the Company’s legal counsel, Cox & Palmer, by wire transfer or by certified cheque, bank draft or money order payable to “Cox & Palmer, in trust”, or such other delivery as the Company may direct. The Subscriber’s Subscription Funds and any documents delivered in connection herewith will be held by the Company’s legal counsel until the conditions referred to in this Subscription Agreement are determined to have been satisfied or waived by the Company or the Subscriber as applicable. The Company’s legal counsel, Cox & Palmer, will not make any determinations with respect to the satisfaction or waiver of the conditions to Closing and shall not be liable for any wrongful acts or omissions arising therefrom. Upon the satisfaction or waiver of such conditions, the Company will then issue and sell the Subscriber’s Shares and cause definitive certificates representing the number of Subscriber’s Shares so issued and registered in accordance with this Subscription Agreement and shall deliver share certificates representing the Class A Preferred Shares in accordance with this Subscription Agreement. If this subscription is not accepted by the Company, in part or in full, or the conditions referred to above are not satisfied by the Company or waived by the Subscriber, within the required period, this subscription, any other documents delivered in connection herewith and the Subscription Funds without deduction or interest will be returned by the Company to the Subscriber at the address of the Subscriber set forth on page 1 of this Subscription Agreement.

13. Dividends. Dividends in respect of all net income of the Company shall, after providing for such services as maybe be necessary in the discretion of the directors, be declared at such times as the directors see fit, and shall be distributed to holders of record within ninety (90) days of the end of the Company’s fiscal year. Such dividends shall be payable in cash or additional Class A Preferred Shares as selected by the Subscriber on page 1 of this Subscription Agreement.

The Subscriber may give to the Company thirty (30) days written notice of a change in the method of payment of dividends. If the Subscriber fails to choose one of the methods of payment of dividends as set forth on page 1 of this Subscription Agreement, such dividends may be payable in cash or in additional shares at the sole discretion of the Company.

14. Appointment of Company as Agent and Attorney. The Subscriber hereby:

- (a) irrevocably authorizes the Company’s Secretary (or failing him, any other officer of the Company) on the Company’s behalf, as their lawful attorney, with full power of substitution, to, in his

discretion, correct any ambiguities, errors or omissions herein or in any of Schedules attached hereto and completed by the Subscriber, or to complete the re-purchase of Common Shares pursuant to Section 9 herein; and

- (b) irrevocably authorizes the Company to extend or accelerate the Closing Date on behalf of the Subscriber.

The appointment contained in this Section 14, coupled with an interest, is irrevocable by the Subscriber and will not be revoked by the insolvency, bankruptcy, death, incapacity, dissolution, liquidation or other termination of the existence of the Subscriber.

15. **Costs.** The Subscriber acknowledges and agrees that all costs and expenses incurred by the Subscriber (including any fees and disbursements of any special counsel retained by the Subscriber) relating to the acquisition of the Shares shall be borne by the Subscriber.
16. **Governing Law and Venue.** The contract arising out of this Subscription Agreement, and any amendment, addendum or supplement hereto, and all other documents relating hereto shall be governed by and construed in accordance with the laws of the Province of Nova Scotia, and the laws of Canada applicable therein, governing contracts made and to be performed wholly therein, and without reference to its principles governing the choice or conflict of laws. The parties hereto irrevocably attorn and submit to the non-exclusive jurisdiction of the courts of the Province of Nova Scotia, sitting in Halifax Regional Municipality, with respect to any dispute related to or arising from this Subscription Agreement.
17. **Severability.** The invalidity, illegality or unenforceability of any provision of this Subscription Agreement or of any covenant contained herein shall not affect the validity, legality or enforceability of any other provision, covenant or agreement hereof or herein contained.
18. **Entire Agreement.** Except as expressly provided in this Subscription Agreement and in the Offering Memorandum, if the Subscriber has received an Offering Memorandum, provided for herein, this Subscription Agreement (including the Schedules attached hereto) represents the entire agreement between the parties hereto relating to the subject matter hereof and there are no representations, warranties, covenants or other terms relating to the subject matter hereof, whether expressed or implied, oral, written, by statute, or common law by the Company, Subscriber or any third party.
19. **Amendment and Waiver.** No amendment or waiver of the provisions of this Subscription Agreement shall be effective unless in writing and signed by all of the parties hereto.
20. **Assignment.** This Subscription Agreement is not transferable or assignable.
21. **Survival.** The covenants, representations and warranties contained herein shall survive the closing of the transactions contemplated hereby and shall be binding on and enure for the benefit of the parties hereto and their respective heirs, executors, administrators, and successors.
22. **Time of Essence.** Time shall be of the essence hereof.

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SCHEDULE "A"

STATEMENT OF ACCREDITED INVESTOR

Important: Accredited Investors please place your initials beside the category to which you belong and sign at the end.

The categories listed herein contain certain specifically defined terms. If you are unsure as to the meanings of those terms, or are unsure as to the applicability of any category below, please contact your broker and/or legal advisor before completing this certificate.

TO: AROI MORTGAGE INVESTMENT CORPORATION INC. (the "Company")

In connection with the purchase by the undersigned subscriber (the "**Subscriber**") of shares in the capital stock of the Company (the "**Shares**"), the Subscriber, on its own behalf and on behalf of each of the disclosed beneficial purchasers for whom the Subscriber is acting, hereby represents, warrants, covenants and certifies to the Company (and acknowledges that the Company and its respective counsel are relying thereon) that:

1. the Subscriber, and each of the disclosed beneficial purchasers for whom the Subscriber is acting, is subject to the securities laws of one or more of the provinces or territories of Canada;
2. the Subscriber, or each of the disclosed beneficial purchasers for whom the Subscriber is acting, is purchasing the Shares as principal for its own account and not for the benefit of any other person or is deemed to be purchasing the Shares as principal pursuant to National Instrument 45-106 *Prospectus Exemptions* ("**NI 45-106**");
3. the Subscriber, or each of the disclosed beneficial purchasers for whom the Subscriber is acting, is an "accredited investor" within the meaning of NI 45-106 on the basis that the undersigned fits within the category of an "accredited investor" reproduced below beside which the undersigned has indicated the undersigned belongs to such category; and
4. upon execution of this Schedule "A" by the Subscriber, this Schedule "A" shall be incorporated into and form a part of the Subscription Agreement.

ACCREDITED INVESTOR CATEGORY *(Please initial beside the appropriate category):*

- ___ (a) a Canadian financial institution, or a Schedule III bank,
- ___ (b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada),
- ___ (c) a subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary,
- ___ (d) a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer,
- ___ (e) an individual registered or formerly registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d),
- ___ (e.1) an individual formerly registered under the securities legislation of a jurisdiction of Canada, other than an individual formerly registered solely as a representative of a limited market dealer under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador),
- ___ (f) the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada,

- ___ (g) a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec,
- ___ (h) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government,
- ___ (i) a pension fund that is regulated by the Office of the Superintendent of Financial Institutions (Canada), a pension commission or similar regulatory authority of a jurisdiction of Canada,
- ___ (j) an individual who, either alone or with a spouse, beneficially owns financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds \$1,000,000,
- ___ (j.1) an individual who beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$5,000,000,
- ___ (k) an individual whose net income before taxes exceeded \$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse exceeded \$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year,
- ___ (l) an individual who, either alone or with a spouse, has net assets of at least \$5,000,000,
- ___ (m) a person, other than an individual or investment fund, that has net assets of at least \$5,000,000 as shown on its most recently prepared financial statements,
- ___ (n) an investment fund that distributes or has distributed its securities only to
 - (i) a person that is or was an accredited investor at the time of the distribution,
 - (ii) a person that acquires or acquired securities in the circumstances referred to in sections 2.10 [*Minimum amount investment*], or 2.19 [*Additional investment in investment funds*] of NI 45-106, or
 - (iii) a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 [*Investment fund reinvestment*] of NI 45-106,
- ___ (o) an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Québec, the securities regulatory authority, has issued a receipt,
- ___ (p) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be,
- ___ (q) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction,
- ___ (r) a registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded,
- ___ (s) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function,
- ___ (t) a person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors,

- ___ (u) an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser,
- ___ (v) a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as an accredited investor, or
- ___ (w) a trust established by an accredited investor for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's spouse, a former spouse of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of that accredited investor, of that accredited investor's spouse or of that accredited investor's former spouse.

If any of (j) through (l) are initialed, the Subscriber must complete the attached Exhibit "1".

For purposes hereof, the following terms shall have the stated meanings:

"EVCC" means an employee venture capital corporation that does not have a restricted constitution, and is registered under Part 2 of the *Employee Investment Act* (British Columbia), R.S.B.C. 1996 c. 112, and whose business objective is making multiple investments;

"financial assets" means cash, securities or a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;

"fully managed account" means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client's express consent to a transaction;

"investment fund" means a mutual fund or a non-redeemable investment fund, and, for greater certainty in British Columbia, includes an EVCC and a VCC;

"non-redeemable investment fund" means an issuer:

- (a) whose primary purpose is to invest money provided by its securityholders,
- (b) that does not invest:
 - (i) for the purpose of exercising or seeking to exercise control of an issuer, other than an issuer that is a mutual fund or a non-redeemable investment fund, or
 - (ii) for the purpose of being actively involved in the management of any issuer in which it invests, other than an issuer that is a mutual fund or a non-redeemable investment fund, and
- (c) that is not a mutual fund;

"person" includes:

- (a) an individual,
- (b) a corporation,
- (c) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and
- (d) an individual or other person in the person's capacity as a trustee, executor, administrator or personal or other legal representative;

"related liabilities" means:

- (a) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or
- (b) liabilities that are secured by financial assets;

"spouse" means, an individual who:

- (a) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual,

- (b) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or
- (c) in Alberta, in an individual referred to in paragraph (a) or (b), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta);

“VCC” means a venture capital corporation registered under Part 1 of the *Small Business Venture Capital Act* (British Columbia), R.S.B.C. 1996 c. 429, whose business objective is making multiple investments.

The foregoing representations and warranties are true and accurate as of the date of this certificate and will be true and accurate as of the Closing (as defined in the Subscription Agreement). If any representations and warranties shall not be true and accurate prior to Closing, the Subscriber shall give immediate notice of such fact to the Company.

EXECUTED by the Subscriber at _____, this _____ day of _____, 201__.

If the Subscriber is a corporation, partnership or other entity:

If the Subscriber is an Individual:

Signature of Authorized Signatory

Signature

Name and Position of Signatory

Print Name

Name of Purchasing Entity

Jurisdiction of Residence

Jurisdiction of Residence

EXHIBIT "1" TO SCHEDULE "A"

Form 45-106F9
Form for Individual Accredited Investors

WARNING!

This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.

SECTION 1 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
1. About your investment	
Type of securities: Common and/or Class A Preferred Shares	Issuer: AROI MORTGAGE INVESTMENT CORPORATION INC.
Purchased from: ISSUER (AROI MORTGAGE INVESTMENT CORPORATION INC.)	
SECTIONS 2 TO 4 TO BE COMPLETED BY THE PURCHASER	
2. Risk acknowledgement	
This investment is risky. Initial that you understand that:	Your initials
Risk of loss – You could lose your entire investment of \$ _____. [<i>Instruction: Insert the total dollar amount of the investment.</i>]	
Liquidity risk – You may not be able to sell your investment quickly – or at all.	
Lack of information – You may receive little or no information about your investment.	
Lack of advice – You will not receive advice from the salesperson about whether this investment is suitable for you unless the salesperson is registered. The salesperson is the person who meets with, or provides information to, you about making this investment. To check whether the salesperson is registered, go to www.aretheyregistered.ca .	
3. Accredited investor status	
You must meet at least one of the following criteria to be able to make this investment. Initial the statement that applies to you. (You may initial more than one statement.) The person identified in section 6 is responsible for ensuring that you meet the definition of accredited investor. That person, or the salesperson identified in section 5, can help you if you have questions about whether you meet these criteria.	Your initials
• Your net income before taxes was more than \$200,000 in each of the 2 most recent calendar years, and you expect it to be more than \$200,000 in the current calendar year. (You can find your net income before taxes on your personal income tax return.)	
• Your net income before taxes combined with your spouse's was more than \$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than \$300,000 in the current calendar year.	
• Either alone or with your spouse, you own more than \$1 million in cash and securities, after subtracting any debt related to the cash and securities.	
• Either alone or with your spouse, you have net assets worth more than \$5 million. (Your net assets are your total assets (including real estate) minus your total debt.)	

4. Your name and signature	
By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form.	
First and last name (please print):	
Signature:	Date:
SECTION 5 TO BE COMPLETED BY THE SALESPERSON	
5. Salesperson information	
<i>[Instruction: The salesperson is the person who meets with, or provides information to, the purchaser with respect to making this investment. That could include a representative of the issuer or selling security holder, a registrant or a person who is exempt from the registration requirement.]</i>	
First and last name of salesperson (please print):	
Telephone:	Email:
Name of firm (if registered):	
SECTION 6 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
6. For more information about this investment	
For investment in a non-investment fund	
<p>ARO I MORTGAGE INVESTMENT CORPORATION INC. 115 COLDBROOK VILLAGE PARK DRIVE, COLDBROOK, NOVA SCOTIA, B4R 1B9 ATTENTION: MATTHEW HENNIGAR (902) 365-1100 invest@aroi.ca mic.aroi.ca</p>	
For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at www.securities-administrators.ca.	

Form instructions:

1. *This form does not mandate the use of a specific font size or style but the font must be legible.*
2. *The information in sections 1, 5 and 6 must be completed before the purchaser completes and signs the form.*
3. *The purchaser must sign this form. Each of the purchaser and the issuer or selling security holder must receive a copy of this form signed by the purchaser. The issuer or selling security holder is required to keep a copy of this form for 8 years after the distribution.*

SCHEDULE "B"

FORM 45-106F4 - RISK ACKNOWLEDGEMENT

Important: Subscribers relying on the Offering Memorandum exemption please complete and sign this Risk Acknowledgement form in duplicate. The Subscriber and the Company must each receive a signed copy.

WARNING

- I acknowledge that this is a risky investment.
- I am investing entirely at my own risk.
- No securities regulatory authority has evaluated or endorsed the merits of these securities or the disclosure in the Offering Memorandum.
- The person selling me these securities is not registered with a securities regulatory authority or regulator and has no duty to tell me whether this investment is suitable for me.
- I will not be able to sell these securities except in very limited circumstances. I may never be able to sell these securities.
- The securities are redeemable, but I may only be able to redeem them in certain circumstances.
- I could lose all the money I invest.

I am investing \$ _____ [total consideration] in total; this includes any amount I am obliged to pay in future.

I acknowledge that this is a risky investment and that I could lose all the money I invest.

Date

Signature of Purchaser

Print name of Purchaser

Sign 2 copies of this document. Keep one copy for your records.

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You have 2 business days to cancel your purchase.

To do so, send a notice to the Company stating that you want to cancel your purchase. You must send the notice before midnight on the 2nd business day after you sign the agreement to purchase the securities. You can send the notice by fax or email or deliver it in person to the Company at its business address. Keep a copy of the notice for your records.

AROI Mortgage Investment Corporation Inc. (the "Company")
115 Coldbrook Village Park Drive, Suite 10
Coldbrook, NS B4R 1B9

Fax: (902) 365-3165

Email: invest@aroi.ca

Attention: Thomas Busch, President

You are buying Exempt Market Securities.

They are called *exempt market securities* because two parts of securities law do not apply to them. If an issuer wants to sell *exempt market securities* to you:

- the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and

the securities do not have to be sold by an investment dealer registered with a securities regulatory authority or regulator.

There are restrictions on your ability to resell *exempt market securities*. *Exempt market securities* are more risky than other securities.

You will receive an Offering Memorandum.

Read the Offering Memorandum carefully because it has important information about the Company and its securities. Keep the Offering Memorandum because you have rights based on it. Talk to a lawyer for details about these rights.

You will not receive advice.

You will not get professional advice about whether the investment is suitable for you. But you can still seek that advice from a registered adviser or registered dealer. In Alberta, Manitoba, Northwest Territories, Nunavut, Prince Edward Island, Québec, Saskatchewan and Yukon to qualify as an eligible investor, you may be required to obtain that advice.

The securities you are buying are not listed.

The securities you are buying are not listed on any stock exchange, and they may never be listed. You may never be able to sell these securities.

The issuer of your securities is a non-reporting issuer.

A *non-reporting issuer* does not have to publish financial information or notify the public of changes in its business. You may not receive ongoing information about this issuer.

For more information on the exempt market, call your local securities regulatory authority or regulator.

Nova Scotia Telephone: 1-855-424-2499
Web site: nssc.novascotia.ca

New Brunswick Telephone: 1-866-933-2222
Web site: www.fcnb.ca

[Instruction: The Subscriber (purchaser) must sign 2 copies of this form. The Subscriber (purchaser) and the Company must each receive a signed copy.]

Schedule 1 to Schedule "B"
Classification of Investors Under the Offering Memorandum Exemption

Instructions: This schedule must be completed together with the Risk Acknowledgement Form and Schedule 2 by individuals purchasing securities under the exemption (the offering memorandum exemption) in subsection 2.9(2.1) of National Instrument 45-106 *Prospectus Exemptions* (NI 45-106) in Alberta, New Brunswick, Nova Scotia, Ontario, Québec and Saskatchewan.

How you qualify to buy securities under the offering memorandum exemption

Initial the statement under A, B, C or D containing the criteria that applies to you. (You may initial more than one statement.) If you initial a statement under B or C, you are not required to complete A.

A. You are an eligible investor because:		Your initials
ELIGIBLE INVESTOR	Your net income before taxes was more than \$75,000 in each of the 2 most recent calendar years, and you expect it to be more than \$75,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Your net income before taxes combined with your spouse's was more than \$125,000 in each of the 2 most recent calendar years, and you expect your combined net income to be more than \$125,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Either alone or with your spouse, you have net assets worth more than \$400,000. (Your net assets are your total assets, including real estate, minus your total debt including any mortgage on your property.)	

B. You are an eligible investor, as a person described in section 2.3 [<i>Accredited investor</i>] of NI 45-106 or, as applicable in Ontario, subsection 7.3(3) of the <i>Securities Act</i> (Ontario), because		Your initials
ELIGIBLE INVESTOR	Your net income before taxes was more than \$200,000 in each of the 2 most recent calendar years, and you expect it to be more than \$200,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Your net income before taxes combined with your spouse's was more than \$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than \$300,000 in the current calendar year.	
	Either alone or with your spouse, you own more than \$1 million in cash and securities, after subtracting any debt related to the cash and securities.	
	Either alone or with your spouse, you have net assets worth more than \$5 million. (Your net assets are your total assets (including real estate) minus your total debt.)	

C. You are an eligible investor, as a person described in section 2.5 [Family, friends and business associates] of NI 45-106, because:		Your initials
FAMILY, FRIENDS AND BUSINESS ASSOCIATES	<p>You are:</p> <p>1) <i>[check all applicable boxes]</i></p> <p><input type="checkbox"/> a director of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> an executive officer of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> a control person of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> a founder of the issuer OR</p> <p>2) <i>[check all applicable boxes]</i></p> <p><input type="checkbox"/> a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above</p> <p><input type="checkbox"/> a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above</p>	
	<p>You are a family member of _____ <i>[Instruction: Insert the name of the person who is your relative either directly or through his or her spouse]</i>, who holds the following position at the issuer or an affiliate of the issuer: _____.</p> <p>You are the _____ of that person or that person's spouse. <i>[Instruction: To qualify for this investment, you must be (a) the spouse of the person listed above or (b) the parent, grandparent, brother, sister, child or grandchild of that person or that person's spouse.]</i></p>	
	<p>You are a close personal friend of _____ <i>[Instruction: Insert the name of your close personal friend]</i>, who holds the following position at the issuer or an affiliate of the issuer: _____.</p> <p>You have known that person for _____ years.</p>	
	<p>You are a close business associate of _____ <i>[Instruction: Insert the name of your close business associate]</i>, who holds the following position at the issuer or an affiliate of the issuer: _____.</p> <p>You have known that person for _____ years.</p>	

D. You are not an eligible investor.		Your initials
NOT AN ELIGIBLE INVESTOR	You acknowledge that you are not an eligible investor.	

Schedule 2 to Schedule "B"
Investment Limits for Investors Under the Offering Memorandum Exemption

Instructions: This schedule must be completed together with the Risk Acknowledgement Form and Schedule 1 by individuals purchasing securities under the exemption (the offering memorandum exemption) in subsection 2.9(2.1) of National Instrument 45-106 *Prospectus Exemptions* (NI 45-106) in Alberta, New Brunswick, Nova Scotia, Ontario, Québec and Saskatchewan.

SECTION 1 TO BE COMPLETED BY THE PURCHASER

1. Investment limits you are subject to when purchasing securities under the offering memorandum exemption

You may be subject to annual investment limits that apply to all securities acquired under the offering memorandum exemption in a 12 month period, depending on the criteria under which you qualify as identified in Schedule 1. Initial the statement that applies to you.

A. You are an eligible investor.		Your initials
ELIGIBLE INVESTOR	As an eligible investor that is an individual, you cannot invest more than \$30,000 in all offering memorandum exemption investments made in the previous 12 months, unless you have received advice from a portfolio manager, investment dealer or exempt market dealer, as identified in section 2 of this schedule, that your investment is suitable. Initial one of the following statements:	
	You confirm that, after taking into account your investment of \$_____ today in this issuer, you have not exceeded your investment limit of \$30,000 in all offering memorandum exemption investments made in the previous 12 months.	
	You confirm that you received advice from a portfolio manager, investment dealer or exempt market dealer, as identified in section 2 of this schedule that the following investment is suitable. You confirm that, after taking into account your investment of \$_____ today in this issuer, you have not exceeded your investment limit in all offering memorandum exemption investments made in the previous 12 months of \$100,000.	

B. You are an eligible investor, as a person described in section 2.3 [Accredited investor] of NI 45-106 or, as applicable in Ontario, subsection 7.3(3) of the <i>Securities Act</i> (Ontario).		Your initials
ACCREDITED INVESTOR	You acknowledge that, by qualifying as an eligible investor as a person described in section 2.3 [Accredited investor], you are not subject to investment limits.	

C. You are an eligible investor, as a person described in section 2.5 [Family, friends and business associates] of NI 45-106.		Your initials
FAMILY, FRIENDS AND BUSINESS ASSOCIATES	You acknowledge that, by qualifying as an eligible investor as a person described in section 2.5 [Family, friends and business associates], you are not subject to investment limits.	

D. You are not an eligible investor.		Your initials
NOT AN ELIGIBLE INVESTOR	<p>You acknowledge that you cannot invest more than \$10,000 in all offering memorandum exemption investments made in the previous 12 months.</p> <p>You confirm that, after taking into account your investment of \$_____ today in this issuer, you have not exceeded your investment limit of \$10,000 in all offering memorandum exemption investments made in the previous 12 months.</p>	

SECTION 2 TO BE COMPLETED BY THE REGISTRANT	
2. Registrant information	
<i>[Instruction: this section must only be completed if an investor has received advice from a portfolio manager, investment dealer or exempt market dealer concerning his or her investment.]</i>	
First and last name of registrant (please print):	
Registered as: <i>[Instruction: indicate whether registered as a dealing representative or advising representative]</i>	
Telephone:	Email:
Name of firm: <i>[Instruction: indicate whether registered as an exempt market dealer, investment dealer or portfolio manager.]</i>	
Date:	

SCHEDULE "C"

STOCK TRANSFER POWER

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto AROI Mortgage Investment Corporation Inc. the following Shares: **one (1) Common Share** of **AROI MORTGAGE INVESTMENT CORPORATION INC.** held by the undersigned and represented by share certificate number _____, and irrevocably constitutes and appoints Cox & Palmer, as attorney-in-fact, to transfer the same on the books and records of AROI MORTGAGE INVESTMENT CORPORATION INC. with full power and substitution in the premises.

Dated _____

Witness

Signature of Transferor
Name:

SCHEDULE “D”**SHARE TERMS AND CONDITIONS AND ADMINISTRATIVE LANGUAGE****Administrative Language for Redemption at Option of Shareholder**

A holder of Preferred Shares may, by giving 12 months’ advance written notice to the Company (the “**Redemption Notice**”), request that the Corporation redeem the whole or any part of the Preferred Shares registered in the holder’s name (“**Redeemable Shares**”). The Redeemable Shares are considered to be tendered for redemption on the date the Company has, to the satisfaction of the Board of Directors, received the Redemption Notice (the “**Notice Date**”).

As a condition of such redemption, the Company receives the following amounts as an administrative charge:

- (a) 3% of the redemption amount where a Preferred Share is redeemed after the first anniversary of the date of its issuance but before the second anniversary of such issuance;
- (b) 2% of the redemption amount where a Preferred Share is redeemed after the second anniversary date of its issuance but before the third anniversary date of its issuance;
- (c) 1% of the redemption amount where a Preferred Share is redeemed after the third anniversary of the date of its issuance but before the fourth anniversary of the date of its issuance; and
- (d) Nil, where a Preferred Share is redeemed after the fourth anniversary of the date of its issuance.

No redemption is made if it would result in a violation of any provision of the Companies Act, render the Company insolvent or result in the Company’s non-compliance with the Tax Act with respect to MICs. If upon receipt of Redemption Notices, the Company does not have sufficient liquid assets available to redeem all of the Redeemable Shares, the Company will use whatever liquid assets are available to redeem on a pro rata basis as many Redeemable Shares as possible.

Common Shares – Share Terms and Conditions

The following rights, privileges, restrictions and conditions shall attach to the Common Shares of the Company:

- (i) **Voting Privileges.** The holders of the Common Shares shall be entitled to receive notice of and to attend meetings of the shareholders of the Company, and shall be entitled to one (1) vote for each Common Share held.
- (ii) **Par Value.** The Common Shares shall have no par value.
- (iii) **Dividends.** Subject to the rights of the holders of Class A Preferred Shares to Preferred Dividends (as defined in the terms and conditions attaching to the Class A Preferred Shares), the holders of Common Shares shall be entitled to receive, as and when declared by the directors of the Company, out of the monies of the Company properly available for the payment of dividends, a dividend in a like amount per share to the Preferred Dividend (the “**Matching Dividends**”). For greater certainty, “like amount per share” shall mean an amount per share that is equal to a percentage of the stated capital of the Common Shares reflected in the financial books and records of the Company, calculated by using the same percentage used to calculate the Preferred Dividends. If, after the payment of the Preferred Dividend and the Matching Dividend in any fiscal year of the Company, the directors, in their sole discretion, declare an additional dividend or additional dividends in that fiscal year, the holders of Common Shares shall have a right to participate *pari passu* with the holders of the Class A Preferred Shares in any such further dividend(s), such *pari passu* participation to be based upon the stated capital of each such class of shares.
- (iv) **Repurchase for Cancellation.** The Company may at any time purchase for cancellation the whole or any part of the Common Shares from the holders of record of the Common Shares outstanding at a purchase price equal to the amount paid up thereon.
- (v) **Priority on Dissolution.** In the event of the liquidation, dissolution or winding up of the Company or other distribution of property or assets of the Company among its Shareholders for the purpose of winding up its affairs:
 - (1) Subject to the rights of the Preferred Shareholders, the holders of the Common Shares shall be entitled to receive an amount equal to the stated capital of the Common Shares issued and outstanding at that time; and
 - (2) After the Company has made the distribution contemplated by paragraph (d)(i) above, the holders of the Common Shares shall be entitled to receive, on a pro rata basis with the holders of the Class A Preferred Shares, all remaining assets of the Company available for distribution.

Class A Preferred Shares – Share Terms and Conditions

The following rights, privileges, restrictions and conditions shall attach to the Class A Preferred Shares of the Company:

- (i) **Voting Privileges.** The holders of the Class A Preferred Shares shall not be entitled to receive notice of, or vote at any meeting of the shareholders of the Company, unless otherwise provided by the *Companies Act* (Nova Scotia), as may be amended from time to time and any successor legislation.
- (ii) **Par Value.** The Class A Preferred Shares shall have no par value.
- (iii) **Dividends.** The holders of the Class A Preferred Shares shall be entitled to receive, and the Company shall pay thereon, as and when declared by the directors of the Company, a non-cumulative dividend per annum in an amount of up to 12% of the stated capital of the Class A Preferred Shares as shown on the financial books and records of the Company out of the monies of the Company available for the payment of dividends (the "**Preferred Dividend**"). Subject to the rights of the holders of the Common Shares to the Matching Dividend (as defined in the terms and conditions attaching to the Common Shares), the holders of the Class A Preferred Shares shall thereafter be entitled to participate *pari passu* with the holders of the Common Shares in any further payment of dividends for that particular fiscal year if and when declared by the directors of the Company in their sole discretion, such *pari passu* participation to be based upon the stated capital of each such class of shares.
- (iv) **Redemption Price.** The redemption price (the "**Redemption Price**") of each Class A Preferred Share is equal to the amount paid up thereon.
- (v) **Redemption at Option of the Company.**
 - (1) The Company may, upon giving notice as hereinafter provided, redeem at any time and from time to time the whole or any part of the Class A Preferred Shares from one or more holders of Class A Preferred Shares, and to the exclusion of any other class of shares of the Company, on payment for each share to be redeemed of the Redemption Price plus the amount of all declared but unpaid dividends thereon.
 - (2) In any case of redemption pursuant to the provisions of the preceding paragraph, the Company shall at least thirty (30) days before the date specified for redemption, which shall only be in the first month of any quarter of the Company's fiscal year, mail to each particular holder of Class A Preferred Shares that the Company wishes to redeem, who at the date of mailing is a registered holder of such shares, a notice (the "**Redemption Notice**") in writing of the Company's intention to redeem such shares in whole or part. The Redemption Notice shall be mailed by letter, postage prepaid, addressed to each such shareholder at his/her/its address as it appears on the books of the Company or if the address of any such shareholder not so appearing, then to the last known address of such shareholder, provided however that accidental failure or omission to give such notice to one or more of such shareholders shall not affect the validity of such redemption. The Redemption Notice shall set out the Redemption Price, the amount of any declared but unpaid dividends thereon, and the date on which redemption is to take place, and if only part of the Class A Preferred Shares held by the person to whom it is addressed is to be redeemed, the number thereof to be redeemed.
 - (3) On or after the date so specified for redemption in the Redemption Notice, and conditional upon the surrender for cancellation at the Company's head office or any other place designated in the Redemption Notice of all share certificates representing the Class A Preferred Shares to be redeemed, the Company shall pay or cause to be paid to or to

the order of the registered holder(s) of the Class A Preferred Shares to be redeemed, the Redemption Price thereof together with the amount of any declared but unpaid dividends thereon. If less than all of the Class A Preferred Shares represented by any share certificate are redeemed, a new share certificate for the balance shall be issued at the expense of the Company.

- (4) The Company shall have the right at any time after the mailing of the Redemption Notice to deposit the Redemption Price for the shares so called for redemption, together with the amount of any declared but unpaid dividends thereon, to a special account in any chartered bank or any trust company in Canada named in the Redemption Notice to be paid without interest to the order of the respective holder(s) of such shares called for redemption upon presentation and surrender of the share certificates representing such shares which have not at the date of such deposit been surrendered by the holder(s) thereof in connection with such redemption. Upon such deposit being made by the Company or upon the date specified for redemption in the Redemption Notice, whichever is the later, the Class A Preferred Shares in respect of such deposit shall be deemed to be redeemed and shall be redeemed and cancelled, and the rights of the holder(s) thereof after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total Redemption Price so deposited against presentation and surrender of the share certificates held by them respectively. Any interest allowed on such deposit shall belong to the Company.

(vi) **Redemption at Option of the Holder.**

- (1) Subject to applicable law, and subject to any applicable administrative penalty that the directors of the Company may determine from time to time, any holder of Class A Preferred Shares may, by giving notice as hereinafter provided, require the Company to redeem, at any time and from time to time, the whole or any part of the Class A Preferred Shares held by such holder by payment of the Redemption Price plus the amount of any declared but unpaid dividends thereon.
- (2) If any holder of Class A Preferred Shares wishes the Company to redeem all or any part of such shares, such holder must give twelve (12) months written notice (the “**Retraction Notice**”) thereof to the Company at its registered office, unless otherwise waived by the Company. The Retraction Notice shall indicate the number of shares to be redeemed. Subject to applicable law and waiver by the Company, on that day which is the last day of the quarter of the financial year of the Company after such twelve (12) months’ notice, the Company shall redeem the shares specified for redemption in the Retraction Notice, and on that date the Company shall pay or cause to be paid to or for the order of such holder the Redemption Price together with the amount of any declared but unpaid dividends thereon, less the applicable administrative penalty (if any), upon the presentation and surrender at the registered office of the Company of the share certificate(s) representing the Class A Preferred Shares to be redeemed. Any such shares to be redeemed shall thereupon be deemed to be redeemed and shall be redeemed and cancelled. If less than all of the shares represented by any share certificate are redeemed, a new share certificate for the balance shall be issued at the expense of the Company.

(vii) **Redemption Priority.** The Company may, but is not required to, redeem shares pro rata from the holders of the Class A Preferred Shares of the Company.

(viii) **Compliance with Mortgage Investment Corporation Requirements.** Notwithstanding any other provision of these terms and conditions, no dividend shall be paid and no redemption of shares or purchase of shares for cancellation shall be made if at that time such dividend, redemption or purchase would result in the Company’s non-compliance with the provisions of the

Income Tax Act (Canada), as may be amended from time to time, respecting mortgage investment corporations.

- (ix) **Priority on Dissolution.** In the event of the liquidation, dissolution or winding up of the Company or other distribution of property or assets of the Company among its Shareholders for the purpose of winding up its affairs:
- (1) The holders of the Class A Preferred Shares shall be entitled to receive an amount equal to the Redemption Price of such shares together with any dividends declared but unpaid thereon, and thereafter, the holders of the Common Shares shall be entitled to receive an amount equal to the stated capital of the Common Shares issued and outstanding at that time; and
 - (2) After the Company has made the distribution contemplated by paragraph (i)(i) above, the holders of the Class A Preferred Shares shall be entitled to receive, on a pro rata basis with the holders of the Common Shares, all remaining assets of the Company available for distribution.