



Mortgage Investment Corporation

SUBSCRIPTION AGREEMENT CLASS F PREFERRED SHARES

M12 CAPITAL MORTGAGE INVESTMENT CORPORATION
5975 Whittle Road, Suite 230, Mississauga, Ontario, L4Z3N1

**M12 CAPITAL MORTGAGE INVESTMENT CORPORATION
CLASS F PREFERRED SHARE SUBSCRIPTION AGREEMENT**

TO: M12 CAPITAL MORTGAGE INVESTMENT CORPORATION

The undersigned (the “**Subscriber**”) hereby irrevocably subscribes for and agrees to purchase from M12 Capital Mortgage Investment Corporation (the “**Corporation**”) that number and class of shares (as hereinafter defined) set out below at a price of \$1.00 per Class F Preferred Share. The Subscriber agrees to be bound by the terms and conditions set forth under “Terms and Conditions” attached hereto including without limitation the representations, warranties and covenants set forth in the applicable schedules attached hereto. The Subscriber further agrees, without limitation, that the Corporation may rely upon the Subscriber’s representations, warranties and covenants contained in such documents.

<hr/> <p>(Name of Subscriber)</p>
Account Reference (if applicable): _____
By: _____ Authorized Signature
<hr/> <p>(Official Capacity or Title – if the Subscriber is not an individual)</p>
<hr/> <p>(Name of individual whose signature appears above if different than the name of the subscriber printed above.)</p>
<hr/> <p>(Subscriber’s Address, including Municipality and Province)</p>
<hr/> <p>(Telephone Number) _____</p>
(Email Address) _____ You will receive monthly mortgage reports of email address provided
SOCIAL INSURANCE or BUSINESS NUMBER x _____

Number of Shares: _____ x \$1.00
Class of Shares: _____ Class F Preferred
Aggregate Subscription Price: \$ _____ (the “ Subscription Price ”)

If the Subscriber is signing as agent for a principal (“Beneficial Subscriber”) and is not purchasing as trustee or agent for accounts fully managed by it, complete the following:
<hr/> <p>(Name of Principal)</p>
<hr/> <p>(Principal’s Address)</p>
<hr/> <p>INTEREST PAYMENT OPTIONS</p>
_____ DRIP or _____ INTEREST (if registered this will go into registered account)
REGISTERED PURCHASES
Trustee Account # _____
_____ RRSP. _____ Spousal RRSP _____ TFSA
NOTE – DO NOT SUBMIT FOR PROCESSING UNTIL YOU HAVE CONFIRMATION OF FUNDS WITH APPLICABLE TRUSTEE

<u>Registration Instructions as set forth below:</u>	

(Name)	

(Account Reference, if applicable)	

(Address, including Postal Code)	

(Contact (Telephone Number)	(Name)

<u>Delivery Instructions as set forth below:</u>	

(Name)	

(Account Reference, if applicable)	

(Address)	

(Contact Name)	(Telephone Number)

The Corporation hereby accepts the subscription for Shares as set forth in this Subscription Agreement on the terms and conditions contained in this Subscription Agreement (including all applicable schedules) this _____ day of _____, 20____.

M12 CAPITAL MORTGAGE INVESTMENT CORPORATION

Per: _____
Authorized Signing Officer

Payment may be made by Cheque, Draft or Wire:

M12 Capital Mortgage Investment Corporation
5975 Whittle Rd, Suite 230, Mississauga, Ontario, L4Z3N1

Wiring Instructions:

TERMS AND CONDITIONS

ARTICLE 1 - INTERPRETATION

1.1 Definitions

Whenever used in this Subscription Agreement, unless there is something in the subject matter or context inconsistent therewith, the following words and phrases shall have the respective meanings ascribed to them as follows:

“**Beneficial Subscriber**” shall have the meaning ascribed to such term on the face page of this Subscription Agreement.

“**Business Day**” means a day other than a Saturday, Sunday or statutory holiday in Toronto, Ontario, Canada.

“**Closing**” shall have the meaning ascribed to such term in Section 4.1.

“**Closing Date**” shall have the meaning ascribed to such term in Section 4.1.

“**Closing Time**” shall have the meaning ascribed to such term in Section 4.1.

“**Control Person**” means a person, company or combination of persons or companies described in clause (c) of the definition of “distribution” in subsection 1(1) of the *Securities Act* (Ontario).

“**Corporation**” means M12 Capital Mortgage Investment Corporation and includes any successor corporation to or of the Corporation.

“**Hold Period**” shall have the meaning ascribed to such term in Subsection 6.2(c).

“**Minimum Subscription**” shall have the meaning ascribed to such term in Section 3.3(a).

“**Offering**” means the offering of Shares pursuant to this Subscription Agreement.

“**Person**” means any individual (whether acting as an executor, trustee administrator, legal representative or otherwise), corporation, firm, partnership, sole proprietorship, syndicate, joint venture, trustee, trust, unincorporated organization or association, and pronouns have a similar extended meaning.

“**Redemption Price**” of a Class F preferred share means the price paid for such Class F Preferred Share at the time the Class F preferred share was issued from the treasury of the Corporation.

“**Subscriber**” means the Subscriber and, if applicable, the Subscriber on behalf of each person for whom it is contracting hereunder including each Beneficial Subscriber.

“**Securities Laws**” means, as applicable, the securities laws, regulations, rules, rulings and orders in each of the provinces of Canada where this Offering is made, the applicable policy statements issued by the securities regulators in each of the provinces of Canada.

“**Shares**” means Class F preferred shares in the authorized capital of the Corporation.

“**Subscriber**” means the subscriber for the Shares as set out on the face page of this Subscription Agreement.

“**Subscription Agreement**” means this subscription agreement (including any schedules attached hereto) and any instrument amending this Subscription Agreement; “**hereof**”, “**hereto**”, “**hereunder**”, “**herein**” and similar expressions mean and refer to this Subscription Agreement and not to a particular Article or Section; and the expression “Article”, “Section” or “Subsection” followed by a number means and refers to the specified Article, Section or Subsection of this Subscription Agreement.

“**Subscription Price**” has the meaning ascribed to such term on the face page of this Subscription Agreement.

“**Term Sheet**” means the indicative term sheet delivered to prospective purchasers of Shares, a copy of which is attached hereto as Schedule “A”.

“**United States**” means the United States of America, its territories and possessions, any State of the United States and the District of Columbia.

“**U.S. Person**” as that term is defined in Rule 902(k) of Regulation S under the U.S. Securities Act.

“**U.S. Securities Act**” means the *United States Securities Act of 1933*, as amended.

1.2 Gender and Number

Words importing the singular number only shall include the plural and vice versa, words importing the masculine gender shall include the feminine gender and words importing persons shall include firms and corporations and vice versa.

1.3 Currency

Unless otherwise specified, all dollar amounts in this Subscription Agreement, including the symbol “\$”, are expressed in Canadian dollars.

1.4 Subdivisions, Headings and Table of Contents

The division of this Subscription Agreement into Articles, Sections, Schedules and other subdivisions, the inclusion of headings and the provision of a table of contents are for convenience of reference only and do not affect the construction or interpretation of this Subscription Agreement. The headings in this Subscription Agreement are not intended to be full or precise descriptions of the text to which they refer. Unless something in the subject matter or context is inconsistent therewith, references herein to an Article, Section, Subsection, paragraph, clause or Schedule are to the applicable article, section, subsection, paragraph, clause or schedule of this Subscription Agreement.

ARTICLE 2 - SCHEDULES

2.1 Description of Schedules

The following are the Schedules attached to and incorporated in this Subscription Agreement by reference and deemed to be a part hereof:

Schedule "A"	Term Sheet
Schedule "B"	Certificate of Accredited Investor
Schedule "B-1"	Risk Acknowledgment Accredited Investor
Schedule "C"	Risk Acknowledgment Offering Memorandum Exemption
Schedule "C-1"	Classification of Investors Under the Offering Memorandum Exemption
Schedule "C-2"	Investment Limits for Investors Under the Offering Memorandum Exemption
Schedule "D"	Form for Family, Friends and Business Associates Investor
Schedule "E"	Authorization of Indirect Collection of Personal Information (Ontario)
Schedule "F"	Consent To Electronic Delivery Of Documents
Schedule "G"	Enrolment Form for Dividend Reinvestment Plan
Schedule "H"	Enrolment Form for Direct Deposit

ARTICLE 3 - SUBSCRIPTION

3.1 Subscription for the Shares

The Subscriber acknowledges that up to 50,000,000 Shares are being offered as part of this Offering. The material terms of the Shares are set out in the Term Sheet. The Shares are being offered for sale by the Corporation on a commercially reasonable "best efforts" agency basis. The Subscriber hereby confirms its irrevocable subscription for and offer to purchase the Shares from the Corporation, on and subject to the terms and conditions set out in this Subscription Agreement, for the Subscription Price which is payable as described in Section 3.2 hereto.

3.2 Subscription Funds

Funds representing the aggregate Subscription Price paid must be made payable, by certified cheque or bank draft in Canadian dollars, to "**M12 CAPITAL MORTGAGE INVESTMENT CORPORATION**" and delivered with this executed Subscription Agreement to the Corporation at 5975 Whittle Rd, Suite 230, Mississauga, Ontario, L4Z 3N1.

3.3 Acceptance and Rejection of Subscription by the Corporation

The Subscriber acknowledges and agrees that the Offering is subject to a minimum Subscription Price of **\$25,000.00** (the “**Minimum Subscription**”) for first time Subscribers of the Shares, and that the Corporation reserves the right, in its absolute discretion, to reject this subscription for Shares, in whole or in part, at any time prior to the Closing Time. If this subscription is rejected in whole, any cheques or other forms of payment delivered to the Corporation representing the Subscription Price will be promptly returned to the Subscriber without interest or deduction. If this subscription is accepted only in part, a cheque representing any refund of the Subscription Price for that portion of the subscription for the Shares which is not accepted, will be promptly delivered to the Subscriber without interest or deduction.

- (a) By returning this Subscription Agreement the Subscriber consents to the filing by the Corporation of all documents and personal information concerning the Subscriber provided in this Subscription Agreement required by the Securities Laws.
- (b) If the Subscriber is not subscribing for the Shares on its own account and it is not a trustee or portfolio manager purchasing as trustee or agent, respectively, for accounts which are fully managed by it, each person for whom the Subscriber is acting hereunder (including each Beneficial Subscriber) must be purchasing the Shares as principal and (unless the Subscriber is an authorized agent with power to sign on behalf of the Beneficial Subscriber) must execute all documents required by the Securities Laws with respect to the Shares being acquired by each such person (including each Beneficial Subscriber) as principal. If the party signing this Subscription Agreement is signing as agent or pursuant to a power of attorney for the Subscriber, such party represents and warrants that it has authority to bind the Subscriber.
- (c) The Subscriber agrees to comply with all Securities Laws concerning the purchase of, the holding of, and the resale restrictions applicable to the Shares.

ARTICLE 4 - CLOSING

4.1 Closing

Delivery and sale of the Shares and payment of the aggregate Subscription Price will be completed (the “**Closing**”) at the offices of the Corporation at 10:00 a.m. (Toronto time) (the “**Closing Time**”) on such date as will be communicated to the Subscriber by not less than one day’s written notice (the “**Closing Date**”).

4.2 Conditions of Closing

The Subscriber acknowledges and agrees that the obligations of the Corporation hereunder are conditional on the accuracy of the representations and warranties of the Subscriber contained in this Subscription Agreement, including the representations and warranties made in any schedules attached hereto, the performance or compliance in all material respects of all covenants contained in this Subscription Agreement, the receipt of all necessary regulatory approvals and the

fulfillment of the following conditions as soon as possible and in any event not later than 4:00 p.m. (Toronto time) on that day that is three business days before the Closing Date:

- (a) delivery by the Subscriber of the Subscription Price by certified cheque or bank draft in Canadian dollars payable to the Corporation;
- (b) the Subscriber having properly completed, signed and delivered this Subscription Agreement to the Corporation;
- (c) if the Subscriber is subscribing as an “Accredited Investor”, the Subscriber having properly completed, signed and delivered the Certificate of Accredited Investor set out as Schedule “B” hereto to the Corporation (including Schedule “B-1” if applicable);
- (d) if the Subscriber is subscribing under the “offering memorandum exemption”, the Subscriber having properly completed, signed and delivered the the OM Risk Acknowledgment Form set out as Schedule “C” hereto (and Schedules “C-1” and “C-2” thereto) to the Corporation;
- (e) if the Subscriber is subscribing under the “family, friends and business associates exemption, the Subscriber having properly completed, signed and delivered the risk acknowledgment form set out as Schedule “D” hereto to the Corporation; and
- (f) if the Subscriber is a resident of Ontario, the Subscriber having properly completed, signed and delivered the Authorization of Indirect Collection of Personal Information set out as Schedule “E” hereto to the Corporation.

ARTICLE 5 - REPRESENTATIONS AND WARRANTIES OF THE CORPORATION

5.1 Representations, Warranties and Covenants of the Corporation

The Corporation hereby represents and warrants to, and covenants with, the Subscriber as follows, and acknowledges that the Subscriber is relying on such representations and warranties in connection with the transactions contemplated herein. Such representations, warranties and covenants shall form an integral part of this Subscription Agreement and shall survive the closing of the purchase and sale of the Shares and continue in full force and effect for the benefit of the Subscriber.

- (a) The Corporation is now, and at the Closing Time will be, a corporation validly subsisting under the laws of the Province of Ontario.
- (b) The Corporation has all necessary corporate power, authority and capacity to enter into and carry out its obligations under this Subscription Agreement and all other agreements and instruments to be executed by the Corporation as contemplated by this Subscription Agreement.
- (c) The execution and delivery of this Subscription Agreement and such other agreements and instruments and the consummation of the transactions contemplated by this Subscription Agreement and such other agreements and instruments have been duly and validly authorized by the Corporation.

- (d) This Subscription Agreement constitutes a legal, valid and binding obligation of the Corporation enforceable against the Corporation in accordance with its terms subject, however, to the customary limitations with respect to bankruptcy, insolvency or other laws affecting creditors' rights generally and to the availability of equitable remedies.
- (e) The execution and delivery of this Subscription Agreement and the compliance by the Corporation with the terms hereof will not result in any breach, or be in conflict with, or constitute a default under, or create a state of facts which after notice or lapse of time or both would constitute a default under, any term or provision of the Corporation's constating documents or by-laws, or resolutions of the directors of the Corporation.
- (f) No approval, authorization, consent or order of, and no filing, registration or recording with, any governmental authority is required of the Corporation in connection with the execution and delivery or with the performance by the Corporation of this Subscription Agreement other than compliance with the applicable Securities Laws.

ARTICLE 6 - ACKNOWLEDGEMENTS, COVENANTS, REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

6.1 Representations, Warranties and Covenants of Subscriber

The Subscriber hereby represents, warrants and covenants to the Corporation and acknowledges that the Corporation is relying on such representations, warranties and covenants in connection with the transactions contemplated herein (which representations, warranties and covenants shall survive the issuance of the Shares to the Subscriber):

- (a) the Subscriber is solely responsible for obtaining such tax, investment, legal and other professional advice as it considers appropriate in connection with the execution, delivery and performance by it of this Agreement and the transactions contemplated hereunder (including the resale and transfer restrictions referred to herein), and, without limiting the generality of the foregoing, the Corporation's counsel is acting solely as counsel to the Corporation and not as counsel to the Subscriber;
- (b) the Subscriber is a resident in the jurisdiction set out on the face page of this Subscription Agreement. Such address was not created and is not used solely for the purpose of acquiring the Shares and the Subscriber was solicited to purchase the Shares solely in such jurisdiction;
- (c) if the Subscriber is resident in or otherwise subject to the laws of a province or territory of Canada, it:
 - (i) is purchasing the Shares as principal for its own account, not for the benefit of any other person and not with a view to the resale or distribution of all or any of the Shares, it is resident in or otherwise subject to the laws of a province or territory of Canada, it is an "accredited investor" as defined in

National Instrument 45-106 Prospectus and Registration Exemptions (“**NI 45-106**”) by virtue of being a person, Corporation or other entity of the type indicated in the form of the Certificate of Accredited Investor attached to this Subscription Agreement as Schedule “B” (“**Certificate of Accredited Investor**”) and it has duly completed and executed, and is delivering concurrently with this Subscription Agreement, the Certificate of Accredited Investor and, if applicable in accordance with the said certificate, the risk acknowledgment form appended thereto; or

- (ii) is purchasing the Shares as agent for one or more disclosed Beneficial Subscribers and each such Beneficial Subscriber for whom it is acting hereunder is purchasing the Shares as principal for its own account, not for the benefit of any other person and not with a view to the resale or distribution of all or any of the Shares, and each such principal is resident in or otherwise subject to the laws of a province or territory of Canada, is an “accredited investor” as defined in NI 45-106 by virtue of being a person, Corporation or other entity of the type indicated in the Certificate of Accredited Investor and has duly completed and executed, and is delivering concurrently with this Subscription Agreement, the Certificate of Accredited Investor and, if applicable in accordance with the said certificate, the risk acknowledgment form appended thereto; or
- (iii) is purchasing the Shares as principal for its own account and not for the benefit of any other person, and is purchasing a sufficient number of Shares so that the aggregate acquisition cost to the Subscriber will not be less than \$150,000.00 paid in cash at the time of purchase; or
- (iv) is purchasing the Shares as agent for a disclosed Beneficial Subscriber and such Beneficial Subscriber for whom the Subscriber is acting hereunder is resident in or otherwise subject to the laws of a province or territory of Canada, is purchasing the Shares as principal for its own account and not for the benefit of any other person, and is purchasing a sufficient number of Shares so that the aggregate acquisition cost to such Beneficial Subscriber is not less than \$150,000.00 paid in cash at the time of purchase; or
- (d) is purchasing the Shares as principal for its own account, not for the benefit of any other person and not with a view to the resale or distribution of all or any of the Shares, it is resident in or otherwise subject to the laws of a province or territory of Canada, it is purchasing in reliance of the “offering memorandum exemption” as provided in NI 45-106 and will not have, giving effect to the subscription contemplated by this Subscription Agreement, exceed the limits set forth in Exhibit 2 to the risk acknowledgement form attached to this Subscription Agreement as Schedule “C” (“**OM Risk Acknowledgment Form**”) and it has duly completed and executed, and is delivering concurrently with this Subscription Agreement, the OM Risk Acknowledgment Form and the exhibits thereto in accordance with the instructions therein;
- (e) if the Subscriber is purchasing pursuant to Section (c)(i) hereof, the Subscriber is not a trust Corporation or trust corporation registered under the laws of the Province

of Prince Edward Island that is not registered or authorized under the *Trust and Loan Companies Act* (Canada) or under comparable legislation;

- (f) the Subscriber is purchasing the Shares for investment only and not with a view to resale or distribution of all or any of the Shares;
- (g) if the Subscriber is a resident of a province or territory of Canada and cannot otherwise satisfy any of the requirements set forth in this Section 6.1, the Subscriber is acquiring the Shares pursuant to and in compliance with an exemption from the prospectus requirements of the Securities Laws of the jurisdiction of residence and on request will provide the Corporation whether before or after the Closing Date, with evidence of such compliance;
- (h) if the Subscriber is not an individual but is a corporation, syndicate, partnership, trust, association, or any other form of unincorporated organization or organized group of persons, it has not been created solely or used solely to permit a group of persons to purchase or hold securities without the use of a prospectus by the Corporation in reliance on a prospectus exemption or to purchase securities as an “accredited investor” as described in paragraph (m) of the definition of “accredited investor” in NI 45-106, it pre-existed the Offering and has a bona fide purpose other than investment in the Shares;
- (i) if the Subscriber is resident in, or otherwise subject to applicable securities laws of, any jurisdiction outside of Canada and the United States of America:
 - (i) is purchasing the Shares as principal for investment only and not with a view to resale or distribution of all or any of the Shares;
 - (ii) is purchasing the Shares pursuant to an exemption from prospectus and registration requirements available to it under applicable securities laws of such jurisdiction;
 - (iii) has knowledge of or has been independently advised as to and will comply with the requirements of all applicable securities laws of such jurisdiction;
 - (iv) confirms that the requirements of the securities laws in the jurisdiction of the residence of the Subscriber, does not (A) require the Corporation to make any filings or seek any approvals of any kind whatsoever from any regulatory authority of any kind or nature whatsoever, or (B) require the Corporation to prepare and file a prospectus or similar document or to register the Shares; and
 - (v) the Subscriber agrees that it shall deliver to the Corporation such further particulars of the exemption(s) and the Subscriber’s qualifications thereunder as the Corporation may request;
- (j) if applicable, the Subscriber has duly completed, executed and delivered to the Corporation the Certificate of Accredited Investor (dated as of the date hereof) in the form set forth in Schedule “B”, and, if applicable in accordance with the said certificate, the risk acknowledgment form appended thereto, and the information

contained therein is true and correct and will be true and correct as of the Closing Time;

- (k) if applicable, the Subscriber has duly completed, executed and delivered to the Corporation the exhibits to the OM Risk Acknowledgment Form (dated as of the date hereof) in the form set forth in Schedule "C", and the information contained therein is true and correct and will be true and correct as of the Closing Time;
- (l) the representations, warranties and covenants contained in the applicable Schedules will be true and correct both as of the date of execution of this Subscription Agreement and as of the Closing Time;
- (m) the Subscriber is neither a U.S. Person nor subscribing for the Shares for the account or benefit of a U. S. Person or for resale in the United States and the Subscriber confirms that the Shares have not been offered to the Subscriber or any such person in the United States and that this Subscription Agreement has not been signed or delivered in the United States;
- (n) the Subscriber is aware that the Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws and the Subscriber will not offer, sell or otherwise dispose of the Shares in the United States or to a U.S. Person unless the Corporation has consented to such offer, sale disposition and such offer, sale or disposition is made in accordance with an exemption from the registration requirements under the U.S. Securities Act and the securities laws of all applicable states of the United States or the U.S. Securities and Exchange Commission has declared effective a registration statement in respect of such securities;
- (o) the execution and delivery of this Subscription Agreement, the performance and compliance with the terms hereof, the subscription for the Shares and the completion of the transactions described herein by the Subscriber will not result in any material breach of, or be in conflict with or constitute a material default under, or create a state of facts which, after notice or lapse of time, or both, would constitute a material default under any term or provision of the constating documents, by-laws or resolutions of the Subscriber, the Securities Laws or any other laws applicable to the Subscriber, any agreement to which the Subscriber is a party, or any judgment, decree, order, statute, rule or regulation applicable to the Subscriber;
- (p) the Subscriber is subscribing for the Shares as principal for its own account and not for the benefit of any other person (within the meaning of applicable Securities Laws) or, if it is not subscribing as principal, it is subscribing:
 - (i) as trustee or agent (including, for greater certainty, a portfolio manager or comparable advisor) for a principal or principals which is or are undisclosed or identified by a account number only and in such case it acknowledges that the Corporation may be required by law to disclose to certain regulatory authorities the identity of each Beneficial Subscriber for the Shares for whom it is acting hereunder; or

- (ii) as agent for the Beneficial Subscriber disclosed on the cover page of this Subscription Agreement.
- (q) in the case of a subscription for the Shares by the Subscriber acting hereunder as trustee or agent (including, for greater certainty, a portfolio manager or comparable adviser) for a principal, including a Beneficial Subscriber, 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 each such beneficial person, each of whom is subscribing as principal for its own account, not for the benefit of any other person 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 principal, and the Subscriber acknowledges that the Corporation may be required by law to disclose the identity of each such principal for whom the Subscriber is acting hereunder;
- (r) if the Subscriber is:
 - (i) a corporation, it is duly incorporated and is validly subsisting under the laws of its jurisdiction of incorporation and has all requisite legal and corporate power and authority to execute and deliver this Subscription Agreement, to subscribe for the Shares as contemplated herein and to carry out and perform its obligations under the terms of this Subscription Agreement and the individual signing this Subscription Agreement has been duly authorized to execute and deliver this Subscription Agreement; or
 - (ii) a partnership, syndicate or other form of unincorporated organization, it has the necessary legal capacity and authority to execute and deliver this Subscription Agreement and to observe and perform its covenants and obligations hereunder and has obtained all necessary approvals in respect thereof; or
 - (iii) an individual, he or she is of the full age of majority in the jurisdiction in which he or she is resident and is legally competent to execute this Subscription Agreement and to observe and perform his or her covenants and obligations hereunder;
- (s) there is no person acting or purporting to act in connection with the transactions contemplated herein who is entitled to any brokerage or finder's fee. If any person establishes a claim that any fee or other compensation is payable in connection with this subscription for the Shares, the Subscriber covenants to indemnify and hold harmless the Corporation with respect thereto and with respect to all costs reasonably incurred in the defence thereof;
- (t) the Subscriber is not, with respect to the Corporation or any of its affiliates, a Control Person;
- (u) if required by applicable Securities Laws, the Subscriber will execute, deliver and file or assist the Corporation in filing such reports, undertakings and other

documents with respect to the issue of the Shares as may be required by any securities commission, stock exchange or other regulatory authority;

- (v) legal counsel, if any, is retained by the Corporation and not as counsel to the Subscriber and the Subscriber may not rely upon such counsel in any respect;
- (w) the Subscriber has been advised to consult its own legal advisors with respect to trading in the Shares and with respect to the resale restrictions imposed by the Securities Laws of the province in which the Subscriber resides and other applicable securities laws, and acknowledges that no representation has been made respecting the applicable hold periods imposed by the Securities Laws or other resale restrictions applicable to such securities which restrict the ability of the Subscriber to resell such securities, that the Subscriber is solely responsible to find out what these restrictions are and the Subscriber is solely responsible (and the Corporation is not in any way responsible) for compliance with applicable resale restrictions and the Subscriber is aware that it may not be able to resell such securities except in accordance with limited exemptions under the Securities Laws and other applicable securities laws;
- (x) the Subscriber has not relied upon, any verbal or written representations as to facts made by or on behalf of the Corporation. The Subscriber's decision to subscribe for the Shares was based solely upon the Offering Memorandum and Term Sheet attached hereto as Schedule "A" and information about the Corporation which is publicly available;
- (y) as a consequence of the sale being exempt from the prospectus requirements of the Securities Laws:
 - (i) certain protections, rights and remedies provided by the Securities Laws, including statutory rights of rescission and certain statutory remedies against an issuer, underwriters, auditors, directors and officers that are available to investors who acquire securities offered by a prospectus, will not be available to the Subscriber;
 - (ii) the common law may not provide investors with an adequate remedy in the event that they suffer investment losses in connection with securities acquired in a private placement;
 - (iii) the Subscriber may not receive information that would otherwise be required to be given under the Securities Laws; and
 - (iv) the Corporation is relieved from certain obligations that would otherwise apply under the applicable Securities Laws;
- (z) no person has made any written or oral representations to the Subscriber:
 - (i) that any person will resell or repurchase the Shares;
 - (ii) that any person will refund the Subscription Price; or

- (iii) as to the future price or value of the Shares;
- (aa) the Shares to be issued hereunder are not being purchased with knowledge of any material fact about the Corporation that has not been generally disclosed;
- (bb) the subscription for the Shares has not been made through or as a result of, and the distribution of the Shares is not being accompanied by any advertisement, including without limitation in printed public media, radio, television or telecommunications, including electronic display, or as part of a general solicitation; and
- (cc) there are risks associated with the purchase of and investment in the Shares and the Subscriber is knowledgeable and/or experienced in business and financial matters and is capable of evaluating the merits and risks of an investment in the Shares, and fully understands the restrictions on resale on the Shares and is capable of bearing the economic risk of the investment.

6.2 Acknowledgments and Covenants of the Subscriber

The Subscriber acknowledges, covenants and agrees as follows:

- (a) It has received and reviewed a copy of the Offering Memorandum and Term Sheet setting out the principal terms of the Offering and its investment is based on these documents and on the information contained in the public domain.
- (b) No securities commission, agency, governmental authority, regulatory body, stock exchange or other regulatory body has reviewed or passed on the merits of the Shares nor have any such agencies or governmental authorities made any recommendation or endorsement with respect to the Common Shares.
- (c) The Shares are subject to statutory resale restrictions under the Securities Laws of the province in which the Subscriber resides and under other applicable securities laws (the “**Hold Period**”), and the Subscriber covenants that it will not resell the Shares except in compliance with such laws and the Subscriber acknowledges that it is solely responsible (and that the Corporation is not in any way responsible) for such compliance.
- (d) It understands that all certificates representing the Shares and all certificates issued in exchange therefor or in substitution or transfer thereof must bear such legend or legends regarding restrictions on transfer as required pursuant to applicable Securities Laws and which the Subscriber and any other holder of the securities will be subject to, and, more particularly, the legend will be substantially in the following form:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE WHICH IS FOUR MONTHS AND ONE DAY AFTER THE DATE THE CORPORATION BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.”

- (e) Its ability to transfer the Shares is limited by, among other things, applicable Securities Laws.
- (f) The Subscriber has been independently advised as to or are aware of (i) the restrictions with respect to trading in, and the restricted period or statutory hold period applicable to, the Shares imposed by the Securities Laws of the jurisdiction in which the Subscriber resides or to which the Subscriber is subject and by the policies of any applicable stock exchange and (ii) that a suitable legend or legends will be placed on the certificates representing the Shares to reflect the applicable restricted period and statutory hold period to which the Shares are subject.
- (g) The Subscriber shall execute, deliver, file and otherwise assist the Corporation with filing all documentation required by the applicable Securities Laws to permit the subscription for the Shares.
- (h) The Corporation is relying on the representations, warranties and covenants contained herein and in the applicable schedules attached hereto to determine the eligibility of the Subscriber to subscribe for the Shares under applicable Securities Laws and the Subscriber agrees to indemnify the Corporation and each of its directors, officers, employees and agents against all losses, claims, costs, expenses, damages or liabilities which any of them may suffer or incur as a result of or arising from reliance thereon. The Subscriber undertakes to immediately notify the Corporation of any change in any statement or other information relating to the Subscriber set forth in this Subscription Agreement which takes place prior to the Closing Time.
- (i) The Corporation is relying on an exemption from the requirement to provide the Subscriber with a prospectus under the Securities Laws and, as a consequence of acquiring the Shares pursuant to such exemption, certain protections, rights and remedies provided by the Securities Laws, including statutory rights of rescission or damages, will not be available to the Subscriber.
- (j) The Subscriber is responsible for obtaining such legal and tax advice as it considers appropriate in connection with the execution, delivery and performance of this Subscription Agreement and the transactions contemplated under this Subscription Agreement.
- (k) There is no government or other insurance covering the Shares.
- (l) There are risks associated with the purchase of the Shares.
- (m) The funds representing the aggregate Subscription Price in respect of the Shares (“**Subscription Funds**”) will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)* (for the purposes of this paragraph the “**PCMLTFA**”) and the Subscriber acknowledges that the Corporation may in the future be required by law to disclose the name of the Subscriber and other information relating to this Subscription Agreement and the subscription hereunder, on a confidential basis, pursuant to the PCMLTFA. To the best of the Subscriber’s knowledge:

- (i) none of the Subscription Funds provided by the Subscriber:
 - (A) have been or will be derived directly or indirectly from or related to any activity that is deemed criminal under the laws of Canada, the United States of America, or any other jurisdiction, or
 - (B) are being tendered on behalf of a person or entity who has not been identified to the Subscriber, and,
 - (ii) the Subscriber will promptly notify the Corporation if it discovers that any of such representations cease to be true, and to provide the Corporation with appropriate information in connection therewith.
- (n) The Subscriber acknowledges and consents to the fact that the Corporation is collecting its personal information (as that term is defined under applicable privacy legislation, including, without limitation, the *Personal Information Protection and Electronic Documents Act* (Canada) and any other applicable similar, replacement or supplemental provincial or federal legislation or laws in effect from time to time) for the purpose of completing this Subscription Agreement. The Beneficial Subscriber acknowledges and consents to the Corporation retaining such personal information for as long as permitted or required by law or business practices. The Subscriber further acknowledges and consents to the fact that the Corporation may be required by the Securities Laws, the rules and policies of any stock exchange, or the rules of the Investment Dealers Association of Canada to provide regulatory authorities with any personal information provided in this Subscription Agreement. The Subscriber represents and warrants, as applicable, that it has the authority to provide the consents and acknowledgements set out in this paragraph on behalf of each person for whom it is acting hereunder. In addition to the foregoing, the Subscriber agrees and acknowledges that the Corporation may use and disclose the personal information of the Subscriber as follows:
- (i) for internal use with respect to managing the relationships between and contractual obligations of the Corporation and the Subscriber;
 - (ii) for use and disclosure for income tax related purposes, including without limitation, where required by law, disclosure to Canada Revenue Agency;
 - (iii) disclosure to securities regulatory authorities and other regulatory bodies with jurisdiction with respect to reports of trades and similar regulatory filings;
 - (iv) disclosure to a governmental or other authority to which the disclosure is required by court order or subpoena compelling such disclosure and where there is no reasonable alternative to such disclosure;
 - (v) disclosure to professional advisers of the Corporation in connection with the performance of their professional services;
 - (vi) disclosure to any person where such disclosure is necessary for legitimate business reasons and is made with prior written consent of the Subscriber;

- (vii) disclosure to a court determining the rights of the parties under this Subscription Agreement; or
 - (viii) for use and disclosure as otherwise required or permitted by law.
- (o) If the Subscriber is a resident of the Province of Ontario, it authorizes the indirect collection of personal information (as defined in the Securities Laws of the Province of Ontario) by the Ontario Securities Commission and confirm that it has been notified by the Corporation:
- (i) that the Corporation will be delivering such personal information to the Ontario Securities Commission;
 - (ii) that such personal information is being collected indirectly by the Ontario Securities Commission under the authority granted to it in the Securities Laws of the Province of Ontario;
 - (iii) that such personal information is being collected for the purpose of the administration and enforcement of the Securities Laws of the Province of Ontario; and
 - (iv) that the title, business address and business telephone number of the public official in the Province of Ontario who can answer questions about the Ontario Securities Commission's indirect collection of personal information is as follows:

Administrative Assistant to the Director of Corporate Finance
Ontario Securities Commission
Suite 1903, Box 55, 20 Queen Street West
Toronto, Ontario M5H 2S8
Telephone: 416-593-8086

- (p) The Shares are redeemable on the terms set forth in the Offering Memorandum attached as Schedule "A". The Subscriber acknowledges that the Shares are not redeemable for twelve months after issuance without express authorization from the Corporation. The Subscriber acknowledges that the "Redemption Price" (as defined in the Offering Memorandum) for the Shares will be reduced:
- (i) in the case the Corporation authorizes redemption of the Shares within twenty-four (24) months after issuance, the Class F Preferred Shares, by:
 - (A) 5.00% of the Redemption Price if such Shares are redeemed within the first twelve (12) months following the Closing at which such Class F Preferred Shares were subscribed for, following which, an early redemption fee shall apply being 1.00% of the Redemption Price, if such Shares are redeemed after the first twelve (12) months but prior to the first twenty-four (24) months following Closing of the Shares.

6.3 Reliance on Representations, Warranties, Covenants and Acknowledgements

The Subscriber acknowledges and agrees that the foregoing representations and warranties and those made in the Certificate of Accredited Investor executed by the Subscriber attached as Schedule “B”, in the Information Sheet attached as Schedule “F”, and/or in the OM Risk Acknowledgment Form attached as Schedule “C”, as applicable, are made by it with the intention that they may be relied upon by the Corporation and its counsel in determining its eligibility to purchase the Shares under applicable securities laws and rules. The Subscriber further agrees that by accepting delivery of the Shares, it shall be representing and warranting that the foregoing representations and warranties are true and correct as at that date with the same force and effect as if they had been made by the Subscriber at that date and that they shall survive the purchase by the Subscriber of the Shares and still continue in full force and effect notwithstanding any subsequent disposition by the Subscriber of the Shares. The Corporation and its counsel shall be entitled to rely on the representations and warranties of the Subscriber contained in this paragraph and Schedule “B”, Schedule “C” and/or Schedule “E”, as applicable, and the Subscriber agrees to indemnify and hold harmless the Corporation and its counsel and each of their respective directors and officers for any loss, costs, claims, expenses or damages any of them may suffer as a result of any misrepresentations contained herein. The Subscriber undertakes to immediately notify the Corporation pursuant to Section 9.2, of any change in any statement or other information relating to the Subscriber set forth herein which takes place prior to the Closing Time.

ARTICLE 7 - SURVIVAL OF REPRESENTATIONS, WARRANTIES AND COVENANTS

7.1 Survival of Representations, Warranties and Covenants of the Corporation

The representations, warranties and covenants of the Corporation contained in this Subscription Agreement will survive the Closing and, notwithstanding such Closing or any investigation made by or on behalf of the Subscriber with respect thereto, will continue in full force and effect for the benefit of the Subscriber for a period of 18 months following the Closing Date.

7.2 Survival of Representations, Warranties and Covenants of the Subscriber

The representations, warranties and covenants of the Subscriber contained in this Subscription Agreement will survive the Closing and, notwithstanding such Closing or any investigation made by or on behalf of the Corporation with respect thereto and notwithstanding any subsequent disposition by the Subscriber of any of the Shares and will continue in full force and effect for the benefit of the Corporation for a period of 18 months following the Closing Date.

ARTICLE 8 - COMMISSION

8.1 Commission

The Subscriber understands that in connection with the issue and sale of the Shares that no other fees or commissions are payable by the Corporation in connection with the sale of the Shares.

ARTICLE 9 - MISCELLANEOUS

9.1 Further Assurances

Each of the parties hereto upon the request of each of the other parties hereto, whether before or after the Closing Time, shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all such further acts, deeds, documents, assignments, transfers, conveyances, powers of attorney and assurances as may reasonably be necessary or desirable to complete the transactions contemplated herein.

9.2 Notices

- (a) Any notice, direction or other instrument required or permitted to be given to any party hereto will be in writing and will be sufficiently given if delivered personally, or transmitted by facsimile tested prior to transmission to such party, as follows:

- (i) in the case of the Corporation, to:

M12 Capital Mortgage Investment Corporation
5975 Whittle Rd, Suite 230
Mississauga, Ontario
L4Z 3N1

Attention: George Moutsouroufis
Fax 1-866-273-5436

- (ii) in the case of the Subscriber, the address specified on the face page hereof,
- (b) any such notice, direction or other instrument, if delivered personally, will be deemed to have been given and received on the day on which it was delivered, provided that if such day is not a Business Day then the notice, direction or other instrument will be deemed to have been given and received on the first Business Day next following such day and if transmitted by fax, will be deemed to have been given and received on the day of its transmission, provided that if such day is not a Business Day or if it is transmitted or received after the end of normal business hours then the notice, direction or other instrument will be deemed to have been given and received on the first Business Day next following the day of such transmission.
- (c) Any party hereto may change its address for service from time to time by notice given to each of the other parties hereto in accordance with the foregoing provisions.

9.3 Time of the Essence

Time shall be of the essence of this Subscription Agreement and every part hereof.

9.4 Costs and Expenses

All costs and expenses (including, without limitation, the fees and disbursements of legal counsel) incurred in connection with this Subscription Agreement and the transactions herein contemplated shall be paid and borne by the party incurring such costs and expenses.

9.5 Applicable Law

This Subscription Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the Province of Ontario and the laws of Canada applicable therein. Any and all disputes arising under this Subscription Agreement, whether as to interpretation, performance or otherwise, shall be subject to the exclusive jurisdiction of the courts of the Province of Ontario and each of the parties hereto hereby irrevocably attorns to the jurisdiction of the courts of such Province.

The laws of the Province of Ontario and the laws of Canada applicable therein, excluding conflicts of law rules, will govern all matters arising under this Subscription Agreement and the parties irrevocably attorn to the jurisdiction of the courts of the Province of Ontario.

9.6 English Language

Each of the parties hereby acknowledges that it has consented and requested that all documents evidencing or relating in any way to the Shares and this Subscription Agreement be drawn in the English language only. Les parties reconnaissent par les présentes avoir consenti et demandé que tous les documents faisant foi ou se rapportant de quelque manière à la présente convention et à la vente des actions ordinaires soient rédigés en anglais seulement.

9.7 Entire Agreement

This Subscription Agreement, including the Schedules hereto, constitutes the entire agreement between the parties with respect to the transactions contemplated herein and cancels and supersedes any prior understandings, agreements, negotiations and discussions between the parties. There are no representations, warranties, terms, conditions, undertakings or collateral agreements or understandings, express or implied, between the parties hereto other than those expressly set forth in this Subscription Agreement or in any such agreement, certificate, affidavit, statutory declaration or other document as aforesaid. This Subscription Agreement may not be amended or modified in any respect except by written instrument executed by each of the parties hereto.

9.8 Counterparts

This Subscription Agreement may be executed in two or more counterparts, each of which will be deemed to be an original and all of which together will constitute one and the same Subscription Agreement. Counterparts may be delivered either in original or mailed form and the parties adopt any signature received by a receiving computer as original signatures of the parties.

9.9 Assignment

This Subscription Agreement may not be assigned by either party except with the prior written consent of the other party hereto.

9.10 Enurement

This Subscription Agreement will enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, successors (including any successor by reason of the amalgamation or merger of any party), administrators and permitted assigns.

SCHEDULE "A"

TERM SHEET

M12 CAPITAL MORTGAGE INVESTMENT CORPORATION

Private Placement of Class F Preferred Shares Maximum \$50,000,000

ISSUER:	M12 Capital Mortgage Investment Corporation (the "Corporation").
ISSUE:	Class F Preferred Shares
PRICE:	\$1.00/share
AMOUNT:	Maximum Offering, \$50,000,000 (no minimum offering). Minimum First Time Investment Amount, \$25,000.
HOLD PERIOD:	The Shares will be subject to a (potentially indefinite) hold period under securities laws until four months and one day after the Corporation becomes a reporting issuer in any province or territory.
OFFERING JURISDICTIONS:	The offering jurisdictions for the Offering will be the provinces and territories of Canada.
CONDITIONS:	Subject to compliance with all regulatory consents and receipt of all necessary regulatory approvals.
CLOSING:	The closing date shall be such date as determined by the Corporation provided that not less than one day's notice is provided to the subscribers (" Closing Date ").

SCHEDULE "B"

ACCREDITED INVESTOR STATUS CERTIFICATE

IMPORTANT: ALL PURCHASERS PURCHASING IN RELIANCE ON THE ACCREDITED INVESTOR EXEMPTION MUST COMPLETE THIS CERTIFICATE.

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. Terms not otherwise defined herein will have the definition ascribed thereto in the Subscription Agreement to which this Schedule "B" is attached.

TO: M12 CAPITAL MORTGAGE INVESTMENT CORPORATION

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

(a) one of the following clauses (i), (ii) or (iii) applies:

(i) the Subscriber is resident in or otherwise subject to the laws of the jurisdiction set out as the "Subscriber's Address" on the face page of the Subscription Agreement and is purchasing the Subscriber's Securities as principal for its own account and not for the benefit of any other person;

(ii) the Subscriber is contracting hereunder on behalf of a beneficial purchaser and such beneficial purchaser is resident in or otherwise subject to the laws of the jurisdictions set out as "Beneficial Subscriber's Address" on the second page of the Subscription Agreement and is purchasing as principal for its own account and not for the benefit of any other person; or

(iii) the Subscriber is deemed to be purchasing as principal pursuant to NI 45-106 with respect to a purchase of the Subscriber's Securities, by virtue of the fact that it is a trust company or trust corporation described in clause (p) of the definition of "accredited investor" below and is not a trust company or trust corporation registered under the laws of Prince Edward Island that is not registered or authorized under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in another jurisdiction of Canada, or by virtue of the fact that it is a person or company described in clause (q) of the definition of "accredited investor" below;

(b) the Subscriber, or each of the beneficial purchasers for whom the Subscriber is acting, is an "accredited investor" within the meaning of NI 45-106, or, in Ontario, the *Securities Act* (Ontario), on the basis that as at the Closing Date the undersigned fits within one or more categories of an "accredited investor" reproduced below, beside which the undersigned has indicated the undersigned belongs to such category; and

(c) upon execution of this Schedule "B", including, if applicable, Schedule "B-1" attached hereto, by the Subscriber, this Schedule "B" shall be incorporated into and form a part of the Subscription Agreement.

PLEASE MARK YOUR INITIALS BESIDE THE CATEGORY BELOW TO WHICH YOU BELONG

Please complete the Representation Letter to the Corporation by marking your initials beside the category of "accredited investor" to which you belong within the meaning of Section 1.1 of NI 45-106 and Section 73.3(1) of the *Securities Act* (Ontario), as applicable:

Meaning of "Accredited Investor"

"Accredited investor" is defined in Section 1.1 of NI 45-106 to mean any person who fits within any of the following categories at the time of the sale of securities to that person:

****If you check box (j), (k) or (l), you must also complete attached Schedule "B-1" - Risk Acknowledgement Form****

- (a) except in Ontario, a Canadian financial institution, or a Schedule III bank;
- (a.1) in Ontario, a financial institution that is (i) a bank listed in Schedule I, II or III of the *Bank Act* (Canada); (ii) an association to which the *Cooperative Credit Associations Act* (Canada) applies or a central cooperative credit society for which an order has been made under subsection 473(1) of that Act; or (iii) a loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative or credit union league or federation that is authorized by a statute of Canada or Ontario to carry on business in Canada or Ontario, as the case may be;
- (b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada);
- (c) a subsidiary of any person or company referred to in paragraphs (a), (a.1) or (b), if the person or company 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 or company registered under the securities legislation of a jurisdiction (province or territory) of Canada as an adviser or dealer;
- (e) an individual 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 (province or territory) of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction (province or territory) 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 either the Office of the Superintendent of Financial Institutions (Canada), a pension commission or similar regulatory authority of a jurisdiction (province or territory) 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; **[PLEASE ALSO COMPLETE SECTIONS 2-4 OF SCHEDULE “B-1”]**

[Note: Financial assets include cash and securities, but do not include a personal residence – see the definition of “financial assets” later in this certificate. Financial assets are generally liquid or relatively easy to liquidate. You must subtract any liabilities related to your financial assets to calculate your net financial assets—see the definition of “related liabilities”. Financial assets held in a group RRSP under which you do not have the ability to acquire the financial assets and deal with them directly are not considered to be beneficially owned by you. If you meet the higher financial asset threshold set out in paragraph (j.1), then initial paragraph (j.1) instead of this paragraph (j).]

[Note: If you are an accredited investor described in this paragraph (j), and do not meet the higher financial asset threshold set out in paragraph (j.1), you must deliver a completed Form 45-106F9 – Form for Individual Accredited Investors (See Schedule B-1 hereto).]

- (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;

[Note: The financial assets of your spouse (including financial assets in a spousal RRSP) cannot be included in the calculation of net financial assets under this paragraph (j.1). See definition of “financial assets” below. If you meet the financial asset threshold set out in this paragraph (j.1), you are not required to complete Schedule B-1.]

- (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; **[PLEASE ALSO COMPLETE SECTIONS 2-4 OF SCHEDULE “B-1”]**

[Note: If individual accredited investors wish to purchase through wholly-owned holding companies or similar entities, such purchasing entities must qualify under section (t) below, which must be initialed and complete. If you are an accredited investor described in this paragraph (k), you must deliver a completed Form 45-106F9 – Form for Individual Accredited Investors (See Schedule B hereto).]

- (l) an individual who, either alone or with a spouse, has net assets of at least \$5,000,000; ***[PLEASE ALSO COMPLETE SECTIONS 2-4 OF SCHEDULE “B-1”]***

[Note: To calculate net assets, take the value of your total assets (which may include a personal residence) and subtract your total liabilities (which may include a mortgage). The value attributed to assets should reasonably reflect their estimated fair value. Income tax should be considered a liability if the obligation to pay it is outstanding at the time of the subscription.]

[Note: If you are an accredited investor described in this paragraph (l), you must deliver a completed Form 45-106F9 – Form for Individual Accredited Investors (See Schedule B hereto).]

- (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 sub-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;

Note: If you initialled (t), then indicate the name and category of accredited investor (by reference to the applicable letter of this Subscription Agreement) of each of the owners of interests (attach additional pages if more than three):

Name	Category of Accredited In

- (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 Québec, the regulator as an accredited investor;
- (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.

Note: If you initialed (w), then indicate the name and category of accredited investor (by reference to the applicable letter of this Schedule B) of each of the following (attach additional pages if more than three trustees):

	Name	Category of Accr Investor
Individual who established trust:		
Trustee		
Trustee		
Trustee		

PLEASE MARK YOUR INITIALS BESIDE THE CATEGORY ABOVE TO WHICH YOU BELONG AND COMPLETE FORM 45-106F9 BELOW IF APPLICABLE

Interpretative Aids

For the purposes hereof, the following definitions are included for convenience:

- (a) “*bank*” means a bank named in Schedule I or II of the *Bank Act* (Canada);
- (b) “*Canadian financial institution*” means (i) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act, or (ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;
- (c) “*company*” means any corporation, incorporated association, incorporated syndicate or other incorporated organization;
- (d) “*financial assets*” means (i) cash, (ii) securities, or (iii) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;
- (e) “*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;
- (f) “*investment fund*” has the same meaning as in National Instrument 81-106 *Investment Fund Continuous Disclosure*;
- (g) “*person*” includes
 - (i) an individual,
 - (ii) a corporation,
 - (iii) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons whether incorporated or not, and
 - (iv) an individual or other person in that person’s capacity as a trustee, executor, administrator or personal or other legal representative.
- (h) “*related liabilities*” means (i) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or (ii) liabilities that are secured by financial assets;
- (i) “*Schedule III bank*” means an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);
- (j) “*spouse*” means, an individual who, (i) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual, (ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or (iii) in Alberta, is an individual referred to in paragraph (i) or (ii), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta); and
- (k) “*subsidiary*” means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary; and

In NI 45-106 a person or company is considered to be an affiliated entity of another person or company if one is a subsidiary entity of the other, or if both are subsidiary entities of the same person or company, or if each of them is controlled by the same person or company.

In NI 45-106 a person (first person) is considered to control another person (second person) if (a) the first person, directly or indirectly, beneficially owns or exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation, (b) the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests of the partnership, or (c) the second person is a limited partnership and the general partner of the limited partnership is the first person.

In NI 45-106 a trust company or trust corporation described in paragraph (p) above of the definition of “accredited investor” (other

Form 45-106F4

than in respect of a trust company or trust corporation registered under the laws of Prince Edward Island that is not registered or authorized under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in another jurisdiction of Canada) is deemed to be purchasing as principal.

In NI 45-106 a person described in paragraph (q) above of the definition of “accredited investor” is deemed to be purchasing as principal.

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SCHEDULE “B-1”

RISK ACKNOWLEDGEMENT FORM FOR INDIVIDUAL ACCREDITED INVESTORS

THIS SCHEDULE “B-1” IS TO BE COMPLETED BY ACCREDITED INVESTORS WHO ARE INDIVIDUALS SUBSCRIBING UNDER CATEGORIES (J), (K) OR (L) IN SCHEDULE “B” (ACCREDITED INVESTOR STATUS CERTIFICATE) TO WHICH THIS SCHEDULE “B-1” IS ATTACHED AND WHO DO NOT MEET THE HIGHER FINANCIAL ASSET THRESHOLD SET OUT IN CATEGORY (J.1) IN SCHEDULE “B” (ACCREDITED INVESTOR STATUS CERTIFICATE) TO WHICH THIS SCHEDULE “B-1” IS ATTACHED.

WARNING TO INVESTORS!

This investment is risky. Do not 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 SECURITYHOLDER:	
1. About your investment	
Type of securities: Class F Preferred shares	Issuer: M12 Capital Mortgage Investment Corporation
Purchased from: M12 CAPITAL MORTGAGE INVESTMENT CORPORATION	
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
<ul style="list-style-type: none"> 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.) 	
<ul style="list-style-type: none"> 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. 	

<ul style="list-style-type: none"> • 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. 	
<ul style="list-style-type: none"> • 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: _____, 20____
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, 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	
6. For more information about this investment	
<p>For investment in a non-investment fund</p> <p>M12 CAPITAL MORTGAGE INVESTMENT CORPORATION</p> <p>Contact: George Moutsouroufis Telephone: 416-778-1914 Email: george@m12mic.com</p> <p>For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at www.securities-administrators.ca.</p>	

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.

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

ALBERTA SECURITIES COMMISSION
Suite 600, 250 – 5th Street SW.
Calgary, Alberta
T2P 0R4
(403) 297-6454
www.albertasecuritiescommission.com

MANITOBA SECURITIES COMMISSION
500 – 400 Street, Mary Avenue
Winnipeg, Manitoba
R3C 4W5
(204) 945-2548
www.msc.gov.mb.ca

BRITISH COLUMBIA SECURITIES
COMMISSION
701 West Georgia Street
Vancouver, British Columbia
V7Y 1L2
(604) 899-6500
www.bcsc.bc.ca

ONTARIO SECURITIES COMMISSION
20 Queen Street, West, Suite 1903
Toronto, Ontario
M5H 3S8
(416) 593-8314
www.osc.gov.on.ca

SASKATCHEWAN SECURITIES
COMMISSION
Suite 601, 1919 Saskatchewan Drive
Regina, Saskatchewan
S4P 4H2
(306) 787-5645
www.sfsc.gov.sk.ca/

SCHEDULE “E”

AUTHORIZATION OF INDIRECT COLLECTION OF PERSONAL INFORMATION FOR DISTRIBUTION IN ONTARIO

The undersigned purchaser (the “Subscriber”) of Class F Preferred shares (the “Securities”) of M12 Capital Mortgage Investment Corporation (the “Issuer”) hereby confirms that it has been notified by the Issuer of the following:

1. The Issuer will be providing the following information to the Ontario Securities Commission:

- (i) the full name, residential address and telephone number of the Subscriber;
- (ii) the number and type of Securities purchased by the Subscriber;
- (iii) the total purchase price for the Securities;
- (iv) the statutory exemption relied upon by the Issuer; and
- (v) the date of distribution of the Securities.

Collectively, the information described in 1(i) through (v) is called the “Information”.

2. The Information is being collected indirectly by the Ontario Securities Commission under the authority granted to it in securities legislation.

3. The Information is being collected for the purposes of the administration and enforcement of the securities legislation of Ontario.

4. The title, business address and business telephone number of the public official in Ontario who can answer questions about the Ontario Securities Commission’s indirect collection of information is:

Ontario Securities Commission
20 Queen Street West, 20th Floor
Toronto, Ontario M5H 3S8
Telephone: 1-877-785-1555
Facsimile: 416-593-3693
Email: inquiries@osc.gov.on.ca
Public official contact regarding indirect collection of information:
Manager to the Director of Corporate Finance
Telephone (416) 593-8052

5. The Subscriber authorizes the indirect collection of the Information by the Ontario Securities Commission and authorizes the Issuer to provide the Information to the Ontario Securities Commission as is required by National Instrument 45-106 *Prospectus and Registration Exemptions*.

Dated this _____ day of _____, 20____.

Name of Subscriber (please print)

by:

Authorized Signature

Official Capacity or Title (please print)

SCHEDULE "F"

CONSENT TO ELECTRONIC DELIVERY OF DOCUMENTS

1. I, the undersigned Subscriber, consent to receiving all documents of **M12 CAPITAL MORTGAGE INVESTMENT CORPORATION** (the "Issuer") to which I am entitled, electronically rather than by mail. I understand the documents I am entitled to receive are determined by the class of Shares I hold and may include:
 - Transaction statements;
 - Quarterly account statements; and
 - Other information about the Issuer.
2. I understand and agree that the documents I am entitled to receive will be sent to me at my e-mail address set out below.
3. I acknowledge that access to the Internet, e-mail and the worldwide web is required in order to access a document electronically and I confirm that I have such access and I have the ability to access, view, download, and print documents from my computer, including documents in Adobe's Portable Document Format (PDF). (The Adobe Acrobat Reader software is required to view a document in PDF format and is available free of charge from Adobe's website at www.adobe.com.)
4. I understand that I may revoke or modify my consent to receive documents electronically; that I may change my e-mail address to which documents are delivered; or request a paper copy of a document for which I have consented to electronic delivery by sending in such notification or request:
 - (a) by email to: george@m12mic.com, with return confirmation receipt by email from the Issuer.
5. I understand and agree that at any time and without giving me advance notice, the Issuer may elect not to send me a document electronically, in which case a paper copy of the document will be mailed to me.
6. I understand I am not required to consent to electronic delivery.

Dated as of the _____ day of _____, 20__

Signature

Name of Shareholder, (please indicate if signing on behalf of a corporation/trust or other)

Email of Shareholder

SCHEDULE "G"
ENROLMENT FORM FOR DIVIDEND REINVESTMENT PLAN

TO: M12 CAPITAL MORTGAGE INVESTMENT CORPORATION (the "Corporation")

By signing this form, the undersigned requests enrolment in the Corporation's Dividend Reinvestment Plan to have all dividends reinvested in additional Class F Preferred Shares in the capital of the Corporation. The undersigned acknowledges having received and read a copy of the Corporation's policy regarding the Dividend Reinvestment Plan and agrees that participation in the Plan will be subject to the disclosure regarding same set out in the said offering memorandum. The undersigned also acknowledges that this authorization to enroll Class F Preferred Shares will remain in effect until the undersigned notifies the Corporation in writing in accordance with the applicable provisions of said Plan.

DATE: _____

Shareholder Signature:

Name in which the Corporation's Class F Preferred Shares are registered:

Please Print

Telephone Numbers:

Address:

Residence: _____

Work: _____

Completing and Returning the Form

Please print clearly. When a registered shareholder has completed this enrolment form, it should be returned to the Corporation at the following address:

M12 CAPITAL MORTGAGE INVESTMENT CORPORATION

5975 Whittle Road, Unit 230, Mississauga, Ontario, L4Z 3N1

T: 416-778-1914

Email: george@m12mic.com

SCHEDULE "H"
ENROLMENT FORM FOR DIRECT DEPOSIT

By signing this form, the undersigned agrees to have dividends accrued on Class F Preferred Shares of M12 CAPITAL MORTGAGE INVESTMENT CORPORATION (the "Corporation") directly deposited to the bank account specified below.

This authorization shall remain in effect until the Corporation has received written notification of its change or termination. This notification must be received at least ten (10) business days before the next scheduled deposit at:

M12 CAPITAL MORTGAGE INVESTMENT CORPORATION

5975 Whittle Road, Unit 230, Mississauga, Ontario, L4Z 3N1

T : 416-778-1914

Or by Email at: george@m12mic.com, with confirmation receipt by email from the Corporation.

Dividends will continue to be paid on a monthly or quarterly basis.

Investor Information (Please Print Clearly)

Name (s) _____

Address _____

Phone/ Email _____

These services are for (check one) Personal Business

Bank Account Information (Please attach "Void" cheque)

Financial Institution Number

Branch/Transit Number

Account Number

Financial Institution Name

Branch Address

Signature of account holder

Signature of joint account holder (if applicable)

Name (please print)

Name (please print)

Date

Date