

SCHEDULE "C"

SUBSCRIPTION AGREEMENT

THIS SUBSCRIPTION AGREEMENT is dated the _____ day of _____, 20____.

BETWEEN:

CMIC FIRST MORTGAGE INVESTMENT CORPORATION, a mortgage investment corporation having an office at 415 – 145 Chadwick Court, North Vancouver, B.C. V7M 3K1

(hereinafter called the "Issuer")

OF THE FIRST PART

AND:

The person whose name and address appears on the last page hereof as the Purchaser

(hereinafter called the "Purchaser")

OF THE SECOND PART

WHEREAS:

- A. The Issuer is incorporated under the *Business Corporations Act*, SBC, 2002, ch. 57 and the Issuer intends to carry on its business so as to qualify as a Mortgage Investment Corporation as defined in the Tax Act.
- B. The Purchaser wishes to subscribe for Class "A" redeemable preferred shares with a par value of \$10.00 per share in the capital of the Issuer (the "Class "A" Preferred Shares") and the Issuer has agreed to accept such subscription on the terms and conditions set forth in this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the Issuer agreeing to allot and issue Class "A" Preferred Shares to the Purchaser and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by the Purchaser) the parties hereby covenant and agree as follows:

- 1. The Purchaser hereby subscribes for _____ Class "A" Preferred Shares at an issue price of \$10.00 each and tenders herewith payment of \$ _____ made payable to the Issuer (the "Monies") in **one** of the following ways:
 - (a) cash, certified cheque, bank draft or solicitor's trust cheque in the amount of \$ _____;

- (b) purchase through RRSP in the amount of \$ _____ or RRIF in the amount of \$ _____ to the Issuer;
- (c) combination of cash, certified cheque, bank draft or solicitor's trust cheque in the amount of \$ _____ and a purchase through RRSP in the amount of \$ _____ or RRIF in the amount of \$ _____ to the Issuer.

(Please circle your choice above)

2. The Purchaser acknowledges and consents to the Issuer using the Monies prior to the allotment and issuance of the Class "A" Preferred Shares to the Purchaser, provided the Issuer has accepted this Subscription and fulfilled any conditions the Issuer must fulfill pursuant to that Offering Memorandum dated June 30, 2010 (the "Offering Memorandum"). In the event the Issuer cannot issue and allot the Class "A" Preferred Shares to the Purchaser then the Monies paid by the Purchaser to the Issuer as aforesaid shall be deemed to be a loan from the Purchaser to the Issuer, with interest equal to the Bank of Montreal daily interest savings account commencing seven (7) days after receipt of the cheque for the subscription amount.
3. The Purchaser acknowledges and agrees that:
 - (a) the terms and conditions set forth herein constitute an agreement between the Purchaser and the Issuer;
 - (b) The principal objective of the Issuer is to generate income from mortgage investments and through income tax exemptions which result from the earning of income as a mortgage investment corporation, which income is not taxable until it is distributed to the Purchaser;
 - (c) Subject to the Management Agreement between the Issuer and Cove Mortgage Ltd., dated April 8, 2009, dividends in respect of all net income of the Issuer shall, after providing for such reserves as may 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 on the last day of each quarter of each fiscal year of the Issuer. Such dividends shall be payable as follows:

Cash _____

Class "A"
Preferred Shares _____

(please initial your choice above).

The Purchaser may give to the Issuer thirty (30) days written notice of a change in the method of payment of dividends. If the Purchaser fails to choose one of the methods of payment of dividends as

set forth in this paragraph 3(c), such dividends may be payable in cash or in additional Class "A" Preferred Shares or part in cash and part in additional Class "A" preferred shares, at the sole discretion of the Issuer.

- (d) The Purchaser has received a copy of the Offering Memorandum.
 - (e) The Purchaser, upon becoming a shareholder of the Issuer, will not sell, transfer or otherwise dispose of the Class "A" Preferred Shares acquired by him pursuant to this Subscription Agreement in any way which would result in the Issuer 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 corporations and their shareholders;
 - (f) If any additional Class "A" Preferred Shares are issued to the Purchaser by way of dividend which would result in a fractional share being issued to the Purchaser, such fractional share shall not be issued, but an equivalent amount of cash shall be paid to the Purchaser or held in his account, at the sole discretion of the Issuer.
 - (g) The Purchaser may, by giving six (6) months prior written notice to the Issuer, request that the Issuer redeem the Purchaser's Class "A" Preferred Shares. The Issuer is obligated to redeem no more than ten (10%) percent of the issued share capital in any fiscal year. The redemption price for each share will be the amount paid up thereon plus any declared but unpaid dividends to which the holder is entitled. The redemption shall be made in the order in which the Issuer receives the notice of redemption from the Preferred Shareholders.
 - (h) The Purchaser shall execute and deliver a Form 45-106F4 as required by the Rules to the Securities Act and attached hereto as Appendix I, and the acknowledgments and undertakings contained therein are incorporated hereby by reference. The Purchaser hereby authorizes the Issuer to complete the Purchaser's Form 45-106F4 on the Purchaser's behalf, or to make such changes thereto as to form only as may be required in order to identify correctly the relationship between the Issuer and the Purchaser.
4. The Purchaser does irrevocably appoint the President of the Issuer, or failing him the Secretary of the Issuer, in office from time to time as the Purchaser's attorney in fact and does hereby authorize him as such to make and sign on the Purchaser's behalf and to deliver:
- a) any and all waivers of the Purchaser's right to receive a pro rata offer with respect to any future allotment of shares in the capital of the Issuer which such attorney in his discretion sees fit to give pursuant to the *Business Corporations Act* (British Columbia), amended from time to time, the Articles of the Issuer or otherwise;
5. The appointment of attorney set out in section 4 herein shall remain effective until such time as the Issuer becomes a reporting issuer under the *Securities Act* (British Columbia) and a public company under the *Business Corporations Act* (British Columbia)

6. All notices, demands and payments required or permitted to be given hereunder shall be in writing and may be delivered personally, sent by telegram or telex or may be forwarded by prepaid courier to the addresses set forth below:

if to the Issuer, at the address set forth on page 1,

if to the Purchaser, at the address set forth on the last page hereof.

7. This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and Canada, which shall be deemed to be the proper law hereof.
8. This Agreement shall not be assignable by either party without the prior written consent of the other and any attempt to assign the rights, duties or obligations hereunder without such consent shall be of no effect.
9. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, successors and assigns, as applicable.
10. Each of the parties hereto hereby covenants and agrees to execute such further and other documents and instruments and to do such further and other things as may be necessary to implement and carry out the intent of this Agreement.
11. Should any part of this Agreement be declared or held invalid for any reason, such invalidity shall not affect the validity of the remainder which shall continue in force and effect and be construed as if this Agreement had been executed without the invalid portion and it is hereby declared the intention of the parties hereto that this Agreement would have been executed without reference to any portion which may, for any reason, be hereafter declared or held invalid.

Trust Issuer Information (If Applicable)

) _____
) Trust Issuer
) _____
) Address of Trust Issuer
) _____
) (City) (Province) (Postal Code)
) _____
) (Telephone Number) (Fax Number)
) _____
) Account Number of Purchaser
) (with Trust Issuer)
) _____
)

**Financial Representative Information
(If Applicable)**

) _____
) Financial Representative Firm
) _____
) Name of Representative
) _____
) Address of Financial Representative Firm
) _____
) (City) (Province) (Postal Code)
) _____
) (Telephone Number)
) _____
) (Fax Number)
) _____
)

Form 45-106F4

Risk Acknowledgement

- 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 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.
- 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. CMIC First Mortgage Investment Corporation will pay \$ _____ [amount of fee or commission] of this to _____ [name of person selling the securities] as a fee or commission.

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.

WARNING

You have 2 business days to cancel your purchase

To do so, send a notice to CMIC First Mortgage Investment Corporation 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 CMIC First Mortgage Investment Corporation at its business address. Keep a copy of the notice for your records.

Issuer Name and Address: CMIC First Mortgage Investment Corporation
415-145 Chadwick Court
North Vancouver, B.C. V7M 3K1

Fax: (604) 929-9592

E-mail: cove_mortgage@telus.net

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.

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 issuer 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 investment dealer. In Alberta, Manitoba, Northwest Territories, Prince Edward Island, Québec and Saskatchewan to qualify as an eligible investor, you may be required to obtain that advice. Contact the Investment Dealers Association of Canada (website at www.ida.ca) for a list of registered investment dealers in your area.

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.

B.C. Securities Commission
PO Box 10142 Pacific Centre
Vancouver, B.C. V7Y 1L2
Phone: (604) 899-6500
Website: www.bcsc.bc.ca