

**COOPER PACIFIC II MORTGAGE INVESTMENT CORPORATION**  
**OFFERING MEMORANDUM SHARE SUBSCRIPTION AGREEMENT**

(BRITISH COLUMBIA)

**By this Subscription Form:**

As set out in 5 below, the undersigned (the **Investor** or **I**) offer(s) to subscribe (the **Subscription**) for the number of Class B shares (the **Shares**) of **Cooper Pacific II Mortgage Investment Corporation** (the **Company**) for an aggregate subscription price of \$1.00 per Share on the terms and conditions set out in the Company's Offering Memorandum dated January 31, 2018, receipt of a copy of which is acknowledged.

I hereby tender the aggregate subscription price for the Shares by way of a bank draft or personal cheque made payable to "Cooper Pacific II Mortgage Investment Corporation in Trust".

I intend that the Company rely upon the information that I am providing in my Subscription when considering whether or not to accept my Subscription. I acknowledge that my Subscription is subject to acceptance by the Company, is subject to rejection or allotment in whole or in part, is given for valuable consideration and is irrevocable.

**1. INDIVIDUAL SUBSCRIBER AND NAME FOR REGISTRATION**

<b>Individual Name 1:</b>	<b>S.I.N.</b>
<b>Individual Name 2:</b>	<b>S.I.N.</b>

<b>If Joint Tenancy with right of survivorship please initial _____ (both Individual 1 and 2)</b>
<b>If <u>Joint</u> investment and with the intention that the Company rely upon these instructions when dealing with the shares, then future instructions concerning the investment must be signed by</b>
<input type="checkbox"/> both Individual 1 "and" Individual 2
<input type="checkbox"/> either Individual 1 "or" Individual 2

**2. CORPORATE OR NON-PERSONAL SUBSCRIBER**

<b>Company / Trust / Other:</b>	<b>Tax I.D. #:</b>
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**3. INDIVIDUAL / CORPORATE / NON-PERSONAL (Address and Jurisdiction of Residency)**

<b>Address:</b>	<b>City:</b>	
<b>Prov.:</b>	<b>Postal Code:</b>	<b>Phone:</b>
<b>Fax:</b>	<b>E-Mail:</b>	

**4. Complete the following information for RRSP, RESP, RRIF, LIRA or TFSA Purchases Only**

<b>Trustee Name:</b>	<b>A/C #:</b>
<b>Trustee Address:</b>	

**5. SHARE INFORMATION**

<b>Company</b>	<b>Total Subscription Amount</b>	<b>Share Price</b>	<b># of Shares</b>	<b>Dividends</b>
Cooper Pacific II Mortgage Investment Corporation	\$	\$1.00	_____ Class B	Shares Monthly cash Split ____ % Shares ____ % Cash
<input type="checkbox"/> Please deposit cash dividends direct to my bank account (attach void cheque)				

**6. The Investor represents and warrants that:**

- (a) The Investor has received, reviewed and fully understands the Company's offering memorandum dated January 31, 2018 (the **Offering Memorandum**) including, in particular, the disclosure set out under the heading, "Item 8 – Risk Factors", and has had an opportunity to ask and have answered all questions which it wished to raise regarding the business and affairs of the Company, the nature of its activities, the proposed use of proceeds, the Shares, and this Subscription Agreement.
- (b) The Investor
  - I. is a resident of British Columbia;
  - II. has such knowledge or experience in financial and business affairs as to be capable of, or has received advice from a person registered under applicable securities legislation for the purposes of, evaluating the merits and risks of its investment in the Shares;
  - III. is aware of the characteristics of the Shares and the risks relating to an investment therein;
  - IV. is aware that the Company is selling Shares on a continuous offering basis and that the Investor's Subscription will provide funds for the immediate use of the Company; and
  - V. is able, without impairing its financial condition, to bear the economic risks of, and understand a complete loss of, its investment.
- (c) The funds representing the aggregate subscription price advanced by the Investor hereunder will not represent proceeds of crime for the purposes of the **Proceeds of Crime (Money Laundering) and Terrorist Financing Act** (Canada) (the **PCMLTFA**) and the Investor acknowledges that the Company may in the future be required by law to disclose the Investor's name and other information relating to this Subscription Agreement and the Investor's Subscription hereunder, on a confidential basis, pursuant to the PCMLTFA and to the best of the Investor's knowledge (i) none of the subscription funds to be provided by the Investor (A) have been or will be derived from or related to any activity that is deemed criminal under the law of Canada, the United States of America, or any other jurisdiction, or (B) are being tendered on behalf of a person or entity who has not been identified to the Investor; and (ii) it will promptly notify the Company if the Investor discovers that any of such representations ceases to be true, and to provide the Company with appropriate information in connection therewith;
- (d) The Investor is purchasing the Shares as principal for the Investor's own account, and not for the benefit of, or on behalf of, any other person;
- (e) The Investor has signed and delivered to the Company and retained for the Investor's own records one copy of each of the Risk Acknowledgement Forms attached as Schedules A & B to this Subscription Agreement;
- (f) the Investor has the legal capacity and competence to enter into and execute this Subscription Agreement and to take all actions required pursuant to this Subscription Agreement and, if the Investor is a corporate entity, it is duly organized and validly subsisting under the laws of its jurisdiction of incorporation and all necessary approvals by its directors, shareholders and others have been obtained to authorize execution and performance of this Subscription Agreement on behalf of the Investor;
- (g) the entering into of this Subscription Agreement and the transactions contemplated hereby do not result in the violation of any of the terms and provisions of any law applicable to, or, if applicable, the constating documents of, the Investor, or of any agreement, written or oral, to which the Investor may be a party or by which the Investor is or may be bound; and
- (h) the Investor has duly executed and delivered this Subscription Agreement and it constitutes a valid and binding agreement of the Investor enforceable against the Investor in accordance with its terms.

**7. The Investor acknowledges that:**

- (a) No securities commission or similar regulatory authority has reviewed or passed on the merits of the Shares;

- (b) The Company is offering its securities only to residents of British Columbia;
- (c) There is no government or other insurance covering the Shares;
- (d) I may lose all of my investment;
- (e) I understand that a legend may be placed on any certificate representing the Shares setting forth resale restrictions under applicable provincial securities laws;
- (f) There are restrictions on my ability to resell the Shares and it is my responsibility to find out what those restrictions are and to comply with them before selling the Shares;
- (g) The Company cannot and is not representing that the Shares will be listed on any stock exchange and no public market exists for the Shares;
- (h) I will not receive a prospectus filed by the Company with any securities commission or regulatory authority under any applicable securities legislation and I make my Subscription knowing that the Company is distributing the Shares to me in reliance upon certain exemptions from the prospectus and registration requirements of the applicable securities legislation;
- (i) As a consequence of acquiring securities pursuant to certain exemptions from the prospectus and registration requirements of applicable securities legislation, certain protections, rights and remedies provided by applicable securities laws, including statutory rights of rescission or damages (except as described in the Offering Memorandum), will not be available to me; and the Company is relieved from certain obligations to provide information to its securityholders, and I might not receive information about the Company, that would otherwise be required to be provided to me under securities legislation if the Company had filed a prospectus under applicable securities legislation; and
- (j) The offering of Shares under the Offering Memorandum is not subject to a minimum offering amount and, therefore, any funds invested are available to the Company and will be paid to the Company on the completion date of my Subscription and need not be refunded to me unless the completion of the Subscription does not occur.

## 8. Privacy Consents

The Investor consents to the collection, use and disclosure of personal information (collectively, **Personal Information**) about the Investor collected by or disclosed to the Company in connection with the ownership of the Shares, any recording concerning the Investor in any of the registers or records of the applicable Company or the activities of the Company whether by, on behalf of or to the Company or any agent, advisor or service provider of the Company for the following purposes:

- (a) for all purposes related to the holdings of the Investor;
- (b) to facilitate the governance, management and operation of the Company and its assets, including, without limitation, filing information with government agencies and regulatory authorities, to secure investment in the Company, reporting to creditors and shareholders, securing financing of the Company or its activities, dealing with creditors of the Company or acquiring, leasing, using or disposing of assets of the Company;
- (c) to market, sell, provide and inform the Investor of the products and services of the Company and its affiliates, including information about future investment opportunities;
- (d) enforcing or taking action with respect to any rights of the Company;
- (e) to disclose Personal Information to the Company's affiliates, business partners, lenders or other creditors, lawyers, accountants and other advisors and consultants in furtherance of the affairs and activities of the Company and any of the foregoing purposes. If the Company wishes to disclose the Personal Information to third parties for a purpose other than those set out above, then the Company must first notify the Investor of the purpose for which the Personal Information will be

used. If the Investor wishes that the Personal Information not be used or disclosed to third parties for the other purpose, the Investor can opt-out by way of a written notice to the Company.

## 9. Retraction Rights:

The Investor acknowledges that the Shares are retractable by the Investor after a period of 12 months following the last day of the fiscal quarter of the Company in which the Shares being exercised for retraction (the "**Retraction Shares**") were issued. Such retraction shall be effective (the "**Effective Date**") as follows:

- (a) for Retraction Shares for which a notice of retraction (a **Retraction Notice**) is received by the Company on or before January 31st, the Effective Date shall be the following March 31st;
- (b) for Retraction Shares for which a Retraction Notice is received by the Company on or before April 30th, the Effective Date shall be the following June 30th;
- (c) for Retraction Shares for which a Retraction Notice is received by the Company on or before July 31st, the Effective Date shall be the following September 30th; and
- (d) for Retraction Shares for which a Retraction Notice is received by the Company on or before October 31st, the Effective Date shall be the following December 31st.

The Shares are retractable during any one year period after the issue date of the Share by delivering a Retraction Notice to the Company within 60 days before the 1<sup>st</sup> and any succeeding one year anniversary (each an "**Anniversary**") of the last day of the calendar quarter (the "**Determination Date**") in which fell the issue date of the Share. If the Investor does not deliver a Retraction Notice to the Company within 60 days before the applicable Anniversary, then the right of retraction by the Investor shall lapse and the Share shall not be retractable by the Investor except in connection with the next following Anniversary.

A Retraction Notice must specify the share certificate number(s) representing the Retraction Shares and number of Shares the holder wishes to retract.

The Company will redeem Shares for which it properly receives a Retraction Notice for an amount equal to the Retraction Price (as defined below) within 30 days from the Effective Date (the **Initial Retraction Date**) unless (the **Retraction Limits**):

- (a) as a result of any of the Retractions the Company would cease to qualify as a mortgage investment corporation;
- (b) the Company receives, during any one fiscal year, Retraction Notices for more than 20% of any one class of Retractable Shares outstanding as at the last day of the Company's most recently completed fiscal year end prior to the Effective Date, and the directors of the Company determine in their sole discretion that sufficient funds are not available to the Company for the purposes of retraction; or
- (c) the Company receives, during any fiscal quarter, Retraction Notices for more than 5% of any one class of Retractable Shares outstanding as at the last day of the Company's most recently completed fiscal year end prior to the Effective Date, and the directors of the Company determine in their sole discretion that sufficient funds are not available to the Company for the purposes of retraction,

in which case the Company will redeem the Shares for which Retraction Notices have been received pro rata on the Initial Retraction Date up to the Retraction Limits. Shares for which Retraction Notices have been received and which have not been redeemed on the Initial Retraction Date shall be redeemed in the Company's next fiscal quarter which Retraction Notices received equal less than the Retraction Limits and will be redeemed in priority to subsequent retraction requests.

The amount paid by the Company in respect of each Share for which it properly receives a Retraction Notice (the **Retraction Price**) shall be the amount equal to the paid up capital of the Share plus any dividends then declared and payable but not yet paid on such share less the Share's *pro-rata* proportion of any deficit in the Company at the Effective Date.

## **10. General:**

- (a) The Investor acknowledges and agrees that the Investor will bear all costs and expenses incurred by the Investor (including any fees and disbursements of any legal or financial advisors retained by the Investor) relating to the Subscription.
- (b) This Subscription Agreement is governed by the laws of the Province of British Columbia and the federal laws of Canada applicable therein. The Investor, in its personal or corporate capacity, irrevocably attorns to the jurisdiction of the courts of the Province of British Columbia.
- (c) This Subscription Agreement, including without limitation the representations, warranties and covenants contained herein, shall survive and continue in full force and effect and be binding upon the parties hereto notwithstanding the completion of the purchase of the Shares by the Investor under this Subscription Agreement.
- (d) This Subscription Agreement is not transferable or assignable. No rights or obligations of the Investor under this Subscription Agreement may be assigned or transferred without the prior written consent of the Company and any purported assignment without that consent will be invalid and of no force or effect. Despite the foregoing, this Subscription Agreement shall ensure to the benefit of and be binding upon each of the parties' heirs, executors, administrators and successors by operation of law.
- (e) The invalidity or unenforceability of any particular provision of this Subscription Agreement shall not affect or limit the validity or enforceability of the remaining provisions of this Subscription Agreement.
- (f) Except as expressly provided in this Subscription Agreement and in the agreements, instruments and other documents contemplated or provided for herein, this Subscription Agreement contains the entire agreement between the parties with respect to the purchase and sale of the Shares and there are no other terms, conditions, representations or warranties, whether expressed, implied, oral or written, by statute or common law, by the Company or by anyone else. This Subscription Agreement may not be modified, amended or terminated except by an instrument in writing signed by the party against whom any modification, amendment or termination is sought.
- (g) All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if couriered or transmitted electronically or by facsimile. Notices to the Investor shall be directed to the address on page 2 of this Subscription Agreement and notices to the Company shall be directed to 821 Broughton Street, Victoria, BC, V8W 1E5, with a copy to Cox Taylor at 26 Bastion Square, Third Floor Burnes House, Victoria, BC V8W 1H9, or, in each case, to such other address as either party may notify the other in writing from time to time.
- (h) The headings contained in this Subscription Agreement are for convenience only and shall not affect the meaning or interpretation of this Subscription Agreement in its entirety or of any provision hereof.
- (i) Where the context so requires, words importing the singular number shall include the plural and vice versa, and words importing gender shall include all genders.
- (j) In the event that this Subscription is not accepted for any reason, including the requirement to file with the applicable regulatory authorities a prospectus or equivalent offering document as a precondition to acceptance, then the return of Subscription funds to the Investor will make this Subscription null and void and the Company will not have further any obligation to the Investor with respect to the Subscription.

(k) This Subscription Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall constitute an original and all of which together shall constitute one and the same instrument. Delivery of an executed copy of this Subscription Agreement by facsimile transmission or other means of electronic communication capable of producing a printed copy will be deemed to be execution and delivery of this Subscription Agreement as of the date of acceptance of the Subscription by the Company.

(l) The Investor hereby acknowledges that it will deliver to the Company all such additional completed forms in respect of the Investor's purchase of the Shares, and do all other acts and things, as may be necessary or desirable to complete the Subscription or as may be required for filing with the appropriate securities commissions and regulatory authorities.

The Investor agrees that acceptance of this Subscription will be effective upon the mailing of a written confirmation of such acceptance to the address stated above.

Signed at \_\_\_\_\_, \_\_\_\_\_ this \_\_\_\_ day of \_\_\_\_\_ 20\_\_

\_\_\_\_\_  
**Signature of Witness**

\_\_\_\_\_  
**Signature of Investor(s)** or, if the Investor  
 is a corporate entity, signature of authorised signatory

\_\_\_\_\_  
 Name of Witness (please print)

**OFFICE USE ONLY**

**ACCEPTANCE OF SUBSCRIPTION**

This Subscription is accepted by the Cooper Pacific II Mortgage Investment Corporation on the \_\_\_\_ day of \_\_\_\_\_ 20\_\_.

per: \_\_\_\_\_  
 Authorised Signatory

<b>Investor ID #</b>		<b>Cert. #</b>		<b>Cert. Date</b>	
<b>Posted On</b>		<b>Posted By</b>		<b>Referral Fee</b>	<b>Y / N</b>

# Schedule A

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.

The securities are redeemable, but I may only be able to redeem them in limited circumstances.

I could lose all the money I invest.

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

Cooper Pacific II 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 I could lose all of the money I invest.

\_\_\_\_\_ 20\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Purchaser

\_\_\_\_\_  
Print Name of Purchaser

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

You have 2 business days to cancel your purchase

To do so, send a notice to Cooper Pacific II 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 Cooper Pacific II Mortgage Investment Corporation at its business address, shown below. Keep a copy of the notice for your records.

Cooper Pacific II Mortgage Investment Corporation  
821 Broughton Street, Victoria, B.C. V8W 1E5  
Fax: 250-475-1196 E-mail: info@cooperpacific.ca

### **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** *[Instruction: Delete if sold by registrant]*

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. Contact the Investment Dealers Association of Canada (website at <http://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 or regulator.

If you live in British Columbia, contact the British Columbia Securities Commission at (604) 899-6500, (outside the local area, call toll-free 1-800 373-6393), or visit its website at [www.bcsc.bc.ca](http://www.bcsc.bc.ca).

***[Instruction: The purchaser must sign 2 copies of this form. The purchaser and issuer must each receive a signed copy.]***

## Schedule B

**Risk Acknowledgement under BCI 32-517 Exemption from Dealer Registration Requirements for Trades in Securities of Mortgage Investment Entities**

**Name of Issuer:**

Cooper Pacific II Mortgage Investment Corporation

**Name of Seller:**

Cooper Pacific (1994) Mortgage Investment Corporation

**I acknowledge that** the person selling me these securities is not registered with a securities regulatory authority and is prohibited from telling me that this investment is suitable for me; the person selling me these securities does not act for me; this is a risky investment and I could lose all my money; and I am investing entirely at my own risk.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Purchaser

\_\_\_\_\_  
Print name of Purchaser

\_\_\_\_\_  
Name of salesperson acting on behalf of seller

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

National Instrument 45-106 **Prospectus and Registration Exemptions** may require you to sign an additional risk acknowledgement form.

If you want advice about the merits of this investment and whether these securities are a suitable investment for you, contact a registered adviser or dealer.