

**TERRAPIN MORTGAGE INVESTMENT CORP.  
SUBSCRIPTION FOR PREFERRED SHARES – OFFERING MEMORANDUM EXEMPTION**

**TO: TERRAPIN MORTGAGE INVESTMENT CORP. (the “Company”)**  
**AND TO: THE DIRECTORS THEREOF**

The undersigned (the “Subscriber”) hereby irrevocably subscribes for (write number of shares) \_\_\_\_\_ (\_\_\_\_\_, \_\_\_\_\_) Preferred shares (the “Shares”) in the capital of the Company to be purchased at the price of **\$1.0** per share for the aggregate subscription price of \$\_\_\_\_\_ (the “Subscription Amount”), on the terms described in this Subscription Agreement (Schedule B).

**REQUIRED DOCUMENTATION**

1. Complete and sign this Subscription Agreement, including **paragraph 3(a) on page 2** ;
2. Take a copy for your records and send the completed, signed original Subscription Agreement to the Company at the following address, together with a cheque or bank draft in the aggregate Subscription Amount payable to “**Terrapin Mortgage Investment Corp.**”:

Terrapin Mortgage Investment Corp.  
PO Box 49214, Four Bentall Centre  
Suite 2200 – 1055 Dunsmuir Street  
Vancouver, BC V7X 1K8

Attention: Mortgage Administration

**EXECUTION BY SUBSCRIBER**

**EXECUTED** by the Subscriber as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

| <b>NAME AND ADDRESS OF SUBSCRIBER:</b>   | <b>SIGNATURE OF SUBSCRIBER:</b>  |
|--|--|
| _____<br>Name of Subscriber ( <b>please print</b> )  | X _____<br>Signature of individual (if Subscriber is an individual)  |
| _____<br>Address of Subscriber (residence if an individual) (street)                                 | X _____<br>Authorized signatory (if Subscriber is <b>not an</b> individual)  |
| _____<br>City                                  Province                                  Postal Code | _____<br>Name of Authorized signatory ( <b>please print</b> )  |
| _____<br>Email   | <input type="checkbox"/> Class A – Annual Dividend (Minimum \$25,000)  |
| _____<br>Fax   | <input type="checkbox"/> Class B – Quarterly Dividend less 0.30% to cover additional costs of administration and cost of capital. (Minimum \$250,000 investment) |
| _____<br>Phone   |  |

**ACCEPTANCE BY THE COMPANY**

**ACCEPTED** by the Company as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

|  |
|--|
| <p><b>TERRAPIN MORTGAGE INVESTMENT CORP.</b></p> <p>by: _____<br/> <i>Authorized Signatory</i></p> |
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1. Acceptance and Delivery. This Subscription will be deemed to have been accepted and completed upon the acceptance of this Subscription by the Company.
2. Information and Documents. The Subscriber will promptly upon request by the Company provide the Company with such information and execute and deliver to the Company such other undertakings, questionnaires and other documents as the Company may request in connection with the issue and sale of the Shares, all of which will form part of and will be incorporated into this Subscription with the same effect as if each constituted a representation and warranty of the Subscriber set forth herein. The Subscriber consents to the filing of such undertakings, questionnaires and other documents with any securities regulatory authority in connection with the transactions contemplated hereby.
3. Subscriber's Representations and Warranties. In giving this Subscription, the Subscriber represents and warrants to the Company that the Subscriber:
- (a) meets the following Exemption under National Instrument 45-106 – Prospectus and Registration Exemptions:
- Offering Memorandum***
- the Subscriber is resident in British Columbia, New Brunswick, Newfoundland and Labrador or Nova Scotia;
  - the Subscriber received an Offering Memorandum in the form of Form 45-106F2 – Offering Memorandum for Non-Qualifying Issuers
  - the Subscriber has signed a risk acknowledgement form set out as Schedule “A” hereto.
4. Representations, Warranties and Covenants Survive. The representations and warranties set forth herein above are made by the Subscriber with the intent that they be relied upon by the Company in determining, in part, the availability to the Company of Exemptions. The Subscriber agrees that such representations and warranties survive the acceptance of this Subscription by the Company and the purchase and sale of the Shares and continue in full force and effect. If any representation, warranty, statement or certification becomes untrue or inaccurate, the Subscriber shall give the Company immediate written notice thereof.
5. Consequences of Misrepresentation or Breach by Subscriber. The Subscriber agrees that in the event any of its representations or warranties herein or in any agreement or other document provided by it in connection with this Subscription is untrue in any material respect or the Subscriber breaches or fails to comply with any agreement made herein, that the Subscriber will indemnify the Company, and its respective directors, officers, agents and advisers from any loss, liability, claim, damage and expense whatsoever arising out of such misrepresentation or breach.
6. No Withdrawal. The Subscriber agrees that this offer and Subscription is given for valuable consideration and may not be withdrawn, cancelled, terminated or revoked by the Subscriber at any time.
7. Collection of Personal Information. The Subscriber acknowledges and consents to the fact that the Company is collecting the Subscriber's personal information for the purposes of completing the transactions contemplated hereby, including registering the Subscriber as a holder of Shares and communicating with the Subscriber in that capacity. The Subscriber further acknowledges and consents to the fact that the Company may be required to provide securities regulatory authorities or other regulatory agencies pursuant to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) with any such personal information. The Subscriber (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) represents and warrants that the funds representing the Subscription Amount which will be advanced by the Subscriber to the Company hereunder will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) Act (Canada)* (the “PCMLA”) and the Subscriber acknowledges that the Company may in the future be required by law to disclose the Subscriber's name and other information relation to this Subscription and the Subscriber's subscription hereunder, on a confidential basis, pursuant to the PCMLA. To the best of its knowledge, none of the subscription funds to be provided by the Subscriber (i) have been or will be derived from or related to any activity that is deemed criminal under the law of Canada, the United States of America, or any other jurisdiction, or (ii) are being tendered on behalf of a person or entity who has not been identified to the Subscriber.
8. Governing Law. This Subscription will be governed by and construed in accordance with the laws of the Province of British Columbia.
9. Entire Agreement. This Subscription contains the entire agreement between the Company and the Subscriber relating to the subject matter hereof, and there are no representations, covenants or other agreements relating to the subject matter hereof except as stated herein.
10. Assignment. Neither this Subscription nor any interest herein or any of the rights arising hereunder may be assigned or transferred by the Subscriber in any manner without the prior express written consent of the Company.
11. Modification. Neither this Subscription nor any provision hereof may be modified, changed, discharged or terminated except in writing signed by the party against whom any waiver, change, discharge or termination is sought.
12. Enurement. This Subscription will enure to the benefit of and be binding upon the Company and the Subscriber and their respective heirs, executors, administrators, legal representatives, successors and permitted assigns.
13. Independent Advice. The Subscriber acknowledges that it has been advised by the Company to seek such independent legal, financial or other advice as the Subscriber may require and have been given an adequate opportunity to do so prior to the Subscriber signing this Subscription, and that the Subscriber has either obtained such advice or have declined to do so.
14. Definitions and Interpretation.

In this Subscription, certain capitalized words have been used as defined below:

**“Exemptions”** means exemptions under all applicable Securities Laws, rules and regulations which may be relied upon in order to permit the offer, sale or transfer of the Shares to the Subscriber without the necessity of the Company taking any affirmative action to prepare, file or deliver a prospectus, offering memorandum or similar document;

**“Securities Laws”** means, collectively, the applicable securities laws of the jurisdiction in which any of the Subscribers reside and the respective regulations and rules made and forms prescribed thereunder together with all applicable published policy statements and blaket orders and rulings of the securities commissions; and

**“Subscription”** means the offer made by the Subscriber to purchase, take up and pay for the Shares and the agreement made between the Company and the Subscriber upon this Subscription being accepted by the Company.

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.
- 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. Terrapin Mortgage Investment Corp will not distribute any portion of these funds as a fee or commission on this transaction.

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

\_\_\_\_\_  
Date

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

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

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

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**You have 2 business days to cancel your purchase.**

To do so, send a notice to Terrapin Mortgage Investment Corp. stating that you want to cancel your purchase. You must send the notice before midnight on the 2<sup>nd</sup> 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 Terrapin Mortgage Investment Corp. at its business address. Keep a copy of the notice for your records.

Issuer Name and Address:

Terrapin Mortgage Investment Corp.  
PO Box 49214, Four Bentall Centre  
Suite 2200 - 1055 Dunsmuir Street  
Vancouver, BC V7X 1K8  
Tel: (604) 684-8277  
Fax: (604) 684-4709  
Email: terrapin@adera.com

**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](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.

British Columbia Securities Commission

701 West Georgia Street

Vancouver, B.C. V7Y 1L2

Tel: (604) 899-6500

Fax: (604) 899-6506

**SCHEDULE "B"**  
**TERRAPIN MORTGAGE INVESTMENT CORP.**  
**PREFERRED SHARE PURCHASE PRICE SCHEDULE**

|                        |                   |
|------------------------|-------------------|
| March 1 – 31 .....     | \$1.000 per share |
| April 1 – 30 .....     | \$1.006 per share |
| May 1 – 31 .....       | \$1.012 per share |
| June 1 – 30 .....      | \$1.018 per share |
| July 1 – 31 .....      | \$1.024 per share |
| August 1 – 31 .....    | \$1.030 per share |
| September 1 – 30 ..... | \$1.035 per share |
| October 1 – 31 .....   | \$1.041 per share |
| November 1 – 30 .....  | \$1.047 per share |
| December 1 – 31 .....  | \$1.053 per share |
| January 1 – 31 .....   | \$1.059 per share |
| February 1 – 28 .....  | \$1.065 per share |