



TO: AP Capital Mortgage Investment Corporation (the "Corporation" or the "Issuer")

The undersigned (the "Subscriber") irrevocably subscribes for and agrees to purchase the number of Class "B" non-voting Common Shares (the "Shares") of the Corporation set out below, at a price of \$100.00 per Share for the aggregate subscription price (the "Purchase Price") set out below, upon and subject to the terms and conditions set out in "Terms and Conditions of Subscription for Shares of AP Capital Mortgage Investment Corporation", attached to this page (this page and the attached together being referred to as the "Subscription Agreement"). The certificates representing the Shares should be registered and delivered as indicated below. The minimum subscription amount is \$10,000 and consequently subscriptions for less than this amount may not be accepted by the Corporation. By executing this Subscription Agreement, the Subscriber hereby accepts the terms and conditions contained herein and confirms that the representation and warranties made by the Subscriber in this Subscription Agreement are true and correct.

1: Plan Type	2: Investment Amount	3A: Dividend Election	3B: Cash Dividend Options	4: Investor Statement
<input checked="" type="checkbox"/> Registered (please specify type here e.g. RRSP) _____ <input type="checkbox"/> Open / Cash	_____ Number of Shares (@ \$100/share) \$ _____ Aggregate Price (minimum \$10,000)	<input checked="" type="checkbox"/> Monthly Cash Dividend (must complete section 3B) <input type="checkbox"/> Class "B" Share Re-Investment (go to section 4A) <small>For details regarding Dividend options, see page 15 of the Offering Memorandum Dividend Entitlement section</small>	<input checked="" type="checkbox"/> 7% per annum paid monthly – annual yields greater than 7% issued in shares at fiscal year end <input type="checkbox"/> 7% per annum paid monthly – annual yields greater than 7% paid in cash at fiscal year end	<input type="checkbox"/> Receive Printed Statement <input type="checkbox"/> Receive Electronic Statement

4A: Subscriber Information

Mr. Mrs. Miss Ms. Dr. Corporate

Full Legal Name of Subscriber _____

Address _____ City _____ Province _____ Postal Code _____

(_____) _____
Home Telephone Business Telephone Email Address

_____/_____/_____
Social Insurance Number (SIN) Date of Birth (mm/dd/yyyy) Business Number (if corporate) Capacity or Title of Authorized Signatory (if corporate)

4B: Joint Subscriber Information

Mr. Mrs. Miss Ms. Dr. Corporate

Full Legal Name of Joint Subscriber _____

Address _____ City _____ Province _____ Postal Code _____

(_____) _____
Home Telephone Business Telephone Email Address

_____/_____/_____
Social Insurance Number (SIN) Please initial if joint with right of survivorship is desired (both subscribers) _____

5: Registration (This section is required for Registered investors)

Name of Registrant (i.e. <Trust Company Name> ITF <SubscriberLastName_SubscriberFirstName> Subscriber's account or plan number

Address of Registrant City of Registrant Province Postal Code

Trustee or Company Telephone Number Contact Name

6: Dealer / Rep Code (if applicable)	7: Dealer / Representative Name
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_____ Dealer Code _____ Representative Code	Dealer: _____ Representative: _____
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8: Subscriber(s) Signature

I have received and reviewed the AP Capital Mortgage Investment Corporation Offering Memorandum.

X _____ X _____ _____ / _____ / _____
Subscriber (or authorized signatory of subscriber) Joint Subscriber (if applicable) Date of Signature (mm/dd/yyyy)

9: For Office Use Only

Acceptance: The Corporation hereby accepts this subscription this _____ day of _____, 20____.

AP Capital Mortgage Investment Corporation Per: _____

INFORMATION TO BE COMPLETED BY THE SUBSCRIBER

A. Subscription Agreement for Shares

PLEASE COMPLETE THE FACE PAGE, AS APPLICABLE, AND DATE AND SIGN WHERE INDICATED. IF THE PURCHASER IS A CORPORATION OR OTHER BUSINESS ASSOCIATION, PRINT THE NAME AND TITLE OF THE SIGNING OFFICER.

B. Prospectus Exemption Relied Upon [CHECK EACH BOX AS APPLICABLE]

1. Offering Memorandum

(available to British Columbia, Alberta, Saskatchewan and Manitoba Subscribers only)

a) Eligible Investor Certificate

(Must be completed by all Alberta, Saskatchewan and Manitoba Subscribers subscribing under Offering Memorandum for an amount in excess of \$10,000)

The Purchaser

hereby delivers to the Corporation a completed Representation Letter (For "Eligible Investors"), in the form attached hereto as Exhibit 1 including Appendix "A" thereto.

b) Risk Acknowledgement Certificate

(Must be completed by all Subscribers subscribing under Offering Memorandum)

The Purchaser

hereby delivers to the Corporation a completed Risk Acknowledgement Form, in the form attached hereto as Form 45-106F4.

2. Accredited Investor or Minimum \$150,000 Investor Certificate

(available to all Subscribers)

The Purchaser

hereby delivers to the Corporation a completed Certificate of Accredited Investor or Minimum \$150,000 Investor, in the form attached hereto as Exhibit 2.

3. Family, Friends and Business Associates

(available to Alberta and British Columbia Subscribers only)

The Purchaser

hereby delivers to the Corporation a completed Certificate of Friends, Family and Business Associates, in the form attached hereto as Exhibit 3.

C. Payment and Delivery Instructions

Please deliver a cheque, money order or bank draft for the full amount of the subscription proceeds, payable to "**AP Capital Mortgage Investment Corporation**" together with the fully completed and executed forms to either of the addresses set forth below:

AP Capital Mortgage Investment Corporation
1601 – 128 West Pender Street
Vancouver, BC
V6B 1R8

Attention: Investor Relations

TERMS AND CONDITIONS OF SUBSCRIPTION FOR CLASS "B" COMMON SHARES

Terms of the Offering

1. The Subscriber acknowledges (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) that this subscription is subject to rejection or allotment by the Corporation in whole or in part.
2. The Subscriber acknowledges (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) that the Shares subscribed for by it hereunder forms part of a larger issuance (the "Offering") and sale by the Corporation at a subscription price of Cdn. \$100.00 per Share (the "Offered Securities").
3. The Subscriber acknowledges (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) that this Subscription Agreement and the Exhibits hereto require the Subscriber to provide certain personal information to the Corporation. Such information is being collected by the Corporation for the purposes of completing the Offering, which includes, without limitation, determining the Subscriber's eligibility to purchase the Offered Securities under applicable securities legislation, preparing and registering certificates representing Offered Securities to be issued to the Subscriber and completing filings required by any stock exchange or securities regulatory authority. The Subscriber's personal information may be disclosed by the Corporation to: (a) securities regulatory authorities, (b) the Corporation's registrar and transfer agent or trustee, and (c) any of the other parties involved in the Offering, including legal counsel and may be included in record books in connection with the Offering. By executing this Subscription Agreement, the Subscriber (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) is deemed to be consenting to the foregoing collection, use and disclosure of the Subscriber's personal information. The Subscriber (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) also consents to the filing of copies or originals of any of the Subscriber's documents described in paragraph 16 hereof as may be required to be filed with any securities regulatory authority in connection with the transactions contemplated hereby. The Subscriber represents and warrants that it has the authority to provide the consents and acknowledgements set out in this paragraph on behalf of all beneficial purchasers.
4. 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 Purchase Price which will be advanced by the Subscriber to the Corporation 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 Corporation may in the future be required by law to disclose the Subscriber's name and other information relating to this Subscription Agreement and the Subscriber's subscription hereunder, on a confidential basis, pursuant to 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. The Subscriber shall promptly notify the Corporation if the Subscriber discovers that any of such representations ceases to be true, and to provide the Corporation with appropriate information in connection therewith.

Representations, Warranties and Covenants by Subscriber

5. The Subscriber represents, warrants and covenants to the Corporation and its counsel (and acknowledges that the Corporation and its respective counsel, are relying thereon) both at the date hereof and at the Closing Time (as herein defined) that:
 - a) the Subscriber is aware of the characteristics of the Shares, of the risks relating to an investment in the Shares, that the Corporation is not currently a reporting issuer in any jurisdiction, and that the Shares are not presently listed for trading on any stock exchange, and accordingly, is aware of the fact that it may not be able to resell the Shares, except in accordance with applicable corporate law and limited exemptions under applicable securities legislation and regulatory policy, and compliance with the other requirements of applicable law; and it agrees that any certificates representing the Shares will bear a legend indicating that the resale of such securities is restricted;
 - b) the Subscriber is either:
 - i. a resident of British Columbia, Alberta, Saskatchewan, Manitoba or Ontario, where:
 - 1) the Subscriber has received and reviewed the offering memorandum of the Corporation (the "Offering Memorandum"), but, other than the Offering Memorandum, it has not received or been provided with, nor has it requested, nor does it have any need to receive, any prospectus, or any other document (other than financial statements, interim financial statements or any other document, the content of which is prescribed by statute or regulation and which has been independently obtained by the Subscriber) describing the business and affairs of the Corporation which has been prepared for delivery to, and review by, prospective purchasers in order to assist it in making an investment decision in respect of the Shares; and
 - 2) the Subscriber is purchasing the Shares as principal (or is deemed by applicable securities laws to be purchasing as principal) for its own account and not for the benefit of any other person and not with a view to the resale or distribution of all or any of the offered Securities, and it fully complies with the criteria set forth below:
 - A. if the Subscriber is resident in Alberta, Saskatchewan or Manitoba, and is subscribing for an amount in excess of \$10,000, it is an "eligible investor" as such term is defined in NI 45-106 and has concurrently executed and delivered a Representation Letter in the form attached to this Subscription Agreement as Exhibit I; and
 - B. the Subscriber has executed and delivered one copy of the risk acknowledgement statement in the form attached to this Subscription Agreement as Form 45-106F4.
 - ii. a resident of British Columbia, Alberta, Saskatchewan, or Manitoba where:
 - 1) the Subscriber has not received or been provided with an offering memorandum or similar document, nor has it received or been provided with, nor has it requested, nor does it have any need to receive, any prospectus, or any other document (other than financial statements, interim financial statements or any other document, the content of which is prescribed by

statute or regulation and which has been independently obtained by the Subscriber) describing the business and affairs of the Corporation which has been prepared for delivery to, and review by, prospective purchasers in order to assist it in making a investment decision in respect of the Shares; and

- 2) the Subscriber is either:
- A. purchasing the Shares as principal (or is deemed by applicable securities laws to be purchasing as principal) for its own account and 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 is an "accredited investor" as defined in Section 2.3 of National Instrument 45-106 entitled 4 "Prospectus and Registration Exemptions" ("**NI 45-106**"), and if the Purchaser is not an individual, the Purchaser has not been created or used solely to purchase or hold securities as an accredited investor as described in paragraph 1.1(m) of NI 45-106, and the Purchaser has completed, signed and delivered to the Issuer an Exhibit 2 – Certificate of Accredited Investor or Minimum \$150,000 Investor; or
 - B. the Subscriber is purchasing the Shares as principal (or is deemed by applicable securities laws to be purchasing as principal) for its own account and 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 is purchasing sufficient Shares so that the aggregate acquisition cost of the Shares to the Subscriber is not less than \$150,000, and if the Subscriber is not an individual, the Subscriber is not a corporation, partnership, trust, fund, association, or any other organized group of persons created or used solely to purchase or hold securities in reliance on the exemption provided in section 2.10 of NI 45-106 and the Subscriber has completed, signed and delivered to the Issuer an Exhibit 2 – Certificate of Accredited Investor or Minimum \$150,000 Investor; or
 - C. the Subscriber is a resident of British Columbia or Alberta only, is purchasing the Shares as principal (or is deemed by applicable securities laws to be purchasing as principal) for its own account and not for the benefit of any other person and not with a view to the resale or distribution at all of any of the Offered Securities and satisfies one of the criteria of the "family, friends or business associates" exemption defined in section 2.5 of NI 45-106, and the Subscriber has completed, signed and delivered to the Issuer an Exhibit 3 – Certificate of Friends, Family and Business Associates.
- c) the Subscriber acknowledges that:
- i. no securities commission or similar regulatory authority has reviewed or passed on the merits of the Shares;
 - ii. there is no government or other insurance covering the Shares;
 - iii. there are risks associated with the purchase of the Shares;

- iv. there are restrictions on the Subscriber's ability to resell the Shares and it is the responsibility of the Subscriber to find out what those restrictions are and to comply with them before selling the Shares; and
 - v. the Corporation has advised the Subscriber that the Corporation is relying on an exemption from the requirements to provide the Subscriber with a prospectus and to sell securities through a person or company registered to sell securities under the *Securities Act (Alberta)* and other applicable securities laws and, as a consequence of acquiring Shares pursuant to this exemption, certain protections, rights and remedies provided by the *Securities Act (Alberta)* and other applicable securities laws, including statutory rights of rescission or damages, will not be available to the Subscriber; and
- d) it is aware that the Shares have not been and will not be registered under the *United States Securities Act of 1933*, as amended ("**U.S. Securities Act**") or the securities laws of any state and that these securities may not be offered or sold in the United States without registration under the U.S. Securities Act or compliance with requirements of an exemption from registration and the applicable laws of all applicable states and acknowledges that the Corporation has no present intention of filing a registration statement under the U.S. Securities Act in respect of the Shares;
- e) the Shares have not been offered to the Subscriber in the United States, and the individuals making the order to purchase the Shares and executing and delivering this Subscription Agreement on behalf of the Subscriber were not in the United States when the order was placed and this Subscription Agreement was executed and delivered;
- f) the Subscriber is not a U.S. Person (as defined in Regulation S under the U.S. Securities Act, which definition includes, but is not limited to, an individual resident in the United States, an estate or trust of which any executor or administrator or trustee, respectively, is a U.S. Person and any partnership or corporation organized or incorporated under the laws of the United States) and is not purchasing the Shares on behalf of, or for the account or benefit of, a person in the United States or a U.S. Person;
- g) the Subscriber undertakes and agrees that it will not offer or sell the Shares in the United States unless such securities are registered under the U.S. Securities Act and the securities laws of all applicable states of the United States or an exemption from such registration requirements is available, and further that it will not resell the Shares, except in accordance with the provisions of applicable securities legislation, regulations, rules, policies and orders and stock exchange rules;
- h) if a corporation, partnership, unincorporated association or other entity, it has the legal capacity to enter into and be bound by this Subscription Agreement and further certifies that all necessary approvals of directors, shareholders or otherwise have been given and obtained;
- i) if an individual, the Subscriber is of the full age of majority and is legally competent to execute this Subscription Agreement and take all action pursuant to this Subscription Agreement;

- j) this Subscription Agreement has been duly and validly authorized, executed and delivered by and constitutes a legal, valid, binding and enforceable obligation of the Subscriber;
- k) in the case of a subscription by the Subscriber for Shares acting as agent for a disclosed principal, it is duly authorized to execute and deliver this Subscription Agreement and all other necessary documentation in connection with such subscription on behalf of such principal and this Subscription Agreement has been duly authorized, executed and delivered by or on behalf of, and constitutes a legal, valid and binding agreement of, such principal;
- l) the Subscriber has such knowledge in financial and business affairs as to be capable of evaluating the merits and risks of its investment and it, or, where it is not purchasing as principal, each beneficial purchaser, is able to bear the economic risk of loss of its investment;
- m) the Subscriber has relied solely upon publicly available information relating to the Corporation and not upon any verbal or written representation as to fact or otherwise made by or on behalf of the Corporation, and acknowledges that the Corporation's counsel is acting as counsel to the Corporation, and not as counsel to the Subscriber;
- n) the Subscriber understands that Shares are being offered for sale only on a "private placement" basis and that the sale and delivery of the Shares is conditional upon such sale being exempt from the requirements as to the filing of a prospectus or upon the issuance of such orders, consents or approvals as may be required to permit such sale without the requirement of filing a prospectus;
- o) if required by applicable securities legislation, regulations, rules, policies or orders or by any securities commission, stock exchange (if applicable) or other regulatory authority, the subscriber will execute, deliver, file and otherwise assist the Corporation in filing, such reports, undertakings and other documents with respect to the issue of the Shares as may be required;
- p) it will not resell the Shares except in accordance with the provisions of applicable securities legislation and stock exchange rules, if applicable, in the future;
- q) the entering into of this Subscription Agreement and the transactions contemplated by this Subscription Agreement will not result in a violation of any of the terms or provisions of any law applicable to the Subscriber, or if the Subscriber is not a natural person, any of the Subscriber's constating documents, or any agreement to which the Subscriber is a party or by which it is bound;
- r) none of the funds the Subscriber is using to purchase the Shares are, to the knowledge of the Subscriber, proceeds obtained or derived, directly or indirectly, as a result of illegal activities;

- s) the Subscriber acknowledges that the Shares are being purchased pursuant to exemptions from the prospectus requirements contained in applicable securities legislation and, as a result:
 - i. the Subscriber is restricted from using most of the civil remedies available under applicable securities legislation;
 - ii. the Subscriber may not receive information that would otherwise be required to be provided to the Subscriber under applicable securities legislation; and
 - iii. the Corporation is relieved from certain obligations that would otherwise apply under applicable securities legislation;

- t) no person has made any written or oral representation:
 - i. that any person will resell or repurchase the Shares;
 - ii. that any person will refund the purchase price of the Shares; or
 - iii. as to future price or value of the Shares;

- u) the Subscriber deals at arm's length with the Corporation within the meaning of the *Income Tax Act* (Canada) (the "Act") and will continue to deal at arm's length with the Corporation at all times which are relevant for this Subscription Agreement; and

- v) the Subscriber acknowledges that it has been encouraged to and should obtain independent legal, income tax and investment advice with respect to its subscription for Shares and accordingly, has been independently advised as to the meanings of all terms contained herein relevant to the Subscriber for purposes of giving representations, warranties and covenants under this Subscription Agreement.

The Subscriber acknowledges and agrees that the foregoing representations and warranties are made by it with the intention that they may be relied upon by the Corporation and its legal counsel in determining its eligibility or (if applicable) the eligibility of others on whose behalf it is contracting hereunder to purchase the Offered Securities under applicable securities laws. The Subscriber further agrees that by accepting delivery of the Offered Securities on the closing, it shall be representing and warranting that the foregoing representations and warranties are true and correct as at the closing with the same force and effect as if they had been made by the Subscriber at the time of closing and that they shall survive the purchase by the Subscriber of the Offered Securities and shall continue in full force and effect notwithstanding any subsequent disposition by the Subscriber of the Offered Securities.

The Subscriber agrees to indemnify and hold harmless the Corporation and its directors, officers, employees, agents, advisors and shareholders from and against any and all loss, liability, claim, damage and expense whatsoever including, but not limited to, any and all fees, costs and expenses whatsoever reasonably incurred in investigating, preparing or defending against any litigation, administrative proceeding or investigation commenced or threatened or any claim whatsoever arising out of or based upon any representation or warranty of the Subscriber contained herein or in any document furnished by the

Subscriber to the Corporation in connection herewith being untrue in any respect or any breach or failure by the Subscriber to comply with any covenant or agreement made by the Subscriber herein or in any document furnished by the Subscriber to the Corporation in connection herewith.

Representations, Warranties and Covenants of the Corporation

6. The Corporation represents and warrants to and for the benefit of the Subscriber (and acknowledges that the Subscriber is relying thereon) that:
 - a) the Corporation has been duly incorporated and organized, and is a valid and subsisting corporation, under the laws of the Province of British Columbia, and is qualified to carry on business in the Province of British Columbia and in each other jurisdiction, if any, wherein the carrying out of activities contemplated hereby makes such qualification necessary;
 - b) the Corporation has the full corporate right, power and authority to execute and deliver this Agreement and to issue the Offered Securities to the Subscriber;
 - c) this agreement constitutes a binding obligation of the Corporation enforceable in accordance with its terms;
 - d) the execution and delivery of and the performance of the terms of the Agreement by the Corporation, including the issue of the Offered Securities described herein, do not constitute a breach of, or default under, the constating documents of the Corporation or any law, regulation, order or ruling applicable to the Corporation or any agreement, contract or indenture to which the Corporation is a party or by which it is bound; and
 - e) subject to receipt of the Purchase Price, the Offered Securities upon issuance will be issued as fully paid and non-assessable shares in the capital of the Corporation;
7. The Corporation covenants and agrees with the Subscriber to make on a timely basis, all filings required in connection with this Agreement including the filings required by the applicable securities laws, rules and policies.

Closing

8. The sale of the Shares pursuant to this Subscription Agreement will be completed at the Corporation's office on October 15, 2011 and subsequent closings are expected to occur on the 15th and 30th day of each month thereafter, or such other time or times as the Corporation consider appropriate (the "Closing Date").
9. The Subscriber agrees to deliver to the Corporation not later than 4:30 p.m. (Pacific time) on the day that is two business days before the Closing Dates: (a) this duly completed and executed Subscription Agreement; (b) if applicable, a fully executed and completed Certificate for the exemption relied upon as provided for in the Exhibits, (c) a certified cheque or bank draft payable to the Corporation for the aggregate Purchase Price of the Offered Securities subscribed for under this Subscription Agreement; and (d) such other documents as may be requested or contemplated in subparagraph 5.q of this Subscription Agreement.
10. The Corporation shall be entitled to rely on delivery of a facsimile copy of executed subscriptions, and acceptance by the Corporation of such facsimile subscriptions shall be legally effective to create a valid and binding agreement between the Subscriber and the

Corporation in accordance with the terms of this Subscription Agreement. Notwithstanding the foregoing, the Subscriber shall deliver originally executed copies of the documents listed in section 9(d) to the Corporation within two business days of the Closing Date. In addition, this Subscription Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same document.

General

11. The Subscriber agrees that the representations, warranties and covenants of the Subscriber herein will be true and correct both as of the execution of this Subscription Agreement and as of the Closing Time and will survive the completion of the issuance of the Offered Securities. The representations, warranties and covenants of the Subscriber herein are made with the intent that they be relied upon by the Corporation in determining the eligibility of a purchaser of the Offered Securities and the Subscriber agrees to indemnify the Corporation against all losses, claims, costs, expenses and damages or liabilities which any of them may suffer or incur which are caused or arise from a breach thereof. The Subscriber undertakes to immediately notify the Corporation at AP Capital Mortgage Investment Corporation, 1601- 128 West Pender Street, Vancouver, BC, V6B 1R8, attention: Investor Relations, of any change in any statement or other information relating to the Subscriber set forth herein which takes place prior to the Closing Time.
12. The obligations of the parties hereunder are subject to any required regulatory approvals.
13. The terms and provisions of this Subscription Agreement are binding upon and ensure to the benefit of the Subscriber and the Corporation and their respective heirs, executors, administrators, successors and assigns; provided that, except for the assignment by a subscriber who is acting as nominee or agent to a beneficial owner and as otherwise herein provided, this Subscription Agreement is not assignable by any party without prior written consent of the other parties.
14. The Subscriber acknowledges and agrees that all costs incurred by the Subscriber (including any fees and disbursements of any special counsel retained by the Subscriber) relating to the sale of the Offered Securities to the Subscriber shall be borne by the Subscriber.
15. The contract arising out of this Subscription Agreement and all documents relating thereto shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. The parties irrevocably submit to the exclusive jurisdiction of the courts of the Province of British Columbia.
16. This Agreement may be executed in any number of counterparts and by facsimile, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument.
17. Nothing herein shall constitute or be construed to constitute a partnership of any kind whatsoever between the Subscriber and the Corporation.
18. Time is of the essence hereof.

19. This Subscription Agreement represents the entire agreement of the parties hereto relating to the subject matter hereof and there are no representations, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein.
20. The covenants, representations and warranties contained herein shall survive the closing of the transactions contemplated hereby.
21. In this Subscription Agreement (including attachments), references to "\$" or "Cdn. \$" are to Canadian dollars.

EXHIBIT 1

REPRESENTATION LETTER

TO: AP Capital Mortgage Investment Corporation ("Corporation")

In connection with the purchase of Shares in AP Capital Mortgage Investment Corporation (the "Shares") by the undersigned subscriber or, if applicable, the principal on whose behalf the undersigned is purchasing as agent (the "**Subscriber**" for the purposes of this Exhibit 1), the Subscriber hereby represents, warrants, covenants and certifies to the Corporation:

1. the Subscriber is resident of the Province of _____ or is subject to the laws of that Province;
2. the Subscriber is purchasing the Shares as principal for its own account;
3. the Subscriber is an "eligible investor" within the meaning of Multilateral Instrument 45-106 entitled "Capital Raising Exemptions" by virtue of satisfying the indicated criterion as set out in Appendix "A" to this Representation Letter; and
4. upon execution of this Exhibit 1 by the Subscriber, this Exhibit 1 shall be incorporated into and form a part of the Subscription Agreement.

Dated: _____, 20__

Print Name of Subscriber

By:

Signature

Print Name of Signatory
(if different from Subscriber)

Title

IMPORTANT: PLEASE INITIAL APPENDIX "A" ON THE NEXT PAGE

APPENDIX "A"

Eligible Investor - (defined in National Instrument 45-106) means (INITIAL ONE):

- a) _____ a person whose (i) net assets, alone or with a spouse, exceed \$400,000, (ii) net income before taxes exceeded \$75,000 in each of the two most recent calendar years and who reasonably expects to exceed that income level in the current year, or (iii) net income before taxes, alone or with a spouse, exceeded \$125,000 in each of the two most recent calendar years and who reasonably expects to exceed that income level in the current calendar year;
- b) _____ a person of which a majority of the voting securities are beneficially owned by eligible investors or a majority of the directors are eligible investors;
- c) _____ a general partnership in which all of the partners are eligible investors;
- d) _____ a limited partnership of which the majority of the general partners are eligible investors;
- e) _____ a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are eligible investors;
- f) _____ an "Accredited Investor" as defined in National Instrument 45-106. If relying upon this exemption Appendix "B" Certificate of Accredited Investors needs to be completed;
- g) _____ a person described as "Family, Friends and Business Associates" as defined in section 2.5 of National Instrument 45-106. If relying upon this exemption, Exhibit 3 Certificate of Family, Friends and Business Associates needs to be completed; or
- h) _____ a person that has obtained advice regarding the suitability of the investment and if the person is a resident in a jurisdiction of Canada, that advice has been obtained from an "eligibility advisor" as defined in National Instrument 45-106.

A "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

EXHIBIT 2

CERTIFICATE OF ACCREDITED INVESTOR OR MINIMUM \$150,000 INVESTOR

Only Purchasers resident in, or otherwise subject to the securities laws of, British Columbia, Alberta, Saskatchewan, Manitoba, or Ontario need to complete this Certificate.

In addition to the covenants, representations and warranties contained in the Subscription Agreement, to which this Exhibit 2 – Certificate of Accredited Investor Invest or Minimum \$150,000 Investor is attached, the undersigned Purchaser (or the Purchaser on behalf of one or more beneficial purchasers for whom the Purchaser is purchasing is principal) covenants, represents and warrants to the Issuer that the Purchaser (or one or more beneficial purchasers for whom the Purchaser is purchasing as principal) is resident in British Columbia, Alberta, Saskatchewan or Manitoba and either (i) qualifies under Category 1 as an "accredited investor" as defined in National Instrument 45-106 – Prospectus and Registration Exemptions (and has checked the appropriate box below), or (ii) qualifies under Category 2 – Minimum \$150,000 Investment (and has checked the appropriate box below).

1. Accredited Investors

The Purchaser, or the principal for whom the Purchaser is acting, is an "accredited investor" as defined in National Instrument 45-106 by virtue of being **[initial appropriate box]**:

- a) a Canadian financial institution, or a Schedule III bank;
- b) the Business Development Bank of Canada incorporated under the *Business Development Bank Act* (Canada);
- c) a subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary;
- d) a person registered under the securities legislation of a jurisdiction of Canada, as an adviser or dealer, other than a person registered solely as a limited market dealer under one or both of the *Securities Act* (Ontario), or the *Securities Act* (Newfoundland and Labrador);
- e) an individual registered or formerly registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d);
- f) the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada;
- g) a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec;

- h) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government;
- i) a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a pension commission or similar regulatory authority of a jurisdiction of Canada;
- j) an individual who, either alone or with a spouse, beneficially owns, directly or indirectly, financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds Cdn\$1,000,000;
- k) an individual whose net income before taxes exceeded Cdn\$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse exceeded Cdn\$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year;
- l) an individual who, either alone or with a spouse, has net assets of at least Cdn\$5,000,000;
- m) a person, other than an individual or investment fund, that has net assets of at least Cdn\$5,000,000 as shown on its most recently prepared financial statements;
- n) an investment fund that, in 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 and 2.19 of NI 45-106, or
 - iii. a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 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 Quebec, 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 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 owner of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors;
- u) an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser, or
- v) a person that is recognized or designated by the securities regulatory authority or the regulator as:
 - i. an accredited investor; or
 - ii. an exempt purchaser in Alberta or British Columbia after NI 45-106 comes into force.

2. Minimum \$150,000 Investment [INITIAL BOX IF APPLICABLE]

- a) The Purchaser is purchasing securities having an acquisition cost of not less than \$150,000 paid in cash and was not created or used solely to purchase securities in reliance on the exemption from the dealer registration requirements or prospectus requirement available under section 2.10 of NI 45-106.

The representations, warranties, statements and certification made in this Certificate are true and accurate as of the date of this Certificate and will be true and accurate as of the Closing. If any such representation, warranty, statement or certification becomes untrue or inaccurate prior to the Closing, the undersigned Purchaser shall give the Issuer immediate written notice thereof.

The Purchaser acknowledges that the Issuer will be relying on this Certificate in connection with the Subscription Agreement.

The statements made on this certificate are true.

EXECUTED by the Purchaser at _____ this ____ day of _____, 20__.

If a corporation, partnership or other entity:

If an individual:

Signature of Authorized Signatory

Signature

Name and Position of Signatory

Print Name

Name of Purchasing Entity

Jurisdiction (Province) of Residence

Jurisdiction (Province) of Residence

DEFINITIONS:

"Canadian financial institution" means

- a) 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
- b) 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;

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

"financial assets" means

- a) cash,
- b) securities, or
- c) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;

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

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

"person" includes

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

"related liabilities" means

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

"Schedule III bank" means an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

"spouse" means, an individual who,

- a) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual, or
- b) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender; or
- c) in Alberta, is an individual referred to in paragraph (a) or (b), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta);

"subsidiary" means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary;

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

EXHIBIT 3

CERTIFICATE OF FRIENDS, FAMILY AND BUSINESS ASSOCIATES (BRITISH COLUMBIA & ALBERTA)

Only Purchasers resident in, or otherwise subject to the securities laws of, British Columbia or Alberta intending to rely upon this exemption from prospectus requirements need to complete this Certificate.

In addition to the covenants, representations and warranties contained in the Subscription Agreement, to which this Exhibit 3 – Certificate of Friends, Family and Business Associates is attached, the undersigned Purchaser covenants, represents and warrants to the Issuer that the Purchaser is resident in British Columbia or Alberta and satisfies one or more of the criteria defining "family, friends or business associates" as set out in Section 2.5 of National Instrument 45-106 – Prospectus and Registration Exemptions (and has checked the appropriate box below).

Family, Friends and Business Associates

The Purchaser confirms and certifies to the Issuer that the Purchaser is **[initial appropriate boxes]**:

- a) a director , executive officer or control person of the Issuer or of an affiliate of the Issuer;
- b) a spouse, parent , grandparent, brother, sister or child of a director, executive officer, or control person of the Issuer, or of an affiliate of the Issuer namely, _____ **[print name of director, executive officer or control person]**;
- c) a parent, grandparent, brother, sister or child of the spouse of a director, executive officer or control person of the Issuer, or of an affiliate of the Issuer, namely _____ **[print name of spouse]**;
- d) a person who is:
 - a close personal friend; or
 - a close business associate of a director, executive officer, control person of the Issuer, or an affiliate of the Issuer, namely _____ **[print name of director, executive officer or control person]**;
- e) a founder of the Issuer;
- f) a spouse, parent, grandparent, brother, sister, child or close personal friend or close business associate of a founder of the Issuer, namely _____ **[print name of founder]**;
- g) a parent, grandparent, brother, sister or child of a spouse of a founder of the Issuer, namely _____ **[print name of spouse of founder]**;
- h) a person of which the majority of the voting securities are beneficially owned by, or a majority of the directors are, persons described in paragraphs (a) to (g) above; OR

- i) a trust or estate of which all the beneficiaries or a majority of the trustees or executors are persons described in paragraphs (a) to (g) above.

The representations, warranties, statements and certification made in this Certificate are true and accurate as of the date of this Certificate and will true and accurate as of the Closing. If any such representation, warranty, statement or certification becomes untrue or inaccurate prior to the Closing, the undersigned Purchaser shall give the Issuer immediate written notice thereof.

The Purchaser acknowledges that the Issuer will be relying on this Certificate in connection with the Subscription Agreement.

The statements made on this Certificate are true.

EXECUTED by the Purchaser at _____, this ____ day of _____ 201_.

If a corporation, partnership or other entity:

If an individual:

Signature of Authorized Signatory

Signature

Name and Position of Signatory

Print Name

Name of Purchasing Entity

Jurisdiction of Residence

Jurisdiction of Residence

DEFINITIONS:

"director" means

- a) a member of the board of directors of a company or an individual who performs similar functions for a company, and
- b) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company.

"executive officer" means, for an issuer, an individual who is:

- a) a chair, vice-chair or president,
- b) a vice-president in charge of a principal business unit, division or function including sales, finance or production,
- c) an officer of the issuer or any of its subsidiaries and who performs a policy-making function in respect of the issuer, or

d) performing a policy-making function in respect of the issuer.

"founder" means, in respect of an issuer, a person who,

a) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and

b) at the time of the trade is actively involved in the business of the issuer.

**Form 45-106F4
RISK ACKNOWLEDGEMENT**

WARNING

I acknowledge that this is a risky investment:

- 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 securities are redeemable, but I may only be able to redeem them in limited circumstances.
- 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. AP Capital Mortgage Investment Corporation will pay 4% of the total investment to _____ 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.

You have 2 business days to cancel your purchase

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

Name: AP Capital Mortgage Investment Corporation
Address: 1601 – 128 West Pender Street, Vancouver, BC V6B 1R8
Phone Number: 778-328-7401
E-mail: admin@altapacificmortgages.com
Fax Number: 604-608-9070

You are buying Exempt Market Securities:

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

- The issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and
- The securities do not have to be sold by an investment dealer registered with a securities regulatory authority or regulator.

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

You will receive an offering memorandum

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

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

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.

Alberta

Alberta Securities Commission
4th Floor, 300 - 5th Avenue SW
Calgary, AB T2P 3C4
Attention: Information Officer
Telephone: (403) 355-4151

British Columbia

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, BC V7Y 1L2
Attention: Freedom of Information Officer
Telephone: (604) 899-6500 or (800) 373-6393 (in BC)

Manitoba

The Manitoba Securities Commission
500 - 400 St. Mary Avenue
Winnipeg, MB R3C 4K5
Attention: Director of Registrations
Telephone: (204) 945-2548
Fax: (204) 945-0330

Saskatchewan

Saskatchewan Financial Services Commission
Suite 601, 1919 Saskatchewan Drive
Regina, SK S4P 4H2
Attention: Director
Telephone: (306) 787-5842