

AMENDED AND RESTATED JOINT VENTURE AGREEMENT

THIS AGREEMENT (this "**Agreement**") is made as of the 10th day of June, 2024

BETWEEN:

FIRM CAPITAL MORTGAGE INVESTMENT CORPORATION, a corporation incorporated under the laws of Canada

(hereinafter called "**Participant #1**")

- and -

FC TREASURY MANAGEMENT INC., a corporation incorporated under the laws of the Province of Ontario

(hereinafter called "**Participant #2**", and together with Participant #1, the "**Participants**").

WHEREAS, pursuant to an amended and restated joint venture agreement between the Participants made as of the 13th day of June, 2023 (the "**Current JV Agreement**"), Participant #1 and Participant #2 set up a joint venture that lends funds to mortgagers that meet criteria agreed upon by the Participants in the joint venture;

AND WHEREAS the parties are desirous of amending and restating the Current JV Agreement to reflect amendments approved by the shareholders of Participant #1 on June 10, 2024.

NOW THEREFORE in consideration of the mutual covenants and agreements herein contained and such other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1 GENERAL

Section 1.1 Defined Terms.

- (a) "**affiliate**" has the meaning ascribed thereto in the *Securities Act* (Ontario), as amended from time to time.
- (b) "**Assignment Consideration Period**" has the meaning ascribed to such term in Section 8.6(a)(ii).
- (c) "**Assignment First Opportunity Notice**" has the meaning ascribed to such term in Section 8.6(a)(i).
- (d) "**associate**" has the meaning ascribed thereto in the *Canada Business Corporations Act*, as amended from time to time.

- (e) "**Change of Control**" means the transfer or issuance by sale, assignment, operation of law or other disposition or subscription, other than to a Permitted Transferee, of any part or all of the shares of Participant #2 or of any of the shareholders of Participant #2 or of any associated, affiliated or parent company of Participant #2 or its shareholders, as applicable, so as to result in a change in the present effective direct or indirect control of Participant #2 by the person or persons holding such voting control on the date of this Agreement (provided that the transfer of shares following the death of an individual shareholder to members of his family or transfer among shareholders of Participant #2 or any associated, affiliated or parent entity of such shareholders shall be deemed not to be a Change of Control).
- (f) "**Contributions**" has the meaning ascribed to such term in Section 4.1.
- (g) "**Control Consideration Period**" has the meaning ascribed to such term in Section 8.6(b)(ii).
- (h) "**Control First Opportunity Notice**" has the meaning ascribed to such term in Section 8.6(b)(i).
- (i) "**Control Notice**" has the meaning ascribed to such term in Section 8.6(b)(ii).
- (j) "**Control Purchase Price**" has the meaning ascribed to such term in Section 8.6(b)(ii).
- (k) "**Control Shares**" has the meaning ascribed to such term in Section 8.6(b)(ii).
- (l) "**Controlling Shareholders**" means persons holding sufficient securities of Participant #2 (either directly or indirectly, as registered or beneficial shareholders) to affect materially the control of Participant #2 but any holding of any person or combination of persons holding more than 50% of the outstanding voting securities of Participant #2 (directly or indirectly, as beneficial or registered holder) shall, in the absence of evidence to the contrary, be deemed to affect materially the control of Participant #2.
- (m) "**Conventional Mortgage**" means a mortgage for which the principal amount, at the time of commitment, together with all other equal and prior ranking mortgages (a) in the case of a property purchase, does not exceed the lower of 75% of the purchase price of the underlying real property securing the mortgage and 75% of the appraised value of the underlying real property securing the mortgage as determined by a Qualified Appraiser, and (b) in the case of a refinancing, does not exceed 75% of the appraised value of the underlying real property securing the mortgage as determined by a Qualified Appraiser at the time of such refinancing.
- (n) "**Credit Manager**" means the person holding such office from time to time appointed by the Participants (with the Independent Directors making such decision on behalf of Participant #1).
- (o) "**Directors**" means the board of directors of Participant #1.

- (p) **"Drag-Along Notice"** has the meaning ascribed to such term in Section 8.8(b).
- (q) **"Exercise Notice"** has the meaning ascribed to such term in Section 8.6(a)(ii).
- (r) **"Family Member"** means, with respect to any individual, that individual, the spouse of that individual and those individuals who are within the degrees of affinity and consanguinity that bar the marriage of that individual to such individual pursuant to the provisions of the *Marriage Act* (Ontario), as now enacted or as the same may from time to time be amended, re-enacted or replaced.
- (s) **"Independent Director"** means a Director who is not an associate, director, officer or employee of Participant #2 or the Mortgage Banker or of an affiliate of any of the foregoing and who is independent (as defined in Section 1.4 of National Instrument 52-110 *Audit Committees*) of the Participants and the Mortgage Banker.
- (t) **"Minimum Interest"** means an aggregate minimum 10% *pari passu* interest in each Non-Conventional Mortgage in which Participant #1 acquires an interest, which interest must be acquired by members of management of Participant #2 and/or the Mortgage Banker and/or their respective associates.
- (u) **"Minimum Purchase Price"** has the meaning ascribed to such term in Section 8.6(a)(ii).
- (v) **"Mortgage Banker"** means Firm Capital Corporation and its successors under the Mortgage Banking Agreement.
- (w) **"Mortgage Banking Agreement"** means the amended and restated mortgage banking agreement made as of the 10th day of June, 2024, as amended, supplemented and/or restated from time to time, between the Mortgage Banker and Participant #1 providing for, among other things, the provision of ongoing administrative services by the Mortgage Banker.
- (x) **"Mortgage Investments"** means, at any time, the loans and investments or interests therein comprising the Mortgage Portfolio.
- (y) **"Mortgage Portfolio"** means, at any time, Participant #1's portfolio of investments or interests therein.
- (z) **"Mortgaged Property"** means the underlying real property securing a Mortgage Investment.
- (aa) **"Non-Conventional Mortgage"** means a mortgage other than a Conventional Mortgage, and includes, without limitation, mortgage investments that exceed 75% of the appraised value of the real property underlying such mortgages as determined by a Qualified Appraiser, such as mezzanine and subordinated debt, participating mortgages, distressed debt and joint venture mortgages.
- (bb) **"Non-Performing Loans"** means mortgage loans in respect of which interest payments are in arrears for 30 days or more, but excluding mortgage loans in

respect of which any default thereunder was subsequently remedied in accordance with the terms of such loans.

- (cc) **"Payment Election"** means written notice provided by Participant #2 to Participant #1 setting out the method of payment and the amount of any amounts payable to Participant #2 pursuant to Section 8.5, including whether such amounts shall be satisfied by the payment of cash, in interests in mortgages or in a combination thereof (as determined by Participant #2).
- (dd) **"Permitted Transferee"** means:
 - (i) with respect to any shareholder that is a corporation,
 - (A) that person (the **"Majority Shareholder"**) who is the majority shareholder of that shareholder,
 - (B) any Family Member of the Majority Shareholder,
 - (C) any corporation of which the Family Members of the Majority Shareholder are at all times the legal and beneficial owners of all outstanding shares,
 - (D) any trust, the sole beneficiaries of which are the Family Members of the Majority Shareholder, and
 - (ii) with respect to any shareholder that is an individual:
 - (A) any Family Member of that shareholder,
 - (B) any corporation of which the Family Members of the shareholder are at all times the legal and beneficial owners of all outstanding shares, and
 - (C) any trust, the sole beneficiaries of which are the Family Members of the shareholder.
- (ee) **"person"** means an individual, partnership, unincorporated association, organization, syndicate, corporation, trustee, executor, administrator or other legal or personal representative.
- (ff) **"Qualified Appraiser"** means a person who is an accredited appraiser of the Appraisal Institute of Canada or any successor thereof.
- (gg) **"Reasonable Commercial Concerns"** means a substantial likelihood based on demonstrable evidence that, upon completion of a proposed Change of Control, Participant #2 will fail to provide a contribution or standard of service that is equal to or better than the contribution or standard of service historically provided by Participant #2 to Participant #1 pursuant to the terms of this Agreement (or any predecessor to this Agreement).

- (hh) **"Remaining Shareholders "** has the meaning ascribed to such term in Section 8.8(a).
- (ii) **"Right of First Opportunity"** has the meaning ascribed to such term in Section 8.6.
- (jj) **"Selling Shareholders"** has the meaning ascribed to such term in Section 8.6(b)(i).
- (kk) **"Shares"** means shares of Participant #1.
- (ll) **"Vendors"** has the meaning ascribed to such term in Section 8.9(a).

Section 1.2 Singular Terms and Gender Neutrality.

Whenever the singular form is used in this Agreement and when required by the context, the same shall include the plural and the plural shall include the singular, and the masculine gender shall include the feminine and neuter genders.

Section 1.3 Articles, Sections and Schedules.

The Article and Section headings of this Agreement have been inserted for the convenience of reference only and shall not be construed to affect the meaning, construction or effect of this Agreement. All references to Articles, Sections and Schedules in this Agreement are references to Articles, Sections and Schedules, as the case may be, of this Agreement.

Section 1.4 Governing Law.

This Agreement shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. The provisions of this Agreement shall be construed and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein as at the time in effect.

ARTICLE 2 REPRESENTATIONS AND WARRANTIES OF THE PARTICIPANT #2

Section 2.1 Representations and Warranties.

Participant #2 hereby represents and warrants as of the date hereof that:

- (i) Participant #2 (1) is duly organized and is a validly existing corporation incorporated under the laws of Ontario, and (2) is and shall hereafter remain, in compliance with the laws of each jurisdiction in which any Mortgaged Property is located to the extent necessary to perform its obligations under this Agreement;
- (ii) Participant #2 has the full power and authority to execute and deliver this Agreement, to perform its obligations under this Agreement, and to enter into and consummate all transactions of Participant #2 contemplated by this Agreement. Participant #2 has duly and validly authorized the execution, delivery and performance of this Agreement, this Agreement evidences the valid and binding obligations of Participant #2 enforceable

against Participant #2 in accordance with its terms subject to the effect of applicable bankruptcy, reorganization, insolvency, receivership and other similar laws affecting creditors' rights generally as from time to time in effect, and general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law);

- (iii) Participant #2 does not believe, nor does it have any reason or cause to believe, that it cannot perform each and every obligation contained in this Agreement applicable to Participant #2;
- (iv) there is no action, suit, or proceeding pending or, to the best of Participant #2's knowledge, threatened against Participant #2 which, either in any one instance or in the aggregate, would draw into question the validity of this Agreement or of any action taken or to be taken in connection with the obligations of Participant #2 contemplated herein, or which would be likely to impair materially the ability of Participant #2 to perform its obligations under the terms of this Agreement;
- (v) Participant #2 is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, provincial, municipal or other governmental agency, which default would materially and adversely affect its ability to perform its obligations hereunder;
- (vi) no consent, approval, authorization or order of any court or governmental agency or body is required for the execution, delivery and performance by Participant #2 of or compliance by Participant #2 with this Agreement or the consummation of the transactions of Participant #2 contemplated by this Agreement, except for any consent, approval, authorization or order which has not been obtained or cannot be obtained prior to the actual performance by Participant #2 of its obligations under this Agreement, and which, if not obtained would not have a material adverse effect on the ability of Participant #2 to perform its obligations hereunder; and
- (vii) Participant #2 has not filed for bankruptcy relief and is not insolvent.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF THE PARTICIPANT #1

Section 3.1 Representations and Warranties.

Participant #1 hereby represents and warrants as of the date hereof that:

- (i) Participant #1 is duly organized and is a validly existing corporation incorporated under the laws of Canada and has full power and authority to own its property, to carry on business as presently conducted, and to enter into and perform its obligations under this Agreement,
- (ii) the execution, delivery and performance by Participant #1 of this Agreement and the consummation of the transactions contemplated by

this Agreement do not require the consent, approval, authorization or order of, the giving of notice to or the registration with any provincial, federal or other governmental authority or agency, except such as has been or will be obtained, given, effected or taken in order for Participant #1 to perform its obligations under this Agreement;

- (iii) this Agreement has been duly executed and delivered by Participant #1 and, assuming due authorization, execution and delivery by the other parties hereto, constitutes a valid and binding obligation of Participant #1, enforceable against Participant #1 in accordance with its terms, subject, as to enforcement of remedies, to applicable bankruptcy, reorganization, insolvency and other similar laws affecting creditors' rights generally as from time to time in effect, and to general principles of equity (regardless of whether such enforceability is considered in proceeding in equity or at law); and
- (iv) there are no actions, suits or proceeding pending or, to the best of Participant #1's knowledge, threatened, against Participant #1 that, either in one instance or in the aggregate, would draw into question the validity of this Agreement, or which would be likely to impair materially the ability of Participant #1 to perform under the terms of this Agreement.

ARTICLE 4

PARTICIPANT #2 CONTRIBUTION

Section 4.1 Contributions of Participant #2.

Subject to the overriding authority of the Directors over the management and affairs of Participant #1, Participant #2 undertakes to administer the day-to-day operations of Participant #1 and perform various activities related to the operations of Participant #1, including, without limitation:

- (a) arranging financing and raising capital for Participant #1 as required;
- (b) providing advice and assistance on behalf of Participant #1 in connection with Participant #1's dealings with investment dealers, institutions and investors regarding sales of securities of Participant #1;
- (c) conducting day-to-day relations on behalf of Participant #1 with other persons, including brokers, consultants, lenders, accountants, lawyers, appraisers, insurers and insurance agents and lenders;
- (d) maintaining the books and financial records of Participant #1;
- (e) ensuring preparation of reports and other information required to be sent to shareholders and other disclosure documents;

- (f) ensuring that all calculations and determinations of all allocations, designations and elections are made in connection with the income and capital gains of Participant #1 for tax and accounting purposes;
- (g) preparation of all documentation relating to meetings of shareholders;
- (h) supervising the due diligence required in connection with proposed mortgage investments and the completion of mortgage investment transactions;
- (i) recommending suitable individuals for nomination as Directors;
- (j) providing office space and equipment and the necessary clerical and secretarial personnel for the administration of the day-to-day affairs of Participant #1;
- (k) supervising the administration on behalf of Participant #1 of the payment of interest and distributions from Participant #1 and supervising the processing and registration of subscriptions for and transfers of Shares; and
- (l) working with Participant #1's auditors and transfer agent;

(collectively, the "**Contributions**").

Section 4.2 Engagement of Third Parties.

Participant #2 may, in appropriate circumstances, engage on behalf of Participant #1 such persons as Participant #2 deems appropriate in connection with its performance of the Contributions and/or to assume responsibility for one or more of the Contributions, provided that Participant #2 will at all times monitor the activities of such persons and be at all times responsible for the performance of such Contributions in a manner consistent with this Agreement.

Section 4.3 Employees.

Notwithstanding anything in this Agreement to the contrary, it is understood and agreed between the parties that all such officers and employees of Participant #2 as may be engaged from time to time in the provision of the Contributions hereunder are officers or employees, as the case may be, of Participant #2 and not of Participant #1.

Section 4.4 Minimum Interest.

Participant #2 shall cause members of its management and/or their respective associates to acquire and maintain the Minimum Interest together with members of management of the Mortgage Banker and/or their respective associates, being a minimum 10% *pari passu* interest in each Non-Conventional Mortgage in which Participant #1 acquires an interest. For greater certainty, for the purpose of the Minimum Interest, members of management of Participant #2 shall include, without limitation, Participant #2's directors, officers, employees, management advisory board and Participant #2.

Section 4.5 Restrictions on Participant #2's Activities

Participant #2 hereby acknowledges the terms and provisions of Participant #1's constating documents and investment policies and operating guidelines (as amended from time to time) and agrees to act in accordance therewith in a competent, honest, diligent and efficient manner, in good faith and to the best of its ability. Unless specifically authorized by Participant #1 in writing or this Agreement, Participant #2 shall not have the power to and shall not enter into any agreements or arrangements which purport to create obligations of or be binding upon the Participant #1.

**ARTICLE 5
RECORDS & INFORMATION****Section 5.1 Records and Minute Books.**

Participant #2 shall keep full, timely and accurate books of account and records in reasonable form and detail relating to the Contributions and all disbursements incurred by Participant #2 in connection therewith, and shall from time to time, on reasonable notice to Participant #2 given by Participant #1, provide Participant #1 and its designated agents or auditors with access to (and copies of, at the expense of Participant #1) such books of account and records as may be necessary for Participant #1 to ensure compliance by Participant #2 with the terms of this Agreement, including the minute books of Participant #2, on a timely basis during ordinary business hours.

Section 5.2 Information.

Participant #1 shall at all times keep Participant #2 fully informed and shall provide Participant #2 with information on a timely basis, with respect to (a) the operations and activities of Participant #1, (b) any amendments to the articles of incorporation or by-laws of Participant #1 or Participant #1's investment policies and operating guidelines, and (c) such other information with respect to the operations and activities of Participant #1 as may be necessary to enable Participant #2 to effectively perform the Contributions or as may from time to time reasonably be requested by Participant #2.

**ARTICLE 6
EXPENSES & DISBURSEMENTS****Section 6.1 Expenses Borne by Participant #2.**

Without regard to the amount of interest income and other amounts received by Participant #2 pursuant to this Agreement, the following expenses shall be for the sole account and be borne exclusively by Participant #2:

- (a) employment expenses of its personnel, including, without limitation, salaries, wages and the cost of employee benefit plans and temporary help expenses;
- (b) expenses of Directors and officers of Participant #1 who are directors, officers, employees or members of the management advisory board of Participant #2 or of

an affiliate of Participant #2 (except expenses incurred by Directors in attending board of director meetings);

- (c) rent, telephone, utilities, office furniture and supplies, equipment and machinery (except as provided in Section 6.2) and other office expenses of Participant #2; and
- (d) miscellaneous administrative expenses relating to performance by Participant #2 of the Contributions and not enumerated in Section 6.2.

Section 6.2 Expenses Borne by Participant #1.

Participant #1 shall pay all expenses relating to the operations and activities of Participant #1 reasonably incurred by Participant #2 in the performance of the Contributions hereunder and which are not otherwise for the account of Participant #2 pursuant to Section 6.1, including and without limiting the generality of the foregoing:

- (a) remuneration of, and other expenses associated with, the Credit Manager of Participant #1 and the performance of his or her duties;
- (b) interest and other costs of borrowed money of Participant #1;
- (c) fees and expenses of lawyers, accountants, auditors, investor relations firms, appraisers, receivers and other agents or consultants employed by or on behalf of Participant #1;
- (d) fees and expenses relating to bond rating agencies;
- (e) fees and expenses relating to tax compliance;
- (f) fees and expenses of the Directors;
- (g) fees and expenses connected with the acquisition, disposition and ownership of mortgage investments or other investments of Participant #1;
- (h) insurance as considered necessary by the Directors;
- (i) expenses in connection with payments of distributions;
- (j) expenses in connection with communications to shareholders and the other bookkeeping and clerical work necessary in maintaining relations with shareholders;
- (k) fees and charges of transfer agents, registrars, indenture trustees and other trustees and custodians of Participant #1;
- (l) all fees, expenses, taxes and other costs incurred in connection with the issuance, distribution, transfer and qualification for distribution to the public of Shares and other required governmental filings;

- (m) fees and expenses payable under the Mortgage Banking Agreement (not otherwise payable by borrowers); and
- (n) all costs and expenses in connection with the incorporation, organization and maintenance of corporations formed to hold Mortgage Investments, other investments or other assets of Participant #1.

Section 6.3 Disbursements.

Subject to and without limiting the effect of Section 6.2, all disbursements incurred by Participant #2 in providing the Contributions shall be for the account of and payable by Participant #1 in accordance with the practices and policies of Participant #1 from time to time.

ARTICLE 7 INTEREST INCOME

Section 7.1 Interest Income.

Participant #2's portion of interest income payable by borrowers of Participant #1's investments shall be equal to the greater of \$150,000 and 0.75% of Participant #1's first \$1 billion of Mortgage Portfolio, in aggregate, in each calendar year.

Participant #2's share of interest income in respect of investments greater than \$1 billion shall be proposed by Participant #2 to the shareholders for approval by two-thirds of the votes cast by shareholders at a meeting of the shareholders called for such purpose (including any annual meeting at which the matter is considered). Participant #2 will not be entitled to any share of interest income on cash balances of Participant #1 or Non-Performing Loans held by Participant #1.

The interest income shall be payable to Participant #2 on a monthly basis.

In the event that the interest income in respect of a particular year determined under this Section 7.1 is less than \$150,000, Participant #2 shall be entitled to an annual fee in an amount equal to the difference between \$150,000 and the amount of interest income in respect of the particular year, payable by Participant #1.

Section 7.2 Share Option Plan.

Subject to regulatory approval and the discretion of the Directors, employees of Participant #2 may be granted options to purchase shares under and pursuant to any share option plan adopted by Participant #1.

Section 7.3 Services.

Without limiting the effect of Section 6.2, if and to the extent that Participant #2 or any person affiliated with Participant #2 renders services to Participant #1 in addition to the Contributions, such services will be compensated separately as agreed to by a majority of the Independent Directors on the basis of fees which are at least as favourable to Participant #1 as those then generally charged for comparable services and activities.

Section 7.4 Security.

Participant #2 shall be entitled at any time to require that Participant #1 grant to Participant #2 security for Participant #1's obligations to Participant #2 hereunder, including without limitation payment of the amounts that would be payable to Participant #2 pursuant to Section 8.5 hereof, by way of a fixed and floating charge over and security interest in all of the property and assets owned or later acquired by Participant #1. Participant #1 shall promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such acts, documents, and things as Participant #2 may reasonably require from time to time for the purpose of giving effect to this section, including without limitation executing and delivering specific pledges and assignments.

ARTICLE 8
TERM, TERMINATION, ASSIGNMENT AND CHANGE OF CONTROL

Section 8.1 Term.

This Agreement shall terminate in accordance with this Article 8.

Section 8.2 Termination by Participant #1 for Cause.

This Agreement may be terminated at any time upon approval of two-thirds of the votes cast by the Independent Directors upon the occurrence of any of the following:

- (a) in the event of a breach by Participant #2 of any material term of this Agreement that has or may reasonably be expected to have a material adverse effect on the operations and financial condition of Participant #1 that is not cured within 60 days of written notice of such breach to Participant #2 (or such longer period as may be reasonably required in the circumstances to cure such breach);
- (b) in the event of the commission (as determined by a court of competent jurisdiction with all rights of appeal having expired) by Participant #2 of any act constituting bad faith, wilful malfeasance, gross negligence or reckless disregard of its duties hereunder; or
- (c) if any proceedings in insolvency, bankruptcy, receivership or liquidation are taken against Participant #2 or if Participant #2 makes an assignment for the benefit of its creditors, commits any act of bankruptcy within the meaning of the *Bankruptcy and Insolvency Act* (Canada) or declares itself or is declared to be insolvent.

Section 8.3 Termination by Participant #1 not for Cause.

Participant #1 may terminate this Agreement on or at any time after October 6, 2035 otherwise than for cause pursuant to Section 8.2, upon the approval of two-thirds of the votes cast by shareholders of Participant #1 at a meeting of the shareholders of Participant #1 called for such purpose after October 6, 2035, and upon 24 months' prior written notice to Participant #2 given after the aforesaid approval of shareholders. If such approval is not obtained by January 6, 2036, then the references to "2035" in the immediately preceding sentence shall without any further act or formality be deemed to read "2040".

Section 8.4 Termination by Participant #2.

Participant #2 may terminate this Agreement at any time upon not less than 180 days' prior written notice to Participant #1.

Section 8.5 Fees for Termination other than for Cause or for Breach.

Upon the termination of this Agreement by Participant #1 (other than for cause pursuant to Section 8.2 or other than following the notice period in Section 8.3) or upon a breach of this Agreement by Participant #1, and following receipt of a notice of termination or breach from the Mortgage Banker (accompanied by a Payment Election), Participant #1 shall pay forthwith to Participant #2 any amounts which would have been earned by Participant #2 under this Agreement in respect of the uncompleted portion of the term of this Agreement which includes the notice period in Section 8.3 (for each year or portion thereof in the uncompleted portion of the term, based on the most recently completed fully operational four quarters prior to the occurrence of such termination), which amounts shall be satisfied by the payment of cash, in interests in mortgages or in such combination thereof as determined by Participant #2 and as set out in the Payment Election. For greater certainty, in calculating the foregoing amounts, the amounts payable to Participant #2 pursuant to this section in each year (or part thereof) during the balance of the term of this Agreement shall be based on those which were payable to Participant #2 in the immediately preceding fully operational four quarters prior to the termination or breach.

For purposes of this Section 8.5, without limiting the circumstances and manner of termination, Participant #1 will be deemed to have terminated this Agreement if the activities of Participant #1 are not carried on in the normal course consistent with past practice or if Participant #1 proposes to distribute its capital (other than ordinary distributions of capital which are consistent with past practice).

In lieu of termination of this Agreement as set out in this Section 8.5, at the option of Participant #2, it may cause Participant #1 to acquire this Agreement from Participant #2 for a purchase price equal to the amount Participant #2 would have received had this Agreement been terminated other than for cause as set out in this Section 8.5 and in any Payment Election received by Participant #1. In such event, all notices and other provisions contemplated hereby shall apply, *mutatis mutandis*.

Section 8.6 Change of Control of Participant #2 and Assignment of Agreement.

Any Change of Control of Participant #2 will be subject to the prior approval of a majority of the votes cast by the Directors, which approval shall be withheld only if there exists, in the opinion of the Directors, Reasonable Commercial Concerns with respect to such Change of Control.

Notwithstanding the foregoing, Participant #1 will have the right of first opportunity (the "**Right of First Opportunity**") to acquire Participant #2 in the event of a proposed Change of Control or to acquire Participant #2's rights under this Agreement should Participant #2 wish to assign its rights hereunder.

- (a) The Right of First Opportunity in the event Participant #2 wishes to assign its rights hereunder shall function as follows:

- (i) Participant #2 shall provide written notice to Participant #1 (the "**Assignment First Opportunity Notice**") forthwith, but in any event within 10 days, following a determination to assign its rights under this Agreement to a third party.
 - (ii) In the event of a proposed assignment of its rights under this Agreement to a third party, Participant #1 will have a 15 day period (the "**Assignment Consideration Period**") following receipt of the First Opportunity Notice within which to determine at what price it would be prepared to purchase Participant #2's rights under this Agreement (the "**Minimum Purchase Price**"). Following the expiry of the Assignment Consideration Period, if Participant #1 elects to purchase Participant #2's rights hereunder, it shall provide Participant #2 with written notice thereof (the "**Exercise Notice**") containing the terms and conditions of its election, including the Minimum Purchase Price. Upon receipt of the Exercise Notice, Participant #2 shall be free, for a period not exceeding 120 days thereafter, to either elect not to assign its rights hereunder or assign its rights hereunder to: (a) Participant #1 on the terms and conditions set out in the Exercise Notice; or (b) a third party acting as principal and dealing at arm's length with Participant #2 at a price not less than the Minimum Purchase Price. If Participant #1 elects not to purchase Participant #2's rights under this Agreement or fails to provide an Exercise Notice within the time required, Participant #2 shall be free, for a period not exceeding 120 days following expiry of the Assignment Consideration Period, to assign its rights hereunder to a third party, acting as principal and dealing at arm's length with Participant #2, at any price. Participant #2 may initiate the foregoing procedure to assign its interest hereunder at any time and from time to time should it not conclude a transaction to assign its interest hereunder pursuant to the terms of this Section 8.6(a)(ii). The closing of any assignment in accordance with the terms of this Section 8.6(a)(ii) may occur on a date determined by Participant #2 to be within 60 days after the expiry of the 120 day period following the Assignment Consideration Period.
- (b) The Right of First Opportunity in the event of a proposed Change of Control shall function as follows:
 - (i) The shareholder or shareholders holding sufficient shares (directly or indirectly, beneficially or otherwise) in Participant #2 to effect a Change of Control of Participant #2 and who wish to effect a Change of Control of Participant #2 (the "**Selling Shareholders**") shall provide written notice to Participant #1 of their intention to effect a Change of Control of Participant #2 (the "**Control First Opportunity Notice**") forthwith, but in any event within 10 days, following the earlier of their determination to effect a Change of Control of Participant #2 and Participant #2 becoming aware of any intention to effect a Change of Control.
 - (ii) Participant #1 will have a 15 day period (the "**Control Consideration Period**") following receipt of the Control First Opportunity Notice within

which to determine at what price it would be prepared to purchase the Selling Shareholders' shares (the "**Control Shares**") in the capital of Participant #2 subject to the Change of Control Notice (the "**Control Purchase Price**"). Following the expiry of the Control Consideration Period, if Participant #1 elects to purchase the Control Shares, it shall provide the Selling Shareholders with written notice thereof (the "**Control Notice**") containing the terms and conditions of its election, including the Control Purchase Price. Upon receipt of the Control Notice, the Selling Shareholders shall be free, for a period not exceeding 120 days thereafter, to either elect not to sell the Control Shares or to sell the Control Shares to: (a) Participant #1 on the terms and conditions set out in the Control Notice; or (b) a third party acting as principal and dealing at arm's length with the Selling Shareholder at a price not less than the Control Purchase Price and on terms no less favourable to the Selling Shareholders as are set out in the Control Notice. If Participant #1 elects not to purchase the Control Shares or fails to provide the Control Notice within the time required, the Selling Shareholders shall be free, for a period not exceeding 120 days following expiry of the Control Consideration Period, to sell the Control Shares to a third party, acting as principal and dealing at arm's length with the Selling Shareholders, at any time price. The Selling Shareholders may initiate the foregoing procedures to assign their interest hereunder at any time and from time to time should a transaction to sell the Control Shares not be concluded pursuant to the terms of this Section 8.6(b)(ii). The closing of any sale in accordance with the terms of this Section 8.6(b)(ii) may occur on a date determined by the Selling Shareholders to be within 90 days after the expiry of the 120 day period following the Control Consideration Period and, if the sale is to Participant #1, shall occur on the terms set out in Section 8.9.

Section 8.7 Assignment Closing and Effect of Termination.

- (a) Participant #1 shall, on the assignment by Participant #2 of its rights hereunder pursuant to Section 8.6, or forthwith upon any termination or non- renewal of this Agreement pursuant to this Article 8:
 - (i) pay to Participant #2 all amounts payable to Participant #2 hereunder to and including the day immediately preceding the effective date of termination or non-renewal of this Agreement, as the case may be, and any amounts payable in order to effect the transactions contemplated in Section 8.6 by certified cheque or wire transfer;
 - (ii) other than in the case of an assignment pursuant to Section 8.6, assume all contracts, obligations and liabilities entered into or undertaken by Participant #2 within the scope of its authority hereunder and indemnify and save harmless Participant #2 against any liability by reason of anything done or required to be done under any such contract or obligation from and after the effective date of termination or non- renewal of this Agreement, as the case may be;

- (iii) other than in the case of an assignment pursuant to Section 8.6, offer to employ all the employees of Participant #2 employed by Participant #2 on the date of the assignment by Participant #2 of its rights hereunder and who provide services primarily to Participant #1 pursuant to the terms hereof on substantially the same terms and conditions of employment as were in effect on the date of the assignment;
 - (iv) reimburse or pay for and indemnify and save harmless Participant #2 from the costs and expenses of all services and supplies which may have been ordered by Participant #2 within the scope of its authority in connection with the provision by Participant #2 of the Contributions and which may not have been paid by Participant #1 at the effective date of termination or non-renewal of this Agreement, as the case may be;
 - (v) other than in the case of termination pursuant to Section 8.2, release Participant #2 and any nominees of Participant #2 who are directors and/or officers of Participant #1 from all manner of actions, causes of action, suits, claims or demands against any of them which they ever had, then have or may thereafter have, for or arising out of any cause, matter or thing including claims arising from this Agreement or their acting as directors and/or officers of Participant #1; and
 - (vi) indemnify and save harmless Participant #2 against any liability by reason of anything done or required to be done under any contract or obligation entered into or undertaken by Participant #2 within the scope of its authority hereunder prior to the effective date of termination or non-renewal of this Agreement, as the case may be, and the assumption thereof by Participant #1.
- (b) Participant #2 shall, on an assignment by Participant #2 of its rights hereunder pursuant to Section 8.6, or forthwith upon any termination or non-renewal of this Agreement pursuant to this Article 8:
 - (i) pay over to Participant #1 (or such person as the Directors may direct in writing) all monies collected on behalf of and held for the account of Participant #1 pursuant to this Agreement, after deducting any accrued compensation and reimbursement for its expenses to which it is then entitled;
 - (ii) deliver to the Directors (or such persons as the Directors may direct in writing) a full accounting, including a statement of all monies collected by Participant #2 on behalf of Participant #1 and a statement of all monies held by Participant #2 for the account of Participant #1 pursuant to this Agreement, and a statement of all monies paid by Participant #2, in each case covering the period following the date of the last accounting furnished by Participant #2 to the Directors to the effective date of termination or non-renewal of this Agreement, as the case may be;

- (iii) deliver to and where applicable transfer into the name of the Directors (or such person as the Directors may direct in writing) all property and documents of Participant #1 in the name of or in the custody of Participant #2;
- (iv) cause the nominees of Participant #2, if any, to resign in writing the positions which they then hold with Participant #1 and release Participant #1 from all manner of actions, causes of action, suits, claims or demands against any of them which they ever had, then have or may thereafter have, for or by reason of or arising out of any cause, matter or thing including claims arising from this Agreement or their acting as Directors or officers of Participant #1; and
- (v) indemnify and save harmless Participant #1 against any liability by reason of anything done or required to be done under any contract or obligation entered into or undertaken by Participant #2 within the scope of its authority hereunder prior to the effective date of termination or non-renewal of this Agreement, as the case may be, and the assumption thereof by Participant #1.

Section 8.8 Drag-Along.

- (a) In the event Controlling Shareholders propose to effect a Change of Control through the sale of shares in the capital of Participant #2, the Controlling Shareholders shall be entitled to (and shall exercise their right to) require the remaining shareholder or shareholders of Participant #2 (the "**Remaining Shareholders**") to sell all of their respective shares in the capital of Participant #2 owned by such Remaining Shareholders on the same terms and conditions and to the same party the Controlling Shareholders are selling their shares, and such Remaining Shareholders shall otherwise enjoy all of the benefits of the sale being afforded to the Controlling Shareholders.
- (b) If the Controlling Shareholders desire to exercise the right contained in Section 8.8(a) to require the Remaining Shareholders to sell their shares, the Controlling Shareholders shall do so by giving written notice (the "**Drag- Along Notice**") to the Remaining Shareholders no less than seven days prior to the closing of any such proposed sale of shares. The Drag-Along Notice shall indicate that the Controlling Shareholders are requiring the Remaining Shareholders to sell all of their shares in the capital of Participant #2 pursuant to Section 8.8(a) of this Agreement and it shall include a copy of the terms of such sale along with a detailed calculation indicating what portion of the purchase price is attributable to the shares held by the Remaining Shareholders. The closing of the sale of shares by the Remaining Shareholders shall occur on the same terms as the closing of the sale of the shares by the Controlling Shareholders and, if the sale of shares is to Participant #1, such sale shall occur on the terms set out in Section 8.9.
- (c) The shareholders shall confirm and agree that they are bound by the terms of this Section 8.8 and agree that any person who is issued or transferred shares of

Participant #2 after the date of this Agreement shall, as a condition of receipt of such shares, agree to be bound by the provisions of this Section 8.8 by executing the Acknowledgement in the form attached as Schedule "A" hereto.

Section 8.9 Change of Control Closing.

The closing of any purchase of shares of Participant #2 by Participant #1 pursuant to this Agreement shall be held at the office of Participant #1 at 10:00 a.m. (local time) on the prescribed date and shall be subject to the following terms and conditions:

- (a) Participant #1 shall pay the purchase price to the Shareholder(s) (the "**Vendors**") who are to sell their shares and the Vendors shall deliver to or to the order of Participant #1 certificates for the shares to be acquired, duly endorsed for transfer, free and clear of all charges, liens, mortgages, security interests and other encumbrances, together with a certificate of the Vendors to such effect;
- (b) if the shares to be acquired represent all of the shares of a particular Vendor, such Vendor, any individuals that control such Vendor, and their nominees, if any, shall resign in writing the positions which they then hold with Participant #1 and such Vendor and any person having a legal or beneficial interest in such Vendor (whether direct or indirect) and nominees of such Vendor shall release the Remaining Shareholders and Participant #1 from all manner of actions, causes of action, suits, claims or demands against any of them which they ever had, then have or may thereafter have, for or by reason of or arising out of any cause, matter or thing, including claims arising from this Agreement or their acting as directors or officers of Participant #1 or Participant #2;
- (c) if the shares to be purchased are subject to any encumbrance, lien, pledge or security interest or any of the Vendors owe any money to Participant #2 or Participant #1, Participant #1 shall have the right to deduct from the amount otherwise required to be paid by it to that Vendor the amount required to discharge all such encumbrances, liens, pledges or security interests and repay any moneys so owing by the Vendor and such amount shall be used accordingly; and
- (d) the Vendors shall be repaid any amounts owing to them pursuant to loans advanced to Participant #2 and shall be released from any guarantees provided for the benefit of Participant #2 or, if such releases are not forthcoming, shall be provided security (in form acceptable to the Vendors, acting reasonably) for amounts which may be payable by them pursuant to such guarantees.

Section 8.10 Legend.

The certificates representing the shares in the capital of Participant #2 shall bear the following legend during the term of this Agreement:

"The securities represented by this certificate are subject to the terms and conditions of the Amended and Restated Joint Venture Agreement made as of June 10, 2024, as amended and restated from time to time, between Firm Capital Mortgage Investment Corporation

and FC Treasury Management Inc. and are transferable only in accordance with the provisions of such agreement."

Section 8.11 Share Transfers.

Participant #2 shall not authorize any transfers of shares in the capital of Participant #2 other than in accordance with the terms and conditions hereof. The Secretary of Participant #2 shall be entrusted with the safekeeping of and shall take physical possession of all certificates representing shares in the capital of Participant #2 in trust for the holders thereof and shall not release or replace any such certificates other than in accordance with the terms and conditions hereof.

ARTICLE 9 MISCELLANEOUS

Section 9.1 Entire Agreement.

This Agreement represents the entire agreement between the parties with respect to the matters contained herein and supersedes any previous agreements (including the Current JV Agreement) between the parties regarding such subject matter. This Agreement shall be binding upon and enure to the benefit of the parties hereto, and to their respective successors and permitted assigns. This Agreement shall supersede the Current JV Agreement insofar as it constitutes the entire agreement between the parties concerning the subject matter of this Agreement, but does not constitute a novation of the Current JV Agreement.

Section 9.2 Amendment.

This Agreement shall not be changed or modified in whole or in part, except by instrument in writing signed by the parties hereto or their respective successors or permitted assigns otherwise as provided herein. Notwithstanding the foregoing, any material change to this Agreement including, without limitation, a change to any of the amounts payable to Participant #2 hereunder, shall only be effective upon the approval of at least a majority of the votes cast by shareholders of Participant #1 at a meeting of shareholders called for such purpose, excluding the votes attached to shares of Participant #1 held by the directors, senior officers and 10% or greater owners of Participant #2 and their respective affiliates.

Section 9.3 Assignment.

Except as expressly provided herein, this Agreement shall not be assignable by any party hereto without the consent in writing of the other party being first had and obtained. Notwithstanding the foregoing, this Agreement may be assigned by Participant #2 to an affiliate of Participant #2 which has entered into an agreement that is identical in all material respects to this Agreement.

Section 9.4 Responsibility of Participant #2

Participant #2 shall not have any responsibility or liability to Participant #1 or shareholders for any action taken, or for the refraining from taking any action, in good faith pursuant to this Agreement, or for errors in judgement; provided, however, that this provision

shall not protect Participant #2 against any breach of its representation or warranties contained herein or any liability which would otherwise be imposed by reason of fraud, bad faith or negligence in the performance of its duties hereunder. Participant #2 and its shareholders, officers and directors and any director, officer or employee of an agent of Participant #2 may rely in good faith on any document of any kind which, *prima facie*, is properly executed and submitted by any appropriate person respecting any matters arising hereunder. Participant #2 shall not be under any obligation to appear in, prosecute or defend any legal action which is not incidental to its duties in accordance with this Agreement; provided that Participant #2 may in its sole discretion undertake any such action which it may reasonably deem necessary or desirable in order to protect the interests of Participant #1 and the shareholders, or shall undertake any action if instructed to do so by the Directors, unless it reasonably believes such action will result in a material unreimbursed liability of Participant #2. Participant #2 shall not be responsible for any action or omission of Participant #1 or the Directors in following or declining to follow any advice or recommendations of Participant #2.

Section 9.5 Notices.

Any notice, report or other communication required or permitted to be given hereunder shall be in writing unless some other method of giving such notice, report or other communication is expressly accepted by the party to whom it is given, and may be given in writing by personal delivery, by registered mail, postage prepaid or by telecopier addressed follows:

(a) To Participant #1:

163 Cartwright Avenue
Toronto, Ontario M6A 1V5
Attention: Chief Executive Officer and President
Telecopier: (416) 635-1713

(b) To Participant #2:

163 Cartwright Avenue
Toronto, Ontario M6A 1V5
Attention: President
Telecopier: (416) 635-1713

or at such other address as may be given by either of them to the other in writing from time to time.

Section 9.6 Independent Parties.

The Participant #2 shall perform its duties hereunder as an independent contractor and not as an agent of Participant #1 or of the Directors. Participant #1 and Participant #2 are not partners or joint ventures with each other and nothing herein shall be construed so as to make them partners or joint ventures or impose any liability as such on any of them.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF the parties hereto have duly executed Agreement on the date first mentioned above.

FIRM CAPITAL MORTGAGE INVESTMENT CORPORATION

Per: /s/ "Stan Goldfarb"

88D97BEC6679442
Name: Stan Goldfarb

Title: Chairman of the Board of Directors
(as a director and not in his personal capacity)

Per: /s/ "Geoffrey Bledin"

68E93B047CD74D1
Name: Geoffrey Bledin

Title: Director
(as a director and not in his personal capacity)

FC TREASURY MANAGEMENT INC.

Per: /s/ "Eli Dadouch"

39807BDC6110482
Name: Eli Dadouch

Signed by
Title: President

Per: /s/ "Jonathan Mair"

Signed by
Name: Jonathan Mair

Title: Chief Financial Officer

SCHEDULE "A"
ACKNOWLEDGEMENT

The undersigned hereby acknowledges that he is bound by the terms of Section 8.6 to Section 8.11 of the Amended and Restated Joint Venture Agreement made as of June 10, 2024 between FC Treasury Management Inc. ("**Participant #2**") and Firm Capital Mortgage Investment Corporation, as amended and/or restated from time to time (the "**Joint Venture Agreement**") and that he shall not, directly or indirectly, sell or assign any securities or any interest in securities held directly or indirectly, beneficially or otherwise, in the capital of Participant #2 other than in accordance with the Joint Venture Agreement.

Dated this _____ day of _____, 20__.

[SHAREHOLDER]

Per: _____