

AMENDED AND RESTATED MORTGAGE BANKING AGREEMENT

THIS AGREEMENT (this "**Agreement**") 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 the "**Corporation**")

- and -

FIRM CAPITAL CORPORATION, a corporation incorporated under the laws of the Province of Ontario,

(hereinafter called the "**Mortgage Banker**").

WHEREAS Firm Capital Mortgage Investment Trust (the "**Trust**"), pursuant to an agreement between the Trust and the Mortgage Banker dated May 5, 2005, as amended and restated (the "**Original Mortgage Banking Agreement**"), engaged the Mortgage Banker to originate, underwrite, syndicate and service mortgage investments on behalf of and subject to the control and direction of the trustees of the Trust;

AND WHEREAS, on January 1, 2011, the trustees and unitholders of the Trust agreed to convert the Trust into a new corporation called Firm Capital Mortgage Investment Corporation and assigned the Original Mortgage Banking Agreement to the Corporation;

AND WHEREAS the parties previously amended and restated the Original Mortgage Banking Agreement (the Original Mortgage Banking Agreement, as assigned to the Corporation and as previously amended and restated to the date hereof, the "**Current Mortgage Banking Agreement**") to: (a) conform to the new corporate structure; and (b) reflect amendments previously approved by the shareholders of the Corporation and other minor housekeeping amendments;

AND WHEREAS the parties are desirous of amending and restating the Current Mortgage Banking Agreement to reflect amendments approved by the shareholders of the Corporation 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) "**Allocable Proceeds**" has the meaning ascribed to such term in Section 9.6(iii).
- (c) "**associate**" has the meaning ascribed thereto in the *Canada Business Corporations Act*, as amended from time to time.
- (d) "**Change of Control**" means the transfer or issuance by sale, assignment, operation of law or other disposition or subscription of any part or all of the shares of the Mortgage Banker or the shareholder of the Mortgage Banker or of any associated, affiliated or parent company of the Mortgage Banker or its shareholder so as to result in a change in the present effective direct or indirect control of the Mortgage Banker or its shareholder 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 shall be deemed not to be a Change of Control).
- (e) "**Consideration Period**" has the meaning ascribed to such term in Section 9.6(ii).
- (f) "**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.
- (g) "**Credit Manager**" means the person holding such office from time to time appointed by the Independent Directors.
- (h) "**Directors**" means the directors of the Corporation.
- (i) "**Exercise Notice**" has the meaning ascribed to such term in Section 9.6(ii).
- (j) "**Firm Syndication Interest**" means up to a 20% *pari passu* interest in a mortgage in which the Corporation is offered an interest and which is made available to the Mortgage Banker for the benefit of the Mortgage Banker and its clients, including pooled funds (other than the Corporation) for which it acts as manager.

- (k) "**First Opportunity Notice**" has the meaning ascribed to such term in Section 9.6(i).
- (l) "**Independent Director**" means a Director who is not an associate, director, officer or employee of the Manager 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 Corporation, the Manager and the Mortgage Banker.
- (m) "**Investment Committee**" means the investment committee of the Directors.
- (n) "**JV Agreement**" means the amended and restated joint venture agreement made as of the 10th day of June, 2024, as amended, supplemented and/or restated from time to time, between the Manager and the Corporation.
- (o) "**Manager**" means FC Treasury Management Inc. and its successors under the JV Agreement.
- (p) "**material adverse effect**" means a material adverse effect on the condition (financial and other), business, operations, assets, liabilities, financial position or results of operations of the Corporation.
- (q) "**material change**" means any change in the business, operations, assets, liabilities, control, ownership or capital of the Corporation that would reasonably be expected to have a significant effect on the market price or the value of the Shares and includes a decision to implement such a change made by the Directors or by senior management of the Corporation who believe that confirmation of the decision by the Directors is probable.
- (r) "**Minimum Interest**" means an aggregate minimum 10% *pari passu* interest in each Non-Conventional Mortgage in which the Corporation acquires an interest, which interest must be acquired by members of management of the Manager and/or the Mortgage Banker and/or their respective associates pursuant to the JV Agreement or this Agreement, as applicable.
- (s) "**Minimum Purchase Price**" has the meaning ascribed to such term in Section 9.6(ii).
- (t) "**Mortgage Investments**" means, at any time, the loans and investments, or interests therein comprising the Mortgage Portfolio.
- (u) "**Mortgage Portfolio**" means, at any time, the Corporation's portfolio of investments or interests therein.
- (v) "**Mortgaged Property**" means the underlying real property securing a Mortgage Investment.

- (w) "**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.
- (x) "**Non-Competition Agreement**" means the non-competition agreement entered into between the Mortgage Banker and the Corporation (as successor to the Trust) on October 6, 1999.
- (y) "**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 its terms.
- (z) "**Payment Election**" means written notice provided by the Mortgage Banker to the Corporation setting out the method of payment for the Termination Fee and, if applicable, the amounts payable to the Mortgage Banker pursuant to Section 9.5, including whether the Termination Fee and, if applicable, the amounts payable to the Mortgage Banker pursuant to Section 9.5 shall be satisfied by the payment of cash, in interests in mortgages or in a combination thereof (as determined by the Mortgage Banker).
- (aa) "**Qualified Appraiser**" means a person who is an accredited appraiser of the Appraisal Institute of Canada or any successor thereof.
- (bb) "**Reasonable Commercial Concerns**" means a substantial likelihood based on demonstrable evidence that, upon completion of a proposed Change of Control, the Mortgage Banker will fail to provide a standard of service that is equal to or better than the standard of service historically provided by the Mortgage Banker to the Corporation pursuant to the terms of this Agreement.
- (cc) "**Related Investment**" means (i) a direct investment in real property resulting from the Corporation's equity, mezzanine and other investment transactions, or (ii) a bond, debenture, note or other evidence of indebtedness, or a share, unit or other evidence of ownership, in a person (other than an individual engaged in real estate development, lending or the funding or holding of mortgages).
- (dd) "**Right of First Opportunity**" has the meaning ascribed to such term in Section 9.6.
- (ee) "**Services**" has the meaning ascribed to such term in Section 4.1.
- (ff) "**Servicing Standard**" has the meaning ascribed to such term in Section 4.2.
- (gg) "**Shares**" means shares of the Corporation.

- (hh) "**Special Profit Transaction**" means a Related Investment or an investment in a mezzanine financing transaction, discounted debt purchase or a profit oriented transaction which entitles the holder to a profit entitlement including in the form of a fixed discharge fee or a percentage of profit payment which is designated by the Directors as a "Special Profit Transaction".

- (ii) "**Termination Fee**" means 2% of the greater of:
 - (i) \$74,921,941.99;
 - (ii) the Corporation's assets under administration on the date that is twelve months prior to the receipt by the Mortgage Banker of notice of termination or non-renewal; and
 - (iii) the Corporation's assets under administration on the date on which the Mortgage Banker receives the notice of termination,plus any fees otherwise payable to the Mortgage Banker under this Agreement, including, but not limited to, loan servicing fees, interest float revenue, commitment and discharge fees, and statement fees and other related servicing fees.

- (jj) "**Trust Account**" has the meaning ascribed to such term in clause (i) of Article 5.

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
COVENANTS, REPRESENTATIONS AND WARRANTIES OF MORTGAGE BANKER

Section 2.1 Covenants, Representations and Warranties

The Mortgage Banker hereby covenants, represents and warrants as of the date hereof that:

- (i) the Mortgage Banker is and will at all times be duly licensed, registered or qualified and holds and will hold all necessary licenses, permits, approvals, consents, certificates, registrations and authorizations whether governmental, regulatory or otherwise (including, without limitation, all licenses, permits, approvals, consents, certificates, registrations and authorizations required under the *Mortgage Brokerages, Lenders and Administrators Act, 2006* in all jurisdictions in which it owns, licenses or operates its assets or carries on activities, to enable (i) its activities to be carried on as now conducted or as proposed to be conducted pursuant to the terms hereof, and (ii) to originate, syndicate, service and administer mortgages, all as contemplated hereby, except to the extent that the lack thereof or the failure to hold same does not or would not have a material adverse effect on the ability of the Mortgage Banker to conduct any of the foregoing activities, and all such licenses, permits, approvals, consents, certificates, registrations and authorizations are valid and subsisting and in good standing in all material respects;
- (ii) the Mortgage Banker has conducted and is conducting and will conduct its activities in compliance with all applicable laws, rules and regulations of each jurisdiction in which its activities are carried on except to the extent any non-compliance does not or would not have a material adverse effect on the ability of the Mortgage Banker to conduct such activities or on the transactions contemplated hereby;
- (iii) the execution and delivery of this Agreement and the fulfilment of the terms hereof by the Mortgage Banker (i) to the knowledge of the Mortgage Banker, do not and will not result in a breach of, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach by the Mortgage Banker of any applicable laws of Canada or of any province or any by-law or ordinance of any city, municipality or regional district, or any judgment, order or decree of any governmental body, agency or court having jurisdiction over the Mortgage Banker, and (ii) do not and will not conflict with, or constitute a default under, any of the terms, conditions or provisions of the constating documents or by-laws of the Mortgage Banker or any resolution passed or consented to by the directors, shareholders, partners or general partners of any of them, or any license, permit, or other governmental authorization issued or granted to the Mortgage

Banker or any indenture, agreement or other instrument to which the Mortgage Banker is a party or by which the Mortgage Banker is bound;

- (iv) the Mortgage Banker has been duly incorporated and duly organized and is validly existing and in good standing under the laws of its jurisdiction of incorporation, and the Mortgage Banker has all requisite power and authority to carry on its activities as now conducted and as presently proposed to be conducted;
- (v) there is no action, suit, proceeding or inquiry pending or threatened against or affecting the Mortgage Banker before any court or tribunal, or any federal, provincial, municipal or other governmental department, commission, board, bureau agency or instrumentality, domestic or foreign, which may in any way materially adversely affect the ability of the Mortgage Banker to consummate the transactions contemplated by, and to carry out its duties in accordance with, this Agreement or materially adversely affecting the Corporation;
- (vi) the Mortgage Banker's servicing practices have not been subject to any review, investigation, censure or order by any governmental or regulatory body, agency, board or commission; and
- (vii) this Agreement has been duly authorized, executed and delivered by the Mortgage Banker and, assuming due authorization, execution and delivery by the other parties hereto, is a legal, valid and binding obligation of the Mortgage Banker and is enforceable against the Mortgage Banker 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).

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF THE CORPORATION

Section 3.1 Representations and Warranties.

The Corporation hereby represents and warrants as of the date hereof that:

- (i) the Corporation is a corporation duly organized and validly existing under the laws of its jurisdiction of incorporation and has requisite 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 the Corporation 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 the Corporation to perform its obligations under this Agreement; and

- (iii) this Agreement has been duly executed and delivered by the Corporation and, assuming due authorization, execution and delivery by the other parties hereto, constitutes a valid and binding obligation of the Corporation, enforceable against the Corporation 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).

ARTICLE 4 SERVICES & PERSONNEL

Section 4.1 Services of the Mortgage Banker.

During the term hereof, the Mortgage Banker will diligently seek out, review and present to the Corporation mortgage investment opportunities which will be consistent with the objectives and the investment and operating policies of the Corporation and will service and administer such mortgages in accordance with the Servicing Standard. The Mortgage Banker undertakes to act as the Corporation's mortgage banker to originate, underwrite, syndicate and service Mortgage Investments on behalf of the Corporation and to perform various activities relating to such services, including, without limitation:

- (a) providing information to the Directors and the Investment Committee relating to proposed acquisitions, dispositions, financings and Mortgage Investments;
- (b) servicing and administering the Mortgage Portfolio in accordance with Article 5 on behalf of and solely in the best interests and/or the benefit of the Corporation and its shareholders;
- (c) syndicating Mortgage Investments on behalf of the Corporation with the Mortgage Banker's other investor clients;
- (d) consulting with the Directors and furnishing the Directors with research, information, data, and, opportunities with respect to the making, acquiring (by purchase, investment, exchange or otherwise), holding, financing, servicing and administering and disposing (through sale, exchange or otherwise) of Mortgage Investments, consistent with the Corporation's investment and operating policies; and
- (e) remitting to the Corporation the fees set out in Section 8.2 hereof;

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

Section 4.2 Servicing Standard.

The Mortgage Banker is required to service the Mortgage Portfolio in the same manner in which, and with the same care, skill, prudence and diligence with which, it services and administers similar mortgage loans for other similar third-party portfolios, giving due consideration to customary and usual standards of practice of prudent institutional, residential and commercial mortgage loan servicers used with respect to loans comparable to the Mortgage Portfolio. It must also exercise reasonable business judgment in accordance with applicable law to maximize recovery under the Mortgage Portfolio, but without regard to: (a) any other relationship that the Mortgage Banker or any affiliate or associate of the Mortgage Banker may have with borrowers or any affiliate or associate of such borrowers; (b) the Mortgage Banker's obligation to incur servicing expenses with respect to the Mortgage Portfolio; (c) the Mortgage Banker's right to receive compensation for its services hereunder or with respect to any particular transaction; or (d) the ownership, servicing or management for others by the Mortgage Banker of any other mortgage loans or property (the standard described in this Section 4.2 is herein referred to as the "**Servicing Standard**").

Section 4.3 Engagement of Third Parties.

Subject to Section 4.2, the Mortgage Banker may, in appropriate circumstances, engage on behalf of the Corporation such persons as the Mortgage Banker deems appropriate in connection with its performance of the Services and/or to assume responsibility for one or more of the Services including the retention of such mortgage brokers, solicitors, counsel, auditors, appraisers, receivers, consultants and other experts as the Mortgage Banker, in its discretion, deems appropriate, provided that the Mortgage Banker will at all times monitor the activities of such persons in a manner consistent with this Agreement. **Specifically, the Mortgage Banker may retain Firm Capital Properties Inc. to provide support to the Mortgage Banker in the event enforcement proceedings are required to be taken on a specific Mortgage Investment.** The Corporation shall be responsible for its pro rata share of all costs incurred by the Mortgage Banker in connection with its retention of such persons insofar as such persons are providing services with respect to the Mortgage Investments.

Section 4.4 Access to Information and Notification.

- (a) The Mortgage Banker shall at all times during the term hereof provide to the Corporation and to the Credit Manager of the Corporation full and unrestricted access to all information in the possession or control of the Mortgage Banker regarding the mortgage investment opportunities identified by the Mortgage Banker in accordance with the terms hereof in order that they may independently and freely review such opportunities and independently determine whether same are consistent with the objectives and the investment and operating policies of the Corporation and, in addition, to such information regarding, or in the control or possession of, the Mortgage Banker, as they may determine appropriate from time to time to ensure that the mortgages serviced and administered by the Mortgage Banker on behalf of the Corporation are serviced and administered solely in the best interests and for the benefit of the Corporation and its shareholders.

- (b) The Mortgage Banker shall forthwith, notify the Corporation in writing in the event that any of the representations or warranties of the Mortgage Banker set forth herein should cease to be true or accurate in all respects or in the event that the Mortgage Banker should fail to perform any of the covenants required to be performed by it in accordance with the provisions hereof.

Section 4.5 Employees.

Notwithstanding anything in this Agreement to the contrary, it is understood and agreed between the parties that all such officers and employees of the Mortgage Banker as may be engaged from time to time in the provision of the Services hereunder are officers or employees, as the case may be, of the Mortgage Banker and not of the Corporation.

Section 4.6 Right of First Refusal.

Subject to the terms hereof, the Mortgage Banker shall be required to refer to the Corporation and provide the Corporation with an opportunity to invest in all mortgage investment opportunities presented or made available to the Mortgage Banker and the Mortgage Banker hereby grants to the Corporation a right of first refusal on any such mortgage investment opportunity presented or made available to the Mortgage Banker, subject to the Firm Syndication Interest and the Minimum Interest. However, the Mortgage Banker is not required to refer mortgage investment opportunities to the Corporation for consideration where such investments do not fall within the objectives or investment policies of the Corporation and may, in its discretion, refer to the Corporation for consideration mortgage investments of a principal amount less than \$50,000.

Section 4.7 Minimum Interest.

The Mortgage Banker 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 Manager and/or their respective associates, being a minimum 10% *pari passu* interest in each Non-Conventional Mortgage in which the Corporation acquires an interest.

Section 4.8 Firm Syndication Interest.

The Mortgage Banker, together with its investor clients (including pooled funds (other than the Corporation) for which it acts as manager), shall be entitled to acquire up to a 20% *pari passu* interest in each mortgage in which the Corporation is offered an interest.

Section 4.9 Compliance with Investment Policies and Operating Guidelines

The Mortgage Banker hereby acknowledges the terms and provisions of the Corporation's constating documents and investment policies and operating guidelines (as may be 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 the Corporation in writing or this Agreement, the Mortgage Banker 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 Corporation.

Section 4.10 Exclusivity.

The Mortgage Banker shall be the exclusive originator, servicer, syndicator and underwriter in respect of all of the Corporation's Mortgage Investments (other than in respect of any syndicated Mortgage Investment in respect of which the Corporation's syndicating partners holding greater than 50% of such investment have terminated the Mortgage Banker's servicing agreement entered into in respect of such investment). During the term of this Agreement, the Corporation shall not be permitted to invest in any mortgages other than pursuant to the terms hereof and shall not invest in any mortgages other than in respect of which the Mortgage Banker:

- (i) is capable of acting as the exclusive originator, servicer, syndicator and underwriter in a manner consistent with the Mortgage Banker's prior practice in relation to the Corporation; and
- (ii) may earn fees in a manner consistent with the Mortgage Banker's prior practice in relation to the Corporation and as otherwise contemplated hereby.

Section 4.11 Authorized Interim Investments.

To the extent the Mortgage Banker is entrusted with investing any funds of the Corporation, the Mortgage Banker shall only invest such funds upon receipt of confirmation from the Credit Manager or the Corporation to such effect.

**ARTICLE 5
SERVICING & ADMINISTRATION OF MORTGAGE PORTFOLIO**

In servicing and administering the Mortgage Portfolio on behalf of the Corporation, the Mortgage Banker shall be responsible for, among other things necessary to comply with the Servicing Standard, the following:

- (i) collecting all funds received on account of the Corporation's Mortgage Investments on behalf of the Corporation and depositing all funds received on account of mortgage advances, mortgage repayments and monthly payments of the Corporation which come into the Mortgage Banker's possession pursuant to the terms of this Agreement in the Mortgage Banker's trust account (the "**Trust Account**");
- (ii) remitting to or to the order of the Corporation, the Corporation's proportionate interest in all amounts received by the Mortgage Banker on account of the Mortgage Investments forthwith after such amounts are cleared through the Trust Account;
- (iii) informing the Corporation of any material default which may occur under any Mortgage Investment and which has not been cured within ten days of such default and taking whatever action that the Mortgage Banker, in its discretion, deems necessary or appropriate under the circumstances to enforce performance of the obligations of a defaulting

debtor (or its successors and assigns) under any Mortgage Investment in default including realizing upon the security therefore, which may include, without limitation, the appointment of a receiver, the exercise of powers of distress, lease or sale, the institution of foreclosure proceedings and the pursuit of any other remedy available at law that is necessary or required to protect the Corporation's Mortgage Investments;

- (iv) forwarding to the Corporation, at its request and at no cost to the Corporation, true copies of the security documents, title reports, surveys and other documents pertaining to Mortgage Investments;
- (v) taking all reasonable efforts to collect all payments called for or due under the terms and provisions of all Mortgage Investments, including, without limitation, all principal and interest, interest on interest in respect of late payments, and other monies as required under the terms of the Mortgage Investments;
- (vi) instituting and following collection and enforcement procedures that are consistent with the Servicing Standard or as the Investment Committee may otherwise direct and including implementing enforcement proceedings and performing a property inspection of the Mortgaged Property no later than 15 days following default under the terms of a Mortgage Investment and, if necessary, taking possession of the Mortgaged Property or establishing a property management program for the Mortgaged Property;
- (vii) giving such notices to mortgagors (and their respective successors and assigns), tenants of a Mortgaged Property and others as the Mortgage Banker may consider necessary or as the Corporation may determine;
- (viii) settling with mortgagors and any expropriating authority (except for development transactions where easements, rights of way or similar rights are granted to the relevant governmental authority), the amount and disposition of any compensation payable in connection with any expropriation of any minor part of or interest in a Mortgaged Property; provided that the Mortgage Banker shall give prompt written notice to the Corporation of any such expropriation and, if requested by the Corporation, shall deal therewith only as the Corporation may instruct;
- (ix) maintaining all title papers and other documents relating to Mortgage Investments and Mortgaged Properties; maintaining proper records and accounts showing all receipts, payments and disbursements in respect of Mortgage Investments; allowing the Corporation, its advisors, accountants and agents, full opportunity to examine such accounts, records and documents and providing to the Corporation such copies thereof as it may reasonable require from time to time;

- (x) providing the Corporation with quarterly investment statements (as required under the *Mortgage Brokerages, Lenders and Administrators Act, 2006*) in respect of the Mortgage Portfolio setting out, *inter alia*, the principal amount outstanding under the Mortgage Investments, all interest payments made during the quarter, any transactions within the Trust Account relating to the Mortgage Investments or other funds held in trust for the Corporation, including receipts and disbursements; and
- (xi) performing any and all necessary services with respect to the settlement of losses under insurance policies in the event of damage to or destruction of a Mortgaged Property and dealing with the proceeds of all insurance on the Mortgage Portfolio as directed by the Corporation.

Notwithstanding the foregoing, in servicing and administering the Mortgage Portfolio on behalf of the Corporation, the Mortgage Banker shall do such things and perform such acts as the Directors may from time to time direct in writing.

ARTICLE 6 RECORDS & INFORMATION

Section 6.1 Records.

The Mortgage Banker shall keep full, timely and accurate books of account and records in reasonable form and detail relating to the Services and all disbursements incurred by the Mortgage Banker in connection therewith, and shall from time to time, on reasonable notice to the Mortgage Banker given by the Corporation, provide the Corporation and its designated agents or auditors with access to (and copies of, at the expense of the Corporation) such books of account and records on a timely basis during ordinary business hours.

Section 6.2 Information.

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

ARTICLE 7
EXPENSES & DISBURSEMENTS

Section 7.1 Expenses Borne By the Mortgage Banker.

Without regard to the amount of fees received by the Mortgage Banker pursuant to this Agreement, the following expenses shall be for the sole account and be borne exclusively by the Mortgage Banker:

- (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 the Corporation who are directors, officers or employees or members of the management team or of the Mortgage Banker or of an affiliate of the Mortgage Banker (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 7.2) and other office expenses of the Mortgage Banker; and
- (d) miscellaneous administrative expenses relating to performance by the Mortgage Banker of the Services and not enumerated in Section 7.2.

Section 7.2 Expenses Borne By the Corporation.

The Corporation shall pay all expenses relating to the operations and activities of the Corporation incurred by the Mortgage Banker in the performance of the Services hereunder and which are not otherwise for the account of the Mortgage Banker pursuant to Section 7.1, including and without limiting the generality of the foregoing:

- (a) interest and other costs of borrowed money of the Corporation;
- (b) fees and expenses of lawyers, accountants, auditors, appraisers and other agents or consultants employed by or on behalf of the Corporation;
- (c) fees and expenses of the Directors who are not directors, officers, employees or members of the management team of the Mortgage Banker; and
- (d) fees and expenses connected with the investment in, or acquisition or disposition of Mortgage Investments made by or on behalf of the Corporation.

Section 7.3 Disbursements.

Subject to and without limiting the effect of Section 7.1, all disbursements incurred by the Mortgage Banker in providing the Services, including, without limitation, all expenses incurred and fees payable to third parties in connection with the assessment, acquisition, disposition, servicing of actual or proposed Mortgage Investments of the Corporation, shall be for the account of and payable by the Corporation in accordance with the practices and policies of the Corporation from time to time.

ARTICLE 8 FEES & PAYMENTS

In consideration of the provision by the Mortgage Banker of the Services, the Mortgage Banker shall be entitled to the fees and consideration set out in this Article 8.

Section 8.1 Servicing Payment.

The Mortgage Banker shall receive a component of the interest payments received on its Mortgage Investments, equivalent to 0.10% per annum on the principal amount of each Mortgage Investment. Mortgage servicing payments will not be payable in respect of the Corporation's cash balances or Non-Performing Loans held by the Corporation. The Mortgage Banker shall be entitled to retain any overnight float interest on all accounts maintained by the Mortgage Banker in connection with the servicing of the Corporation's Mortgage Investments.

Section 8.2 Originating, Commitment and Discharge Fees.

The Mortgage Banker shall remit to the Corporation only the following fees: (i) 25% of all commitment fees and renewal fees it receives from borrowers on investments it originates for the Corporation; and (ii) 75% of any discharge fees, participation fees and profit made on discounted debt that the Mortgage Banker receives in respect of all Non-Conventional Mortgages and Special Profit Transactions it originates for the Corporation (with a 10% annual preferential return to be given to the Corporation on the Corporation's investment amount prior to the Mortgage Banker receiving its share of such fees). For greater certainty, the Mortgage Banker shall retain 100% of all servicing charges paid by borrowers which are not identified above, including, without limitation, discharge statement administration fees and all fees identified in Section 9.5.

Section 8.3 Share Option Plan.

Subject to regulatory approval and the discretion of the Directors, officers, employees and members of the management team of the Mortgage Banker may be granted options to purchase Shares under and pursuant to any share option plan adopted by the Corporation.

Section 8.4 Other Compensation.

Without limiting the effect of Section 7.2, the Corporation shall be responsible for the payment of all fees and expenses in connection with the acquisition, disposition and servicing of its Mortgage Investments, and if such fees are to be payable to the Mortgage Banker in respect of such services being rendered by the Mortgage Banker, such fees shall be equivalent to those generally charged for comparable services and activities. To the extent that an affiliate of the Mortgage Banker performs such functions, such affiliate shall be compensated in the same manner. If and to the extent that the Mortgage Banker or any person affiliated with the Mortgage Banker renders services to the Corporation in addition to the Services, such services will be compensated separately as agreed to by the Directors on the basis of fees which are at least as favourable to the Corporation as those then generally charged for comparable services and activities.

Section 8.5 Termination Fee.

Following a breach of this Agreement by the Corporation or the termination or non-renewal of this Agreement pursuant to Article 9 hereof (including the termination pursuant to Section 9.5) the Mortgage Banker may provide a notice to the Corporation that the Corporation has breached this Agreement or that this Agreement has been terminated (or both), which notice shall be accompanied by a Payment Election. Forthwith upon receipt of that notice and the Payment Election, the Corporation shall pay the Termination Fee to the Mortgage Banker, which Termination Fee shall be satisfied by the payment of cash, in interests in mortgages or in such combination thereof as determined by the Mortgage Banker and set out in the Payment Election. Without limiting the foregoing and for purposes of greater certainty, payment of the Termination Fee is in addition to, and not in replacement of, any other amounts owed to the Mortgage Banker under this Agreement or otherwise upon the termination or non-renewal of this Agreement, including, without limitation, the fees payable to the Mortgage Banker pursuant to Section 9.5.

Section 8.6 Security.

The Mortgage Banker shall be entitled at any time to require that the Corporation grant to the Mortgage Banker security for the Corporation's obligations to the Mortgage Banker hereunder, including without limitation payment of the Termination Fee and the fees that would be payable to the Mortgage Banker pursuant to Section 9.5 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 the Corporation. The Corporation shall promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such acts, documents, and things as the Mortgage Banker 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 9
TERM & TERMINATION****Section 9.1 Term.**

This Agreement shall commence on the date hereof and terminate in accordance with this Article 9.

Section 9.2 Termination by the Corporation 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 the Mortgage Banker 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 the Corporation that is not cured within 60 days of written notice of such breach to the Mortgage Banker (or such longer period as may be reasonably required in the circumstances to cure such breach);

- (b) in the event of a breach by the Mortgage Banker of any material term of the Non-Competition Agreement not cured within 60 days of written notice of such breach to the Mortgage Banker (or such longer period as may be reasonably required in the circumstances to cure such breach); or
- (c) in the event of the commission (as determined by a court of competent jurisdiction with all rights of appeal having expired) by the Mortgage Banker of any act constituting bad faith, wilful malfeasance, gross negligence or reckless disregard of its duties hereunder.

Section 9.3 Termination by the Corporation not for Cause.

The Corporation may terminate this Agreement on or at any time after October 6, 2035 otherwise than for cause pursuant to Section 9.2, upon the approval of two-thirds of the votes cast by shareholders at a meeting of the shareholders called for such purpose after October 6, 2035, and upon 24 months' prior written notice to the Mortgage Banker 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 9.4 Termination by the Mortgage Banker.

The Mortgage Banker may terminate this Agreement at any time upon not less than 180 days' prior written notice to the Corporation.

Section 9.5 Fees for Termination other than for Cause or for Breach.

Upon the termination of this Agreement by the Corporation (other than pursuant to Section 9.2 or other than following the notice period in Section 9.3) or upon a breach of this Agreement by the Corporation, and following receipt of a notice of termination or breach from the Mortgage Banker (accompanied by a Payment Election), the Corporation shall pay forthwith to the Mortgage Banker the Termination Fee and any other amounts which would have been earned by the Mortgage Banker under this Agreement in respect of the uncompleted portion of the term of this Agreement which includes the notice period in Section 9.3 (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), including:

- (i) all fees payable to the Mortgage Banker pursuant to Section 8.1 and Section 8.2 of this Agreement;
- (ii) fees in respect of the preparation by the Mortgage Banker of mortgage loan statements;
- (iii) fees in respect of cheques received by the Mortgage Banker for which there are non-sufficient funds and fees in respect of non-payment;
- (iv) tax escrow account fees;

- (v) advance fees;
- (vi) fees on account of overnight float/interest on trust accounts;
- (vii) enforcement fees; and
- (viii) other borrower paid services and administrative fees,

which amounts shall be satisfied by the payment of cash, in interests in mortgages or in such combination thereof as determined by the Mortgage Banker and as set out in the Payment Election. For greater certainty, in calculating the foregoing fees, the amounts payable to the Mortgage Banker 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 the Mortgage Banker in the immediately preceding fully operational four quarters prior to the termination or breach.

For purposes of this Section 9.5, without limiting the circumstances and the manner of termination, the Corporation will be deemed to have terminated this Agreement if the activities of the Corporation are not carried on in the normal course consistent with past practice or if the Corporation proposes to distribute its capital (other than ordinary course distributions of capital which are consistent with past practice).

In lieu of termination of this Agreement as set out in this Section 9.5, at the option of the Mortgage Banker, it may cause the Corporation to acquire this Agreement from the Mortgage Banker for a purchase price equal to the amount the Mortgage Banker would have received had this Agreement been terminated other than for cause as set out in this Section 9.5 and in any Payment Election received by the Corporation. In such event, all notices and other provisions contemplated hereby shall apply, mutatis mutandis.

Section 9.6 Change of Control of Mortgage Banker and Assignment of Agreement.

Any Change of Control of the Mortgage Banker 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, the Corporation will have the right of first opportunity (the "**Right of First Opportunity**") to acquire this Agreement in the event of a Change of Control or should the Mortgage Banker wish to sell its rights hereunder.

The Right of First Opportunity shall function as follows:

- (i) The Mortgage Banker shall provide written notice to the Corporation (the "**First Opportunity Notice**") forthwith, but in any event within 10 days, following its determination to assign its rights under this Agreement to a third party or upon the Mortgage Banker becoming aware of any intention to effect a Change of Control.

- (ii) In the event of a proposed assignment of its rights under this Agreement to a third party, the Corporation will have a 15 day period (the "**Consideration Period**") following receipt of the First Opportunity Notice within which to determine at what price it would be prepared to purchase the Mortgage Banker's rights under this Agreement (the "**Minimum Purchase Price**"). Following the termination of the Consideration Period, if the Corporation elects to purchase the Mortgage Banker's rights hereunder, it shall provide the Mortgage Banker 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, the Mortgage Banker shall be free, for a period not exceeding 120 days following expiry of the Consideration Period, to either elect not to assign its rights hereunder or assign its rights hereunder to: (a) the Corporation 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 the Mortgage Banker at a price not less than the Minimum Purchase Price. If the Corporation elects not to purchase the Mortgage Banker's rights under this Agreement or fails to provide an Exercise Notice within the time required, the Mortgage Banker shall be free, for a period not exceeding 120 days following expiry of the Consideration Period, to assign its rights hereunder to a third party, acting as principal and dealing at arm's length with the Mortgage Banker, at any price. The Mortgage Banker 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 9.6(ii). The closing of any assignment in accordance with the terms of this Section 9.6(ii) may occur on a date determined by the Mortgage Banker to be within 60 days after the expiry of the 120 day period following the Consideration Period.
- (iii) In the event of a proposed Change of Control, the Mortgage Banker must include with the First Opportunity Notice a bona fide written allocation of the proceeds to be received by the selling shareholder pursuant to the proposed Change of Control, allocating a portion of the proceeds to that portion of the business of the Mortgage Banker consisting of its activities and its rights and benefits under this Agreement (the "**Allocable Proceeds**"). Following receipt of such allocation, the Mortgage Banker must offer to assign its rights under this Agreement to the Corporation at a purchase price equal to the Allocable Proceeds. If the Corporation elects to purchase the Mortgage Banker's rights under this Agreement, it shall provide the Mortgage Banker with written notice to such effect within 15 days after receiving the First Opportunity Notice. If the Corporation determines not to purchase the Mortgage Banker's rights hereunder, pursuant to this Section 9.6(iii), the Mortgage Banker shall be free to effect the Change

of Control on the same terms and conditions as set forth in the First Opportunity Notice.

Section 9.7 Closing and Effect of Termination.

- (a) The Corporation shall, on the assignment by the Mortgage Banker of its rights hereunder pursuant to this Section 9.7, or forthwith upon any termination or non-renewal of this Agreement pursuant to this Article 9:
- (i) pay to the Mortgage Banker all amounts payable to the Mortgage Banker 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 9.6 by certified cheque or wire transfer;
 - (ii) assume all contracts, obligations and liabilities entered into or undertaken by the Mortgage Banker within the scope of its authority hereunder and indemnify and save harmless the Mortgage Banker 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) offer to employ all the employees of the Mortgage Banker employed by the Mortgage Banker on the date of the assignment by the Mortgage Banker of its rights hereunder and who provide services primarily to the Corporation 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 the Mortgage Banker from the costs and expenses of all services and supplies which may have been ordered by the Mortgage Banker within the scope of its authority in connection with the provision by the Mortgage Banker of the Services and which may not have been paid by the Corporation at the effective date of termination or non-renewal of this Agreement, as the case may be; and
 - (v) other than in the case of termination pursuant to Section 9.2, release the Mortgage Banker and any nominees of the Mortgage Banker who are directors and/or officers of the Corporation 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 the Corporation.

- (b) The Mortgage Banker shall, on an assignment by the Mortgage Banker of its rights hereunder pursuant to this Section 9.7, or forthwith upon any termination or non-renewal of this Agreement pursuant to this Article 9:
- (i) pay over to the Corporation (or such person as the Directors may direct in writing) all monies collected on behalf of and held for the account of the Corporation 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 the Mortgage Banker on behalf of the Corporation and a statement of all monies held by the Mortgage Banker for the account of the Corporation pursuant to this Agreement, and a statement of all monies paid by the Mortgage Banker, in each case covering the period following the date of the last accounting furnished by the Mortgage Banker 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 the Corporation in the name of or in the custody of the Mortgage Banker;
 - (iv) cause the nominees of the Mortgage Banker, if any, to resign in writing the positions which they then hold with the Corporation and release the Corporation 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 the Corporation; and
 - (v) indemnify and save harmless the Corporation against any liability by reason of anything done or required to be done under any contract or obligation entered into or undertaken by the Mortgage Banker 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 the Corporation.

ARTICLE 10 MISCELLANEOUS

Section 10.1 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 Mortgage Banking 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 Mortgage Banking Agreement and all amendments thereof 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 Mortgage Banking Agreement.

Section 10.2 Other Agreements.

Notwithstanding Section 10.1, the Mortgage Banker shall enter into such agreements with the Corporation and other parties as may be necessary in connection with the performance of its Services hereunder, including, without limitation, a separate mortgage servicing agreement for each syndicated Mortgage Investment, provided that in the event of any inconsistency between the provisions of this Agreement and those of any other agreement to which the Mortgage Banker and the Corporation may become party, the provisions of this Agreement shall prevail. Notwithstanding the foregoing, if an agreement entered into between the Mortgage Banker, the Corporation and another party or parties creates additional or more stringent rights in favour of the Corporation or its nominee, a higher standard of care for the Mortgage Banker, more onerous duties on the part of the Mortgage Banker or additional obligations of the Mortgage Banker, such provisions shall apply in respect of the matters contemplated by such agreement only and shall not otherwise affect the rights and obligations of the Mortgage Banker or the Corporation hereunder.

Section 10.3 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 fees payable to the Mortgage Banker hereunder, shall only be effective upon the approval of at least a majority of the votes cast by shareholders at a meeting of shareholders called for such purpose, excluding the votes attached to shares of the Corporation held by the directors, senior officers and 10% or greater owners of the Mortgage Banker and their respective affiliates.

Section 10.4 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 the Mortgage Banker to an affiliate of the Mortgage Banker which has entered into an agreement that is identical in all material respects to this Agreement.

Section 10.5 Responsibility of the Mortgage Banker.

The Mortgage Banker shall not have any responsibility or liability to the Corporation 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 the Mortgage Banker 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. The Mortgage

Banker and its shareholder, officers and directors and any director, officer or employee of an agent of the Mortgage Banker 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. The Mortgage Banker shall not be under any obligation to appear in, prosecute or defend any legal action which is not incidental to its duties to service the Mortgage Portfolio in accordance with this Agreement; provided that the Mortgage Banker may in its sole discretion undertake any such action which it may reasonably deem necessary or desirable in order protect the interests of the Corporation and shareholders in the Mortgage Investments it is servicing hereunder, 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 the Mortgage Banker. The Mortgage Banker shall not be responsible for any action or omission of the Corporation or the Directors in following or declining to follow any advice or recommendations of the Mortgage Banker.

Section 10.6 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 the Corporation

163 Cartwright Avenue
Toronto, Ontario M6A 1V5

Attention: Chief Executive Officer and President
Telecopier: (416) 635-1713

- (b) To the Mortgage Banker:

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 10.7 Independent Parties.

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

[Remainder of the page intentionally left blank. Signature page to follow.]

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

FIRM CAPITAL MORTGAGE INVESTMENT CORPORATION

Per: /s/ "Stan Goldfarb"
88D97B8C667B442
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)

FIRM CAPITAL CORPORATION

Per: /s/ "Eli Dadouch"
39607ABCDC11C482...
Name: Eli Dadouch
Title: President