



JANUARY 04 JANVIER, 2017


Director / Directeur

17

Business Corporations Act / Loi sur les sociétés par actions

002367465

Form 3
Business
Corporations
Act

Formule 3
Loi sur les
sociétés par
actions

**ARTICLES OF AMENDMENT
STATUTS DE MODIFICATION**

1. The name of the corporation is: (Set out in BLOCK CAPITAL LETTERS)
Dénomination sociale actuelle de la société (écrire en LETTRES MAJUSCULES SEULEMENT) :

E	C	L	I	P	S	E		R	E	S	I	D	E	N	T	I	A	L		M	O	R	T	G	A	G	E		I
N	V	E	S	T	M	E	N	T		C	O	R	P	O	R	A	T	I	O	N									

2. The name of the corporation is changed to (if applicable) : (Set out in BLOCK CAPITAL LETTERS)
Nouvelle dénomination sociale de la société (s'il y a lieu) (écrire en LETTRES MAJUSCULES SEULEMENT) :

3. Date of incorporation/amalgamation:
Date de la constitution ou de la fusion :

2013-04-03

(Year, Month, Day)
(année, mois, jour)

4. Complete only if there is a change in the number of directors or the minimum / maximum number of directors.
Il faut remplir cette partie seulement si le nombre d'administrateurs ou si le nombre minimal ou maximal d'administrateurs a changé.

Number of directors is/are: minimum and maximum number of directors is/are:
Nombre d'administrateurs : nombres minimum et maximum d'administrateurs :

Number minimum and maximum
Nombre minimum et maximum

or
ou

5. The articles of the corporation are amended as follows:
Les statuts de la société sont modifiés de la façon suivante :

The attached pages 1A - 1F which form part of these Articles.

The Articles of the Corporation are amended as follows:

- (i) To reflect the redemption and cancellation of the issued and outstanding Voting Shares of the Corporation.
- (ii) To create, effective the date hereof, a new class of shares designated as Common Shares, unlimited in number, having the rights, privileges, restrictions and conditions set out in Schedule A hereto.
- (iii) To provide that each outstanding Class A Share be exchanged for one Common Share, effective at 12:01 am on January 4, 2017.
- (iv) To provide that the Voting Shares and the Class A Shares forming part of the authorized capital of the Corporation and the conditions attaching to the Voting Shares and Class A Shares shall be deleted in their entirety, effective, in the case of the Voting Shares, immediately after the redemption and cancellation of the Voting Shares in (i) has been effected, and effective, in the case of the Class A Shares, immediately after the exchange of the Class A Shares referred to in (iii) has been effected.
- (v) To provide that, after giving effect to the foregoing, the authorized capital of the Corporation shall consist of an unlimited number of Common Shares.
- (vi) To remove, in its entirety, Schedule A (Description of Classes of Shares) and replace it with Schedule A (Description of Classes of Shares) attached hereto.
- (vii) To remove, in its entirety, Schedule B (Other Provisions) from the Articles of the Corporation and replace it with Schedule B (Other Provisions) attached hereto so that the following specific amendments are effected:
 - a. the reference to Class A Shares in section 1 of Schedule B Other Provisions to the Existing Articles shall be amended to refer to Common Shares; and
 - b. paragraphs 2(b) through 2(k) inclusive of Schedule B Other Provisions to the Existing Articles shall be deleted in their entirety and paragraph 2(a) shall be renumbered as section 2.

Schedule A
Description of Classes of Shares / Description des catégories d'actions

1. The rights, privileges, restrictions and conditions attaching to the Common Shares (as defined herein) are as follows:

A. INTERPRETATION

1. Unless otherwise provided herein, in the event that any day on or by which any action is required to be taken hereunder is not a Business Day (as defined herein), then such action shall be required to be taken on the next succeeding day that is a Business Day.

2. Unless otherwise provided herein, the term “close of business” means 4:00 p.m. (Toronto time) or such other time as may be established by the Manager (as defined herein).

3. As used herein:

(a) “**Act**” means the *Business Corporations Act* (Ontario), as amended from time to time;

(b) “**Automatic Repurchase Shareholder**” has the meaning ascribed to it in Section C;

(c) “**Automatic Repurchase**” has the meaning ascribed to it in Section C;

(d) “**Business Day**” means any day on which there is a regular trading session of the TSX;

(e) “**CDS**” means CDS Clearing and Depository Services Inc. and includes any successor corporation or any other depository subsequently appointed by the Company.

(f) “**Common Shares**” means the shares in the capital of the Corporation designated as Common Shares;

(g) “**Commercial Mortgages**” means Mortgages on and secured by Real Property used for commercial purposes, including retail, industrial, office or multi-unit residential of greater than four units;

(h) “**Conforming Single Family Residential Mortgages**” means Mortgages on and secured by Single Family Residential Properties that are generally in conformance with Schedule A Banks’ Mortgage underwriting standards at the time each Mortgage is underwritten;

(i) “**Distributions**” means any distributions paid in any form by the Corporation on the Common Shares, including without limitation (a) dividends in respect of the Common Shares, (b) payments made on a reduction of stated capital, or (c) any combination of any such distributions;

(j) “**Insured Single Family Residential Mortgages**” means Mortgages on and secured by Single Family Residential Properties that are insured for principal and interest by one of the Mortgage Insurance Companies;

(k) “**Investment Objectives**” means the investment objectives of the Corporation as defined and set forth in Schedule B Other Provisions of the articles of the Corporation;

(l) “**Investment Restrictions**” means the investment restrictions of the Corporation as defined and set forth in Schedule B Other Provisions of the articles of the Corporation;

(m) “**Loan-to-Value**” means the ratio, expressed as a percentage, determined by $A/B * 100$ where:

A = the principal amount of the Mortgage, together with all other equal and prior ranking mortgages or tranches of mortgages on the Real Property, and

B = the appraised market value of the Real Property securing the Mortgage at the time of funding the Mortgage or any more recent appraisal, whichever occurs later;

(n) “**Mortgage**” means an interest in a mortgage, (or other like instrument, including an assignment of or an acknowledgement of an interest in a mortgage), a hypothecation, a deed of trust, a charge or other security interest of or in Real Property used to secure obligations to repay money by a charge upon the Real Property and, for greater certainty, includes the Portfolio Mortgages;

(o) “**Mortgage Insurance Companies**” means Canada Guaranty Mortgage Insurance Company, Canada Mortgage and Housing Corporation and Genworth MI Canada Inc. and all its subsidiaries licensed to provide Mortgage insurance, including without limitation, Genworth Financial Mortgage Insurance Company of Canada;

(p) “**Mortgage Portfolio**” means the portfolio, composed primarily of Single Family Residential Mortgages but also including Other Mortgages and cash and cash equivalents, owned by the Corporation from time to time;

(q) “**Mortgage-Related Securities**” means securities where the cash flows received are based on the difference between the interest payments received on a pool of Mortgages and the cost of financing the pool of Mortgages (or otherwise based on the residual interest in such pools after the costs of operating and funding the pools), and where such cash flows may be represented by separate securities or constitute contractual rights under securitization or other similar programs;

(r) “**Non-Conforming Single Family Residential Mortgages**” means Mortgages on and secured by Single Family Residential Properties that are not Conforming Single Family Residential Mortgages and (i) have a maximum Loan-to-Value of 85%, and/or (ii) are Insured Single Family Residential Mortgages;

(s) “**Other Mortgages**” means (i) Commercial Mortgages and (ii) Residential Construction Mortgages;

(t) “**Portfolio Mortgages**” means Mortgages included in the Mortgage Portfolio;

(u) “**Real Property**” means land, rights or interest in land in Canada (including, without limitation, leaseholds, air rights and rights in condominiums, but excluding Mortgages) and any buildings, structures, improvements and fixtures located thereon;

(v) “**Related Persons**” with respect to a shareholder, means a person who is considered to be related to the shareholder for the purpose of determining the maximum percentage of shares of any class of the Corporation that may be owned, directly or indirectly, by the shareholder and persons related to the shareholder for purposes of paragraph 130.1(6)(d) of the Tax Act;

(w) “**Repurchased Shares**” has the meaning ascribed to it in Section C;

(x) “**Residential Construction Mortgages**” means Mortgages on and secured by Real Property to fund the construction of Single Family Residential Properties;

(y) “**Schedule A Bank**” means Bank of Montreal, The Bank of Nova Scotia, Canadian Imperial Bank of Commerce, The Toronto-Dominion Bank and Royal Bank of Canada;

(z) “**Shareholders**” means holders of Common Shares.

(aa) “**Single Family Residential Mortgages**” means (i) Mortgages that are either (a) Non-Conforming Single Family Residential Mortgages or (b) Conforming Single Family Residential Mortgages, or (ii) Mortgage-Related Securities;

(bb) “**Single Family Residential Properties**” means owner occupied single family detached, semi-detached, freehold townhomes and condominium properties;

(cc) “**Tax Act**” means the *Income Tax Act* (Canada), as amended;

(dd) “**Triggering Transaction**” has the meaning ascribed to it in Section C; and

(ee) “**TSX**” means the Toronto Stock Exchange or any successor thereto.

B. COMMON SHARES

The rights, privileges, restrictions and conditions attaching to the Common Shares are as follows:

1. Voting Rights

The holders of the Common Shares shall be entitled to receive notice of and to attend and vote at all meetings of Shareholders (except where the holders of a specified class or classes of shares, other than Common Shares, are entitled to vote separately or collectively as a class as provided in the applicable share conditions or in the Act) and each Common Share shall confer the right to one vote in person or by proxy at all such meetings of Shareholders.

2. Distributions

(a) Subject to Section B.2(c) below, the holders of the Common Shares shall be entitled to receive, and the Corporation shall pay thereon, Distributions as and when declared from time to time by the board of directors of the Corporation on the Common Shares, out of the assets of the Corporation properly applicable to the payment of Distributions, in an amount determined by the board of directors of the Corporation in their absolute discretion.

(b) Subject to Section B.2(d) below, Distributions will be paid by bank wire through CDS.

(c) Notwithstanding the foregoing, if the board of directors of the Corporation determine that it is in the best interests of the Corporation and Shareholders, the board of directors of the Corporation may declare Distributions payable in kind (including, but not limited to any assets of the Corporation) in amounts determined by the board of directors of the Corporation in their absolute discretion.

3. Liquidation, Dissolution or Winding-up

The holders of the Common Shares shall be entitled to receive, subject to the rights of the holders of another class of shares, the remaining property of the Corporation on the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary.

4. No Fractions

The Corporation may not issue fractions of Common Shares.

C. RESTRICTIONS ON OWNERSHIP OF SHARES

No Shareholder is permitted to hold at any time, directly or indirectly, together with Related Persons, more than 25% of any class or series of the issued shares of the Corporation.

In the event that as determined by the board of directors of the Corporation in its sole discretion, any transaction affecting any Common Shares (each a “**Triggering Transaction**”), if completed, would cause any holder(s) of such Common Shares (each an “**Automatic Repurchase Shareholder**”), together with Related Persons, to hold more than 25% of the Common Shares, that portion of such Common Shares held by each Automatic Repurchase Shareholder which constitutes in excess of 24.9% of the issued Common Shares (the “**Repurchased Shares**”) will, simultaneously with the completion of a Triggering Transaction, automatically be deemed to have been repurchased by the Corporation (an “**Automatic Repurchase**”) without any further action by the Corporation or the Automatic Repurchase Shareholder. The purchase price for any Repurchased Shares will be equal to the 10-day volume weighted average trading price of the Common Shares on the TSX for the 10 days prior to the date on the date of the Triggering Transaction. The proceeds of any Automatic Repurchase will be remitted to each applicable Automatic Repurchase Shareholder within 60 days following the date of the Triggering Transaction.

Schedule B
Other Provisions / Autres dispositions

A. MANNER IN WHICH THE CORPORATION WILL CARRY ON ITS BUSINESS AND EXERCISE ITS POWERS

The investment objectives (the “**Investment Objectives**”) and investment restrictions (the “**Investment Restrictions**”) of the Corporation are set forth below.

1. Investment Objectives

The investment objectives of the Corporation are to acquire and maintain a diversified Mortgage Portfolio comprised primarily of Single Family Residential Mortgages that seeks to preserve capital and generates sufficient income to permit the Corporation to pay monthly distributions to the holders of Common Shares.

2. Investment Restrictions

The Corporation will not make or hold any investment, conduct any activity or take any action or omit to take any action that would result in the Corporation failing to qualify as a “mortgage investment corporation” within the meaning of the Tax Act.

6. The amendment has been duly authorized as required by sections 168 and 170 (as applicable) of the *Business Corporations Act*.
La modification a été dûment autorisée conformément aux articles 168 et 170 (selon le cas) de la *Loi sur les sociétés par actions*.
7. The resolution authorizing the amendment was approved by the shareholders/directors (as applicable) of the corporation on
Les actionnaires ou les administrateurs (selon le cas) de la société ont approuvé la résolution autorisant la modification le

2016/11/30

(Year, Month, Day)
(année, mois, jour)


These articles are signed in duplicate.
Les présents statuts sont signés en double exemplaire.

ECLIPSE RESIDENTIAL MORTGAGE INVESTMENT CORPORATION

(Print name of corporation from Article 1 on page 1)
(Veuillez écrire le nom de la société de l'article un à la page une).

By/
Par :

(Signature)
(Signature)


Craig T. K. Kuchi

(Description of Office)
(Fonction)

Chief Financial Officer



Ministry of
Government Services

Ministère des
Services gouvernementaux

CERTIFICATE
This is to certify that these articles
are effective on

CERTIFICAT
Ceci certifie que les présents statuts
entrent en vigueur le

Ontario Corporation Number
Numéro de la société en Ontario

002367465

MAY 29 MAI, 2013

Director / Directrice

Business Corporations Act / Loi sur les sociétés par actions

Form 3
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Act

Formule 3
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**ARTICLES OF AMENDMENT
STATUTS DE MODIFICATION**

1. The name of the corporation is: (Set out in BLOCK CAPITAL LETTERS)
Dénomination sociale actuelle de la société (écrire en LETTRES MAJUSCULES SEULEMENT) :

E	C	L	I	P	S	E		R	E	S	I	D	E	N	T	I	A	L		M	O	R	T	G	A	G	E		I
N	V	E	S	T	M	E	N	T		C	O	R	P	O	R	A	T	I	O	N									

2. The name of the corporation is changed to (if applicable) : (Set out in BLOCK CAPITAL LETTERS)
Nouvelle dénomination sociale de la société (s'il y a lieu) (écrire en LETTRES MAJUSCULES SEULEMENT) :

3. Date of incorporation/amalgamation:
Date de la constitution ou de la fusion :

2013-04-03

(Year, Month, Day)
(année, mois, jour)

4. **Complete only if there is a change in the number of directors or the minimum / maximum number of directors.**
Il faut remplir cette partie seulement si le nombre d'administrateurs ou si le nombre minimal ou maximal d'administrateurs a changé.

Number of directors is/are: minimum and maximum number of directors is/are:
Nombre d'administrateurs : nombres minimum et maximum d'administrateurs :

Number minimum and maximum
Nombre minimum et maximum

or
ou

5. The articles of the corporation are amended as follows:
Les statuts de la société sont modifiés de la façon suivante :

The attached pages 1a to 1o form a part hereof.

The articles are amended as follows:

- (i) to change the authorized number of shares of the Common Share class from an unlimited number to 100;
- (ii) to change the designation of the Common Shares to a class of shares in the capital of the Corporation designated as 'Voting Shares' (the "Voting Shares"), with the rights, privileges, restrictions and conditions for such Voting Shares set out in Schedule A to the Articles of Amendment;
- (iii) to create a second class of shares in the capital of the Corporation, unlimited in number, designated as 'Class A Shares' (the "Class A Shares"), with the rights, privileges, restrictions and conditions for such Class A Shares set out in Schedule A to the Articles of Amendment;
- (iv) to provide that, after giving effect to the foregoing, the authorized capital of the Corporation shall consist of 100 Voting Shares and an unlimited number of Class A Shares;
- (v) to remove in their entirety the provisions of Article 8 of the Articles restricting the issue, transfer or ownership of shares; and
- (vi) to add to Article 9 of the Articles regarding Other provisions, the provisions of Schedule B to the Articles of Amendment.

Schedule A
Description of Classes of Shares / Description des catégories d'actions

1. The rights, privileges, restrictions and conditions attaching to the Voting Shares (as defined herein) as a class and the Class A Shares (as defined herein) as a class are as follows:

A. INTERPRETATION

1. Unless otherwise provided herein, in the event that any day on or by which any action is required to be taken hereunder is not a Business Day (as defined herein), then such action shall be required to be taken on the next succeeding day that is a Business Day.

2. Unless otherwise provided herein, the term "close of business" means 4:00 p.m. (Toronto time) or such other time as may be established by the Manager (as defined herein).

3. As used herein:

(a) "**Act**" means the *Business Corporations Act* (Ontario), as amended from time to time;

(b) "**Annual Redemption Date**" means the second last Business Day of December in each year, beginning in 2014;

(c) "**Annual Redemption Notice Period**" means the period from the first Business Day of November (annually, starting in 2014) until 4:00 p.m. (Toronto time) on the 15th day of November, or the immediately preceding Business Day in the event that the 15th day of November is not a Business Day;

(d) "**Annual Redemption Payment Date**" means the 10th Business Day of January each year, beginning in 2015;

(e) "**Annual Redemption Price**" means the NAV per Share on the applicable Annual Redemption Date, less any costs associated with the redemption including commissions and other such costs, if any, related to the liquidation of any portion of the Mortgage Portfolio required to fund such redemption;

(f) "**Automatic Repurchase Shareholder**" has the meaning ascribed to it in Section D;

(g) "**Automatic Repurchase**" has the meaning ascribed to it in Section D;

(h) "**Business Day**" means any day on which there is a regular trading session of the TSX;

(i) "**CDS**" means CDS Clearing and Depository Services Inc. and includes any successor corporation or any other depository subsequently appointed by the Company.

(j) "**Class A Shareholder Matter**" means any of the following matters:

(i) a change to the Investment Objectives or Investment Restrictions of the Corporation, unless such changes are necessary to maintain the Corporation's status as a MIC or otherwise to ensure compliance with applicable laws, regulations or other requirements imposed by applicable regulatory authorities from time to time, including the Proposed Amendments;

- (ii) a change in the Manager, other than in connection with (a) the replacement of the Manager with an affiliate of MCAP, (b) following the Manager's resignation pursuant to the terms and conditions of the Management Agreement, or (c) the termination of the Management Agreement and replacement of the Manager effective immediately upon a Manager Event of Default;
 - (iii) any increase in (a) the basis of calculating the Management Fee paid to the Manager or the Mortgage Service Fee paid to the Mortgage Service Provider, or (b) the rate per annum of the Management Fee or the Mortgage Service Fee;
 - (iv) the sale of all or substantially all of the assets of the Corporation other than in the ordinary course of its activities;
 - (v) any amendment, modification or variation in the provisions or rights attaching to the Class A Shares or Voting Shares;
 - (vi) any issuance of Class A Shares when the net proceeds per Class A Share are less than the most recently calculated NAV per Share prior to the date of setting the subscription price for such issuance. For greater certainty, if such NAV per Share is calculated prior to a record date for a Distribution in respect of such Class A Shares being issued, the most recently calculated NAV per Share for purposes of determining the subscription price will be adjusted to account for any Distribution which has been declared payable in respect of such Class A Shares and which will not be received by the subscribers;
 - (vii) a reorganization with, or transfer of assets to, another entity, if: (a) the Corporation ceases to continue after the reorganization or transfer of assets; and (b) the transaction results in Class A Shareholders becoming securityholders in the other entity; or
 - (viii) a reorganization with, or acquisition of assets of, another entity, if (a) the Corporation continues after the reorganization or acquisition of assets; and (b) the transaction results in the securityholders of the other entity holding a majority of the outstanding securities of the Corporation.
- (k) "**Class A Shares**" means the shares in the capital of the Corporation designated as Class A Shares;
- (l) "**Commercial Mortgages**" means Mortgages on and secured by Real Property used for commercial purposes, including retail, industrial, office or multi-unit residential of greater than four units;
- (m) "**Conforming Single Family Residential Mortgages**" means Mortgages on and secured by Single Family Residential Properties that, to MCAP's knowledge, are generally in conformance with Schedule A Banks' Mortgage underwriting standards at the time each Mortgage is underwritten;
- (n) "**Corporation End Date**" has the meaning ascribed to it in Section C.9(b);
- (o) "**Distributions**" means any distributions paid in any form by the Corporation on the Shares, including without limitation (a) dividends in respect of the Class A Shares, (b) payments made on a reduction of stated capital, or (c) any combination of any such distributions;
- (p) "**Extraordinary Resolution**" has the meaning ascribed to it in Section C.2(b)(i).

(q) **"Insured Single Family Residential Mortgages"** means Mortgages on and secured by Single Family Residential Properties that are insured for principal and interest by one of the Mortgage Insurance Companies;

(r) **"Investment Objectives"** means the investment objectives of the Corporation as defined and set forth in article 9 of the articles of the Corporation;

(s) **"Investment Restrictions"** means the investment restrictions of the Corporation as defined and set forth in article 5 of the articles of the Corporation;

(t) **"Loan-to-Value"** means the ratio, expressed as a percentage, determined by $A/B * 100$ where:

A = the principal amount of the Mortgage, together with all other equal and prior ranking mortgages or tranches of mortgages on the Real Property, and

B = the appraised market value of the Real Property securing the Mortgage at the time of funding the Mortgage or any more recent appraisal, whichever occurs later;

(u) **"Management Agreement"** means the management agreement between the Manager and the Corporation, as it may be supplemented, amended and/or restated from time to time in accordance with its terms;

(v) **"Management Fee"** means an annual management fee equal to 0.75% per annum of the NAV, calculated and paid monthly in arrears, plus applicable taxes;

(w) **"Manager"** means Brompton Funds Limited, its successors or assigns, or such other manager appointed by the Corporation from time to time;

(x) **"Manager Event of Default"** occurs if: (I) the Manager becomes bankrupt, insolvent or makes a general assignment for the benefit of its creditors; (II) the Manager ceases to be a resident of Canada for purposes of the Tax Act; (III) the Manager loses any necessary registration, license, designation or other authorization, and cannot rely on an exemption therefrom, required by the Manager to perform its services under the Management Agreement; (IV) the Manager commits a fraudulent act; or (V) the Manager breaches a material term of the Management Agreement which is incurable or which remains uncured for thirty (30) days after notice thereof is provided to the Manager, unless such breach is caused by the Mortgage Consultant's failure to fulfil its obligations under the Mortgage Consulting Agreement;

(y) **"MCAP"** means MCAP Financial Corporation, together with its affiliates and subsidiaries;

(z) **"MIC"** means a "mortgage investment corporation" as defined under the Tax Act;

(aa) **"Mortgage"** means an interest in a mortgage, (or other like instrument, including an assignment of or an acknowledgement of an interest in a mortgage), a hypothecation, a deed of trust, a charge or other security interest of or in Real Property used to secure obligations to repay money by a charge upon the Real Property and, for greater certainty, includes the Portfolio Mortgages;

(bb) **"Mortgage Consultant"** means MCAP Financial LP;

(cc) **"Mortgage Consulting Agreement"** means the mortgage consulting agreement among the Corporation, the Manager and the Mortgage Consultant, as it may be supplemented, amended and/or restated from time to time in accordance with its terms;

(dd) "**Mortgage Insurance Companies**" means Canada Guaranty Mortgage Insurance Company, Canada Mortgage and Housing Corporation and Genworth MI Canada Inc. and all its subsidiaries licensed to provide Mortgage insurance, including without limitation, Genworth Financial Mortgage Insurance Company of Canada;

(ee) "**Mortgage Portfolio**" means the portfolio, composed primarily of Single Family Residential Mortgages but also including Other Mortgages and cash and cash equivalents, owned by the Corporation from time to time;

(ff) "**Mortgage-Related Securities**" means securities where the cash flows received are based on the difference between the interest payments received on a pool of Mortgages and the cost of financing the pool of Mortgages (or otherwise based on the residual interest in such pools after the costs of operating and funding the pools), and where such cash flows may be represented by separate securities or constitute contractual rights under securitization or other similar programs;

(gg) "**Mortgage Services Agreement**" means the mortgage services agreement among the Mortgage Services Provider, the Corporation and the Manager, as it may be supplemented, amended and/or restated from time to time in accordance with its terms;

(hh) "**Mortgage Service Fee**" means an annual fee equal to 0.60% per annum of the NAV, calculated and paid monthly in arrears, plus applicable taxes;

(ii) "**Mortgage Services Provider**" means MCAP Service Corporation;

(jj) "**NAV**" means the net asset value of the Corporation, being the value of the assets of the Corporation less the liabilities of the Corporation, as calculated in accordance with Section E hereof;

(kk) "**NAV per Share**" means the quotient obtained by dividing the NAV of the Corporation on a given day by the total number of outstanding Shares (immediately before any subscriptions for or redemptions of Shares) at the close of business on such day;

(ll) "**Non-Conforming Single Family Residential Mortgages**" means Mortgages on and secured by Single Family Residential Properties that are not Conforming Single Family Residential Mortgages and (i) have a maximum Loan-to-Value of 85%, and/or (ii) are Insured Single Family Residential Mortgages;

(mm) "**Other Mortgages**" means (i) Commercial Mortgages and (ii) Residential Construction Mortgages;

(nn) "**Portfolio Mortgages**" means Mortgages included in the Mortgage Portfolio;

(oo) "**Proposed Amendments**" means the recently published proposed amendments by the Canadian Securities Administration to the regulation of investment funds, including Modernization of Investment Fund Product Regulation (Phase 2), (2013), 36 OSCB (Supp-3);

(pp) "**Prospectus**" means the Final Prospectus of the Corporation dated May 29, 2013;

(qq) "**Real Property**" means land, rights or interest in land in Canada (including, without limitation, leaseholds, air rights and rights in condominiums, but excluding Mortgages) and any buildings, structures, improvements and fixtures located thereon;

(rr) "**Related Persons**" with respect to a shareholder, means a person who is considered to be related to the shareholder for the purpose of determining the maximum percentage of shares of any

class of the Corporation that may be owned, directly or indirectly, by the shareholder and persons related to the shareholder for purposes of paragraph 130.1(6)(d) of the Tax Act;

(ss) "**Repurchased Shares**" has the meaning ascribed to it in Section D;

(tt) "**Residential Construction Mortgages**" means Mortgages on and secured by Real Property to fund the construction of Single Family Residential Properties;

(uu) "**Schedule A Bank**" means Bank of Montreal, The Bank of Nova Scotia, Canadian Imperial Bank of Commerce, The Toronto-Dominion Bank and Royal Bank of Canada;

(vv) "**Service Fee**" means a service fee paid by the Manager to each registered dealer readily identifiable on the records maintained by or on behalf of the Corporation equal to 0.40% annually of the NAV attributable to Class A Shares held by clients of the registered dealers, calculated and paid at the end of each calendar quarter commencing on September 30, 2013, plus applicable taxes;

(ww) "**Shareholders**" means, collectively, holders of Class A Shares and holders of Voting Shares.

(xx) "**Shares**" means, collectively, the Class A Shares and the Voting Shares;

(yy) "**Single Family Residential Mortgages**" means (i) Mortgages that are either (a) Non-Conforming Single Family Residential Mortgages or (b) Conforming Single Family Residential Mortgages, or (ii) Mortgage-Related Securities;

(zz) "**Single Family Residential Properties**" means owner occupied single family detached, semi-detached, freehold townhomes and condominium properties;

(aaa) "**Tax Act**" means the *Income Tax Act* (Canada), as amended;

(bbb) "**Triggering Transaction**" has the meaning ascribed to it in Section D;

(ccc) "**TSX**" means the Toronto Stock Exchange or any successor thereto;

(ddd) "**Valuation Date**" means, for the purposes of calculating NAV and NAV per Share, Thursday of each week and such other days as are determined by the Manager; and

(eee) "**Voting Shares**" means the shares in the capital of the Corporation designated as Voting Shares.

B. VOTING SHARES

The rights, privileges, restrictions and conditions attaching to the Voting Shares are as follows:

1. Priority

In the event of liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or on the occurrence of any other event as a result of which holders of Voting Shares are entitled to a distribution of assets of the Corporation for the purpose of winding-up its affairs, Voting Shares shall rank *pari passu* with the holders of the Class A Shares equally Share for Share without preference or distinction, but in priority to any other shares of the Corporation ranking junior to the Shares.

2. Voting Rights

The holders of the Voting Shares shall be entitled to receive notice of and to attend and vote at all meetings of Shareholders (except where the holders of a specified class or classes of shares, other than Voting Shares, are entitled to vote separately or collectively as a class as provided in the applicable share conditions or in the Act) and each Voting Share shall confer the right to one vote in person or by proxy at all such meetings of Shareholders. For greater certainty and without limitation to any other voting rights the holders of Voting Shares may have, the holders of Voting Shares shall have the exclusive right, voting separately as a class, to vote in respect of any change to the Investment Objectives or Investment Restrictions as may be necessary to maintain the Corporation's status as a MIC or otherwise to ensure compliance with applicable laws, regulations or other requirements imposed by applicable regulatory authorities from time to time.

3. Distributions

The holders of the Voting Shares shall not be entitled to any dividends.

4. Redemption

(a) The Corporation may, at its option, redeem all or, from time to time, any part of the outstanding Voting Shares on payment to the holders thereof, for each Voting Share to be redeemed, an amount equal to the NAV per Share. Before redeeming any Voting Shares, the Corporation shall provide to each person who is a registered holder of Voting Shares to be redeemed (for clarification, the Corporation may select one holder of Voting Shares to exercise this redemption right without exercising the redemption right in respect of another holder of Voting Shares or any other class of shares in the capital of the Corporation), notice of the intention of the Corporation to redeem such Voting Shares. On or after the date so specified for redemption, the Corporation shall pay the NAV per Share to the registered holders of the Voting Shares to be redeemed in such manner as may be determined by the Corporation. In case the outstanding Voting Shares are to be redeemed only in part at any time, the Shares to be redeemed shall be selected by the board of directors of the Corporation in its sole discretion. From and after the date specified for redemption in such notice, the applicable Voting Shares shall be redeemed and cancelled and the holders of the Voting Shares called for redemption shall not be entitled to any rights in respect thereof, except to receive the NAV per Share, subject to any applicable restrictions in the Act and the prior rights of the holders of any other shares of the Corporation.

(b) If the redemption of any of the Voting Shares to be redeemed would be contrary to any provisions of the Act or any other applicable laws, would be contrary to the prior rights of the holders of any other shares of the Corporation or would directly or indirectly result in a breach of Section D, the Corporation shall redeem only the maximum number of Voting Shares that the Corporation determines it is then permitted to redeem, such redemptions to be made from the holder(s) of Voting Shares and at the time determined by the Corporation in its sole discretion.

5. Repurchase

(a) The Corporation may, at its option, repurchase all or, from time to time, any part of the outstanding Voting Shares held by one or more holders of Voting Shares on payment to the holders thereof, for each Share to be repurchased, of an amount equal to the NAV per Share. Before repurchasing any Voting Shares, the Corporation shall provide to each registered holder whose Voting Shares are to be repurchased (for clarification, the Corporation may select one holder of Voting Shares to exercise this repurchase right without exercising the repurchase right in respect of another holder of Voting Shares or any other class of shares in the capital of the Corporation), notice of the intention of the Corporation to repurchase such Voting Shares. On or after the date so specified for repurchase, the Corporation shall pay the NAV per Share to the registered holders of

the Voting Shares to be repurchased in such manner as may be determined by the Corporation in its sole discretion. In case the outstanding Voting Shares are to be repurchased only in part at any time, the Voting Shares to be repurchased shall be selected by the board of directors of the Corporation in its sole discretion. From and after the date specified for repurchase in such notice, the applicable Voting Shares shall be repurchased and cancelled and the holders of the Voting Shares called for repurchase shall not be entitled to any rights in respect thereof, except to receive the NAV per Share so redeemed, subject to any applicable restrictions in the Act.

(b) If the repurchase of any of the Voting Shares to be repurchased would be contrary to any provisions of the Act or any other applicable laws, would be contrary to the prior rights of the holders of any other shares of the Corporation or would directly or indirectly result in a breach of Section D, the Corporation shall repurchase only the maximum number of Voting Shares that the Corporation determines it is then permitted to repurchase, such repurchase to be made from the holder(s) of Voting Shares and at the time determined by the Corporation in its sole discretion.

6. Liquidation, Dissolution or Winding-up

In the event of liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or on the occurrence of any other event as a result of which holders of Voting Shares are entitled to a distribution of assets of the Corporation for the purpose of winding-up its affairs, after satisfaction of all liabilities of the Corporation (or the establishment of reserves or the provision therefor) the holders of Voting Shares shall be entitled to receive, from the assets of the Corporation, on a *pari passu* basis with holders of Class A Shares, for each Voting Share on a *pari passu* basis with each Class A Share, an amount, in cash or property, equal to the NAV per Share. After payment to the holders of the Shares of all amounts so payable to them, holders of the Voting Shares shall be entitled to share in any further distribution of the assets of the Corporation together with any other class or series of shares entitled to share therein.

C. CLASS A SHARES

The rights, privileges, restrictions and conditions attaching to the Class A Shares are as follows:

1. Priority

In the event of liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or on the occurrence of any other event as a result of which holders of Class A Shares are entitled to a distribution of assets of the Corporation for the purpose of winding-up its affairs, the Class A Shares shall rank *pari passu* with the holders of the Voting Shares equally Share for Share without preference or distinction, but in priority to any other shares of the Corporation ranking junior to the Shares.

2. No Voting Rights

(a) Subject to any applicable laws, the holders of the Class A Shares, shall not be entitled to receive notice of, to attend or to vote at any meeting of Shareholders except for meetings at which a Class A Shareholder Matter is to be voted upon, in respect of which the holders of the Class A Shares shall (as applicable as described below) be entitled to receive notice, attend and vote thereon;

(b) In respect of any Class A Shareholder Matter, approval of the holders of Class A Shares must be given at a meeting called and held for the consideration of such matter, as follows (unless otherwise required by applicable laws):

(i) Items (i) through (vi) of the definition of Class A Shareholder Matter require approval by resolution passed by at least 66 2/3 % of the votes cast by Shareholders (an "**Extraordinary Resolution**"); and

(ii) Items (vii) and (viii) of the definition of Class A Shareholder Matter require approval by a resolution passed by at least a simple majority (unless a greater majority is required by applicable laws) of the votes cast by Shareholders.

In addition, any change to the definition of "Class A Shareholder Matter" or to any of the provisions of this Section C.2(b) shall require the same approval of Shareholders as would have otherwise been required to approve such matter prior to such change. Notwithstanding the foregoing, for any matter to be added to the definition of "Class A Shareholder Matter", the approval of Shareholders required shall be determined by the board of directors in its discretion.

(c) At any meetings of holders of the Class A Shares, holders of Class A Shares shall have one vote for each Class A Share held.

(d) The holders of Class A Shares are not entitled to vote separately as a class pursuant to Section 170(1)(a), (b) or (e) of the Act on an amendment to the articles of the Corporation, except as may otherwise be required by Section C.2(b) above.

3. Distributions

(a) Subject to Section C.3(c) and Section C.3(d) below, the holders of the Class A Shares shall be entitled to receive, and the Corporation shall pay thereon, Distributions as and when declared from time to time by the board of directors of the Corporation on the Class A Shares, out of the assets of the Corporation properly applicable to the payment of Distributions, in an amount determined by the board of directors of the Corporation in their absolute discretion.

(b) Subject to Section C.3(d) below, Distributions will be paid by bank wire through CDS.

(c) Notwithstanding the foregoing, the board of directors of the Corporation may, for fiscal planning or other tax efficiency reasons, in its discretion declare that an additional Distribution will be payable to holders of Class A Shares of record on December 31.

(d) Notwithstanding the foregoing, if the board of directors of the Corporation determine that it is in the best interests of the Corporation and Shareholders, the board of directors of the Corporation may declare Distributions payable in kind (including, but not limited to any assets of the Corporation) in an amount determined by the board of directors of the Corporation in their absolute discretion.

4. Purchase for Cancellation

Subject to applicable laws and Section D, the Corporation may at any time or times purchase Class A Shares for cancellation at a price per Class A Share not exceeding the NAV per Share most recently calculated immediately prior to such purchase.

5. Annual Redemption

(a) Subject to Section C.6, commencing in December 2014, each holder of Class A Shares shall be entitled, subject to and upon compliance with the provisions hereof, to require the Corporation to redeem all or any part of the Class A Shares registered in the name of such holder on an Annual Redemption Date at the applicable Annual Redemption Price for each Class A Share so redeemed. Any Distributions declared but unpaid on or before the Annual Redemption Date in respect of Class A Shares tendered for redemption shall also be paid on the Annual Redemption Payment Date.

(b) Each holder of Class A Shares who elects to present and surrender to the Corporation for redemption on an Annual Redemption Date all or any Class A Shares registered in the name of such holder must, by no later than the end of the Annual Redemption Notice Period, deliver a notice of redemption in the form specified by the Corporation at such place or places in Canada as shall be specified by the Corporation from time to time. Payment for Class A Shares deposited shall be calculated as of the Annual Redemption Date immediately following the date upon which the Class A Shares are deposited and shall be made on or before the first Annual Redemption Payment Date after such Annual Redemption Date. Notwithstanding the foregoing, the Manager may from time to time prior to the Annual Redemption Date permit the withdrawal of a redemption notice on such terms and conditions as the Manager may determine, in its sole discretion, provided that such withdrawal will not adversely affect the Corporation. Any expense associated with the preparation and delivery of the redemption notice will be for the account of the Class A Shareholder exercising the redemption privilege. Any notice of redemption delivered after the end of the Annual Redemption Notice Period shall not be acted upon by the Corporation.

(c) Subject to Section C.6, the Corporation shall redeem on the applicable Annual Redemption Date all of the Class A Shares properly surrendered pursuant to the redemption privilege in this Section C.5 at a price per Class A Share equal to the Annual Redemption Price. On or before the applicable Annual Redemption Payment Date, the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Class A Shares, the applicable Annual Redemption Price for each Class A Share so redeemed in cash, by cheque, money order or bank draft. From and after the Annual Redemption Date, the Class A Shares tendered for redemption shall cease to be entitled to any participation in the assets of the Corporation and the holders thereof shall not be entitled to exercise any of their other rights as shareholders in respect thereof other than the right to receive payment of the applicable Annual Redemption Price for each Class A Share so redeemed. Class A Shares which have been surrendered to the Corporation for redemption and which have been redeemed on an Annual Redemption Date shall be deemed to be outstanding until, but not after, the close of business on the Annual Redemption Date.

6. Other Redemption Provisions

(a) The Corporation will not accept for redemption on any Annual Redemption Date, Class A Shares representing more than 15% of the average number of Class A Shares outstanding for the 180-day period immediately preceding the Annual Redemption Date. In the event that the number of Class A Shares tendered for redemption in respect of an Annual Redemption Date, exceeds the limits set forth above, the Corporation will redeem such Class A Shares tendered for redemption and not withdrawn on a pro rata basis.

(b) Notwithstanding the limitations on redemption set forth in Section C.6(a), the board of directors of the Corporation may, in its sole discretion, waive the limitation in respect of all Class A Shares tendered for redemption in respect of any one or more Annual Redemption Dates.

(c) The Corporation may suspend the redemption of Class A Shares or payment of redemption proceeds with the prior permission of the Canadian securities regulators, where required, for any period not exceeding 120 days during which the Manager determines that conditions exist which render impractical the sale of Mortgages comprising 50% or more (by outstanding principal amount) of the Mortgage Portfolio or which impair the ability of the Manager to determine the value of the assets of the Corporation or the Mortgage Portfolio. The suspension may apply to all requests for redemption for Class A Shares received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect. Holders of Class A Shares who have tendered their Class A Shares for redemption in such circumstances shall be notified of the suspension by the Manager and that the redemption will be effected at a price determined on the next Annual Redemption Date, following the termination of the suspension or

such other date as the Manager may determine upon the conditions giving rise to such suspension having ceased to exist or no longer being applicable. All such holders of Class A Shares shall have and shall be advised that they have the right to withdraw such Class A Shares surrendered for redemption. The suspension shall terminate in any event on the first Business Day on which the condition giving rise to the suspension has ceased to exist provided that no other condition under which a suspension is authorized then exists. To the extent not inconsistent with the rules and regulations promulgated by any governmental body having jurisdiction over the Corporation, any declaration of suspension made by the Manager shall be conclusive.

7. Liquidation, Dissolution or Winding-Up

In the event of the liquidation, dissolution or winding-up of the Corporation, or in the event of any other distribution of assets of the Corporation among Shareholders for the purpose of winding-up its affairs, whether voluntary or involuntary, after satisfaction of all liabilities of the Corporation (or the establishment of reserves or other provision therefor), the holders of the Class A Shares shall be entitled to receive, from the assets of the Corporation, on a *pari passu* basis with holders of Voting Shares, for each Class A Share, on a *pari passu* basis with each Voting Share, an amount, in cash or property, equal to the NAV per Share. After payment to the holders of the Shares of all amounts so payable to them, holders of Class A Shares shall be entitled to share in any further distribution of the assets of the Corporation together with any other class or series of shares entitled to share therein.

8. No Fractions

The Corporation may not issue fractions of Class A Shares.

9. Termination of the Corporation

(a) The Corporation shall commence proceedings for its dissolution, liquidation or winding up (i) at any time with the approval of Shareholders by an Extraordinary Resolution passed a duly convened meeting of Shareholders called for the purpose of considering such Extraordinary Resolution; or (ii) if, in the event of the resignation or termination of Manager and a replacement manager is required pursuant to applicable laws, a replacement manager has not been appointed within 120 days of the effective date of resignation or termination, as applicable, on the date which is 60 days following the last day of the aforementioned 120-day period.

(b) In addition to the foregoing, and notwithstanding anything contained herein to the contrary, the board of directors of the Corporation may, at its discretion, with sixty (60) days' prior written notice to Shareholders and subject to applicable law, redeem all of the outstanding Class A Shares if, in the Manager's opinion (in consultation with MCAP), (i) it is no longer economically practical to continue the Corporation, or (ii) it would be in the best interests of the holders of the Class A Shares to terminate the Corporation.

(c) In the case of termination of the Corporation pursuant to Sections C.9(a) or (b), the Corporation shall issue a press release setting forth the details of such termination no later than ten (10) days prior to the effective date of termination.

(d) Upon the termination of the Corporation, the net assets of the Corporation will be distributed to Shareholders in accordance with Sections B.6 and C.7. Prior to the date fixed for the termination of the Corporation (the "**Corporation End Date**"), the Manager will, to the extent practicable, convert the assets of the Corporation to cash. The Manager may, in its discretion and upon not less than 30 days' notice to Shareholders, extend the Corporation End Date by a period of up to 180 days if the Mortgage Portfolio will be unable to be converted to cash prior to such Corporation End Date and the Manager determines that it would be in the best interests of Shareholders to do so. The Corporation

will distribute to Shareholders their pro rata portions of the remaining assets of the Corporation which will include cash and, to the extent liquidation of certain assets is not practicable or the Manager considers such liquidation not to be appropriate prior to the Corporation End Date, unliquidated assets in specie, subject to compliance with any securities or other laws applicable to such distributions.

D. RESTRICTIONS ON OWNERSHIP OF SHARES

No Shareholder is permitted to hold at any time, directly or indirectly, together with Related Persons, more than 25% of any class or series of the issued shares of the Corporation.

In the event that (i) the exercise by any holder of Class A Shares of a redemption right associated with the Class A Shares, or (ii) as determined by the board of directors of the Corporation in its sole discretion, any other transaction affecting any Class A Shares (each a **"Triggering Transaction"**), if completed, would cause any holder(s) of such Class A Shares (each an **"Automatic Repurchase Shareholder"**), together with Related Persons, to hold more than 25% of the Class A Shares, that portion of such Class A Shares held by each Automatic Repurchase Shareholder which constitutes in excess of 24.9% of the issued Class A Shares (the **"Repurchased Shares"**) will, simultaneously with the completion of a Triggering Transaction, automatically be deemed to have been repurchased by the Corporation (an **"Automatic Repurchase"**) without any further action by the Corporation or the Automatic Repurchase Shareholder. The purchase price for any Repurchased Shares will be equal to 100% of the NAV per Share in effect on the date of the Triggering Transaction, less any costs associated with the purchase including commissions and other costs, if any, related to liquidation of any portion of the Mortgage Portfolio, with such purchase. The proceeds of any Automatic Repurchase will be remitted to each applicable Automatic Repurchase Shareholder within 60 days following the date of the Triggering Transaction.

E. CALCULATION OF NET ASSET VALUE

(a) NAV shall be calculated by the Manager at the close of business on each Valuation Date, or on such other dates as may be required by applicable laws or determined by the Manager from time to time, subject to applicable exemptive relief being obtained, if required. The most recently calculated NAV will be available to the public upon request and will be posted at www.bromptongroup.com for this purpose.

(b) In calculating the NAV:

(i) the recorded value of any cash on hand, on deposit or on call, and prepaid expenses will be the cost amount thereof unless the Manager, or its delegate, deems otherwise;

(ii) Mortgages will be stated at fair value, determined by using the effective interest rate method based on a discounted cash flow analysis of the future expected cash flows from the period end to the maturity of the Mortgage. The discount rate used to discount the future expected cash flows of each Mortgage is the aggregate rate produced by taking an appropriate Bank of Canada treasury bond rate at the period end and applying an appropriate credit spread. Interest income is recorded on the accrual basis provided that the Mortgage loan is not impaired. An impaired Mortgage loan is any loan where, in MCAP's opinion, there has been a deterioration of credit quality to the extent that the Corporation no longer has a reasonable assurance as to the timely collection of the full amount of principal and interest. As the Mortgages comprising the Mortgage Portfolio do not trade in actively quoted markets, the Manager will estimate fair value based upon: (i) market interest rates; and (ii) credit spreads for similar loans. The Manager will consider, but not be limited in considering, the following when determining the appropriate credit spread: (A) payment history; (B) value of underlying property securing the loan or Mortgage; (C) overall economic conditions; (D) status of construction or property development (if applicable); and (E) other conditions specific to the Mortgage;

(iii) the value of short-term investments (treasury bills, money market instruments, or similar) will be the cost of such instrument plus accrued interest up to and including the date of calculation;

(iv) the value of any other property will be the value determined by the Manager, or its delegate, which most accurately reflects its fair value; and

(v) all expenses or liabilities will be recorded on an accrual basis.

(c) If an investment cannot be valued under The Canadian Institute of Chartered Accountants Accounting Guideline 18, Investment Companies, or if the Manager determines that the such guidelines are at any time inappropriate under the circumstances, then notwithstanding such guidelines, the Manager will make such valuation as it considers fair and reasonable and, if there is an appropriate industry practice, in a manner consistent with such industry practice for valuing such investment.

(d) The board of directors of the Corporation, together with the Manager, will review and, if required from time to time, consider the appropriateness of the valuation guidelines adopted by the Corporation. As such, at the discretion of the board of directors of the Corporation, the valuation guidelines may be modified, acting reasonably, in good faith and in the best interests of the Class A Shareholders in accordance with current Canadian generally accepted accounting principles. Any material modification of the valuation guidelines will be disclosed, by press release or other timely disclosure document issued by the Corporation.

Schedule B
Other Provisions / Autres dispositions

A. MANNER IN WHICH THE CORPORATION WILL CARRY ON ITS BUSINESS AND EXERCISE ITS POWERS

The investment objectives (the "**Investment Objectives**") and investment restrictions (the "**Investment Restrictions**") of the Corporation are set forth below.

1. Investment Objectives

The investment objectives of the Corporation are to acquire and maintain a diversified Mortgage Portfolio comprised primarily of Single Family Residential Mortgages that seeks to preserve capital and generates sufficient income to permit the Corporation to pay monthly distributions to the holders of Class A Shares.

2. Investment Restrictions

(a) the Corporation will not make or hold any investment, conduct any activity or take any action or omit to take any action that would result in the Corporation failing to qualify as a "mortgage investment corporation" within the meaning of the Tax Act;

(b) at the time of drawdown, the Corporation will not employ borrowing exceeding 25% of the total assets of the Corporation;

(c) at the time of investment, the weighted average term to maturity of Mortgages invested in by the Corporation will not exceed 60 months;

(d) at the time of funding, the weighted average Loan-to-Value of the Mortgage Portfolio will not exceed 80% and no single Portfolio Mortgage will have a Loan-to-Value exceeding 85%, excluding Insured Single Family Residential Mortgages;

(e) at the time of investment, not more than 30% of the principal amount of the Mortgage Portfolio will be secured by second Mortgages, excluding Insured Single Family Residential Mortgages (for greater clarity, a junior position in, or junior tranche of, a first ranking mortgage is not considered a second Mortgage);

(f) at the time of investment, not more than 15% of the principal amount of the Mortgage Portfolio will be comprised of Mortgage-Related Securities;

(g) at the time of investment, not more than 20% of the principal amount of the Mortgage Portfolio will be comprised of Other Mortgages;

(h) the Corporation will not invest in securities other than Mortgages secured by Real Property situated in Canada, Mortgage-Related Securities and cash and cash equivalents;

(i) the Corporation will not invest in Real Property, except that the Corporation may hold Real Property acquired as a result of foreclosure where such foreclosure is necessary to protect the Mortgage investment of the Corporation as a result of a default by the mortgagor and the Corporation will use commercially reasonable best efforts to dispose of any such Real Property acquired on foreclosure;

(j) at the time of investment, not more than 10% of the principal amount of the Mortgage Portfolio will be comprised of Mortgages of the same borrower; and

(k) at the time of investment, not more than 5% of the principal amount of the Mortgage Portfolio will be comprised of Mortgages secured by the same property.

6. The amendment has been duly authorized as required by sections 168 and 170 (as applicable) of the *Business Corporations Act*.
La modification a été dûment autorisée conformément aux articles 168 et 170 (selon le cas) de la *Loi sur les sociétés par actions*.
7. The resolution authorizing the amendment was approved by the shareholders/directors (as applicable) of the corporation on
Les actionnaires ou les administrateurs (selon le cas) de la société ont approuvé la résolution autorisant la modification le

2013/05/29

(Year, Month, Day)
(année, mois, jour)

These articles are signed in duplicate.
Les présents statuts sont signés en double exemplaire.

ECLIPSE RESIDENTIAL MORTGAGE INVESTMENT CORPORATION

(Print name of corporation from Article 1 on page 1)
(Veuillez écrire le nom de la société de l'article un à la page une).

By/
Par :


(Signature)
(Signature)

Moyra E. MacKay

Authorized Signatory / Secretary
(Description of Office)
(Fonction)

Request ID: 015210732
Demande n°:
Transaction ID: 050483308
Transaction n°:
Category ID: CT
Catégorie:

Province of Ontario
Province de l'Ontario
Ministry of Government Services
Ministère des Services gouvernementaux

Date Report Produced: 2013/04/03
Document produit le:
Time Report Produced: 07:58:48
Imprimé à:

Certificate of Incorporation

Certificat de constitution

This is to certify that

Ceci certifie que

ECLIPSE RESIDENTIAL MORTGAGE INVESTMENT CORPORATION

Ontario Corporation No.

Numéro matricule de la personne morale en
Ontario

002367465

is a corporation incorporated,
under the laws of the Province of Ontario.

est une société constituée aux termes
des lois de la province de l'Ontario.

These articles of incorporation
are effective on

Les présents statuts constitutifs
entrent en vigueur le

APRIL 03 AVRIL, 2013



Director/Directrice
Business Corporations Act/Loi sur les sociétés par actions

Request ID / Demande n°

15210732

Ontario Corporation Number
Numéro de la compagnie en Ontario

2367465

FORM 1

FORMULE NUMÉRO 1

BUSINESS CORPORATIONS ACT

/

LOI SUR LES SOCIÉTÉS PAR ACTIONS

ARTICLES OF INCORPORATION
STATUTS CONSTITUTIFS

1. The name of the corporation is: *Dénomination sociale de la compagnie:*
ECLIPSE RESIDENTIAL MORTGAGE INVESTMENT
CORPORATION

2. The address of the registered office is: *Adresse du siège social:*

181 BAY STREET
BROOKFIELD PLACE

Suite 2930

(Street & Number, or R.R. Number & if Multi-Office Building give Room No.)

(Rue et numéro, ou numéro de la R.R. et, s'il s'agit édifice à bureau, numéro du bureau)

TORONTO
CANADA

(Name of Municipality or Post Office)

(Nom de la municipalité ou du bureau de poste)

ONTARIO
M5J 2T3

(Postal Code/Code postal)

3. Number (or minimum and maximum
number) of directors is:
Minimum 1

*Nombre (ou nombres minimal et maximal)
d'administrateurs:*
Maximum 10

4. The first director(s) is/are:

*Premier(s) administrateur(s):*First name, initials and surname
*Prénom, initiales et nom de famille*Resident Canadian State Yes or No
*Résident Canadien Oui/Non*Address for service, giving Street & No.
or R.R. No., Municipality and Postal Code*Domicile élu, y compris la rue et le
numéro, le numéro de la R.R., ou le nom
de la municipalité et le code postal** MARK A.
CARANCI

YES

181 BAY STREET Suite 2930

TORONTO ONTARIO
CANADA M5J 2T3

Request ID / Demande n°

Ontario Corporation Number
Numéro de la compagnie en Ontario

15210732

2367465

5. Restrictions, if any, on business the corporation may carry on or on powers the corporation may exercise.

Limites, s'il y a lieu, imposées aux activités commerciales ou aux pouvoirs de la compagnie.

None.

6. The classes and any maximum number of shares that the corporation is authorized to issue:

Catégories et nombre maximal, s'il y a lieu, d'actions que la compagnie est autorisée à émettre:

The Corporation is authorized to issue an unlimited number of shares of one class, designated as common shares.

Request ID / Demande n°

Ontario Corporation Number
Numéro de la compagnie en Ontario

15210732

2367465

7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series: *Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions que peut être émise en série:*

Not applicable.

Request ID / Demande n°

Ontario Corporation Number
Numéro de la compagnie en Ontario

15210732

2367465

8. The issue, transfer or ownership of shares is/is not restricted and the restrictions (if any) are as follows:

L'émission, le transfert ou la propriété d'actions est/n'est pas restreinte. Les restrictions, s'il y a lieu, sont les suivantes:

No securities of the Corporation, other than non-convertible debt securities, shall be transferred without the consent of either (a) a majority of the directors of the Corporation expressed by a resolution passed at a meeting of the board of directors or by an instrument or instruments in writing signed by a majority of the directors, or (b) the holders of a majority of the outstanding shares of the Corporation entitling the holders thereof to vote in all circumstances (other than a separate class vote of the holders of another class of shares of the Corporation) expressed by a resolution passed at a meeting of such shareholders or by an instrument or instruments in writing signed by the holders of a majority of such shares.

Request ID / Demande n°

Ontario Corporation Number
Numéro de la compagnie en Ontario

15210732

2367465

9. Other provisions, (if any, are):

Autres dispositions, s'il y a lieu:

None.

Request ID / Demande n°

Ontario Corporation Number
Numéro de la compagnie en Ontario

15210732

2367465

10. The names and addresses of the incorporators are

Nom et adresse des fondateurs

First name, initials and last name
or corporate name

*Prénom, initiale et nom de
famille ou dénomination sociale*

Full address for service or address of registered office or of principal place of business
giving street & No. or R.R. No., municipality and postal code

*Domicile élu, adresse du siège social au adresse de l'établissement principal, y compris
la rue et le numéro, le numéro de la R.R., le nom de la municipalité et le code postal*

* MARK A. CARANCI

181 BAY STREET Suite 2930

TORONTO ONTARIO
CANADA M5J 2T3