

SUBSCRIPTION FORM

TO: FIRST ISLAND MORTGAGE INVESTMENT CORPORATION – SERIES IV LTD.
("the Company")

I hereby subscribe at \$1.00 per Share for the number of Class "A" Redeemable Preferred Shares with a par value of \$1.00 per share of the Company set out below ("my Shares") which have been offered to me under the Company's current Offering Memorandum dated February 28, 2011, for the aggregate subscription price set out below ("the Subscription Price"), upon and subject to the terms and conditions of this Subscription including the attached General Terms.

No. of Shares Subscribed for: _____

Total Subscription Price: \$ _____

This is the Name in which my Shares must be registered and the name on the share certificates

In order to induce the Company to accept this Subscription and sell my Shares to me and in addition to the representations, warranties and covenants set out in the General Terms I acknowledge, represent, warrant and covenant to the Company (and if my Shares are being purchased by a partnership, each partner acknowledges, represents, warrants and covenants) as follows:

- (a) if I am the Annuitant/Beneficiary under my Registered Retirement Plan, Registered Retirement Investment Fund or Deferred Profit Sharing Plan described below ("the Plan"), then I am the representative of the Plan with respect to my Shares and I hereby irrevocably authorize and direct the trustee of the Plan to subscribe for and purchase my Shares upon the terms and conditions of this Subscription and to tender the Total Subscription Price in full payment of the subscription price for my Shares and I hereby ratify and affirm the actions to be taken by the trustee of the Plan in furtherance of this Subscription;
- (b) if I am an individual, I have attained the age of majority and have the legal capacity and competence to execute this Subscription and to take all actions required under it;
- (c) if I am a corporation, partnership or other legal entity, I have (and if my Shares are being purchased by a partnership, each partner has) the legal capacity and competence to execute this Subscription and to take all actions and all necessary approvals by directors, shareholders and members, or otherwise, have been given to authorize the execution and delivery of this Subscription;
- (d) I am not a "non-resident" of Canada within the meaning of the *Income Tax Act (Canada)*;
- (e) I am not a "non-Canadian" within the meaning of the *Investment Canada Act*;
- (f) I have received the Offering memorandum before subscribing for my Shares;
- (g) by initialing beside the appropriate subparagraph I confirm that I am (and if my Shares are being purchased by a partnership, I confirm for each partner that the partner is)
 - (1) resident in British Columbia and have received, read, understood and executed the Form 45-106F4 (Risk Acknowledgement) attached as a schedule to this Subscription or

Initial
 - (2) resident in Alberta, Saskatchewan or Manitoba and have received, read, understood and executed the Form 45-106F4 (Risk Acknowledgement) attached as a schedule to this Subscription and am an "eligible investor as defined in National Instrument 45-106F2 or the aggregate cost of my Shares being purchased under this Subscription is less than \$10,000

Initial

These are My Dividend Instructions:

By circling below I confirm my direction to be effective unless and until I otherwise direct the Company in writing that I want my dividends to be issued as to:

- (a) 100% A Preferred Shares at a price of \$1.00 per share (reinvest dividends)
- (b) 100% Cash (by direct deposit per void cheque to be provided) (see reverse for signatures)

**GENERAL TERMS
FOR SUBSCRIPTION OF SHARES OF
FIRST ISLAND MORTGAGE INVESTMENT CORPORATION – SERIES IV LTD.**

1. OFFERING

Under the offering memorandum of the Company certified February 28, 2011, (“the Offering Memorandum”), the Company is offering up to 50,000,000 Class “A” Redeemable Preferred Shares with a par value of \$1.00 per share (“the Shares”).

2. Funds in Trust

In accordance with the requirements of National Instrument 45-106F2 of the British Columbia and Alberta Securities Commissions, the Company will hold the subscription funds advanced by the person who signs and delivers this Subscription to the Company (“the Investor”) in trust for the Investor until midnight on the second business day after this signed Subscription is delivered to the Company.

3. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE COMPANY

The Company represents and warrants to the Investor that:

a) Incorporation

The Company is a corporation incorporated under the laws of the Province of British Columbia, with full power and authority to conduct its business as it is currently being conducted and to own its assets and has secured the authorizations, approvals, permits and orders required by law for the conduct by the Company of its business as it is currently being conducted.

b) Authorization

The Company has authorized the issuance and sale of the Shares under the Offering Memorandum. The Shares, once issued, will represent validly authorized and duly issued shares of the Company.

4. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE INVESTOR

The Investor hereby represents and warrants to and acknowledges, covenants and agrees with the Company that:

(a) No Prospectus

No prospectus has been filed by the Company with any of the securities regulatory authorities of the Provinces of Canada in connection with the issuance of the Shares, the issuance of the Shares is exempt from the prospectus requirements of the *Securities Acts* of Alberta and British Columbia and the rules promulgated thereunder, together with the prospectus requirements of any other applicable securities legislation (collectively, “**the Securities Laws**”) and, as a consequence:

- (1) the investor is restricted from using most of the civil remedies available under the Securities Laws;
- (2) the Investor may not receive information that would otherwise be required to be provided to him under the Securities Laws; and
- (3) the Company is relieved from certain obligations that would otherwise apply under the Securities Laws.

(b) Purchasing as Principal

The Investor is:

- (1) purchasing the subscribed Shares, and will acquire the subscribed Shares, when issued, as principal, for investment and not with a view to resale or distribution; or
- (2) not purchasing the Shares as principal and the Investor:
 - (i) confirms that it is duly authorized to enter into this Subscription and to execute all documentation in connection with the purchase of the subscribed Shares on behalf of each beneficial purchaser;
 - (ii) acknowledges that the Company may be required to disclose to certain regulatory authorities the identity of each beneficial purchaser of the subscribed Shares for whom the Investor may be acting; or

- (iii) confirms that it is a portfolio manager that carries on business in a Canadian province or territory and that it is registered or exempt from registration under the securities laws of that province or territory and that it is purchasing the subscribed Shares for accounts that are fully managed by it.

(c) Investor Has Benefit of Private Placement Exemption

The Investor, if a resident of any province of Canada other than Alberta or British Columbia, is purchasing as principal a sufficient number of the Shares so that the aggregate acquisition cost of the Investor or beneficial subscriber will not be less than the amount as required for the purchase of the subscribed Shares to be exempt from the prospectus and registration requirements under the applicable securities laws of the jurisdiction in which the Investor or beneficial Investor is resident.

(d) Investor is an Accredited Investor

The Investor, if a resident of Ontario (or British Columbia or Alberta if the Investor is relying on the accredited investor exemption in either of such provinces), is purchasing the subscribed Shares as principal for its own account, not for the benefit of any other person, and not with a view to the resale or distribution of all or any of the subscribed Shares, and it is one of the following:

- (1) an individual who, either alone or together with a spouse, beneficially owns financial assets (cash and securities) that have an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$1 million;
- (2) an individual whose net income before taxes exceeded \$200,000 in each of the past two years (or whose net income with that of a spouse exceeded \$300,000 in each of those years) and who has a reasonable expectation of exceeding that net income level in the current year; and
- (3) corporations, trusts, estates, limited partnerships and limited liability partnerships (that have net assets of at least \$5 million).

(e) Resale Restrictions

The Investor has been independently advised as to and is aware of the applicable restrictions on the resale of the subscribed Shares imposed by securities laws in the jurisdiction in which the Investor resides and is aware of the risks and other characteristics of the Shares and of the fact that the Investor may not be able to resell the subscribed Shares except in accordance with applicable securities laws. The Company is not under any obligation to qualify the resale of the Shares under a prospectus or assist the Investor in complying with any exemption from the prospectus requirement or resale restrictions set out under applicable securities laws.

(f) Irrevocable Offer

The Investor's offer to subscribe for the subscribed Shares under this Subscription is unconditional, irrevocable and non-transferable and has not been induced by any warranties or representations with regard to the present or future value of the Shares, that any person will resell or repurchase the subscribed Shares, or that any person will refund the purchase price for the subscribed Shares except under the rights and restrictions attached to the Shares as set out in the constating documents of the Company.

(g) No Review

The Investor understands that no federal, provincial, state or other agency within the Investor's jurisdiction of residence or otherwise has reviewed or passed upon any of the Shares or made any finding or determination concerning the fairness or advisability of this investment.

(h) Consents and Approvals

No consent or approval of any person is required in connection with the execution and delivery of this Subscription by the Investor.

(i) Investment Risk

The subscribed Shares are not being purchased by the Investor as a result of any material information concerning the Company that has not been publicly disclosed and the Investor's decision to tender this offer to acquire the subscribed Shares has not been made as a result of any verbal or written representation as to fact or otherwise made by or on behalf of the Company or any other person. The Investor understands that the purchase of the subscribed Shares involves a high degree of risk and should only be considered by persons who can bear the loss of their entire investment.

(j) Status of Investor

The Investor has such knowledge, skill and experience in business, financial and investment matters so that the Investor is capable of evaluating the merits and risks of an investment in the Shares. To the extent necessary, the Investor has retained, at his, her or its own expense, and relied upon, appropriate professional advice regarding the investment, tax and legal merits and consequences of this Subscription and owning the subscribed Shares.

(k) Not a U.S. Person

The Investor is not a U.S. person (as such term is defined in Regulation S under the Securities Act of 1933 ("the 1933 Act")), which definition includes an individual resident in the United States and an estate or trust of which any executor, administrator or trustee is a U.S. person, and is not purchasing the Shares for the account or benefit of a U.S. person, and it was not offered the Shares in the United States, and did not execute or deliver this agreement or deliver payment for the Shares in the United States.

(l) No Intention to sell to U.S. Persons

The Investor has no intention to distribute either directly or indirectly any of the subscribed Shares in the United States or to U.S. persons.

5. FURTHER ASSURANCES

The Investor covenants and agrees to execute and deliver the further documents and to provide the further assurances as may be required by the Company to give effect to this Subscription.

6. POWER OF ATTORNEY

The Investor hereby irrevocably nominates, constitutes and appoints the President and Secretary of the Company, as the agents and true and lawful attorneys of the Investor to act on behalf of the Investor, whether in the best interest of the Investor or otherwise, with full power and authority in the name, place and stead of the Investor to execute, under seal or otherwise, swear to, acknowledge, deliver and file or record when, as and where required any waiver required under applicable legislation or the constating documents of the Company, waiving the Investor's right to subscribe for a *pro-rata* portion of any securities allotted by the Company after the Investor becomes a member of the Company.

This power of attorney is an irrevocable power coupled with an interest and it shall survive the death, disability, mental infirmity, or bankruptcy of the Investor or the assignment by the Investor of the whole or any part of the interest of the Investor in the Shares.

The Investor agrees to be bound by any representations made and actions taken by the attorneys under this power of attorney in accordance with its terms and hereby waives any and all defences which may be available to the Investor to contest, negate or disaffirm the action of the attorneys or the Company, or both, taken under this power of attorney.

The attorneys and the Company, its directors, officers, employees, advisors and agents shall not be liable for any act done or omitted under this power of attorney for the Investor. The Investor will indemnify the attorneys and the Company, its directors, officers, employees, advisors and agents and hold them harmless against any loss, liability or expense arising out of, or in connection with, any actions taken under this power of attorney.

7. RELIANCE UPON REPRESENTATIONS, WARRANTIES AND COVENANTS

The Investor acknowledges that the foregoing representations and warranties are made by it with the intent that they may be relied upon by the Company and its counsel in determining the eligibility of the Investor to purchase the Shares under the relevant securities laws. The Investor further agrees that by accepting the Shares subscribed for pursuant hereto, at the Closing, it shall be representing and warranting that the foregoing representations and warranties are true as at the Closing with the same force and effect as if they had been made by it as at the Closing and will survive the completion of the sale of such Shares. The Company and its counsel shall be entitled to rely on the representations and warranties of the Investor in this Subscription and the Investor will indemnify and hold harmless the Company for any losses, claims, costs, expenses, damages or liabilities they may suffer or incur which are caused by or arise from, directly or indirectly, their reliance thereon.

8. SURVIVAL OF REPRESENTATIONS, WARRANTIES AND COVENANTS

All the representations, warranties and covenants set out in this Subscription will be true as at the date of this Subscription and on the Closing, as if the representations, warranties and covenants were made at that time and will survive the Closing.

9. CONTRACTUAL RIGHTS OF ACTION

By its acceptance and acknowledgment of this Subscription, the Company expressly awards the Investor the contractual rights of action described in the Offering Memorandum which are incorporated herein by reference.

10. AMENDMENT

Neither this Subscription nor any provisions hereof will be modified, changed, discharged or terminated except by an instrument in writing, signed by the party against whom any waiver, change, discharge or termination is sought.

11. ASSIGNABILITY

Neither this Subscription nor any right, remedy, obligation or liability arising hereunder or by reason hereof will be assignable by either the Company or the Investor without the prior written consent of the other party.

12. APPLICABLE LAW

This Subscription will be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable thereto.

13. INTERPRETATION

The section and other headings contained in this Subscription are for reference purposes only and will not affect the meaning or interpretation of this Subscription. Words imparting the neuter gender include the masculine or feminine gender and words in the singular include the plural and vice versa.

14. NOTICES

All notices and other communications provided for herein will be in writing and will be deemed to have been duly given if delivered personally or sent by registered or certified mail, return receipt requested, postage prepaid or by facsimile or other electronic mails indicating the date of receipt and the signatures of the parties:

- a) If to the Company, at the following address:
Suite #101, 727 Fisgard Street
Victoria, B.C. V8W 1R8
Facsimile: (250) 361-9160
- b) If to the Investor, at the address set out on the signature page of this Subscription.

15. BINDING EFFECT

The provisions of this Subscription will be binding upon and accrue to the benefit of the parties and their respective heirs, legal representatives, successors and permitted assigns, as the case may be.

16. NOTIFICATION OF CHANGES

Each party will notify the other party(ies) upon the occurrence before the Closing of any event that would cause a party's representations, warranties or covenants in this Subscription to be false or incorrect.

17. ENTIRE AGREEMENT

This Subscription constitutes the entire agreement between the Investor and the Company with respect to the subscribed Shares, and there are no other agreements, warranties, representations, conditions or covenants, written or oral, express or implied, in respect of, or which affect, the purchase of the subscribed Shares.

18. COSTS

Except as may otherwise be provided for in this Subscription, the Investor will bear and pay all costs and expenses incurred by the Investor (including any fees and disbursements of any special counsel retained by the Investor) relating to the sale of the subscribed Shares to the Investor.

19. FURTHER ASSURANCES

The Investor and the Company will execute the further assurances and other documents and instruments and do the things as may be necessary to implement and carry out the intent of this Subscription.

20. COUNTERPARTS AND FACSIMILE

This Subscription may be executed in counterparts or by facsimile or both, each counterpart or facsimile of which will be deemed to be an original, but all of which, taken together, and delivered will constitute one Agreement. This Subscription will not be effective until this Subscription or a counterpart thereof has been executed and delivered, by facsimile or otherwise, by each party.

**[END OF GENERAL TERMS FOR SUBSCRIPTION OF SHARES OF
FIRST ISLAND MORTGAGE INVESTMENT CORPORATION – SERIES IV LTD.]**