

Subscription Agreement

April 30, 2024

ALITIS
ASSET MANAGEMENT

Head Office

c/o Alitis Asset Management,
a division of Alitis Investment
Counsel Inc.

Address

101 - 909 Island Highway
Campbell River BC, V9W 2C2

Phone

250-287-4933 (local)
1-800-667-2554 (toll-free)

Email

subscriptions@alitis.ca

Fax

250-287-7736

Website

www.alitis.ca

Alitis Private Mortgage Fund (the "Fund")

Instructions to Subscriber

- 1** All subscriptions must be for a minimum subscription of \$5,000 (unless otherwise agreed to by the Fund).
- 2** All Subscribers must complete all the information in the blanks on page 2 of the Subscription Agreement attached hereto.
- 3** All Subscribers resident in any province or territory of Canada (other than British Columbia) must complete and sign Schedule A - Accredited Investor Status Certificate indicating which category is applicable to them. Certain investors must also complete Schedule A-1 – Form for Individual Accredited Investors.
- 4** All Subscribers resident in British Columbia and acquiring units on reliance of the offering memorandum exemption must complete and sign Schedule B – Risk Acknowledgement for Offering Memorandum Purchasers (British Columbia Only)
- 5** **For the trade to be accepted in the current month, the Subscription Agreement must be completed and the order entered into Fundserv by 1PM PT/4PM ET on Closing Date.**
- 6** All Subscribers must deliver a signed and completed copy of the Subscription Agreement and all required schedules to:

Alitis Private Mortgage Fund
c/o Alitis Asset Management,
101 – 909 Island Hwy. Campbell
River, British Columbia V9W 2C2
Email: subscriptions@alitis.ca
- 7** All Subscribers must arrange an electronic funds transfer in an amount equal to the Total Subscription Price indicated on page 2 of the Subscription Agreement attached hereto, payable to "Alitis Private Mortgage Fund".

Subscription Agreement

Issuer Information and Subscription Amount

Issuer: Alitis Private Mortgage Fund (the "Fund")

Issue: Class "A" or Class "F" trust units of the Fund ("Units")

Price Per Unit: Net Asset Value per Unit (as defined in the Offering Memorandum provided to the Subscriber)

Total Subscription Price: \$ _____

Individual / Joint Subscriber

Name: _____ Address: _____
(Street Address)

Phone: _____
(City, Province)

Email: _____
(Postal Code)

The subscriber is acting with discretionary authority as a portfolio manager

Corporate Subscriber

Name: _____ Name: _____
(Corporation) (Authorized Signatory)

Address: _____ Phone: _____

_____ Email: _____

(City, Province)

(Postal Code)

Dealer / Adviser Information (if applicable)

Dealer Name: _____ Dealer Code: _____

Adviser Name: _____ Rep Code: _____

For special Delivery Instructions or Alternate Registration Instructions for Certificate, please complete Schedule D.

To: Alitis Private Mortgage Fund
(the “Fund”)

And To: Alitis Investment Counsel Inc.
(the “Manager”)

1. **Subscription.** The undersigned (the “Subscriber”) hereby irrevocably tenders to the Fund this subscription which, upon acceptance by the Fund, will constitute an agreement (the “Subscription Agreement”) of the Subscriber with the Fund to purchase from the Fund and, on the part of the Fund, to sell to the Subscriber, the number of Units determined by dividing the Total Subscription Price set out on page 2 hereof by the posted price per Unit on the Closing Date, all on the terms and subject to the conditions set forth in this Subscription Agreement.
2. **Private Placement Offering.** The Subscriber acknowledges that the Units subscribed for hereunder are part of an unlimited offering by the Fund in all provinces and territories of Canada in reliance on the exemptions from the applicable prospectus requirements provided by section 2.3, section 2.5 (other than in Ontario) and section 2.9 (only British Columbia) of National Instrument 45-106 Prospectus Exemptions (“NI 45-106”) and in the Province of Ontario in reliance on equivalent (or substantially equivalent) exemptions contained in the Securities Act (Ontario), as applicable, and in such other jurisdictions as the Fund may determine in reliance upon applicable exemptions from the prospectus, registration and similar requirements of applicable securities laws (collectively, the “Offering”). The Subscriber must purchase a minimum of \$5,000 of Units, unless otherwise agreed to by the Fund.

The Subscriber acknowledges that a Closing may occur with respect to this Subscription Agreement immediately or at any time after the acceptance of this Subscription Agreement by the Fund and the delivery of all required documents by the Subscriber to the Fund.

3. **Agents/Finders.** The Subscriber acknowledges that the dealer disclosed on page 2 of this Subscription Agreement acted as the agent of the Fund in connection with the sale of the Units to the Subscriber.
4. **Definitions.** In this Subscription Agreement, unless the context otherwise requires:

“Blue Sky Laws” means the securities laws of any state of the United States;

“Closing” means the completion of the issue and sale of Units by the Fund to one or more Subscriber(s) under the Offering;

“Closing Date” means the date on which the Closing occurs, as the Fund shall determine in its sole discretion;

“Closing Time” means, with respect to a Closing, 1:00 p.m. (Pacific time) on the Closing Date or such other time as the Fund shall determine in its sole discretion;

“Designated Jurisdictions” means all provinces and territories of Canada and such other jurisdictions as the Fund shall determine in its sole discretion;

“Fund” means Alitis Private Mortgage Fund;

“NI 45-106” has the meaning set out in Section 2 hereof;

“Offering” has the meaning set out in Section 2 hereof;

“Offering Memorandum” means the offering memorandum of the Fund dated April 30, 2024;

“person” means any individual (whether acting as an executor, trustee, administrator, legal representative or otherwise), corporation, firm, partnership, limited partnership, sole proprietorship, syndicate, joint venture, trustee, trust, unincorporated organization or association, and pronouns have a similar extended meaning;

“Regulation S” means Regulation S under the U.S. Securities Act;

“Securities Commissions” means, collectively, the securities commission or other securities regulatory authority in each of the Designated Jurisdictions;

“Securities Laws” means, collectively, the applicable securities laws of each of the Designated Jurisdictions and the respective regulations and rules made and forms prescribed thereunder together with all applicable published policy statements, blanket orders, rulings and notices of the Securities Commissions;

“Subscriber” means the undersigned and **“Subscribers”** means all the subscribers for Units, including the Subscriber;

“Subscription Agreement” means this subscription agreement (including any schedules hereto); the expressions “hereof”, “hereto”, “hereunder”, “herein” and similar expressions mean and refer to this subscription agreement and not to a particular Article or Section, and the expression “Article” or “Section” followed by a number means and refers to the specific article or section of this subscription agreement;

“Subscription Price” has the meaning set out in Section 1;

“United States” has the meaning ascribed to such term in Regulation S;

“U.S. Person” has the meaning ascribed to such term in Regulation S;

“U.S. Securities Act” means the Securities Act of 1933, as amended, of the United States of America; and

“U.S. Securities Laws” means the U.S. Securities Act, the Securities Exchange Act of 1934, as amended, all applicable Blue Sky Laws and all other applicable securities laws of the United States.

5. **Delivery and Payment.** The Subscriber agrees that the following shall be delivered by the Subscriber to the Fund at the address as set forth on the Instruction Form at the front of this Subscription Agreement at such time, date or place as the Fund may advise:
- (a) a completed and duly signed copy of this Subscription Agreement and the schedules hereto, as applicable and as set forth on the Instruction Form at the front of this Subscription Agreement;
 - (b) any other documents required by Securities Laws or as may be necessary or reasonably requested by the Fund; and
 - (c) electronic funds transfer in same day freely transferable Canadian funds to “Alitis Private Mortgage Fund”, equal to the Total Subscription Amount set forth on page 2 hereof payable, or such other method of payment against delivery of the certificates representing the Units as the Fund may accept.

The Subscriber acknowledges and agrees that such schedules and other documents, when executed and delivered by the Subscriber, will form part of and will be incorporated into this Subscription Agreement with the same effect as if each constituted a representation and warranty or covenant of the Subscriber hereunder in favour of the Fund. The Subscriber consents to the filing of such schedules and other documents as may be required to be filed with the Securities Commissions or other securities regulatory authority in connection with the transactions contemplated herein.

6. **Representations and Warranties of the Subscriber.** To induce the Fund to accept this subscription, the Subscriber, on its own behalf, and if applicable, on behalf of others for whom it is hereby acting, represents and warrants as follows (which representations and warranties shall be true as of the Closing Time) and acknowledges that the Fund is relying on such representations and warranties in connection with the transactions contemplated herein:
- (a) If the Subscriber is resident of one of the Qualifying Jurisdictions other than British Columbia, the Subscriber is:
 - (i) subscribing for the Units as principal for its own account or is deemed to be subscribing as principal;
 - (ii) is an “accredited investor” as that term is defined in NI 45-106; and
 - (iii) makes the representations and warranties set forth in the duly completed Schedule A -Accredited Investor Status Certificate (and, if applicable, Schedule A-1 – Form for Individual Accredited Investors) attached hereto and which forms an integral part hereof.
 - (b) If the Subscriber is resident in British Columbia, the Subscriber acknowledges and agrees that it has read and fully understands the Offering Memorandum and has duly completed the risk acknowledgement attached hereto as Schedule B, which forms an integral part hereof. The Subscriber has consulted to the extent deemed appropriate by the Subscriber with the Subscriber's own advisers as to the financial, tax, legal and related matters concerning an investment in Units and on that basis believes that an investment in the Units is suitable and appropriate for the Subscriber. The Subscriber acknowledges and understands that the Fund's counsel is acting as counsel to the Fund and not as counsel to the Subscriber.
 - (c) The Subscriber is not a trust company or trust corporation registered under the laws of Prince Edward Island that is not registered under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in another jurisdiction of Canada and where the Subscriber is not an individual, the Subscriber is not a person created or used solely to purchase or hold securities without a prospectus in reliance on a prospectus exemption.
 - (d) Save and except for the Offering Memorandum, the Subscriber has not received or been provided with a prospectus or other offering memorandum, within the meaning of the Securities Laws, or any sales or advertising literature in connection with the Offering, and the Subscriber's decision to subscribe for the Units was not based upon, and the Subscriber has not received or relied upon, any verbal or written representations as to fact made by or on behalf of the Fund. The Subscriber's decision to subscribe for the Units was based solely upon the terms of the Offering described herein, in the Offering Memorandum and information about the Fund which is publicly available (any such information having been obtained by the Subscriber without independent investigation or verification by the Fund).
 - (e) The Subscriber acknowledges that the Fund may complete additional financings in the future in order to fund the ongoing development of the Fund; that there is no assurance that such financings will be available and, if available, on terms acceptable to the Fund and that any such future financings may have a dilutive effect on current securityholders of the Fund, including the Subscriber.
 - (f) The Subscriber understands that the Units have not been qualified by prospectus under the Securities Laws, or the applicable securities laws of any other jurisdiction, nor is such qualification contemplated, and that the Units are being issued pursuant to exemptions from the prospectus requirements of the Securities Laws. The Subscriber understands that there will be restrictions on the transferability and resale of the Units and that a legend setting out the restrictions on the transferability and resale of the Units will be placed on all certificates evidencing the Units, subject to the requirements of the Securities Laws, any other applicable securities laws.
 - (g) The Subscriber has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Units (including the possible loss of the Subscriber's entire investment in the Units), is able to bear the risks of an investment in the Units and understands the risks of, and other considerations relating to, the subscription for Units.

- (h) If the Subscriber is not a natural person, (i) the Subscriber has the legal capacity and authority to execute and deliver this Subscription Agreement and each other document required to be executed and delivered by the Subscriber in connection with this subscription for Units, and to perform its obligations thereunder and consummate the transactions contemplated thereby and when so executed and delivered will constitute valid and legally binding agreements of the Subscriber; (ii) in the case of a Subscriber that is a corporation, it is duly incorporated and validly subsisting under the laws of the jurisdiction of its incorporation; and (iii) any person signing this Subscription Agreement on behalf of the Subscriber has been duly authorized to execute and deliver this Subscription Agreement and each other document required to be executed and delivered by the Subscriber in connection with this subscription for Units. If the Subscriber is an individual, the Subscriber has all requisite legal capacity to acquire and hold the Units and to execute, deliver and comply with the terms of each of the documents required to be executed and delivered by the Subscriber in connection with this subscription for Units. The execution and delivery by the Subscriber, and compliance by the Subscriber with, this Subscription Agreement and each other document required to be executed and delivered by the Subscriber in connection with this subscription for Units does not conflict with, or constitute a default under, any instruments governing the Subscriber, any law, regulation or order, or any agreement to which the Subscriber is a party or by which the Subscriber is bound. This Subscription Agreement has been duly executed by the Subscriber and, when accepted by the Fund, will constitute a valid and legally binding agreement of the Subscriber, enforceable against the Subscriber in accordance with its terms.
- (i) The Subscriber was offered the Units in the jurisdiction listed in and is resident at the Subscriber's permanent address set forth on page 2 of this Subscription Agreement and intends that the Securities Laws of that jurisdiction shall govern the Subscriber's subscription. Such address is a true and correct address of business or residence of the Subscriber.
- (j) The subscription for the Units has not been made through or as a result of, and the distribution of the Units is not being accompanied by any advertisement, including without limitation in printed public media, radio, television or telecommunications, including electronic display, or as part of a general solicitation.
- (k) None of the funds that the Subscriber is using to subscribe for Units are, to the knowledge of the Subscriber, proceeds obtained or derived, directly or indirectly, as a result of illegal activities. The funds which will be advanced by the Subscriber hereunder will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)* (the "PCMLTFA") and the Subscriber acknowledges that the Fund may in the future be required by law to disclose the Subscriber's name and other information relating to this Subscription Agreement and the Subscriber's subscription hereunder, on a confidential basis, pursuant to the PCMLTFA. To the best of the knowledge of the Subscriber none of the funds to be provided by the Subscriber: (i) have been or will be derived from or related to any activity that is deemed criminal under the laws of Canada, the United States or any other jurisdiction; or (ii) are being tendered on behalf of a person or entity who has not been identified to the Subscriber. The Subscriber agrees that it shall promptly notify the Fund if the Subscriber discovers that any of such representations ceases to be true, and to provide the Fund with appropriate information in connection therewith.
- (l) The representations, warranties and covenants contained in the applicable schedules will be true and correct both as of the date of execution of this Subscription Agreement and as of the Closing Time.
- (m) No person has made any written or oral representations:
- (i) that any person will resell or repurchase any of the Units, other than pursuant to the redemption right of the Units as described in the Offering Memorandum;
 - (ii) that any person will refund the Subscription Price or any portion of the Subscription Price; or
 - (iii) as to the future price or value of the Units.
- (n) No securities commission, agency, governmental authority, regulatory body, stock exchange or other regulatory body has reviewed or passed on the investment merits of the Units nor have any such agencies or authorities made any recommendations or endorsement with respect to the Units.

- (o) The Fund is relying on an exemption from the requirement to provide the Subscriber with a prospectus under Securities Laws and, as a consequence of acquiring the Units pursuant to such exemption:
- (i) certain protections, rights and remedies provided by the Securities Laws, including statutory rights of rescission and certain statutory remedies against an issuer, underwriters, auditors, trustees and officers that are available to investors who acquire securities offered by a prospectus, will not be available to the Subscriber;
 - (ii) the common law may not provide investors with an adequate remedy in the event that they suffer investment losses in connection with securities acquired in a private placement;
 - (iii) the Subscriber may not receive information that would otherwise be required to be given under Securities Laws, and
 - (iv) the Fund is relieved from certain obligations that would otherwise apply under Securities Laws.
- (p) If required by applicable Securities Laws or the Fund, the Subscriber shall execute, deliver and file or assist the Fund in filing such reports, undertakings and other documents with respect to the issue and/or sale of the Units as may be required by any securities commission, stock exchange or other regulatory authority.
- (q) The Subscriber fully understands that: (i) the Fund is not, and currently has no intention of becoming, a reporting issuer under Securities Laws and as a result, the Units have an indefinite statutory hold period; and (ii) the Subscriber will be a minority holder of Units in a private entity.
- (r) The Subscriber is arm's length (within the meaning of Securities Laws) with the Fund and has not received, and does not expect to receive, any financial assistance from the Fund, directly or indirectly, in respect of the Subscriber's purchase of Units.
- (s) In connection with this Subscription Agreement the Manager and the Fund are collecting certain "personal information" as that term is defined in applicable privacy legislation. The Subscriber acknowledges and agrees that the Manager and the Fund shall only use and disclose such personal information for purposes consistent with the purposes for which it was initially collected without first obtaining consent from the Subscriber, such consent not to be unreasonably withheld. In addition to the foregoing, the Subscriber agrees and acknowledges that the Fund may use and disclose the Subscriber's personal information as follows:
- (i) for internal use with respect to managing the contractual relationships and obligations between the Fund and the Subscriber;
 - (ii) for use and disclosure for income tax related purposes, including without limitation, where required by law, disclosure to the Canada Revenue Agency;
 - (iii) disclosure to Securities Commissions and other regulatory bodies with jurisdiction with respect to reports of trades and similar regulatory filings;
 - (iv) disclosure to a governmental or other authority to which the disclosure is required by court order or subpoena compelling such disclosure and where there is no reasonable alternative to such disclosure;
 - (v) disclosure to professional advisers of the Fund in connection with the performance of their professional services;
 - (vi) disclosure to any person where such disclosure is necessary for legitimate business reasons and is made with the prior written consent of the Subscriber;
 - (vii) disclosure to a court determining the rights of the parties under this Subscription Agreement; or
 - (viii) use and disclosure as otherwise required or permitted by law.
- (t) The Subscriber further acknowledges that it has been notified by the Fund:

- (i) of the delivery to the applicable securities regulatory authority or regulator of the Subscriber's personal information (including full name, residential address and telephone number of the Subscriber, the number and type of securities purchased, the total purchase price, the exemption relied upon and the date of distribution);
 - (ii) that the Subscriber's personal information is being collected on behalf of the applicable securities regulatory authority or regulator under the authority granted to it in securities legislation;
 - (iii) that the Subscriber's personal information is being collected for the purposes of the administration and enforcement of the securities legislation of the applicable jurisdiction; and
 - (iv) that public officials in the jurisdictions, as applicable, set out in Schedule B can be contacted regarding any questions about the applicable securities regulatory authority's or regulator's indirect collection of personal information.
- (u) The Subscriber:
- (i) is not a U.S. Person and it is not acquiring the Units for the account or benefit of, a non-discretionary account or similar account of a U.S. Person or for resale in the United States;
 - (ii) has not been offered the Units in the United States, this Subscription Agreement has not been signed in the United States, and the individuals making the order to purchase the Units and executing and delivering this Subscription Agreement on the Subscriber's behalf were not in the United States when the order was placed and when this Subscription Agreement was executed and delivered;
 - (iii) will not offer, sell or otherwise dispose of the Units in the United States or to a U.S. Person unless the Fund has consented to such offer, sale or distribution and such offer, sale or disposition is made in accordance with an exemption from the registration requirements under the U.S. Securities Act and all applicable U.S. Securities Laws or the U.S. Securities and Exchange Commission has declared effective a registration statement in respect of such securities; and
 - (iv) is aware that the Units have not been and will not be registered under the U.S. Securities Act or any Blue Sky Laws and that the Units may not be offered or sold, directly or indirectly, in the United States without registration under the U.S. Securities Act, or any applicable Blue Sky Laws or compliance with requirements of an exemption from registration and the Subscriber acknowledges that the Fund has no present intention of filing a registration statement under the U.S. Securities Act or under any applicable Blue Sky Laws in respect of such securities.
7. **Risk Factors.** The Subscriber is aware that an investment in the Units is subject to certain risks as set forth in the Offering Memorandum.
8. **Conflict of Interest Disclosure.** The Subscriber acknowledges having received, reviewed and considered the Alitis Conflict Disclosure statement which provides detailed information about the relationships between the Manager, its investment pools and the Manager's client accounts and how conflicts of interest are managed. In particular, the subscriber acknowledges and understands that the Fund is a connected issuer of the Manager. The Subscriber is aware that Alitis' conflict of interest disclosure is updated regularly and can be found at www.alitis.ca/conflict_disclosure or provided upon request. By subscribing for Units, the subscriber acknowledges the conflict of interest disclosure appended to the Offering Memorandum and consents to investments by the Fund in accordance with its investment objectives, strategies and process described herein and in accordance with Alitis' conflict of interest disclosure.
9. **Covenants of the Fund.** To induce the Subscriber to tender this subscription offer, the Fund covenants and agrees as follows:
- (a) to offer, sell, issue and deliver the Units pursuant to exemptions from the prospectus requirements of the Securities Laws and otherwise fulfill all legal requirements required to be fulfilled by the Fund (including without limitation, compliance with all Securities Laws) in connection with this Offering; and

- (b) to file any documents, reports and information, in the required form and within the prescribed time periods, required to be filed by Securities Laws in connection with this Offering, together with any applicable filing fees.
10. **Acceptance or Rejection.** The Fund will have the right to accept or reject this subscription in whole or in part at any time and the Fund reserves the right to allot to the Subscriber less than the amount of Units subscribed for under this Subscription Agreement. The Fund will be deemed to have accepted this offer upon the Fund's execution of the acceptance form at the end of this Subscription Agreement.
 11. **Further Advice and Assurances.** All information which the Subscriber has provided to the Fund is correct and complete as of the date hereof, and the Subscriber agrees to notify the Fund immediately if any representation or warranty contained in this Subscription Agreement, including any information provided pursuant to the schedules hereto, becomes untrue prior to Closing. The Subscriber agrees to provide such information and execute and deliver such documents as the Fund may reasonably request to verify the accuracy of the Subscriber's representations and warranties herein or to comply with any law or regulation to which the Fund may be subject.
 12. **Securities Laws.** The Subscriber acknowledges and agrees that the acceptance of this offer will be conditional upon the issuance and sale of the Units to the Subscriber being exempt from any prospectus requirements of all applicable Securities Laws and the equivalent provisions of securities laws of any other applicable jurisdiction. The Subscriber understands that a report of the sale of the Units will be filed with the appropriate Securities Commissions.
 13. **Resale Restrictions.** The Subscriber understands and acknowledges that the Units will be subject to certain resale restrictions under applicable Securities Laws and the Subscriber agrees to comply with such restrictions. The Subscriber also acknowledges that it has been advised to consult its own legal advisors with respect to all aspects of the Subscriber's investment in the Units pursuant to the Offering, including applicable resale restrictions, and that it is solely responsible (and neither the Fund nor its representatives are in any manner responsible) for complying with such restrictions.
 14. **Subscriber's Expenses.** The Subscriber acknowledges and agrees that all costs and expenses incurred by the Subscriber (including any fees and disbursements of counsel retained by the Subscriber) relating to the purchase of the Units shall be borne by the Subscriber.

15. **Indemnity.** The Subscriber understands that the information, representations and warranties provided herein (including the schedules hereto) will be relied upon by the Fund and the Manager for the purpose of determining the eligibility of the Subscriber to subscribe for Units. The Subscriber agrees to provide, if requested, any additional information that may reasonably be required to determine the eligibility of the Subscriber to subscribe for Units. The Subscriber agrees to indemnify and hold harmless the Fund and the Manager (and their respective trustee(s), director(s), officer(s), employee(s) and agent(s)) from and against any loss, damage or liability due to or arising out of a breach of any representation, warranty or agreement of the Subscriber contained in this Subscription Agreement (including the schedules hereto) or in any other document provided by the Subscriber to the Fund in connection with the Subscriber's investment in Units. This indemnity shall survive the closing of the subscription for Units contemplated herein and the sale of the Units thereafter. The Subscriber agrees that by accepting the Units, the Subscriber is representing and warranting that the information, representations and warranties provided herein are true as at the Closing Time with the same force and effect as if they had been made by the Subscriber at the Closing Time. The Subscriber undertakes to immediately notify the Fund of any change in any statement or other information relating to the Subscriber set forth in this Subscription Agreement or in the applicable schedules which takes place prior to Closing.
16. **Binding Effect.** The Subscriber and the Fund each intend that this Subscription Agreement when accepted will constitute valid and legally binding agreements of the Subscriber and the Fund.
17. **Miscellaneous.** This Subscription Agreement is not assignable. The representations and warranties made by the Subscriber in this Subscription Agreement shall survive the closing of the transactions contemplated hereby and any investigation made by the Fund. Notwithstanding the place where this Subscription Agreement may be executed by any of the parties, the parties expressly agree that all terms and provisions hereof shall be construed under the laws of the Province of British Columbia.
18. **Language of Documents.** The parties hereto confirm their express wish that this Subscription Agreement and all documents and agreements directly or indirectly relating thereto be drawn up in the English language. Les parties reconnaissent leur volonté expresse que la présente entente de souscription ainsi que tous les documents et contrats s'y rattachant directement ou indirectement soient rédigés en anglais.
19. **Counterparts.** The Fund shall be entitled to rely on delivery by facsimile or other electronic transmission of an executed copy of this Subscription Agreement in counterparts, and acceptance by the Fund of such copy shall be legally effective to create a valid and binding agreement between the Fund and the Subscriber in accordance with the terms hereof.
20. **Currency.** Unless otherwise noted all references to currency herein shall be to lawful money of Canada.
21. **Entire Agreement.** This Subscription Agreement constitutes the entire agreement between the Fund and the Subscriber pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Fund and the Subscriber.
22. **Effective Date.** This Subscription Agreement is intended to and shall take effect on the date upon which it is accepted by the Fund, notwithstanding its actual date of execution or delivery by any of the parties.

IN WITNESS WHEREOF the undersigned has executed this Subscription Agreement on the _____ day of _____, 20_____.

If Subscriber is an individual:

Signature of Subscriber

Name of Subscriber

If Subscriber is NOT an individual:

Name of Subscriber

Signature of Authorized Signatory

Name of Authorized Signatory

Title of Authorized Signatory

Acceptance

The foregoing is acknowledged, accepted and agreed to this _____ day of _____, 20_____.

ALITIS PRIVATE MORTGAGE FUND, by its manager and agent, Alitis Asset Management, a division of Alitis Investment Counsel Inc.

Per: _____
Authorized Signatory

Schedule A Accredited Investor Status Certificate

The undersigned Subscriber hereby represents and warrants to the Fund, as an integral part of its Subscription Agreement to which this certificate is attached, that the Subscriber is resident in a province or territory of Canada and that the Subscriber is an “accredited investor” as defined in section 1.1 of National Instrument 45-106 *Prospectus Exemptions* (“NI 45-106”) or in section 73.3(1) of the *Securities Act* (Ontario) (the “OSA”) and accordingly is correctly and in all respects described by the category or categories set forth directly next to which the Subscriber has marked below.

[Mark below the category or categories which describes you]

- 1. If resident outside of Ontario, a Canadian financial institution, or a Schedule III bank. If resident in Ontario, a financial institution described in paragraph 1, 2 or 3 of subsection 73.1(1) of the OSA.
- 2. The Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada).
- 3. A subsidiary of any person referred to in paragraphs (1) or (2) (location of residency specific, as applicable), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary.
- 4. If resident outside of Ontario, a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer. If resident in Ontario, a person registered under the securities legislation of a province or territory of Canada as an adviser or dealer, except as otherwise prescribed by the regulations of the OSA.
- 5. An individual registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (4) (location of residency specific).
- 6. An individual formerly registered under the securities legislation of a jurisdiction of Canada, other than an individual formerly registered solely as a representative of a limited market dealer under one or both of the OSA or the *Securities Act* (Newfoundland and Labrador).
- 7. The Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada.
- 8. A municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l’île de Montreal or an intermunicipal management board in Quebec.
- 9. Any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government.
- 10. A pension fund that is regulated by the Office of the Superintendent of Financial Institutions (Canada), a pension commission or similar regulatory authority of a jurisdiction of Canada.

- 11. An individual who, either alone or with a spouse, beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$1,000,000. **[If this category is marked, please complete Schedule A-1]**
- 12. An individual who beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$5,000,000.
- 13. An individual whose net income before taxes exceeded \$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse exceeded \$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year. **[If this category is marked, please complete Schedule A-1]**
- 14. An individual who, either alone or with a spouse, has net assets of at least \$5,000,000. **[If this category is marked, please complete Schedule A-1]**
- 15. A person, other than an individual or investment fund, that has net assets of at least \$5,000,000, as shown on its most recently prepared financial statements.
- 16. An investment fund that distributes or has distributed its securities only to:
 - (i) a person that is or was an accredited investor at the time of the distribution;
 - (ii) a person that acquires or acquired securities in the circumstances referred to in sections 2.10 [minimum amount investment], or 2.19 [additional investment in investment funds] of NI 45-106; or
 - (iii) a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 [investment fund reinvestment] of NI 45-106.
- 17. An investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Quebec, the securities regulatory authority, has issued a receipt.
- 18. A trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be.
- 19. A person acting on behalf of a fully managed account managed by that person if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction.
- 20. A registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded.
- 21. An entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (1) through (4) or paragraph (10) (location of residency specific, as applicable) in form and function.
- 22. A person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors.
- 23. An investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser.
- 24. A person that is recognized or designated by the securities regulatory authority or, except in Ontario and Quebec, in Ontario and Quebec, the regulator as an accredited investor.

- 25. A trust established by an accredited investor for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's spouse, a former spouse of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of that accredited investor, of that accredited investor's spouse or of that accredited investor's former spouse.
- 26. If resident in Ontario, a person that is recognized or designated by the Ontario Securities Commission as an accredited investor.
- 27. If resident in Ontario, such other person as may be prescribed by the regulations of the OSA.

Dated this _____ day of _____, 20_____.

Signature of Subscriber

Name of Subscriber

Address of Subscriber

For the purposes hereof:

- (a) “bank” means a bank named in Schedule I or II of the Bank Act (Canada).
- (b) “Canadian financial institution” means:
 - (i) an association governed by the Cooperative Credit Associations Act (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act, or
 - (ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services corporation, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada.
- (c) "control person" has the meaning ascribed to that term in securities legislation except in Manitoba, Newfoundland and Labrador, the Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island and Quebec, where "control person" means any person that holds or is one of a combination of persons that holds
 - (i) a sufficient number of any of the securities of an issuer so as to affect materially the control of the issuer, or
 - (ii) more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holding of those securities does not affect materially the control of that issuer.
- (d) "eligibility adviser" means
 - (i) a person that is registered as an investment dealer and authorized to give advice with respect to the type of security being distributed, and
 - (ii) in Manitoba, also means a lawyer who is a practising member in good standing with a law society of a jurisdiction of Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not:
 - (A) have a professional, business or personal relationship with the issuer, or any of its directors, executive officers, founders or control persons, and
 - (B) have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months.
- (e) “executive officer” means, for an issuer, an individual who is:
 - (i) a chair, vice-chair or president;
 - (ii) a vice-president in charge of a principal business unit, division or function including sales, finance or production; or
 - (iii) performing a policy making function in respect of the issuer.
- (f) "financial assets" means (i) cash, (ii) securities or (iii) a contract of insurance, a deposit or an evidence of deposit that is not a security for the purposes of securities legislation.
- (g) “founder”, means, in respect of an issuer, a person who,
 - (i) acting alone, in conjunction or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and
 - (ii) at the time of the distribution or trade is actively involved in the business of the issuer.

- (h) “fully managed account” means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client’s express consent to a transaction.
- (i) “investment fund” has the same meaning as in National Instrument 81-106 Investment Fund Continuous Disclosure.
- (j) “jurisdiction” means a province or territory of Canada except when used in the term foreign jurisdiction.
- (k) “non-redeemable investment fund” has the same meaning as in National Instrument 81-106 Investment Fund Continuous Disclosure.
- (l) “person” includes
 - (i) an individual;
 - (ii) a corporation;
 - (iii) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and
 - (iv) an individual or other person in that person’s capacity as a trustee, executor, administrator or personal or other legal representative.
- (m) “related liabilities” means
 - (i) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or
 - (ii) liabilities that are secured by financial assets.
- (n) “Schedule III bank” means an authorized foreign bank named in Schedule III of the Bank Act (Canada).
- (o) “spouse” means an individual who:
 - (i) is married to another individual and is not living separate and apart within the meaning of the Divorce Act (Canada), from the other individual;
 - (ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender; or
 - (iii) in Alberta, is an individual referred to in paragraph (i) or (ii), or is an adult interdependent partner within the meaning of the Adult Interdependent Relationships Act (Alberta).
- (p) “subsidiary” means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary.

Schedule A-1 Form for Individual Accredited Investors (45-106F9)

WARNING!
 This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.

SECTION 1	
1. About your investment	
Type of securities: <i>Trust Units</i>	Issuer: <i>Alitis Private Mortgage Fund</i>
Purchased from Issuer: Yes	
SECTIONS 2 TO 4 TO BE COMPLETED BY THE PURCHASER	
2. Risk acknowledgement	
This investment is risky. Initial that you understand that:	Your initials
Risk of loss – You could lose your entire investment of \$ _____ [Insert the total dollar amount of the investment]	
Liquidity risk – You may not be able to sell your investment quickly – or at all.	
Lack of information – You may receive little or no information about your investment.	
Lack of advice – You will not receive advice from the salesperson about whether this investment is suitable for you unless the salesperson is registered. The salesperson is the person who meets with, or provides information to, you about making this investment. To check whether the salesperson is registered, go to www.aretheyregistered.ca .	
3. Accredited investor status	
You must meet at least one of the following criteria to be able to make this investment. Initial the statement that applies to you. (You may initial more than one statement.) The person identified in section 6 is responsible for ensuring that you meet the definition of accredited investor. That person, or the salesperson identified in section 5, can help you if you have questions about whether you meet these criteria.	Your initials
<ul style="list-style-type: none"> • Your net income before taxes was more than \$200,000 in each of the 2 most recent calendar years, and you expect it to be more than \$200,000 in the current calendar year. (You can find your net income before taxes on your personal income tax return.) 	
<ul style="list-style-type: none"> • Your net income before taxes combined with your spouse's was more than \$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than \$300,000 in the current calendar year. 	

<ul style="list-style-type: none"> • Either alone or with your spouse, you own more than \$1 million in cash and securities, after subtracting any debt related to the cash and securities. 	
<ul style="list-style-type: none"> • Either alone or with your spouse, you have net assets worth more than \$5 million. (Your net assets are your total assets (including real estate) minus your total debt.) 	
4. Your name and signature	
By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form. <i>[Note: The information in sections 1, 5 and 6 must be completed before the Purchaser completes and signs the form.]</i>	
First and last name (please print):	
Signature:	Date:
SECTION 5 TO BE COMPLETED BY THE SALESPERSON	
5. Salesperson information	
<i>[Instruction: The salesperson is the person who meets with, or provides information to, the purchaser with respect to making this investment. That could include a representative of the issuer or selling security holder, a registrant or a person who is exempt from the registration requirement.]</i>	
First and last name of salesperson (please print):	
Telephone:	Email:
Name of firm (if registered):	
SECTION 6 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
6. For more information about this investment, please contact:	
<p>Issuer: Alitis Private Mortgage Fund Manager: Alitis Asset Management, a division of Alitis Investment Counsel Inc. 101 – 909 Island Hwy. Campbell River, British Columbia V9W 2C2 Email: subscriptions@alitis.ca Phone No.: (250) 287-4933 Fax No.: (250) 287-7736 Website: www.alitis.ca</p> <p>For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at www.securities-administrators.ca.</p>	

For more information on the exempt market, call your local securities regulatory authority or regulator or:

British Columbia Securities Commission

P.O. Box 10142, Pacific Centre 701
West Georgia Street
Vancouver, British Columbia V7Y 1L2
Telephone: (604) 899-6500
Toll free in British Columbia and Alberta 1-800-373-6393
Facsimile: (604) 899-6506

Alberta Securities Commission

4th Floor, 300 – 5th Avenue SW
Calgary, Alberta T2P 3C4
Telephone: (403) 297-6454
Facsimile: (403) 297-6156

Saskatchewan Financial and Consumer Affairs Authority

6th Floor, 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 3V7
Telephone: (306) 787-5879
Facsimile: (306) 787-5899

The Manitoba Securities Commission

500-400 St. Mary Avenue
Winnipeg Manitoba R3C 4K5
Telephone: (204) 945-2561
Facsimile: (204) 945-0330

Ontario Securities Commission

20 Queen Street West, 20th Floor
Toronto, ON M5H 3S8
Telephone: 416-593-8314
Facsimile: 416-593-8122

Autorité des marchés financiers

800, Square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montréal, Québec H4Z 1G3
Telephone: (514) 395-0337
Or 1 877 525-0337
Facsimile: (514) 864-3681

New Brunswick Securities Commission

133 Prince William Street, Suite 606
Saint John, New Brunswick E2L 2B5
Telephone: (506) 658-3060
Facsimile: (506) 658-3059

Nova Scotia Securities Commission

2nd Floor, Joseph Howe Building 1690
Hollis Street
Halifax, Nova Scotia B3J 3J9
Telephone: (902) 424-7768
Facsimile: (902) 424-4625

Prince Edward Island Securities Office

95 Rochford Street, P.O. Box 2000
Charlottetown, Prince Edward Island
C1A 7N8
Telephone: (902) 368-4569
Facsimile: (902) 368-5283

Securities Commission of Newfoundland and Labrador

P.O. Box 8700 2nd Floor,
West Block Confederation Building
St. John's, Newfoundland and Labrador
A1B 4J6
Telephone: (709) 729-4189
Facsimile: (709) 729-6187

**Government of Yukon
Department of Community Services**

307 Black St., 1st Floor
P.O. Box 2703, C-6
Whitehorse, Yukon Y1A 2C6
Telephone: (867) 667-5466
Facsimile: (867) 393-6251

**Government of Northwest Territories
Department of Justice Securities
Registry**

1st Floor Stuart M. Hodgson Building
5009 – 49th Street
Yellowknife, Northwest Territories X1A
2L9
Telephone: (867) 920-3318
Facsimile: (867) 873-0243

**Government of Nunavut
Department of Justice Legal Registries
Division**

P.O. Box 1000 – Station 570
1st Floor, Brown Building
Iqaluit, Nunavut X0A 0H0
Telephone: (867) 975-6190
Facsimile: (867) 975-6194

You must sign 2 copies of this form. You and Alitis Private Mortgage Fund must each receive a signed copy.

Schedule B Form 45-106F4 - Risk Acknowledgement

(for Offering Memorandum Purchasers in British Columbia only)

WARNING!

This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.

1. Risks and other information	Your Initials
Risk of loss – You could lose your entire investment of \$_____.	
No approval – No securities regulatory authority or regulator has evaluated or approved the merits of these securities or the disclosure in the offering memorandum.	
Liquidity risk – You will not be able to sell these securities except in very limited circumstances. You may never be able to sell these securities.	
Repurchase – You have a right to require the issuer to repurchase the securities, but there are limitations on this right.	
You are buying Exempt Market Securities – They are called <i>exempt market securities</i> because the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections). <i>Exempt market securities</i> are more risky than other securities.	
The securities you are buying are not listed – The securities you are buying are not listed on any stock exchange, and they may never be listed.	
<p>The issuer of your securities is a non-reporting issuer – A <i>non-reporting issuer</i> does not have to publish financial information or notify the public of changes in its business. You may not receive ongoing information about this issuer.</p> <p>For more information on the exempt market, contact your local securities regulator. You can find contact information at www.securities-administrators.ca.</p>	
Total investment – You are investing \$_____ in total; this includes any amount you are obliged to pay in future. Alitis Private Mortgage Fund will pay <u>\$0.00</u> of this to _____ as a fee or commission.	

Your name and signature	
By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form.	
First and last name (print):	
Signature:	Date:

2. Salesperson information	
First and last name of salesperson (print):	
Telephone:	Email:
Name of firm:	

3. Additional information
<p>You have 2 business days to cancel your purchase.</p> <p>To do so, send a notice to Alitis Private Mortgage Fund stating that you want to cancel your purchase. You must send the notice before midnight on the 2nd business day after you sign the agreement to purchase the securities. You can send the notice by fax or email or deliver it in person to Alitis Private Mortgage Fund at its business address. Keep a copy of the notice for your records.</p> <p>Alitis Private Mortgage Fund c/o Alitis Asset Management, a division of Alitis Investment Counsel Inc. 101-909 Island Hwy, Campbell River, British Columbia, V9W 2C2 Fax: 250-287-7736 Email: info@alitis.ca</p>
<p>You will receive an offering memorandum.</p> <p>Read the offering memorandum carefully because it has important information about the issuer and its securities. Keep the offering memorandum because you have rights based on it. Talk to a lawyer for details about these rights.</p>

Schedule C Contact Information for Canadian Provinces and Territories

Alberta Securities Commission

Suite 600, 250 – 5th Street SW
Calgary, Alberta T2P 0R4
Telephone: (403) 297-6454
Toll free in Canada: 1-877-355-0585
Facsimile: (403) 297-2082

British Columbia Securities Commission

P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Inquiries: (604) 899-6854
Toll free in Canada: 1-800-373-6393
Facsimile: (604) 899-6581
Email: FOI-privacy@bcsc.bc.ca

The Manitoba Securities Commission

500 – 400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5
Telephone: (204) 945-2561
Toll free in Manitoba 1-800-655-5244
Facsimile: (204) 945-0330

Financial and Consumer Services Commission (New Brunswick)

85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2J2
Telephone: (506) 658-3060
Toll free in Canada: 1-866-933-2222
Facsimile: (506) 658-3059
Email: info@fcbn.ca

Nova Scotia Securities Commission

Suite 400, 5251 Duke Street
Duke Tower
P.O. Box 458
Halifax, Nova Scotia B3J 2P8
Telephone: (902) 424-7768
Facsimile: (902) 424-4625

Government of Newfoundland and Labrador Financial Services Regulation Division

P.O. Box 8700
Confederation Building
2nd Floor, West Block
Prince Philip Drive
St. John's, Newfoundland and Labrador
A1B 4J6
Attention: Director of Securities
Telephone: (709) 729-4189
Facsimile: (709) 729-6187

Government of the Northwest Territories Office of the Superintendent of Securities

P.O. Box 1320
Yellowknife, Northwest Territories X1A 2L9
Attention: Deputy Superintendent,
Legal & Enforcement
Telephone: (867) 767-9305
Facsimile: (867) 873-0243

Government of Nunavut Department of Justice Legal Registries Division

P.O. Box 1000, Station 570
1st Floor, Brown Building
Iqaluit, Nunavut X0A 0H0
Telephone: (867) 975-6590
Facsimile: (867) 975-6594

Ontario Securities Commission

20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
Telephone: (416) 593- 8314
Toll free in Canada: 1-877-785-1555
Facsimile: (416) 593-8122
Email: exemptmarketfilings@osc.gov.on.ca
Public official contact regarding
indirect collection of information:
Inquiries Officer

Prince Edward Island Securities Office

95 Rochford Street, 4th Floor Shaw
Building
P.O. Box 2000
Charlottetown, Prince Edward Island
C1A 7N8
Telephone: (902) 368-4569
Facsimile: (902) 368-5283

Autorité des marchés financiers

800, Square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montréal, Québec H4Z 1G3
Telephone: (514) 395-0337 or 1-877-
525-0337
Facsimile: (514) 873-6155 (For filing
purposes only)
Facsimile: (514) 864-6381 (For privacy
requests only)
Email:
financementdessocietes@lautorite.qc.
ca (For corporate finance issuers);
fonds_dinvestissement@lautorite.qc.c
a (For investment fund issuers)

Financial and Consumer Affairs Authority of Saskatchewan

Suite 601 - 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2
Telephone: (306) 787-5842
Facsimile: (306) 787-5899

Government of Yukon Department of Community Services

307 Black St., 1st Floor
P.O. Box 2703, C-6
Whitehorse, Yukon Y1A 2C6
Telephone: (867) 667-5466
Facsimile: (867) 393-6251
Email: securities@gov.yk.ca

Schedule D Special Registration and Delivery Instructions

Alternate Registration Instructions for Certificate

The name and address of the person to whom the certificates representing the Units are to be registered, if other than in the name of the Subscriber, should be set forth below.

Name: _____ Address: _____

(Street Address)

(City, Province)

(Postal Code)

Delivery Instructions

The name and address (including contact name and telephone number) of the person to whom the certificates representing the Units are to be delivered, if other than the Subscriber, should be set forth below.

Name: _____ Address: _____

(Street Address)

Phone: _____ (City, Province)

Contact Name: _____ (Postal Code)