



Certificate of Amendment

Canada Business Corporations Act

Certificat de modification

Loi canadienne sur les sociétés par actions

Trez Capital Senior Mortgage Investment Corporation

Corporate name / Dénomination sociale

832936-2

Corporation number / Numéro de société

I HEREBY CERTIFY that the articles of the above-named corporation are amended under section 178 of the *Canada Business Corporations Act* as set out in the attached articles of amendment.

JE CERTIFIE que les statuts de la société susmentionnée sont modifiés aux termes de l'article 178 de la *Loi canadienne sur les sociétés par actions*, tel qu'il est indiqué dans les clauses modificatrices ci-jointes.

Marcie Girouard

Director / Directeur

2013-11-30

Date of Amendment (YYYY-MM-DD)

Date de modification (AAAA-MM-JJ)



Form 4
Articles of Amendment
Canada Business Corporations Act
(CBCA) (s. 27 or 177)

Formulaire 4
Clauses modificatrices
Loi canadienne sur les sociétés par
actions (LCSA) (art. 27 ou 177)

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- 1 Corporate name
Dénomination sociale
Trez Capital Senior Mortgage Investment Corporation
-
- 2 Corporation number
Numéro de la société
832936-2
-
- 3 The articles are amended as follows
Les statuts sont modifiés de la façon suivante

See attached schedule / Voir l'annexe ci-jointe

-
- 4 Declaration: I certify that I am a director or an officer of the corporation.
Déclaration : J'atteste que je suis un administrateur ou un dirigeant de la société.

Original signed by / Original signé par
Michael Nisker

Michael Nisker
416-350-1299

Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding \$5000 or to imprisonment for a term not exceeding six months or both (subsection 250(1) of the CBCA).

Faire une fausse déclaration constitue une infraction et son auteur, sur déclaration de culpabilité par procédure sommaire, est passible d'une amende maximale de 5 000 \$ et d'un emprisonnement maximal de six mois, ou l'une de ces peines (paragraphe 250(1) de la LCSA).

You are providing information required by the CBCA. Note that both the CBCA and the *Privacy Act* allow this information to be disclosed to the public. It will be stored in personal information bank number IC/PPU-049.

Vous fournissez des renseignements exigés par la LCSA. Il est à noter que la LCSA et la *Loi sur les renseignements personnels* permettent que de tels renseignements soient divulgués au public. Ils seront stockés dans la banque de renseignements personnels numéro IC/PPU-049.

SCHEDULE
TO THE ARTICLES OF AMENDMENT OF
TREZ CAPITAL SENIOR MORTGAGE INVESTMENT CORPORATION
(the "Corporation")

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

The articles of the Corporation are amended as follows:

1. to delete in its entirety the Schedule attached to the Articles of Amendment dated November 21, 2012;
2. to remove the class of shares designated as Class B shares;
3. to remove the class of shares designated as Class F shares;
4. to remove the class of shares designated as Class I shares;
5. to remove the class of shares designated as voting shares;
6. to create an unlimited number of shares of a class designated as Class B shares, issuable in series; and
7. to provide that the rights, privileges, restrictions and conditions attaching to the Class A shares and Class B shares are as set out below.

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, 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 Corporation.
3. As used herein:
 - (a) "Act" means the *Canada Business Corporations Act*, as amended from time to time;
 - (b) "Redemption Date" means December 31, 2013;
 - (c) "Redemption Payment Date" means January 15, 2014;
 - (d) "Redemption Price" means the NAV per Class A Share on the Redemption Date, less any costs associated with such redemption;

- (e) “**Automatic Repurchase Shareholder**” has the meaning ascribed to it in Section D;
- (f) “**Automatic Repurchase**” has the meaning ascribed to it in Section D;
- (g) “**Business Day**” means any day on which there is a regular trading session of the TSX;
- (h) “**Class A Share**” means a Class A share in the capital of the Corporation;
- (i) “**Class A Shareholder**” means a holder of a Class A Share;
- (j) “**Class B Share**” means a Class B share in the capital of the Corporation;
- (k) “**Distributions**” means any distributions paid in any form by the Corporation on any of the Shares, including without limitation:
 - (i) dividends;
 - (ii) payments made on a reduction of capital; or
 - (iii) any combination of any such distributions;
- (l) “**Market Price**” means:
 - (i) the volume weighted average trading price of the particular Class or series of Shares for the five (5) consecutive trading days ending immediately preceding the date of the Triggering Transaction; and
 - (ii) if the particular Class or series of Shares is not listed on any organized trading facility, then the Market Price will be, subject to the necessary approvals of any applicable regulatory authorities, such value as is determined by the Corporation or as specified in the terms attached to the Shares;
- (m) “**NAV**” means the net asset value of the Corporation, being the value of the assets of the Corporation less the liabilities of the Corporation;
- (n) “**NAV per Class A Share**” means the quotient obtained by dividing the NAV of the Corporation on a given day by the total number of outstanding Class A Shares (immediately before any subscriptions for or redemptions of Class A Shares) at the close of business on such day;
- (o) “**Related Persons**” has the meaning ascribed to that term in the Tax Act as it relates to the description of the number of shares that may be held by shareholders of a “mortgage investment corporation”, as such term is defined in the Tax Act;
- (p) “**Repurchased Shares**” has the meaning ascribed to it in Section D;

- (q) “**Share**” means a Class A Share or a Class B Share;
- (r) “**Shareholder**” means a holder of Shares;
- (s) “**Tax Act**” means the *Income Tax Act* (Canada);
- (t) “**Triggering Transaction**” has the meaning ascribed to it in Section D; and
- (u) “**TSX**” means the Toronto Stock Exchange or any successor thereto.

B. 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, Class A Shares and Class B Shares shall rank equally with each other and in priority to any other shares of the Corporation ranking junior to the Class A Shares and Class B Shares.

2. **Voting Rights**

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

3. **Distributions**

- (a) Subject to Section B.3(c) and Section B.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 directors of the Corporation in their absolute discretion.
- (b) Subject to Section B.3(c) and Section B.3(d) below, Distributions will be paid in cash, by cheque, money order or bank draft.

- (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 a Distribution will be payable to holders of Class A Shares of record on December 31. Each such Distribution may be satisfied by the issuance of additional Class A Shares and/or cash and/or other property of the Corporation. Immediately following payment of any such Distribution in Class A Shares, the number of Class A Shares outstanding after the Distribution will be consolidated such that each Class A Shareholder will hold after the consolidation the same number of Class A Shares as the Class A Shareholder held before such Distribution. In such case, each certificate representing one or more Class A Shares prior to the Distribution of additional Class A Shares shall be deemed to represent the same number of Class A Shares after the Distribution of additional Class A Shares and consolidation. Notwithstanding the foregoing, where tax is required to be withheld from a Class A Shareholder's participation in such Distribution, the consolidation will result in such Class A Shareholder holding that number of Class A Shares equal to (i) the number of Class A Shares held by such Class A Shareholder prior to the Distribution plus the number of Class A Shares received by such Class A Shareholder in connection with such Distribution (net of any taxes withheld) prior to the consolidation multiplied by (ii) the fraction obtained by dividing the aggregate number of Class A Shares prior to such Distribution by the aggregate number of Class A Shares that would be outstanding following such Distribution and before the consolidation if no withholding were made in respect of any part of such Distribution payable to any Class A Shareholder. Any such Class A Shareholder will be required to surrender the Class A Share certificate(s), if any, representing such Class A Shareholder's original Class A Shares, in exchange for a certificate representing such Class A Shareholder's post-consolidation Class A Shares.
- (d) Notwithstanding the foregoing, if the board of directors of the Corporation determine that it is in the best interests of the Corporation and the Shareholders of the Corporation, 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 directors of the Corporation in their absolute discretion.

4. **Redemption**

- (a) Subject to Section B.5, 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 the holder on the Redemption Date at the Redemption Price for each Class A Share so redeemed. Any Distributions declared but unpaid on or before the Redemption Date in respect of Class A Shares

tendered for redemption shall also be paid on the Redemption Payment Date.

- (b) Each holder of Class A Shares who elects to present and surrender to the Corporation for redemption on the Redemption Date all or any Class A Shares registered in the name of that holder must, by no later than 4:00 p.m. (Toronto time) on December 13, 2013, 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 Redemption Date and shall be made on or before the Redemption Payment Date. Any notice of redemption delivered after 4:00 p.m. (Toronto time) on December 13, 2013 shall not be acted upon by the Corporation and holders of Class A Shares who have tendered their Class A Shares for redemption in such circumstances shall be accordingly notified by the Corporation and shall have and shall be advised that they have the right to withdraw such Class A Shares surrendered for redemption.
- (c) Subject to Section B.5, the Corporation shall redeem on the Redemption Date all of the Class A Shares properly surrendered pursuant to the redemption privilege in this Section B.4 at a price per Class A Share equal to the Redemption Price. On or before the 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 Redemption Price for each Class A Share so redeemed in cash, by cheque, money order or bank draft. From and after the 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 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 the Redemption Date shall be deemed to be outstanding until, but not after, the close of business on the Redemption Date.

5. **Other Redemption Provisions**

- (a) The Corporation will not accept for redemption on the Redemption Date Class A Shares representing more than 15% of the issued and outstanding Class A Shares immediately preceding the Redemption Date. In the event that the number of Class A Shares tendered for redemption in respect of the Redemption Date exceeds the limit set forth above, the Corporation will redeem such Class A Shares tendered for redemption and not withdrawn on a pro rata basis (rounded down to the nearest whole number of Class A Shares). The Corporation will notify in writing each holder of Class A Shares of the number of Class A Shares held by such holder that are entitled to be redeemed by the Corporation on such pro rata basis.

- (b) Notwithstanding the limitations on redemption set forth in Section B.5(a), the directors of the Corporation may, in their sole discretion, waive the limitation in respect of all Class A Shares tendered for redemption on the Redemption Date.

6. **Election Irrevocable**

Subject to Sections B.4(b) and B.5(a), the election of any holder to present and surrender any Class A Shares for redemption shall be irrevocable upon the receipt by or on behalf of the Corporation of the documentation and instruments required by the Corporation in connection therewith.

7. **No Fractions**

The Corporation may not issue fractions of Class A Shares.

C. **CLASS B SHARES**

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

1. **Issuable in Series**

The Class B Shares may be issued from time to time in one or more series composed of such number of shares and with such special rights, privileges, restrictions and conditions attached thereto as shall be fixed from time to time before issuance by any resolution or resolutions providing for the issue of the shares of any series which may be passed by the directors of the Corporation and confirmed and declared by articles of amendment including, without limiting the generality of the foregoing:

- (a) the rate, amount or method of calculation of any Distributions, including the priority to receive such Distributions, and whether such rate, amount or method of calculation shall be subject to change or adjustment in the future, the currency or currencies of payment, the date or dates and place or places of payment thereof and the date or dates from which any such Distributions shall accrue;
- (b) any rights of redemption or purchase and the redemption or purchase prices and terms and conditions of any such rights;
- (c) any rights of retraction vested in the holders of Class B Shares of such series and the prices and terms and conditions of any such rights;
- (d) any voting rights;
- (e) any rights of conversion or exchange (including conversion or exchange into Class A Shares);

- (f) any rights upon dissolution, liquidation or winding-up of the Corporation;
and
- (g) any other provisions attaching to any such series of Class B Shares.

2. **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 B Shares are entitled to a distribution of assets of the Corporation for the purpose of winding-up its affairs, Class A Shares and Class B Shares shall rank equally with each other and in priority to any other shares of the Corporation ranking junior to the Class A Shares and Class B Shares.

D. RESTRICTIONS ON OWNERSHIP OF SHARES

No Shareholder of the Corporation 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 Shareholder of a redemption right associated with their class of Shares, or (ii) as determined by the board of directors of the Corporation in its sole discretion, any other transaction affecting any Shares (each a “**Triggering Transaction**”), if completed, would cause any holder(s) of such Shares (each an “**Automatic Repurchase Shareholder**”), together with Related Persons, to hold more than 25% of such class of Shares, that portion of such Shares held by each Automatic Repurchase Shareholder which constitutes in excess of 24.9% of the issued Shares of such class (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 Market Price, less any costs associated with such purchase. The proceeds of any Automatic Repurchase will be remitted to each applicable Automatic Repurchase Shareholder at the time of the Automatic Repurchase.

SCHEDULE
TO THE ARTICLES OF AMENDMENT OF
TREZ CAPITAL SENIOR MORTGAGE INVESTMENT CORPORATION
(the “Corporation”)

Other Provisions / Autres dispositions

The articles of the Corporation are amended as follows:

1. to remove the other provisions set out in article 7 of the articles of the Corporation; and
2. to add the following other provision to article 7 of the articles of the Corporation.

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

The investment objectives of the Corporation are to acquire and maintain a diversified portfolio of first ranking Mortgages that preserves capital and generates attractive returns in order to permit the Corporation to pay monthly distributions to its Shareholders.