

FIRST AMENDING AGREEMENT TO CREDIT AGREEMENT

THIS AGREEMENT is made as of June 30, 2016

AMONG:

TIMBERCREEK FINANCIAL CORP.

as Borrower

- and -

THE INSTITUTIONS NAMED HEREIN AS LENDERS

- and -

THE TORONTO-DOMINION BANK

as Agent

BACKGROUND

WHEREAS pursuant to an amended and restated credit agreement (the “**Credit Agreement**”) made as of May 6, 2016 among Timbercreek Mortgage Investment Corporation and Timbercreek Senior Mortgage Investment Corporation (which amalgamated and continue as Timbercreek Financial Corp.), as Borrower, the Institutions named therein as Lenders and The Toronto-Dominion Bank, as Agent, the Lenders agreed to make certain credit facilities available to the Borrower for the purposes set forth therein.

AND WHEREAS the Borrower and the Lenders have agreed to amend the Credit Agreement, in accordance with Section 14.15 thereof, for the purposes and on the terms and conditions set out in this first amending agreement.

NOW THEREFORE in consideration of the mutual obligations contained herein and for other consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

Words and expressions defined or given extended meanings in the Credit Agreement are used with the same respective defined or extended meanings in this first amending agreement.

1.2 Reference to Agreements

Unless the context otherwise requires, each reference in this first amending agreement to any agreement or document (including this first amending agreement and any other defined term that is an agreement or document) shall be construed so as to include such agreement or document (including any attached schedules and exhibits) and each change thereto made at or before the time in question.

1.3 Headings, etc.

The division of this first amending agreement into Articles, Sections and Subsections and the insertion of headings and titles are for the convenience of reference only and shall not affect the construction or interpretation of this first amending agreement. The terms “**this first amending agreement**”, “**hereof**”, “**hereunder**” and similar expressions refer to this first amending agreement and not to any particular Article, Section, Subsection, paragraph, subparagraph, clause or other portion of this first amending agreement.

1.4 Grammatical Variations

In this first amending agreement, unless the context otherwise requires, (i) words and expressions (including words and expressions (capitalized or not) defined, given extended meanings or incorporated by reference herein) in the singular include the plural and *vice versa* (the necessary changes being made to fit the context), (ii) words in one gender include all genders and (iii) grammatical variations of words and expressions (capitalized or not) which are defined, given extended meanings or incorporated by reference in this first amending agreement shall be construed in like manner.

ARTICLE 2 AMENDMENT

2.1 Amendments

Subject to Section 2.2 of this first amending agreement, the Credit Agreement is hereby amended with effect as of and from the date hereof as follows:

2.1.1 Section 1.1 is amended by:

- (a) deleting the definitions of “Agency Fee Agreement”, “Approved Servicing Agreement”, “Excluded Mortgage Loan Advances” and “Permitted Third Party Serviced Mortgages” and replacing each of them in their entirety by the respective definitions set forth below:

“**Agency Fee Agreement**” means the amended and restated agency fee agreement of even date herewith entered into between the Borrower and the Agent providing for the payment of certain agency fees to the Agent in relation to the administration of this Agreement.

“**Approved Servicing Agreement**” means a servicing agreement (in form and substance satisfactory to the Agent, acting reasonably) among the Borrower and a

Servicing Corporation pursuant to which the Servicing Corporation administers the collection and remittance of payments under portfolios of Mortgages subject thereto.

“Excluded Mortgage Loan Advances” at any time means:

- (a) the outstanding Mortgage loan advances to which the Borrower is beneficially entitled made or secured by a Mortgage or Mortgages charging a single Mortgaged Property if the aggregate amount of such Mortgage loan advances is more than *[redacted text]*;
- (b) the portion of the outstanding Mortgage loan advances made under any single Mortgage to which the Borrower is beneficially entitled which, if included in the Borrowing Base at that time, would result in the outstanding Mortgage loan advances made under that Mortgage to which the Borrower is beneficially entitled exceeding the lesser of (i) *[redacted text]* percent (*[redacted text]*%) of the Net Qualified Mortgages Amount at that time and (ii) *[redacted text]*; and
- (c) the portion of the outstanding Mortgage loan advances to which the Borrower is beneficially entitled made under any one or more Mortgages granted by any Mortgagor and/or any of its Related Persons which, if included in the Borrowing Base at that time, would result in the aggregate total outstanding Mortgage loan advances to which the Borrower is beneficially entitled made under all of those Mortgages exceeding *[redacted text]* percent (*[redacted text]*%) of the Net Qualified Mortgages Amount at that time.

“Permitted Third Party Serviced Mortgages” means Mortgages in respect of which the collection and remittance of payments are serviced by a Servicing Corporation other than a Timbercreek Party that are included in the Mortgage Pool pursuant to an Approved Servicing Agreement, subject to a Servicer Acknowledgement Agreement, and title to which is either held by the Borrower, by a Servicing Corporation or by a Custodian pursuant to a Custodian Agreement that is subject to a Custodian Acknowledgement Agreement.

- (b) deleting paragraph (m) in the definition of “Qualified Advances” and replacing it in its entirety by the following:
 - “(m) that is a Permitted Third Party Serviced Mortgage, other than a Permitted Third Party Serviced Mortgage serviced by an Approved Servicer;”

and
- (c) deleting the definition of “Third Party Serviced Mortgages”.

2.1.2 by deleting paragraph (f) in Subsection 10.1.16 and replacing it in its entirety by the following new paragraph (f):

“(f) the applicable Obligor or the relevant Servicing Corporation has and will have good and marketable beneficial ownership to such Mortgage Document and such Mortgage Payments free and clear of all prior assignments, transfers and Liens of whatsoever nature or kind, save and except the Mortgagor’s rights under such Mortgage Document, the rights of the Secured Parties under the Secured Documents and rights under Permitted Liens;”

2.1.3 by deleting reference to “An Approved Servicer” at the commencement of the second sentence in Subsection 10.1.17 and replacing it by reference to “A Servicing Corporation”;

2.1.4 deleting paragraph (o) in Subsection 11.4.12 and replacing it in its entirety by the following new paragraph (o):

“(o) the Aggregate Funded and Committed Mortgage Investments of the Borrower (excluding Mortgage syndication liabilities) allocated to Investments in Permitted Third Party Serviced Mortgages serviced by a Servicing Corporation other than a Timbercreek Party may not exceed [redacted text] percent ([redacted text]%) of the Mortgage Pool.”

2.1.5 deleting Subsection 11.4.14 and replacing it in its entirety by the following:

“11.4.14 *Servicing Corporation.* The Borrower will ensure that each Mortgage included in the Mortgage Pool is serviced by a Servicing Corporation pursuant to an Approved Servicing Agreement.”

2.1.6 by deleting Schedule 3 and replacing it in its entirety by the attached Schedule 3.

2.2 **Conditions Precedent to Amendments**

The amendments to the Credit Agreement contemplated by Section 2.1 (the “**Amendments**”) shall not become effective unless the Agent notifies the Borrower and the Lenders (an “**Effective Notice**”) that it has received the following:

2.2.1 a duly executed original (or facsimile or pdf copy, as the Agent may accept) of this first amending agreement signed by each party hereto; and

2.2.2 a duly executed original (or facsimile or pdf copy, as the Agent may accept) of a confirmation in the form of Exhibit A hereto signed by each of TAMI, TAML, TMSI and TSM Trust (the “**Confirmations**”).

The date the Agent provides the Effective Notice to the Borrower and the other Lenders is referred to in this first amending agreement as the “**Effective Date**”. The Credit Agreement as amended by the Amendments on the Effective Date shall constitute one agreement, is and shall continue to be in full force and effect, and the Credit Agreement as so amended is hereby ratified and confirmed by the parties hereto.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Borrower

The Borrower represents and warrants to and in favour of each of the Agent and the Lenders as follows:

3.1.1 General Warranties. The representations and warranties made by the Borrower to the Agent and the Lenders under Section 10.1 of the Credit Agreement shall be deemed to be repeated in the manner contemplated by Section 10.2 of the Credit Agreement on the date of execution and delivery hereof and on the Effective Date with references therein to the Credit Agreement being replaced by references to this first amending agreement (in the case of the date of execution and delivery hereof) and the Credit Agreement as amended by the Amendments (in the case of the Effective Date).

ARTICLE 4 CONFIRMATION OF THE BORROWER

4.1 Confirmation of Security

4.1.1 This first amending agreement is not intended by the parties to, and shall not constitute, a payment, discharge, satisfaction or novation of any obligation of the Borrower to any of the Agent and the Lenders, including the whole or any item or part of the Loan Obligations.

4.1.2 The Borrower ratifies and confirms its Loan Obligations, as amended on the Effective Date by the Amendments, and confirms and agrees that its Loan Obligations continue in full force and effect without change, except to the extent the Credit Agreement is expressly amended by the Amendments, and are binding upon it.

4.1.3 The execution and delivery of this first amending agreement and the entry into effect of the Amendments on the Effective Date shall not in any manner whatsoever reduce, release, discharge, impair or otherwise prejudice or change the rights of any of the Agent and the Lenders arising under, by reason of or otherwise in respect of any of the Loan Documents to which the Borrower is party, except to the extent expressly amended by the Amendments.

4.1.4 The Borrower confirms and agrees that the Liens, postponements and subordinations expressed to be created under or pursuant to the Security Documents to which it is party shall be binding upon the Borrower and its assets and shall, except as expressly amended by the Amendments, be unaffected by and shall continue in full force and effect notwithstanding the Amendments, and the execution and delivery of this first amending agreement and the entry into effect of the Amendments shall not in any manner whatsoever reduce, release, discharge, impair or otherwise prejudice or change the rights of any of the Agent and the Lenders arising under, by reason of or otherwise in respect of such Liens, postponements and subordinations constituted by such Security Documents, except to the extent expressly amended by the Amendments.

4.2 Loan Document

This first amending agreement shall constitute a Loan Document.

ARTICLE 5 GENERAL

5.1 Further Assurances

The Borrower shall, at its own expense, do, make, execute or deliver all such further acts, documents and things in connection with this first amending agreement as the Agent may reasonably require for the purpose of giving effect to this first amending agreement, all promptly following the request of the Agent.

5.2 Fees and Expenses

The Borrower shall, promptly following the request by the Agent, pay and/or reimburse the Agent on a full indemnity basis for the payment of all reasonable out-of-pocket expenses (including the reasonable fees and expenses of the Lenders' Counsel and their out-of-pocket disbursements plus applicable taxes) incurred by the Agent in connection with the preparation, settlement, execution and delivery of this first amending agreement and the entry into effect of the Amendments. The Borrower hereby irrevocably directs the Agent to debit the Borrower's Account with and pay to the Lender's Counsel at any time the amount of all invoiced fees, costs and expenses of Lenders' Counsel in connection with this first amending agreement.

5.3 Benefit & Burden

This first amending agreement shall enure to the benefit of and be binding upon the parties hereto, their respective successors and each assignee of some or all of the rights or obligations of the parties under the Loan Documents permitted by Section 14.8.4 of the Credit Agreement. Any reference in any such Loan Document to any party shall (to the extent the context so admits) be construed accordingly.

5.4 Counterparts

This first amending agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this first amending agreement to produce or account for more than one such counterpart. Transmission of a copy of an executed signature page of this first amending agreement (including any change to this first amending agreement) by facsimile transmission or e-mail in pdf format by any party hereto to the other parties hereto, or posting a copy of an executed signature page of this first amending agreement (including any change to this first amending agreement) on an internet website designated by the Agent under Subsection 13.24.2 of the Credit Agreement, shall be as effective as delivery of an original manually executed counterpart hereof to each other party hereto.

5.5 Governing Law

This first amending agreement shall be governed by, and construed and interpreted in accordance with, the laws in force in the Province of Ontario, including the federal laws of Canada applicable therein, but excluding choice of law rules. Such choice of law shall, however, be without prejudice to or limitation of any other rights available to the Agent and the Lenders under the laws of any jurisdiction where the Borrower or any of its assets may be located.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF the parties have executed this first amending agreement as of the date first written above.

BORROWER:

TIMBERCREEK FINANCIAL CORP.

By: /Signed
Name:
Title:

By: /Signed
Name:
Title:

THE LENDERS:

THE TORONTO-DOMINION BANK

By: /Signed
Name:
Title:

By: /Signed
Name:
Title:

**CANADIAN IMPERIAL BANK OF
COMMERCE**

By: /Signed
Name:
Title:

By: /Signed
Name:
Title:

NATIONAL BANK OF CANADA

By: /Signed
Name:
Title:

By: /Signed
Name:
Title:

HSBC BANK CANADA

By: /Signed
Name:
Title:

By: /Signed
Name:
Title:

ROYAL BANK OF CANADA

By: /Signed
Name: _____
Title:

By: _____
Name:
Title:

BANK OF MONTREAL

By: /Signed
Name: _____
Title:

By: _____
Name: _____
Title:

THE BANK OF NOVA SCOTIA

By: /Signed
Name: _____
Title:

By: _____
Name: _____
Title:

**RAYMOND JAMES FINANCE COMPANY
OF CANADA LTD.**

By: /Signed
Name: _____
Title:

By: _____
Name: _____
Title:

CANADIAN WESTERN BANK

By: /Signed
Name: _____
Title:

By: _____
Name: _____
Title:

LAURENTIAN BANK OF CANADA

By: /Signed
Name:
Title:

By: /Signed
Name:
Title:

THE AGENT:

**THE TORONTO-DOMINION BANK,
as Agent**

By: */Signed* _____
Name:
Title:

**SCHEDULE 3
SECURITY**

[schedule intentionally left blank]

EXHIBIT A
FORM OF CONFIRMATION

[schedule intentionally left blank]