Scotiabank®

To: Ben Smit Rheann Smit 324 Quilchena Drive Kelowna, BC V1W 4Y9 **C/O:** Steven Nicholson Origination Mortgage Corp	**From:** Scotiabank 2850 Sunridge Blvd. NE Calgary, AB, T1Y 6G2 Phone: (877) 216-3282 Fax: (866) 216-8500

Application ID: 1967559

Date Issued: May 08, 2014

Property Address: 405 collett Road, Kelowna, BC, V1W 1K6

We are pleased to confirm that your application has been approved under the following terms and conditions.

Basic Loan Amount	$780,000.00	**Advance Date**	Jul 01, 2014
Insurance Premium	$0.00	**Term**	**
Total Loan Amount	$780,000.00	**Amortization**	**
Interest Rate	**	**Monthly Payment**	**
** See Interest Rate Section for more information		(Principal + Interest Only)	
Interest Rate Set Date	Already Set	**Taxes to be paid**	by Borrower
Guarantor(s)			

Payment Frequency Options (please indicate your choice):

Payment Frequency Options listed below are for new mortgage(s) only. If none selected, the mortgage payment will be set up as monthly. Payment amount **does not** include tax portion if taxes are to be paid through Scotiabank.

New Mortgage 5 Year Closed FLEX VRM

- ☐ $793.91 Monthly, First payment date: August 1, 2014
- ☐ $396.96 Bi-Weekly, First payment date: July 15, 2014
- ☐ $396.96 Semi-Monthly, First payment date: July 15, 2014
- ☐ $198.48 Weekly, First payment date: July 8, 2014

PREPAYMENT POLICIES

Prepayment

Our standard prepayment privileges apply. Full details on prepayment privileges, Match-a-Payment® and Miss-a-Payment® Options can be obtained from your servicing branch.

INTEREST RATE

Flex Value Mortgage

You have chosen a Scotia Flex Value® Mortgage, which is a Variable Rate Mortgage with a variable payment amount and no Cap Rate. Each time the Scotiabank Prime Rate changes, your variable interest rate and payment will be reset. - The interest rate payable by you on the loan amount is a variable rate, expressed as a rate per annum, equal to our Variable Rate Mortgage (VRM) Base Rate adjusted by our VRM Rate Variance. This VRM Rate Variance is guaranteed until September 2, 2014 - Terms commence on the Term Start Date. - The interest rate and payment amount are based on the VRM Base Rate in effect on the date of this commitment and are not guaranteed at funding. - Your actual interest rate and the corresponding payment amount will be based upon the VRM Base Rate in effect on the date your mortgage funds are advanced. Thereafter, the interest rate and payment amount will vary automatically immediately following any change to the VRM Base Rate. Please refer to your Personal Credit Agreement Companion Booklet for additional information. At any time, you can switch to a fixed term product — with a term greater than the remaining term on your Scotia Flex Value® Mortgage, with no prepayment charges.

Mortgage Component 1: Term: 5 year closed, VRM Rate Variance: -0.50%

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STEP-Uninsured

Your Scotia Total Equity Plan® (STEP®) product breakdown is outlined below:
Global limit approved $780,000.00.
Collateral mortgage is to be registered for $0.00.
Total amount to be disbursed on closing $780,000.00.

Mortgage Component(s)
Principal amount $150,000.00, Term: 5 year closed, Rate: 2.50%, Am: 20 years, 0 months, P&I Pymt $793.91.
**The applicable interest rate guarantee is outlined in the Rate Adjustment section of this commitment.

Secured Line of Credit Component(s):
The interest rate shown is the Scotiabank Prime Rate at time of application, which is subject to fluctuation, plus an adjustment factor of 0.50%. The current bank prime is 3.00%.
Limit of $630,000.00, interest only payments, Initial draw down amount $630,000.00.

CONDITIONS OF APPROVAL

Offer and Listing

You are to provide a copy of the complete signed and accepted purchase agreement and, if applicable, the Multiple Listing Service (MLS) agreement.

Owner Occupied Property

You must occupy the subject property as your principal residence.

Downpayment - Own Resources

You are to provide us with verification, satisfactory to us, that $195,000.00 for the down payment is available from your own resources. You must provide 30 days of history. If the funds are held in one or more deposit accounts, you must provide the most recent account history for each account. We may ask for additional account history.

Income

Verification of employment and income is required in the form of a signed letter on your employers letterhead and a paystub or notification of pay deposit, both of which must be dated within 60 days of the application date for:
Rheann Smit in the amount of $21,543.00

Income - Self-Employed

The following borrowers will verify their income by providing us with Notices of Assessment and T1 Generals or the Assessments from Canada Revenue Agency's My Account for the last two tax years (indicating that you are up-to-date on your tax payments). We also require evidence of at least two years self-employment by one of the following: • Business license (Sole Proprietorship or Partnership only) • Canada Revenue Agency's Notice of Return Adjustment/Summary (for a GST return)(Sole Proprietorship or Partnership only) • T1 Generals with Statement of Business Activities attached for a minimum of 2 years(Sole Proprietorship or Partnership only) • Financial statements for the last 2 years, prepared and signed by an accountant • Account documentation for an active Scotiabank business or commercial bank account. • Articles of Incorporation. Required for : Ben Smit in the amount of $441,773.00

Additional Documentation Required

For Ben Smit, we require the following additional documentation: Please provide a copy of Driver's License or other government issued photo identification. If the photo identification does not confirm home address, please also provide a copy of Utility / Cell Phone Bill dated within 3 months of application date.

Branch Signing

You must visit the designated branch to sign the required Bank documents before the scheduled closing date.

Property - Taxes

You are responsible to pay any municipal and other property taxes directly to the Municipality when they become due, and provide confirmation of payment to us when requested.

SOLICITOR / NOTARY CONDITIONS

Title Insurance Required

Title insurance is mandatory for all mortgages on properties located in British Columbia. We will instruct your Solicitor/Notary to submit to us a lender's Title Insurance policy. You are responsible to pay your Solicitor/Notary for this service.

Independent Legal Advice

A Certificate of Independent Legal Advice for Rheann Smit is required.

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Solicitor

This transaction will be completed by a solicitor/notary. We will instruct the solicitor/notary upon receipt of acceptance of this conditional approval and the requested information. For refinance transactions, the solicitor/notary will be responsible to pay out existing non-Scotiabank debts from the mortgage proceeds.

Second Mortgage

Secondary financing is not permitted.

GENERAL CONDITIONS

Condition Fulfillment

You will pay all fees associated with arranging this mortgage, which includes any legal, survey, appraisal, and insurance mortgage costs.
All costs incurred to arrange this mortgage are your responsibility.

Appraisal - Broker to Order from Appraisal management company

Your broker is to request an appraisal report using the Bank's approved appraisal service provider to confirm property requirements are met.

Cancellation Clause

We may cancel this approval if we find your financial status has changed materially from what you disclosed in this application — or if there has been any misrepresentation of the facts in this application or other documentation.

Due on sale

The mortgage cannot be assumed by subsequent purchaser(s).

Signed Commitment

Return to us this signed Commitment Letter, void cheque (banking details) and Solicitor/Notary information.

All borrowers and guarantors, as applicable, are required to sign the acceptance page of this commitment and return it to us by May 23, 2014.

Yours truly,

Jeffery Hamilton

Underwriter, Scotiabank

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CUSTOMER AUTHORIZATION / ACKNOWLEDGEMENT

In this Commitment Letter, "we", "our" and "us" mean any Scotiabank Group Member or the collective Scotiabank Group and include any program or joint venture any of these parties participates in; "you" and "your" mean the applicant and co-applicant (if applicable). "Service" means any personal banking, insurance, brokerage or financial product or service offered by us. You agree that all information that you give us will, at any time, be true and complete.

We may collect your personal information, use it, and disclose it to any person or organization in order to: confirm your identity; understand your needs; determine your eligibility for our Services; satisfy applicable legal and regulatory requirements; manage and assess our risks; and prevent or detect fraud or criminal activity. We may keep and use information about you for as long as it is needed for the purposes described in this Commitment Letter.

In addition, we may offer you Services that we think may be of interest to you, and give information about you to other members of the Scotiabank Group so that these companies may tell you directly about their Services. Your consent to this is not a condition of doing business with us and you may withdraw it at any time.

When you apply for, accept, or guarantee a loan or credit facility or otherwise become indebted to us, we may use, give to, obtain, verify, share and exchange financial, credit and other information about you with others including your employer, credit bureaus, mortgage insurers, creditor insurers, reinsurers, registries, other companies in the Scotiabank Group, Investigative Bodies such as the Bank Crime Prevention and Investigation Office and other persons with whom you may have financial dealings, as well as any other person as may be permitted or required by law. We may do this throughout the relationship we have with you. You authorize any person whom we contact in this regard to provide such information to us.

We may ask you for your SIN to verify and report credit information to credit bureaus and credit reporting agencies as well as to confirm your identity. You may refuse to consent to its use or disclosure for purposes other than as required by law.

We do not provide directly all the services related to your relationship with us. We may use third party service providers to process or handle personal information on our behalf and to assist us with various services. Some of our service providers are located outside of Canada. As a result, your personal information may be accessible to regulatory authorities in accordance with the law of these jurisdictions. When personal information is provided to our service providers, we will require them to protect the information in a manner that is consistent with Scotiabank Group privacy policies and practices.

Third Party Determination - By signing this Commitment Letter you confirm that the product(s) and/or service(s) offered to you herein will not be used for or on behalf of any individual or entity other than you and the other parties named in the Commitment Letter for whose benefit such products and services are intended unless information about such individuals or entities was previously disclosed to the Bank on a Scotiabank Group Third Party Determination form.

Pre-Authorized Payment Information (Please provide us with a cheque marked VOID drawn on the account where you would like the payments taken from).

Bank Number:	Financial Institution Name:
Transit Number:	Account Number:
Financial Institution Address:	

Solicitor/Notary Contact Information

Name:	Firm Name:
Address:	
Phone:	Fax:

Any disclosure statement in connection with the loan you are applying for may be given at the time that you enter into the Personal Credit Agreement, if you give us your e-mail address, either on the application or elsewhere, you agree that any disclosure statement, which you receive, may be in an electronic format which you may retrieve and retain.

Please correspond in: ☐ English ☐ French

Applicable in the Province of Quebec only: It is the express wish of the parties that this Authorization and all documents relating to it be drawn up and executed in English. Les parties conviennent et exigent expressément que ce contrat et tous les documents qui s'y rapportent soient rédigés en anglais.

Each borrower is entitled to receive separate agreements and disclosure documents for the loan. By signing below, you consent to all agreements and disclosures being sent only to the address of the person whose signature appears first on this commitment letter, this includes the initial disclosure statement and credit agreement, as well as all subsequent statements, agreements, disclosure or other notices related to the loan. You acknowledge that you have been advised of your ability to receive separate disclosure and have declined. You agree that we may rely on this consent through all subsequent extensions, renewals and amendments related to the loan, until such time as you give us notice in writing that you wish to change your disclosure preference. You may change your disclosure preference at any time by contacting you Scotiabank branch. Alternatively, if you wish to receive separate disclosure, please indicate by selecting 'yes' below.

The terms and conditions detailed in this mortgage commitment are hereby accepted this __________ day of ____________________, 20________.

______________________________ Ben Smit

______________________________ Rheann Smit

Receive Notices ☐ Yes

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FIXED CREDIT

DISCLOSURE STATEMENT

Pursuant to the *Mortgage Brokers Act* and
The *Business Practices and Consumer Protection Act*

Lender: Scotiabank / Banque Scotia

The Borrower may use the following phone number to obtain information about the Mortgagor's account during the Lender's ordinary business hours: (250) 212-2010

Broker: Steve Nicholson, Origination Mortgage Corp.

Borrower: Ben Smit, Rheann Smit

Property: 405 collett Road Kelowna, British Columbia V1W 1K6

Effective Date of Disclosure Statement: May 8, 2014

Mortgage Terms and Details

1 The interest rate on the mortgage is: Variable

2 The initial annual interest rate is: 2.500 %

and the compounding period is: Semi Annually

3 Total mortgage amount: $ 780,000.00

4 The total interest paid: $ 91,418.60

5 The Total Cost of Credit (Calculation details are in 'Cost of Credit Details' section): $ 91,418.60

6 (1) If the mortgage amount advanced is to be repaid in accordance with a specific schedule of payments:

(a) To be advanced as follows: as per mortgage commitment

(b) The term of the mortgage is: 5 years

(c) The amortization period is: 20 years

(d) The maturity date is: July 1, 2019

(e) Payments in the amount of $ 3,076.71 are to be made by the Borrower as follows: Monthly (timing) commencing August 1, 2014 for a term of 5 years

(f) Prepayments can be made under the following conditions:
as per mortgage commitment

OR

(2) If the amount advanced is not to be repaid in accordance with a specific schedule of payments, outstanding balance (or portion thereof) must be paid out under the following circumstances:
as per mortgage commitment
(Alternatively, reference the specific provisions of the credit agreement that describes those circumstances.)

Interest

7 The date on which interest begins to accrue is: July 1, 2014

AND if a grace period is given, the details are: as per mortgage commitment

8 Interest for each payment period is calculated against the balance owing. Unpaid interest will be compounded under the following circumstances:
as per mortgage commitment

9 Where the annual interest rate may change, the method of determining the annual interest is:
as per mortgage commitment

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Cost of Credit Details

10 Total Mortgage Amount: $ 780,000.00

11 Fees, Charges and Payments deducted from mortgage amount from Lender

(a) Lender fee: $

(b) Broker Fee if deducted by lender: $

(c) Estimated Inspection/Appraisal costs: $

(d) Estimated Survey costs: $

(e) Loan pay outs: $

(f) Other charges, fees and payments:

(i) ______ $

(ii) ______ $

(iii) ______ $

(g) Default Insurance (CMHC/Genworth/Other): $

Total deducted from mortgage amount: $ 0.00

Total amount from lender: $ 780,000.00

12 Value Received by the borrower for proceeding with the transaction

(a) Total from Lender less deductions: $ 780,000.00

(b) Estimated appraisal if borrower has unrestricted use at or prior to completion: $

(c) Estimated survey if borrower has unrestricted use at or prior to completion: $

(d) Estimated loan pay outs: $

(e) Cashback received from lender: $

(f) Default Insurance (CMHC/Genworth/Other): $

(g) Other Value Received:

(i) ______ $

(ii) ______ $

(iii) ______ $

Total Value Received by the borrower: $ 780,000.00

13 Value Given by the borrower for proceeding with the transaction

(a) Commencing August 1, 2014, 60 Monthly payments of $ 3,076.71 will be paid by the borrower.

Total Payments: $ 184,602.60

(b) Remaining mortgage balance on maturity date: $ 686,816.00

(c) Other Value Given by Borrower at or prior to completion

(i) Legal fees where choice of legal firm is restricted: $

(ii) Title Insurance: $

(iii) ______ $

(iv) ______ $

(v) ______ $

Total Value Given by the borrower: $ 871,418.60

14 Cost of Credit (Value Given Less Value Received): $ 91,418.60

15 The Annual Percentage Rate[1] (APR) is: 2.500 %

The APR is not the contract rate of the mortgage. It is the interest costs, plus the non-interest costs required to obtain the mortgage, expressed as a percentage of the average mortgage balance over the term of the mortgage.

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16 Payments not included in the cost of credit

Payments contained in the transaction the borrower derives a direct and unrestricted benefit from:

(a)	Estimated legal fees if freely chosen by borrower:	$
(b)	Estimated appraisal if borrower has unrestricted use at or prior to completion:	$
(c)	Estimated survey if borrower has unrestricted use at or prior to completion:	$
(d)	Land Title Registration Fees:	$
(e)	Other Payments not included in the cost of credit:	
	(i)	$
	(ii)	$
	(iii)	$

Total Payments not included in the cost of credit: $ 0.00

Security

17 In addition to the Mortgage, the following security was granted for Credit:

(a)

(b)

(c)

Other Charges:

18 Other Charges possibly applicable to borrower

(a) Default Charges:

(b) Discharge Fee:

(c) NSF:

(d) Other Charges:

(i)

(ii)

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Certification and Acknowledgement

I, Steve Nicholson of Origination Mortgage Corp., 2061 Abbott Street Kelowna, British Columbia, V1Y1C5
the Lender / Broker in this Mortgage, have fully completed the above statement.

Signature of Lender or Broker

I, ______________________ of ______________________
(Name) (Address)

the Borrower in this Mortgage, acknowledge receipt of the above Disclosure Statement which I received on the
______ day of __________ year ______________

Signature of Borrower

Notes:

1. The Annual Percentage Rate is calculated using the formula:
   APR = Annualized Cost of Credit / Average Principal
   = Cost of Credit / (Mortgage Term x Average Principal) where the Mortgage Term is expressed in years

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BRITISH COLUMBIA
The Best Place on Earth

Registrar of Mortgage Brokers
1200² 13450 102nd Avenue
Surrey, BC V3T 5X3

BORROWER CONFLICT OF INTEREST DISCLOSURE STATEMENT
FORM 10 - Section 17.3

This information statement has not been filed with the Registrar of Mortgage Brokers. There has been no determination made by the Registrar as to whether the disclosed information complies with the *Mortgage Brokers Act.*

Please write or print clearly. If additional information is required, reference and attach a schedule to this form.

Ben Smit, Rheann Smit
Name of Borrower(s):

Scotiabank / Banque Scotia
Name of Lender:

Origination Mortgage Corp. — (250) 212-2010
Name of Mortgage Broker: — *Telephone:*

Steve Nicholson — Jul 01, 2014
Name of Submortgage Broker: — *Date of transaction:*

405 collett Road Kelowna, British Columbia V1W 1K6
Civic address of property to be mortgaged:

Detached Lot A, Plan KAP66531
Legal description of property to be mortgaged:

Other Parties to the Transaction Represented by the Mortgage Broker

The Mortgage Broker represents the following parties to the transaction:

- [X] The borrower(s): Ben & Rheann Smit
- [X] The lender: Scotiabank
- [ ] Syndicate mortgage lenders: *(attach list if more space required)* *Name* / *Name* / *Name*
- [X] A person or entity which will acquire the mortgage from the investor/lender: Ben & Rheann Smit *Name*
- [ ] Other - please describe:

NOTE:
If the Mortgage Broker has NOT indicated that it represents you, the Mortgage Broker must still exercise a duty of care to you and deal with you fairly. It is recommended that you obtain independent advice with respect to the transaction.

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Mortgage Broker's Interest in the Transaction

[X] The Mortgage Broker and/or its associates or related parties **will not** acquire a direct or indirect interest in the transaction described above.

[ ] The Mortgage Broker and/or its associates or related parties **will** acquire a direct or indirect interest in the transaction described above. In particular, __________________,
(State the Name of Party)
who is ____________________________ will:
(State Relationship with Mortgage Broker)

- [ ] be the lender in the transaction;
- [ ] be a syndicate mortgage lender with the lender/investors;
- [ ] acquire the mortgage from the lender or investor; or
- [ ] ________________________
(Identify nature of interest)

Are there Other Mortgage Brokers acting in this Transaction?

(X) No
( ) Yes ________________________
(State Name, Relationship to Mortgage Broker and/or Borrowers and role in transaction)
____

Compensation to the Mortgage Broker

The Mortgage Broker will be compensated for this mortgage transaction in the following ways:

- [X] Commission/income or fee paid by the lender
- [ ] Commission/income or fee paid by another mortgage broker
- [ ] ________________________
(Other - please specify)

The Mortgage Broker may (or will) also receive additional compensation (either monetary or non-monetary) from the lender which includes:

- [X] Additional commission/income based on its or another mortgage broker's volume of business or funding efficiency with the lender
- [ ] Additional commission/income because the Borrower is paying a higher interest rate than would otherwise be available to the Borrower from the lender in the transaction
- [X] Points, Rewards and other incentives
(Other- please describe)

Referrals to the Mortgage Broker

The Mortgage Broker, its associates or related parties have paid or will pay a fee in the amount of $ 0 to NA (Name) for receiving a referral or recommendation relating to the transaction.

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Please state any other facts which may result in a conflict of interest with the borrower:

CERTIFICATION		
I certify that I am the mortgage broker or an authorized representative of the mortgage broker and based on my knowledge, belief and information provided by third parties, this Disclosure Statement contains no untrue statement and does not omit to state a fact that is required to be stated or that Is necessary to prevent a statement that is made from being false or misleading in circumstances in which it was made.		
Origination Mortgage Corp.		2061 Abbott Street Kelowna, British Columbia, V1Y1C5
Full name of Mortgage Broker		*Address (Including Postal Code)*
		2014,05,08
Signature of Mortgage Broker or Authorized Representative		*Date Signed (YYYY,MM,DD)*
ACKNOWLEDGEMENT OF RECEIPT		
		2014,05,08
Signature	*Name (Please Print)*	*Date Signed (YYYY,MM,DD)*
		2014,05,08
Signature	*Name (Please Print)*	*Date Signed (YYYY,MM,DD)*

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ORIGINATION MORTGAGE CORP

278 Mathison Place
Kelowna, BC
V1Y 5R5

T: 250.212.2010
F: 778.478.9093
steve@origination.ca

Protecting your mortgage?

DATE : May 8, 2014

Applicant: Ben Smit

Co-Applicant(s): Rheann Smit

A mortgage is the single largest debt most Canadians have, making your mortgage insurance an important responsibility. At Origination Mortgage we recognize that mortgage insurance from your bank or lender may not be your best solution. Our network of qualified Financial Planners can help you compare your choices.

Please choose One of the following:

☐ I/We would like to see more options, choices and compare this to mortgage insurance offered by the bank or lender. Please have Jeremy Harris of JS Harris Financial contact me at ____________________ to determine the best plan for me.

☐ I/We Choose to decline the options for mortgage insurance. I/We understand that by declining this options, I/We personally assume all responsibility for this decision and release Origination Mortgage Corp from any future liability.

Sincerely,

Signature of Applicant Signature of Co-Applicant(s)

Witness to Signature(s):

Signature of Witness