Mortgage Commitment

BROKER INFORMATION

Name: Origination Mortgage Corp.

Address: 2061 Abbott Street Kelowna BC V1Y 1C5

Attention: Steve Nicholson | Application Reference #:OMGC-328

LENDER INFORMATION

Name: Valley First a division of First West CU

Address: 101-110 Highway 33 West Kelowna BC V1X1X7

Lender Reference #: | Mortgage Insurance Reference #:

APPLICANT INFORMATION

Applicant: Logan Dow

Property Information

Address: 13295 Shoreline DR Lake Country BC V4V2N8

With reference to the above, Valley First a division of First West CU is pleased to provide a mortgage loan offer, under the following terms and conditions:

Loan		Terms		Payment	
Purchase/Value	$ 640,395.00	Mortgage Type	First	Principal and Interest	$ 1,914.91
Downpayment	$ 128,079.00	Term Type	Closed	Taxes (Estimated)	$ 250.00
Amount	$ 512,316.00	Interest Rate	2.800%	Taxes Paid By	Borrower
Insurance Premium	$ 0.00	Term (Months)	60	Total Installment	$ 2,164.91
Total Loan	$ 512,316.00	Amortization (Months)	420		
Other Mortgages		Frequency	Monthly	Commitment Expires	26-Nov-2014
Closing Date	12-Sep-2014				

LENDER AUTHORIZATION

All of our normal requirements and, if applicable, those of the mortgage insurer must be met. All costs including legal, survey, mortgage insurance, etc. are for the account of the applicant(s). The mortgage insurance premium (if applicable) will be added to the mortgage. This mortgage is subject to the details and terms outlined as well as the conditions described on the attached Schedule A.

Approved by: Catriona Heatherington

VALLEY FIRST A DIVISION OF FIRST WEST CU

CLIENT ACCEPTANCE

I/We the undersigned applicant(s) accept the terms of this mortgage as stated above and agree to fulfill the conditions of approval as outlined on the attached Schedule A to the lender's satisfaction. I/We further certify that the information given on the mortgage application is true and correct.

Applicant: Logan Dow | Signature ____________________ | Date ____________________

FirmName:	Origination Mortgage Corp.	**Lender Name:**	Valley First a division of First West CU
Attention:	Steve Nicholson	**Lender Reference #:**	
Application Reference #:	OMGC-328	**Mortgage Insurance Reference #:**	

CONDITIONS OF APPROVAL

CONDITIONS

☐ It is a requirement that all applicants complete the following question:

"Will this credit account be used by or on behalf of a third party (someone other than a co-borrower)?"

Yes_____________________ No ____________________
Initials required

☐ Receipt of an acceptable full appraisal report for the subject property for a minimum value of $ 640,395.00

** Appraisal must confirm the property is a minimum 900 Sq Ft / 84 Sq M (house) or 600 Sq Ft / 56 Sq M (Condo). Cost of appraisal is the responsibility of the borrower.

**Maximum value given for acreages to be on house and 10 acres.

***It is mandatory that you order your appraisal through Solidifi's on line appraisal ordering platform @https://values.solidifi.com or call 1-866-583-3983

☐ 1) BFS via Sole Proprietor income to be confirmed by:

- Most recent 2 Years Personal CRA NOA'S
AND/OR
- Most recent 2 years T1 Generals along with the most recent CRA NOA
-15% gross up can be used from the net income average OR capital cost and interest can be added back

2) BFS via Partnership Income to be confirmed by:

- Most recent 2 years Personal CRA NOA's AND 2 years most recent company financial statements
AND/OR
- Most recent 2 years T1 Generals along with the most recent CRA NOA AND 2 years most recent company financial statements
-No add backs permitted

3) BFS via Incorporated/Limited Company income to be confirmed by:
-Most recent 2 years Personal CRA NOA's AND 2 years most recent company financial statements
AND/OR
-Most recent 2 years T1 Generals along with the most recent CRA NOA AND 2 years most recent company financial statements
-No add backs permitted

*Most recent NOA must show no income taxes owing

** Business financials will be reviewed by a Valley First Commercial Banking Account Manager to ensure repayment, capacity, and stability, and determine partnership interest if applicable

*** Additional information may be required

☐ Receipt of signed fixed building contract outlining all expenses.

** Confirmation of 10% contingency funds is required for builder built and 15% contingency funds is required for self construct.

**VF may require contingency funds to be held on deposit with Valley First for the duration of the build.

(RRSP savings cannot be used towards contingency)

The construction mortgage approval will be based on the lesser of cost of construction or appraisal.

☐ By signing the acceptance on page 1, the applicants also agree to the following:

In the matter of a request for lending assistance from Valley First, a division of First West Credit Union;

I/ We, the Borrower (s) do solemnly declare that all lending facilities provided to us by Envision Financial and/or Enderby Financial (if any) have been declared to Valley First.

	Date:	Initials:

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CONDITIONS

☐ Confirmation of down payment as stated on the application via RRSP or bank statement which must show ownership.

* Plus 10% for cost over run contingency

☐ 1) Receipt of Building Permit
2) Receipt of New Home Warranty Coverage for subject property
3) Receipt of Builders Home Protection Registration Form for building project
4) Builder's Risk Certificate of Insurance with First West Credit Union, Valley First Region, 3rd Floor, 184 Main Street, Penticton, B.C., V2A 8G7 as First Loss Payee
5) Branch to hold copy of plans until completion
6) Branch to obtain copies of all required permits
7) Branch to obtain occupancy permit

Branch to control draws based on appraisers inspection report

☐ By signing the acceptance on page 1, the applicants also agree to the following: I/We warrant and confirm that the information given in the mortgage application form is true and correct and I/we understand that it is being used to determine my/our credit responsibility. You are authorized to obtain any information you may require relative to this application from any sources to which you may apply and each such source is hereby authorized to provide you with such information. You are furthermore authorized to disclose, in response to direct enquiries from any other lender or credit bureau, such information on my loan/mortgage account as you consider appropriate, and I agree to indemnify you against and save you harm from any and all claims in damages or otherwise arising from such disclosure on your part. You are also authorized to retain the application whether or not the relative mortgage is approved.

☐ It is a fundamental condition of this approval that there will be no material change in the information provided.

☐ Receipt of a copy of the MLS listing for the subject property.

☐ Receipt of a fully executed Agreement of Purchase and Sale, along with a signed Property Disclosure Statement and all applicable Schedules, Amendments and Waivers.

☐ All applicants are required to attend Valley First branch to open a membership and Account and sign mortgage documentation prior to mortgage funding. 2 pieces of identification are required - one must be Valid Photo ID - * * THERE ARE NO EXCEPTIONS TO THIS POLICY

x_____________ x_____________
Initials Required Initials Required

***The branch will contact the applicants to make arrangements to sign the mortgage documentation and open a membership at the same time

ASK ABOUT OUR SIMPLY FREE ACCOUNT with Free Monthly fee and Unlimited transactions per month with no minimum balance requirement

At the signing appointment the applicants will be asked to provide contact information for two personal references.

☐ REQUIREMENTS FOR BUILDER'S MORTGAGE

Mortgage
The approved mortgage will be based on the lessor of the finished appraised value or the cost to complete.

Interest Rate
During the construction stage regular payments of the interest only is required. Once construction is complete, the mortgage/loan will be modified to the term as outlined in the Commitment Letter schedule. Please note that in order to secure the commitment rate the first draw must be advanced within 90 days of the commitment date. If the first draw is advanced after the 90 day period the applicants would receive the current rate at the time of funding.

Term
The maximum term for construction will be six (6) months. However, in today's market and with the challenge of availability of taxes, the term may be extended to nine (9) months

	Date:	Initials:

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CONDITIONS

Fees
Application fee - $500.00 - non-refundable

There will be a charge of $100 for each advance, plus appraisal and inspection costs charged by the appraiser. A title search will be performed by Valley First prior to each advance.

Plans
A complete set of plans, specifications of materials, and cost estimates for the proposed building is required. Any deviation from the original plans through the course of construction without the prior written consent of Valley First may result in cancellation of the mortgage.

Appraisal
An independent appraisal report stating the value of the completed construction based on plans and estimates are required. The appraiser will be supplied with site survey plans, construction plans, specification, and cost estimates in order to produce an appraisal on a completed construction basis. There will be additional appraisals/inspections as outlined in the Advances and Inspections section.

Construction Contract
A copy of all contracts relating to the construction of the house is required.

Permits/Certificates/Insurance
The following permits/certificates are required:
1. Building permits - as required by the municipal/city/regional authorities. Regional District requirements for well and septic systems must be met
2. Title insurance
3. Water Potablility Certificate - verifying the quality of water
4. Perculation test - verifying and meeting the requirements for septic systems
5. HPO License for the Building contractor, HPO Registration form and Hew Home Warranty coverage for this project must be on file
6. Builder's Risk Certificate of Insurance policy must be in place before any funds are advanced. This includes legal liability insurance with First West Credit Union as first loss payee under a Standard Mortgage Clause
7. *Occupancy Permit - at completion.

As Valley First does not perform lien holdbacks, it is the responsibility of the member to hold back sufficient funds as stipulated by law.

Advances
Prior to each advance Valley First will require an inspection of the property and a lien search. Before the first advance, title insurance must be obtained. An Occupancy Permit and written inspection from the appraiser verifying substantial completion is required before the final advance.

Inspections
Progress inspections by the appraiser and advances may be made at the completion of the following stages:
1. Lock-up stage: foundation, framing, windows, doors, roofing, etc. (approximately 40% of mortgage funds) - lien search required
2. Drywall, insulation, wiring and plumbing (approximately 30% of mortgage funds) - lien search required
3. Finishing: exterior and interior finishing (approximately 20% of mortgage funds) - lien search and occupancy permit required
4. An initial advance to assist in purchasing the land may be requested
5. Additional advances may be requested subject to an appraiser's inspection to maintain sufficient cost to complete.

Completion -
Upon satisfactory completion the interest rate will be modified on the date the following requirements have been met:
1. All Terms and conditions of the draw mortgage have been met
2. Members are in Occupancy and a copy of the *occupancy permit is on file
3. Homeowners insurance is in place (first loss payee - First West Credit Union)
4. Tax receipt - all property taxes have been paid up to date
4. Title - title to the property is free and clear of all financial charges except for the Valley First mortgage.

This document forms part of the Mortgage Approval Commitment.

I have read, understand and agree to all of the above

	Date:	Initials:

Mortgage Commitment			Schedule A
Response: Aug-26-2014 02:27:44 PM EST			
FirmName:	Origination Mortgage Corp.	**Lender Name:**	Valley First a division of First West CU
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CONDITIONS

____________________________ ________________________
Signature Signature

____
Date

* If an Occupancy Permit is not available, a Municipal/Regional District final inspection notice with on outstanding conditions will suffice

☐ Receipt of name and email address of notary or solicitor along with name of firm from Valley First approved list to prepare Credit Master documents.

* * Should the client choose to use a solicitor not on our approved list, we will require our internal solicitor to prepare the Form B for the mortgage. There will be a $100 fee to the client for this service, which will be deducted from the mortgage proceeds. Broker to provide Solicitor/ Notary name, firm name, address, email address, phone number, and fax number.

☐ Solicitor is required to obtain Title Insurance.

PAYMENT FLEXIBILITY OPTIONS

☐ MORTGAGE PRE-PAYMENT CLAUSE FOR CLOSED TERMS:

* *The member may repay up to 20% of the original Principal Amount in aggregate during each 12-month period (from date of advance or date of last renewal) when not in default, without prior notice and without payment of any compensation. If the member fail to exercise this privilege in any year, it will lapse and the member may not make it up in any subsequent years;

AND

* * The member may increase regular monthly payments by an amount up to and including 20% of the scheduled payment amount, once per calendar year excluding year of disbursement"

INSTRUCTIONS

☐ Approved for residential first mortgage financing in the amount of $ 512,316.00 with a 5 year variable rtae closed term at Prime -.2% and monthly payments of $ 1,914.91 based on a 35 year amortization

☐ Investor/Lender Conflict of Interest Disclosure Statement Form 11- Broker is required to provide completed and signed copy to Valley First ONLY if there is a conflict of interest.

☐ Broker to provide Valley First with full legal name(s) of mortgagor(s) as it/they will appear on the mortgage documents (please print full legal name including all middle names):

First Applicant ________________________

Second Applicant______________________

(please print)

☐ Property taxes are not collected by Valley First and are the responsibility of the homeowners. The applicants may open a separate account at the branch for property taxes

☐ Lender's conditions, commitment and schedules signed, dated and returned to Mortgage Broker's office a minimum of 10 BUSINESS days prior to completion.

***IT IS IMPORTANT THAT ALL CONDITIONS BE SENT TO OUR GENERAL EMAIL BOX AT

mortgagecentre@valleyfirst.com

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INSTRUCTIONS

☐ Broker to advise us as to which Valley First Branch the applicants would like to deal with.

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If not indicated we will send it to the Branch closest to the subject property.

ADMINISTRATION & SERVICE FEES

☐ A non-refundable Draw Mortgage fee of $500.00 will be deducted from the mortgage proceeds.

There will be a Valley First processing charge of $100 for each advance. In addition to this charge the member is responsible for paying any appraisal and inspection fees charged by the appraiser. A title search will be performed by Valley First prior to each advance.

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Initials Required