MERIX

390 Bay Street, Suite 1800, Toronto, ON M5H 2Y2

Mortgage Commitment

Merix Financial is pleased to provide a mortgage loan offer under the following terms and conditions:

Date: Nov 2 2015 4:06PM

Lender Reference: 1578442 | **Application Reference:** OMGC-448

Broker Information:
Nicholson Steve
2061 Abbott Street, Kelowna, British Columbia V1Y1C5

Applicant Information:
Borrower: Daniel Groess
Co-Borrower(s): Deanna Gilroy

Property Information:
Address: 2150 Ponderosa Avenue, Kamloops, British Columbia V2B 4V9

Loan Details:

Purchase/Value:	$315,000.00
Downpayment/Equity:	$31,500.00
Loan:	$283,500.00
Mortgage Insurance Premium:	$6,804.00
Total Loan Amount:	$290,304.00
Mortgage Insurance Tax:	$0.00
Closing Date:	30/11/2015
First Payment Date:	30/12/2015
Maturity Date:	30/11/2020
Interest Adjustment Date:	30/11/2015

Terms:

Mortgage Type:	First
Term Type:	Closed
Amortization:	300 months
Term:	60 months
Rate:	2.54%
Product Type:	Fixed
Deal Purpose:	Purchase

Payment:

Principal and Interest:	$1,306.25
Taxes (estimated):	
Total Installment:	$1,306.25
Taxes paid by:	
Payment Frequency:	Monthly
Commitment Expires:	30/11/2015

Authorization:
All our normal requirements and, if applicable, those of the mortgage insurer must be met. This mortgage loan offer is subject to the conditions and terms outlined below as well as those described on the attached schedule A. This commitment supersedes any previous commitments we may have issued for this mortgage loan. This commitment will be cancelled if the loan is not advanced by Nov 30, 2015.

Approved By: Natasha Royer
Merix Financial

	Conditions of Approval
1.	Lender requires Solicitor name and address
2.	Lender Requires Agreement of Purchase and Sale and MLS Listing
3.	Please return signed commitment signed by all parties
4.	Lender requires Pre Authorized Debit information for mortgage payments
5.	Satisfactory confirmation of cash down payment
6.	Satisfactory confirmation of closing costs
7.	Satisfactory confirmation of permanent full time employment - Daniel
8.	Satisfactory confirmation of permanent full time employment - Deanna

Client Acceptance:

You acknowledge having been informed of your right to receive the initial cost of borrowing disclosure statement for the credit described in this document at least 2 clear business days prior to signing the credit agreement at your lawyer's office. However, you consent to receiving such disclosure statement the day the credit agreement is signed if the signature takes place 10 business days or less following the date the documents listed in this section are received. In such circumstances, you waive your right described in the first sentence of this paragraph.

If these terms and conditions are acceptable to you, please confirm this by signing below:

Daniel Groess Signature: ________ Date: Nov 2, 2015

Deanna Gilroy Signature: Deanna Gilroy Date: Nov 2, 2015

Initials ____ Initials ____

Schedule A	
Lender Reference: Date:	1578442 Nov 2 2015 4:06PM

Conditions for Broker:	
1.	The Lender must be in receipt of a signed Pre-authorized Debit Form and a Personal Pre-Printed Void Cheque for automatic payments. Pre-authorized Payment Form may be obtained at www.mortgagedocuments.ca
2.	As the down payment is cash, the Lender requires: 1) Bank statement clearly showing client s name and account number. 2) Receipt copies of the most recent three (3) months bank books or statements verifying accumulation of down payment (including deposit shown on the offer) in the amount of $31,500.00. Must be from a non-borrowed source. 3) Cash "under the mattress" declare to lender immediately deposit to bank account - must seed for 90 days (Any large deposits must be explained and documented). (Items directly involving Down Payment should be highlighted)
3.	For employees with less than 2 years tenure, the Lender requires a) Current paystub AND b) Letter from the Employer dated within a month of the loan application confirming the borrower's hiring date, status, position, salary, and other benefits, if applicable AND c) T4 slips or Notice of Assessments for the past 2 years confirming continued employment and income and that taxes are paid. For employees with more than 2 years tenure, the Lender requires a) Current paystub AND b) Letter from the Employer dated within a month of the loan application confirming the borrower's hiring date, status, position, salary, and other benefits, if applicable. ** Please note that the above income documents are a requirement for this rate product, no exceptions are available **
4.	For employees with less than 2 years tenure, the Lender requires a) Current paystub; AND b) Letter from the Employer dated within a month of the loan application confirming the borrower's hiring date, status, position, salary, and other benefits, if applicable; AND c) T4 slips or Notice of Assessments for the past 2 years confirming continued employment and income and that taxes are paid. For employees with more than 2 years tenure, the Lender requires a) Current paystub; AND b) Letter from the Employer dated within a month of the loan application confirming the borrower's hiring date, status, position, salary, and other benefits, if applicable. ** Please note that the above income documents are a requirement for this rate product, no exceptions are available **
5.	Please return signed commitment signed by all parties.
6.	Solicitor Name and Address including telephone number required.
7.	The Lender must receive a fully executed Agreement of Purchase and Sale along with MLS Listing for the property being purchased. Documents must be deemed satisfactory to the Lender. Agreement should include the vendors full name, address and phone number, realtor information. Property information to include sq. footage, heat type, garage type and size. Please note that if the purchase of the subject property is a private transaction between the applicant and current owner, this commitment will be considered null and void.
8.	The Lender requires bank statements clearly showing client's name and account number verifying closing costs equal to 1.5% of the purchase price are from the applicant's own resources.

Conditions for Solicitor:	
1.	Solicitor to confirm applicants do not own or have financial obligations towards any other property at close.
2.	Statutory declaration signed by mortgagor(s) indicating that the property will be owner occupied. The Lender reserves the right to amend our decision if the property is not being occupied as your principal residence.

Conditions for Customer:	
1.	1) Pay up to 20% of the original mortgage amount each anniversary year, without penalty. A minimum payment amount of $1,000.00 is required. 2) Increase your regular payments by up to 20% of the original P and I portion per anniversary year, without penalty. 3) Partial prepayment options used in any combination may not exceed the 20% yearly prepayment maximum.
2.	Genworth Financial undertakes to insure, subject to any further conditions as stipulated by their terms and conditions. All fees and premiums charged by Genworth are the borrower s responsibility, and will be deducted from the first advance.
3.	Merix Financial mortgages are facilitated through Paradigm Quest Inc.
4.	Thank you for choosing us for your financing. We look forward to hearing from you soon. 1) You will be required to obtain fire insurance coverage for not less than the full replacement value of the property with Computershare Trust Company of Canada as 1st Loss Payee as mortgagee. The policy should contain standard mortgage clauses approved by the Insurance Bureau of Canada. 2) The Cost of Borrowing Disclosure Statement for your loan will be included in the mortgage loan agreement that you will have to sign at your solicitor's office. 3) Payment of your Merix Financial Mortgage is to be by way of Pre Authorized Payment Plan. You will sign a Pre Authorized Payment Plan enrollment agreement and you will provide the Lender with a void cheque for the account you wish the mortgage payment withdrawn from. 4) The Lender will use the law firm of your choice for preparation and registration of the mortgage. We reserve the right to disqualify certain law firms based on past performance. Please provide your Mortgage Representative with the name, address, phone and fax numbers of your solicitor.
5.	The applicant is responsible for any costs relating to the mortgage including legal, appraisal, survey, Title Insurance or inspection fees.
6.	The Lender has assigned your mortgage transaction to the Closing Service First Canadian Title (FCT). FCT is responsible to obtain Lender Title Insurance on behalf of the Lender. The Lender Title Insurance fee is a cost to the borrower.
7.	The Lender may refuse any subsequent financial charges to be registered against the subject property without their approval.

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8.	The Lender requires all Broker conditions met a minimum 10 business days prior to close date. If conditions not fulfilled, funds may not be advanced on the scheduled closing date. Your commitment will be cancelled or closing date extended if application within the rate hold period.
9.	The terms in this commitment cannot be altered unless confirmed in writing by the Lender.
10	This approval is subject to cancellation at the option of the Lender should any of the following occur:If there has been any material change to the applicant s financial status as disclosed in the loan application or if there have been any unapproved material changes to the mortgaged premises that adversely affect the value thereof. Any misrepresentation of facts contained in this loan application or other documentation entitles the Lender to decline to advance a portion or all of the loan proceeds, or to demand immediate repayment of all monies secured by the mortgage. I/We accept the Offer to provide mortgage financing and agree to be bound by the terms, conditions and provisions contained herein. I/We hereby authorize the Lender, its successor and/or assigns, to make whatever credit/payoff inquiries it deems necessary in connection with my/our credit application or in the course of review or collection of any credit extended in reliance on the application. I/We hereby authorize any person or consumer reporting agency to compile and furnish any information it may have or obtain in response to such credit inquiries. I/We authorize this document to be reproduced by a copy machine to facilitate multiple credit and payoff inquiries. The Mortgagor(s) and Guarantor (if applicable) acknowledge receipt of a signed copy of the Mortgage Loan Commitment.
11	You may repay this loan at any time upon payment of a penalty equal to the GREATER of the Interest Rate Differential (IRD) or 3 month`s interest based on the outstanding balance of the mortgage. The IRD is based on the difference between the interest rate on the mortgage and the then current interest rate for a mortgage then offered by The Lender for a term closest to the term remaining on the mortgage as determined by The Lender.
12	Your title to the property must be satisfactory to our solicitor and the mortgage must be a first charge on the property. Legal expenses are your responsibility, whether the loan is carried out or not. Instructions to the lawyer of your choice for the closing of this loan transaction will be forwarded upon acceptance of this Commitment.

Standard Terms and Conditions:	
1.	A title insurance policy, from a title insurance provider acceptable to the Lender, must be obtained covering the lenders interests without exceptions to coverage. Computershare Trust Company of Canada should be named as insured.
2.	Payment of property taxes will be your responsibility, unless otherwise stated in this commitment.
3.	Should you decide to sell the mortgaged property and purchase another property, you may transfer the remaining mortgage balance together with the interest rate set out therein to the new property provided that the Mortgage Loan is not in default, a new mortgage loan application has been accepted by the lender, all terms and conditions set out in the subsequent Mortgage Loan approval have been met and the closing dates of the two properties are within 30 days. Should the existing mortgage be paid out and the new mortgage not funded then prepayment charges will apply on your existing mortgage. Should the amount of the new mortgage be less than the balance on your existing mortgage, a prepayment penalty will apply to the difference between the two.
4.	The interest rate on your commitment letter will be honoured provided the mortgage loan is advanced by 30/11/2015. In the event that the effective rate of interest is lower at closing, the interest rate may be adjusted. This commitment will be cancelled if the loan is not advanced by 30/11/2015.
5.	There may be a fee charged for any payment returned due to insufficient funds or stopped payments.
6.	This Mortgage will be subject to all extended terms set forth in our standard form of mortgage contract or in the mortgage contract prepared by our solicitors, whichever the case may be, and insured mortgage loans will be subject to the provisions of the National House Act (N.H.A.) and the regulations thereunder.
7.	Your title to the Property must be acceptable to our Solicitor who will ensure that the the lender has good and marketable title in fee simple to the property and that it is clear of any encumbrances which might affect the priority of the Lenders Mortgage. We will accept title insurance from a title insurance provider acceptable to the Lender. The Mortgage must be a first charge on the property.

FIXED CREDIT

DISCLOSURE STATEMENT

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

Lender: Merix Financial

The Borrower may use the following phone number to obtain information about the Mortgagor's account during the Lender's ordinary business hours: (250) 808-6104

Broker: Steve Nicholson, Origination Mortgage Corp.

Borrower: Daniel Groess, Deanna Gilroy

Property: 2150 Pondersoa Avenue Kamloops, British Columbia V2B 4V9

Effective Date of Disclosure Statement: November 2, 2015

Mortgage Terms and Details

1 The interest rate on the mortgage is: Fixed

2 The initial annual interest rate is: 2.540 %
and the compounding period is: Semi Annually

3 Total mortgage amount: $ 290,304.00

4 The total interest paid: $ 33,976.17

5 The Total Cost of Credit (Calculation details are in 'Cost of Credit Details' section): $ 33,976.17

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: 25 years

(d) The maturity date is: November 30, 2020

(e) Payments in the amount of $ 1,306.25 are to be made by the Borrower as follows:
Monthly (timing) commencing December 30, 2015 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: November 30, 2015
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: $ 290,304.00

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): $ 6,804.00

Total deducted from mortgage amount: $ 6,804.00

Total amount from lender: $ 283,500.00

12 Value Received by the borrower for proceeding with the transaction

(a) Total from Lender less deductions: $ 283,500.00

(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): $ 6,804.00

(g) Other Value Received:

(i) ______ $

(ii) ______ $

(iii) ______ $

Total Value Received by the borrower: $ 290,304.00

13 Value Given by the borrower for proceeding with the transaction

(a) Commencing December 30, 2015, 60 Monthly payments of $ 1,306.25 will be paid by the borrower.

Total Payments: $ 78,375.00

(b) Remaining mortgage balance on maturity date: $ 245,905.17

(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: $ 324,280.17

14 Cost of Credit (Value Given Less Value Received): $ 33,976.17

15 The Annual Percentage Rate[1] (APR) is: 2.540 %

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) ______ ______

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.

Ellissa Aile
Signature of Lender or Broker

I, Deanna Gilroy/Dan Groess of 651 Desmond St. Kamloops, BC V2B 5K2
(Name) (Address)
the Borrower in this Mortgage, acknowledge receipt of the above Disclosure Statement which I received on the
2 day of Nov year 2015

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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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.

Daniel Groess, Deanna Gilroy
Name of Borrower(s):

Merix Financial
Name of Lender:

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

Steve Nicholson — Nov 30, 2015
Name of Submortgage Broker: — *Date of transaction:*

2150 Pondersoa Avenue Kamloops, British Columbia V2B 4V9
Civic address of property to be mortgaged:

Detached PID 009-422-421
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): Daniel Groess & Deanna Gilroy
- [X] The lender: Merix Financial
- [ ] Syndicate mortgage lenders: *Name* _____ *Name* _____ *Name*
  (attach list if more space required)
- [X] A person or entity which will acquire the mortgage from the investor/lender: Daniel Groess & Deanna Gilroy
  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 & 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)*
Ellissa Avila	2015,11,02
Signature of Mortgage Broker or Authorized Representative	*Date Signed (YYYY,MM,DD)*

ACKNOWLEDGEMENT OF RECEIPT

		2015,11,02
Signature	*Name (Please Print)*	*Date Signed (YYYY,MM,DD)*
Deanna Gilroy	Deanna Gilroy	2015,11,02
Signature	*Name (Please Print)*	*Date Signed (YYYY,MM,DD)*

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Originator Consent Form

This form authorizes Merix Financial Inc. to release confidential mortgage information to my mortgage originator and his or her assistants.

Note: This authorization is valid until cancellation has been received by Merix Financial Inc. in writing.

The purpose of this form is (please check one):

☑ To authorize a mortgage originator to utilize this information for mortgage consultation or refinancing purposes; **or**

☐ To cancel the existing authorization of the mortgage originator identified below.

Borrower Information:

Borrower Names: Daniel Groess + Deanna Gilroy
Borrower Address: 2150 Ponderosa Avenue
Kamloops BC V2B 4V9

Mortgage Number: 1578442

Originator Information:

Originator Name: Origination Mortgage Corp
Business Address: 2126 Long Street
Kelowna BC V1Y 0C6

Telephone Number: 250.212.2010

Authorization:

Consented to this 2 day of November, 2015,

at 651 Desmond St. Kamloops, in the Province of BC.

Borrower Name: Deanna Gilroy
Signature Deanna Gilroy Date Nov 2, 2015

Borrower Name: Dan Groess
Signature Date NOV 2/15

Note: this form will not be accepted unless it is signed by all borrowers. Use two forms if more than two borrowers are on the loan or if borrowers reside at different addresses.