Mortgage Commitment

April 22, 2016

FIRST NATIONAL
FINANCIAL LP

Lender Reference #: 3170256

APPLICANT(S)
Mark Kluge
Joan Kluge

Home: (604) 940-9249, Bus: (604) 940-9249, Bus: (604) 619-9699

SUBJECT PROPERTY ADDRESS
200 Ardoon Pl
Nanaimo, BC
V9T 4V9

BORROWERS CURRENT ADDRESS
4676 55B St
Delta, BC
V4K 3B7

SERVICING ADDRESS
200 Ardoon Pl
Nanaimo, BC
V9T 4V9

DETAILS
With reference to the above, First National is pleased to provide a mortgage loan offer under the following conditions:

Loan		**Terms**		**Payment**	
Loan Amount	$346,750.00	Mortgage Priority	First	Monthly P&I	$1,607.45
Insurance Premium	$12,483.00	Int. Calculated	Semi-Annually	Life Insurance	$109.57
Total Loan Amount	$359,233.00	Interest Rate	2.490	Total Monthly Payment	$1,717.02
		Term	60 Month(s)	Accelerated P&I Pmt	$803.73
		Amortization	25 years	Est Realty Taxes	$2,723.00
		Frequency	Bi-Weekly	Taxes paid by	Lender

Closing Date: Jul 15, 2016
Interest Adjustment Date: Jul 15, 2016
Maturity Date: Jul 15, 2021
Commitment Expires: Jul 15, 2016
Mortgage Insurance Reference: 935746 CG

CONDITIONS OF APPROVAL

ASSUMPTION POLICIES
The transferee or purchaser may, upon completion of a mortgage application which meets our mortgage approval criteria then in effect, personally assume (with the consent of his or her spouse where required by law) all of your obligations under the mortgage by executing an assumption agreement in the form required by us.

CONDITIONS

1. Privileges: 15% & 15% & Double Up

2. Solicitor to provide the completed Identification Verification Form satisfactory to First National prior to funding.

3. Copy of executed BC disclosure statement and Form 10.

4. Both/All to sign as Joint Tenants

5. Subject to CG approval.

6. Subject to signed and dated mortgage application.

7. Subject to no secondary financing.

8. Property shall be owner occupied as a single family residence in accordance with all zoning by-laws.

9. In the event the Borrower wishes to increase the principal amount of the mortgage, provided such increase is approved by the Lender in its sole discretion, then the Borrower shall be required to pay the foregoing prepayment fee in respect of the principal amount outstanding at the time of such increase.

10. Receipt of satisfactory purchase agreement including all addendums, PCDS and MLS listing

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11. A1 - LOE confirming income & tenure as stated, with current paystub.If any OT, commission or bonus is used 2yrs NOA is req'd

12. A2 - 2013/14 T1 Generals and NOAs. No Taxes owing to CRA. If incorporated, need BC Company Summary & co financials. If Sole Proprietor, need Statement of Business Activities

13. Down payment confirmation via 3m savings history, plus 1.5% of the purchase price for closing costs. All large deposits must be verified.

14. Lease agreements conf $1800/mth for 615-1445 Marpole Ave and $980/mth for 317-8900 Citation

15. Current tax assessments for 615-1445 Marpole, 4676 55B St and 317-8900 Citation Dr

16. Debts to be paid TD $3451

17. U/W to confirm match 3067833 to conf pmts reduced to 1037.35 biweekly

STANDARD TERMS AND CONDITIONS

1. Mortgage: The mortgage loan to be made to you shall be subject to all extended terms set forth in the First National Financial LP (herein referred to as 'we', 'our' or 'us') standard form of mortgage contract, and loans insured by a mortgage insurer will be subject to the requirements of the Certificate of Insurance issued by the mortgage insurer. You acknowledge and agree that the terms "Chargee/chargee" and "Mortgagee/mortgagee" when used in the charge/mortgage and other loan documents shall include First National Financial LP. If there are one or more rental units at the property, a general assignment of rents in our standard form will be required.

2. Property Taxes: If stipulated by us, you will pay us monthly, an amount which in our opinion is sufficient to enable us to pay the annual property taxes on your behalf by the due date for the first installment of the tax bill in each year, based on the estimated annual taxes. We may retain a tax holdback from our mortgage advance in an amount equal to the estimated annual property taxes, which will be credited to your tax account. Prior to funding of the mortgage loan, you must pay any tax installments that are due and owing as of the date of advance of the mortgage loan. If we permit you to pay your taxes directly to the municipality, you will provide us with proof of such payment no less than sixty days thereafter.

3. Fire Insurance: We shall require evidence of replacement cost all-risk insurance coverage acceptable to us, taken with an insurer not disapproved by us. Such policy must contain the standard Insurance Bureau of Canada mortgage clause and must indicate the interests of Computershare Trust Company of Canada and First National Financial LP c/o 100 University Avenue, Suite 700, North Tower, Toronto, Ontario, M5J 1V6, as mortgagees.

4. Title Insurance: A Lenders policy of Title Insurance must be obtained, in form and content satisfactory to the Lender.

5. Processing Fee and Costs: Whether or not this loan is funded, you agree to pay the processing fee specified herein, if any, and all legal, appraisal and survey costs incurred by you or us in this transaction.

6. Mortgage Insurance Fee: You agree to pay any mortgage insurance fee, as indicated, and all applicable federal or provincial taxes thereon.

7. Interest Adjustment: Interest shall accrue from the date the first advance is made. Interest due to the interest adjustment date will be simple interest, calculated daily and will be deducted from the first advance.

8. Pre-Authorized Cheque Plan: You agree to make repayment under the mortgage by a 'pre-authorized cheque plan' or by such other means as may be requested by us.

9. Commitment Non-Assignable: This commitment is not transferable by you and the benefit may not be assigned by you. It may be assigned by us.

10. Representation and Warranty: You warrant to us, and it is a condition of this loan, that all information submitted by you or your broker to us in connection with your loan application is true and accurate, and you agree to supply promptly, on request, any further information concerning yourself, your financial standing or the property to be mortgaged, which may be required by us.

11. Title: You represent and warrant to us, and it is a condition of this loan, that you have a good and marketable title to the property to be mortgaged, satisfactory in all aspects.

12. Zoning and Work Orders: It is a condition of this loan that the mortgaged property and the use thereof comply with all applicable governmental laws and regulations and that there are no outstanding work orders, notices or directives against the property.

13. Construction Loans: In the case of a construction loan, advances will be made at our discretion and we will always retain sufficient funds to complete construction.

14. New Homes: If this mortgage loan is for the purchase of a newly constructed home, our solicitor will be required to obtain a certified copy of the New Home Enrolment endorsed by HUDAC (or the equivalent enrolment in any governmental new home warranty programme in provinces other than Ontario) before making any mortgage advances.

15. No Agency: You acknowledge that we may assign this commitment or the mortgage to a third party and may receive a fee in connection with such assignment. We may also receive a fee in connection with the servicing of this loan. We are not acting as your agent or otherwise in any fiduciary capacity in relation to you in connection with the loan described herein.

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16. Solicitor and Documentation: The solicitor specified by us will act on our behalf in this transaction. You agree to deliver to our solicitor your title documents, insurance policy and survey, if applicable, as soon as possible.
17. Entire Agreement: This commitment, when accepted by you, will constitute the entire agreement and understanding between you and us with respect to this loan and will supercede all other agreements or understandings, whether oral or written.
18. Survival: You agree that the terms, conditions & covenants contained in this commitment shall survive and will not merge upon registration of the mortgage and the advance of funds thereunder but will remain valid and subsisting obligations.
19. Information: You agree that we or any insurer or potential insurer or assignee or potential assignee of the Mortgage Loan may conduct credit checks with consumer reporting agencies and make such other investigations and collect such other information concerning you as we or they may deem advisable, all such information to be used for the purpose of underwriting, assessing the risk associated with, and administering this mortgage loan.
20. Privacy: You agree that we or any insurer or potential insurer of the mortgage loan may share information concerning you with (a) any assignee, proposed assignee or insurer of this commitment or the mortgage loan, (b) our duly authorized agents and representatives who are engaged in the processing or servicing of your mortgage, (c) any parties necessary or desirable in connection with any sale or securitization of this mortgage loan, (d) consumer reporting agencies, (e) parties involved in the detection, prevention and suppression of illegal activities and matters involving the public interest, and (f) organizations with which the Lender has strategic alliances who may use such information to provide you from time to time with information on financial products which may be of interest to you. If you prefer that your personal information not be shared with any party referred to in subsection (f) of this Section 20, you may so advise us in writing at any time and we will not share the information with them.
21. No Warranty: You agree that the granting of the mortgage loan or approval or pre-qualification thereof for insurance by any mortgage insurer is not to be construed or relied on by you or any guarantor as confirmation of (a) the value or condition of the property to be mortgaged, whether or not appraisals or inspections are carried out by or for us or any mortgage insurer, or (b) your ability, or that of any guarantor, to repay the mortgage loan.
22. Power of Attorney: Execution of security documents pursuant to a Power of Attorney is not permitted.

PAYMENT FLEXIBILITY OPTIONS

Circle payment option:

If Weekly, the first payment will be Jul 22, 2016
If Bi-Weekly, the first payment will be Jul 29, 2016
If Semi Monthly, the first payment will be Jul 31, 2016
If Monthly, the first payment will be Aug 15, 2016

INSTRUCTIONS TO THE SOLICITOR

Solicitor
TBA

THE SOLICITOR IS HEREBY INSTRUCTED TO REGISTER THE MORTGAGE DOCUMENT AS FOLLOWS:

The Principal amount on the Registered Mortgage should be: $359,233.00
Interest Adjustment Date: Jul 15, 2016
First Payment Date: Aug 15, 2016
Maturity Date: Jul 15, 2021
Monthly Principal and Interest Payment: $1,607.45

PLEASE DRAW THE MORTGAGE AND THE GENERAL ASSIGNMENT OF RENTS, (IF APPLICABLE) IN THE NAME OF COMPUTERSHARE TRUST COMPANY OF CANADA

CLIENT ACCEPTANCE

If the conditions contained herein are satisfactory to you, please indicate your acceptance thereof by signing below.

Applicant(s):

Mark Kluge	Signature	Date May 13, 2016
Joan Kluge	Signature Joan Kluge	Date May 13, 2016

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