

**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: Apr 19 2016 5:48PM**Lender Reference:** 1616237**Application Reference:** OMGC-447**Broker Information:**Nicholson Steve
2061 Abbott Street, Kelowna, British Columbia V1Y1C5**Applicant Information:**

Borrower: Steven Fitchett

Property Information:

Address: 5453 South Perimeter Way, Kelowna, British Columbia V1W 5H9

Loan Details:

Purchase/Value: \$395,000.00
Downpayment/Equity: \$40,000.00
Loan: \$355,000.00
Mortgage Insurance Premium: \$8,520.00
Total Loan Amount: \$363,520.00
Mortgage Insurance Tax: \$0.00
Tax Holdback Amount: \$0.00
Closing Date: 18/05/2016
First Payment Date: 01/06/2016
Maturity Date: 18/05/2021
Interest Adjustment Date: 18/05/2016

Terms:

Mortgage Type: First
Term Type: Closed
Amortization: 300 months
Term: 60 months
Rate: 2.49%
Product Type: Fixed
Deal Purpose: Purchase

Payment:

Principal and Interest: \$750.75
Taxes (estimated): \$0.00
Total Installment: \$750.75
Taxes paid by: Borrower
Payment Frequency: Biweekly
Commitment Expires: 18/05/2016

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 May 18, 2016.

Approved By: Nancy Loyer
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. Satisfactory confirmation of cash down payment
5. Satisfactory confirmation of closing costs
6. Lender requires Pre Authorized Debit information for mortgage payments
7. income
8. rate expiry

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:

Steven Fitchett

Signature: 

Date:

April 22, 2016

Initials



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Schedule A

Lender Reference: 1616237
Date: Apr 19 2016 5:48PM

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 \$40,000.00. 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 YR TENURE, the Lender requires
 - i. 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
 - ii. Current paystub
 - AND
 - iii. Notice of Assessments for the past 2 years confirming continued employment and income and that taxes are paid.
4. Please return signed commitment signed by all parties.
5. Solicitor Name and Address including telephone number required.
6. The current rate offering is valid until June 30th 2016, no extensions to this rate offering will be given. Your file must be complete 10 business days prior to closing, otherwise the rate will be lost and discretionary rates will apply.
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. 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.
2. The Lender requires the spouse to sign as consenting spouse to this mortgage transaction.
3. You are to review the Status Certificate (for ONT)/ FORM B (for BC)/Estoppel Certificate (for all other provinces outside of BC) for both purchases and refinances and confirm that the Condominium Corporation is registered and has maintained adequate Fire Insurance and that there are no arrears of any kind, including condominium fees. You must report any special or unusual requirements of the condominium that may adversely affect the marketability of the property. You are to assign the voting rights in favour of Computershare Trust Company of Canada (if applicable). Condo Fees are not included in the Mortgage payments and are the responsibility of the Borrower(s). If there are any outstanding lawsuits or reserve deficits please do not proceed with closing without prior consent from The Lender.

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. Merix Financial mortgages are facilitated through Paradigm Quest Inc.
3. 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.
4. The applicant is responsible for any costs relating to the mortgage including legal, appraisal, survey, Title Insurance or inspection fees.
5. The granting of the Loan or any part thereof or approval for insurance by CMHC or the Pre-Qualification of the Loan by CMHC is not to be construed or relied on by the borrower(s) and any guarantor(s) as representing a confirmation of the value or condition of the underlying property, whether or not appraisals or inspections are carried out by or for CMHC; nor is it to be construed or relied on by the borrower(s) and any guarantor(s) as representing a confirmation of the borrower(s) and any guarantor(s) ability to pay the Loan.

 All information obtained from or concerning the borrower(s) and any guarantor(s) in connection with approving the Loan, including credit bureau information, will be accessible to and may be used by CMHC for any purpose related to the provision of mortgage insurance generally; the borrower(s) and any guarantor(s) hereby consent thereto. Any information retained by CMHC in that regard will be subject to federal access to information and privacy legislation.

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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.
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 applicants 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 30/06/2016. 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 30/06/2016.
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 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.

Initials 

**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: Steven Fitchett

Property: 5453 South Perimeter Way Kelowna, British Columbia V1W 5H9

Effective Date of Disclosure Statement: April 19, 2016

Mortgage Terms and Details

- 1 The interest rate on the mortgage is: Fixed
- 2 The initial annual interest rate is: 2.490 %
and the compounding period is: Semi Annually
- 3 Total mortgage amount: \$ 363,520.00
- 4 The total interest paid: \$ 41,634.46
- 5 The Total Cost of Credit (Calculation details
are in 'Cost of Credit Details' section): \$ 41,634.46
- 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: May 12, 2021
 - (e) Payments in the amount of \$ 750.75 are to be made by the Borrower as follows:
Biweekly (timing) commencing June 1, 2016 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: May 18, 2016
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



Cost of Credit Details

10 Total Mortgage Amount: \$ 363,520.00

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

(a) Lender fee:	<u>\$</u>
(b) Broker Fee if deducted by lender:	<u>\$</u>
(c) Estimated Inspection/Appraisal costs:	<u>\$</u>
(d) Estimated Survey costs:	<u>\$</u>
(e) Loan pay outs:	<u>\$</u>
(f) Other charges, fees and payments:	
(i) _____	<u>\$</u>
(ii) _____	<u>\$</u>
(iii) _____	<u>\$</u>
(g) Default Insurance (CMHC/Genworth/Other):	<u>\$ 8,520.00</u>
Total deducted from mortgage amount:	<u>\$ 8,520.00</u>

Total amount from lender: \$ 355,000.00

12 Value Received by the borrower for proceeding with the transaction

(a) Total from Lender less deductions:	<u>\$ 355,000.00</u>
(b) Estimated appraisal if borrower has unrestricted use at or prior to completion:	<u>\$</u>
(c) Estimated survey if borrower has unrestricted use at or prior to completion:	<u>\$</u>
(d) Estimated loan pay outs:	<u>\$</u>
(e) Cashback received from lender:	<u>\$</u>
(f) Default Insurance (CMHC/Genworth/Other):	<u>\$ 8,520.00</u>
(g) Other Value Received:	
(i) _____	<u>\$</u>
(ii) _____	<u>\$</u>
(iii) _____	<u>\$</u>

Total Value Received by the borrower: \$ 363,520.00

13 Value Given by the borrower for proceeding with the transaction

(a) Commencing June 1, 2016, 130 Biweekly payments of \$ 750.75
will be paid by the borrower.

Total Payments: \$ 97,597.50

(b) Remaining mortgage balance on maturity date:	<u>\$ 307,556.96</u>
(c) Other Value Given by Borrower at or prior to completion	
(i) Legal fees where choice of legal firm is restricted:	<u>\$</u>
(ii) Title Insurance:	<u>\$</u>
(iii) _____	<u>\$</u>
(iv) _____	<u>\$</u>
(v) _____	<u>\$</u>

Total Value Given by the borrower: \$ 405,154.46

14 Cost of Credit (Value Given Less Value Received): \$ 41,634.46

15 The Annual Percentage Rate¹ (APR) is: 2.490 %

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.



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.

Ellissey Aikin
Signature of Lender or Broker

I, Steven Fitchett of Kelowna BC
(Name) (Address)

the Borrower in this Mortgage, acknowledge receipt of the above Disclosure Statement which I received on the

22 day of April year 2016

 [Signature]
Signature of Borrower

Notes:

1. The Annual Percentage Rate is calculated using the formula:

$APR = \text{Annualized Cost of Credit} / \text{Average Principal}$

$= \text{Cost of Credit} / (\text{Mortgage Term} \times \text{Average Principal})$ where the Mortgage Term is expressed in years

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**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.

Steven Fitchett

Name of Borrower(s):

Merix Financial

Name of Lender:

Origination Mortgage Corp.

(250) 212-2010

Name of Mortgage Broker:

Telephone:

Steve Nicholson

May 18, 2016

Name of Submortgage Broker:

Date of transaction:

5453 South Perimeter Way Kelowna, British Columbia V1W 5H9

Civic address of property to be mortgaged:

Row Housing PID 027-682-137

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:

☒ The borrower(s): Steven Fitchett

☒ The lender: Merix Financial

☐ Syndicate mortgage lenders: Name
(attach list if more space required)

Name

Name

☒ A person or entity which will
acquire the mortgage from
the investor/lender:

Steven Fitchett

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.

Mortgage Broker's Interest in the Transaction

- ☒ 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 _____ (State Relationship with Mortgage Broker) will:
- ☐ 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?

- ☒ 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:

- ☒ 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:

- ☒ 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
- ☒ 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.



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)

Ellison A. Lih

2016,04,19

Signature of Mortgage Broker or Authorized Representative

Date Signed (YYYY,MM,DD)

ACKNOWLEDGEMENT OF RECEIPT

Steven Fitchett

Steven Fitchett

2016,04,19

Signature

Name (Please Print)

Date Signed (YYYY,MM,DD)

Signature

Name (Please Print)

2016,04,19

Date Signed (YYYY,MM,DD)





Protecting your mortgage?

DATE : April 19, 2016

Applicant: Steven Fitchett

Co-Applicant(s):

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 a Financial Advisor 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,



A handwritten signature in blue ink, appearing to be "SF", is written over a horizontal red line.

Signature of Applicant

Signature of Co-Applicant(s)

Witness to Signature(s):



A handwritten signature in blue ink, appearing to be "Elaine Aik", is written over a horizontal red line.

Signature of Witness

