

August 10, 2023

Lender Reference #: 1381147

FIRST NATIONAL

FINANCIAL LP

**STANDARD TERMS AND CONDITIONS**

- 1. Mortgage:** The mortgage loan to be made to you shall be subject to all extended terms set forth in First National Financial GP Corporation (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. 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 our interest as mortgagee.
- 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:** If applicable, 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.
- 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. 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.
- 20. Power of Attorney:** Execution of security documents pursuant to a Power of Attorney is not permitted.

PREPAYMENT PRIVILEGES

Prepayments of principal will not be allowed prior the end of the Term except on the following basis. Provided you are not in default, you may do one or more of the following:

- (a) Without notice or charge, in any year of the Term, make, on any regular payment date (a "Payment Date"), prepayments of principal in minimum \$100.00 increments which do not exceed in the aggregate in that year fifteen percent (15%) of the original principal amount of the Mortgage. A prepayment received after a Payment Date will be applied on the next Payment Date following receipt of the prepayment. If not, or to the extent not, exercised in any year of the Term, this privilege is not cumulative from year to year. This privilege does not apply in the case of a prepayment of the entire amount owing pursuant to subsection (d) of this section.