

May 05, 2021

Lender Reference #: 1180876

FIRST NATIONAL

FINANCIAL LP

**APPLICANT(S)**

Natashia Michinski
Justin Zanth
Home: 613-898-0992
Bus: 613-798-5535
Bus: 613-731-9071

SUBJECT PROPERTY ADDRESS

15490 Ashburn Road
Berwick, ON K0C 1G0

BORROWERS CURRENT ADDRESS

15490 Ashburn Road
Berwick, ON K0C 1G0

SERVICING ADDRESS

15490 Ashburn Road
Berwick, ON K0C 1G0

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	\$420,000.00	Mortgage Priority	First	Monthly P&I	\$1,837.82
Total Loan Amount	\$420,000.00	Int. Calculated	Semi-Annually	Est Realty Taxes	\$3,181.00
		Interest Rate	2.290 %	Taxes paid by	Borrower
		Term	60 Month(s)		
		Amortization	25 years		
		Frequency	Monthly		

Closing Date: May 5, 2021
Interest Adjustment Date: May 5, 2021
Maturity Date: May 5, 2026
Commitment Expires: May 5, 2021

CONDITIONS OF APPROVAL

1. Ontario Disclosure to Borrower required prior to funding.
2. Solicitor to provide the completed Identification Verification Form satisfactory to First National prior to funding.
3. Both/All to sign as Joint Tenants
4. Until such time as Lender indicates otherwise, Borrower(s) to be responsible for all Realty Taxes.
5. Subject to satisfactory appraisal of \$547,000.00. The appraisal must be completed by an appraiser on First National's Approved Appraisers List.
6. Subject to satisfactory confirmation of Income.
7. Subject to signed and dated mortgage application.
8. Subject to no secondary financing.
9. Property shall be owner occupied as a single family residence in accordance with all zoning by-laws.
10. Broker to verify date of birth for Natasha Michinski via government issued photo identification.
11. Subject to receipt of trust ledger statement from the sale of 610 St. Lawrence Street, Prescott ON confirming the following was paid in full: *1st mortgage of \$237,809.
12. Subject to receipt of satisfactory confirmation that Natasha Michinski has a full-time permanent position earning a minimum annual salary of \$82,000. Current employment letter and paystub to be provided (both must be dated no earlier than 30 days prior to submission of live deal application).
13. Subject to receipt of *2019 and 2020 T4's* for Skyler Zanth confirming minimum annual income of \$40,000. Current employment letter and paystub to be provided supporting income (both must be dated no earlier than 30 days prior to submission of live deal application).
14. Subject to receipt of 2020 or 2021 Tax Bill confirming annual taxes do not exceed \$3,181 for subject property.
15. Solicitor to confirm that the only encumbrance registered to property at 15490 Ashburn Road, Berwick ON is mortgage of \$329,000 and is up to date and in good standing. Discharge Statement to be provided.

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16. Solicitor to provide his/her undertaking to distribute the mortgage proceeds to payout the following: 1st mortgage \$329,000, Scotialine #154 \$26,680, CIBC Loan #702 \$19,655, Desjardins Loan #501 \$25,465, Royal Bank #001 \$10,800 and difference to clients.
17. Appraisal is required to confirm no farming on subject property and must be reviewed by underwriter.
18. Subject to satisfactory confirmation that the following debts is paid in full prior to closing: Scotiabank Loan #725 \$42,288.
19. Solicitor to confirm that Justin Skylar Zanth and Skylar Justin Zanth are one and the same person.

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:

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- (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.
- (b) Without notice or charge, once only in any year of the Term, on any Payment Date, increase the amount of the regular instalment payment of principal and interest by up to fifteen percent (15%) of the then current principal and interest instalment amount payable under the Mortgage. Such increase shall commence on the Payment Date specified by you and shall apply to all subsequent instalment payments. If not, or to the extent not, exercised in any particular year, this privilege is not cumulative from year to year. This privilege may not be combined with a prepayment of the entire amount owing pursuant to subsection (d) of this section.
- (c) Without notice or charge, on any Payment Date during the Term, make a prepayment of principal equal to, but not less than, the regular monthly instalment of principal and interest then being paid by you. This privilege, if not exercised on a particular Payment Date, is not cumulative from Payment Date to Payment Date, and may not be combined with a prepayment of the entire amount owing pursuant to subsection (d) of this section.
- (d) At any time prior to the end of the Term of the Mortgage, prepay the whole of the principal amount then outstanding together with accrued interest thereon, without notice, upon payment to us of the greater of:
 - (i) three (3) months interest at the Interest Rate on the principal amount outstanding; and
 - (ii) the amount, if any, by which interest at the Interest Rate exceeds interest at our then current interest rate for reinvestment calculated on the principal amount outstanding. Such amount shall be calculated from the date of prepayment to the maturity date of the Mortgage.

For the purposes of this subsection, "our then current interest rate for reinvestment" shall mean our lowest advertised interest rate (which may not be our "posted" rate) in effect on the prepayment date for a mortgage product of a similar kind for a term not greater than the remaining term of the Mortgage and not less than the next shorter term offered by us; except that where the remainder of the term of the Mortgage is less than the shortest term offered, our interest rate for our shortest term for such mortgage product shall apply.
- (e) Notwithstanding subsection (d) of this section, if the Term (not inclusive of any renewals) is longer than five (5) years and if you are an individual(s), then at any time after the first five (5) years of the Term you may prepay the whole of the principal amount then outstanding together with all accrued interest thereon, without notice, upon payment to us of three (3) months interest at the Interest Rate on the amount prepaid.

Notwithstanding any prepayment on account of any portion of the principal amount, and subject to subsection (b) of this section, the regular blended payment instalment in the amount set out in the Mortgage shall continue to be payable on each Payment Date for so long as there is any indebtedness outstanding under the Mortgage.

DEFAULT CHARGES AND OTHER FEES

If you fail to make a payment when due, or otherwise fail to comply with your obligations under the Mortgage, we may impose charges, including:

- (a) for external legal services required to collect or attempt to collect the payment;
- (b) for expenses incurred to realize on the Mortgage or to protect our interest in the mortgaged property, including fire insurance premiums, third party property management fees and the cost of external legal services required for that purpose; and
- (c) for expenses incurred to process a cheque or other payment instrument under the Mortgage that is dishonoured by your financial institution.

Presently we charge a \$85.00 fee for an 'NSF' pre-authorized withdrawal or cheque and a \$395.00 fee to prepare a discharge of your Mortgage. These fees are subject to change from time to time in accordance with industry standards. In addition, we reserve the right to charge reasonable fees in accordance with industry standards for other administrative services such as, but not limited to, assumptions, transfers, payment frequency changes, mortgage statements, etc. These fees may vary from time to time and will be published in our prevailing Schedule of Fees, which you may obtain from us upon request.

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**PAYMENT FLEXIBILITY OPTIONS**

Circle payment option:

If Weekly, the first payment will be May 12, 2021.

If Bi-Weekly, the first payment will be May 19, 2021.

If Semi Monthly, the first payment will be May 20, 2021.

If Monthly, the first payment will be June 5, 2021.

INSTRUCTIONS TO THE SOLICITOR

Solicitor

David A. McLean

David McLean

1073 Wellington Street West

Ottawa, ON

K1Y 2Y2

Phone: 1-613-722-8381

Fax: 1-613-722-4891

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

The Principal amount on the Registered Mortgage should be: \$420,000.00

Interest Adjustment Date: May 5, 2021

First Payment Date: June 5, 2021

Maturity Date: May 5, 2026

Interest Rate: 2.290 %

Monthly Principal and Interest Payment: \$1,837.82

PLEASE DRAW DOCUMENTS AND FINAL REPORT IN THE NAME OF FIRST NATIONAL FINANCIAL GP CORPORATION**ECHELON HOME WARRANTY – AGREEMENT FOR SERVICES (FIRST 12 MONTHS COMPLIMENTARY)**

Your mortgage comes with a thank-you gift. We cover the cost of your membership ("Membership") in the Echelon Home Warranty Program (the "Program") for the first 12 months (the "Complimentary Period"). After the first 12 months, the membership fee charged to you will be approximately \$17.69 per month, plus any applicable taxes and will be collected together with your regular mortgage payments (the "Membership Fee").

The Program provides protection against the cost of unforeseen break-downs in your major home systems (heating, air conditioning, electrical and plumbing) up to \$10,000 per year. An initial consultation fee of \$50 per incident will be charged to you. Other terms and conditions may apply. You will receive your Membership Certificate in the mail, shortly after your mortgage funds. For more information about the Program, visit online at: <https://www.firstnational.ca/residential/home-warranty-and-mortgage-insurance/home-warranty>. You are under no obligation to enroll in this Program or to continue the Program after the Complimentary Period.

If you do not wish to enroll in the Program simply strike out the above paragraph and initial beside it. If the above paragraph is not crossed out, by signing this Commitment you authorize and agree to your enrollment in the Program and consent to being charged the Membership Fee after the Complimentary Period.

CONSENT AND BACKGROUND CHECK NOTICE

By signing this commitment, you acknowledge and agree that we or any insurer or potential insurer or assignee or potential assignee of the mortgage loan (collectively, "**Third Parties**") may conduct credit checks with consumer reporting agencies and make such other investigations and collect credit and other personal information about you for the purposes of underwriting, assessing the risk associated with and administering and servicing this mortgage loan throughout the mortgage term, including renewals. You acknowledge and understand that this information may include the types and amounts of credit advanced to you, payment histories, negative banking items, collection actions, legal proceedings, previous bankruptcies and other information reported by your creditors. We also exchange personal information with consumer and credit reporting agencies on an ongoing basis (including negative information such as late payments, missed payments or other defaults).

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**PRIVACY**

You acknowledge and agree that we, any purchaser/assignee of the mortgage loan ("Loan") or any insurer or potential insurer of the Loan may collect, use and/or disclose information (including personal information) concerning you: (a) with any future or proposed assignee or insurer of this commitment and/or the Loan, (b) with authorized agents, representatives, servicers, replacement servicers and advisers who are engaged in the underwriting, processing, maintenance, administration, collection and enforcement of the Loan, (c) with any third parties necessary in connection with any securitization of the Loan (including Canada Mortgage and Housing Corporation or a title custodian), (d) with third parties involved in the detection, prevention and suppression of fraud and other illegal activities and matters involving the public interest, (e) in accordance with your consent or authorization, and (f) as set out in our Privacy Policy or as otherwise required or permissible by law. Your information will be collected, used, and disclosed in accordance with this commitment and with our Privacy Policy (available at <https://www.firstnational.ca>).

CLIENT ACCEPTANCE

All of the above terms and conditions in this Commitment are agreed to by the undersigned, including enrollment in the Echelon Home Warranty Program (if not struck out):

Applicant(s):

Natashia Michinski

Signature _____ Date _____

Justin Zanth

Signature _____ Date _____

LENDER AUTHORIZATION

Approved by:

100 University Avenue
Suite 700, North Tower
Toronto, ON
M5J 1V6

Bus: 1-800-465-0039

Fax: 1-800-229-0612