

Borrower(s):
Security Interest:

Diver T. Relph
2222 27 Avenue SW, Calgary, Alberta T2T 1H9

PART 1 - Initial Disclosure Statement - Section 77 and Regulation 8(1) of the Act

1. Principal amount of First mortgage to be made in one advance on or about December 5, 2014 \$ 448,000.00
 2. Charges other than interest, payable by the Borrower include :
 - a. Mortgage Insurance Premium
 - b. Mortgage Insurance Application Fee
 - c. Title Insurance Fee
 - d. Property Appraisal Fee
 - e. Property Inspection Fee
 - f. Real Property Report
 - g. Estimated Legal Fees and Disbursements
 - h. Lender Fee, Bonus or Discount
 - i. Broker Fee, Bonus or Discount
 - j. Insurance Pre-paid by Credit Grantor that is to be repaid by Borrower
 - k. Shares purchased to join Credit Union
 - l. Other Charges
- | | | |
|---|---------|---------|
| Total Charges and Fees | \$ 0.00 | |
| Less prepaid charge(s) noted in | \$ 0.00 | |
| Net Charges and Fees to be deducted from the mortgage advance | | \$ 0.00 |
- (l) - Charges included in calculating Total Cost of Credit; see clause 4(b)
3. Amount of loan proceeds to be paid to the Borrower or disbursed at their direction \$ 448,000.00
 4. (a) The annual mortgage interest rate is N/A calculated Semi-Annually not in advance and is the correct rate to use when calculating monthly payments (clause 6) at any given time. Interest will accrue from the date the mortgage is advanced. This mortgage has no grace periods.
(b) The Total Cost of Credit (TCC) for this transaction is \$ 49,490.34. The Annual Percentage Rate for this transaction is 2.40% (calculated semi-annually not in advance; accurate to 1/8%).
 5. The term of the mortgage is 60 months and the amortization is 25 years 0 months.
 6. The principal amount of the mortgage, and interest thereon, at the interest rate set out in clause 4(a) will be payable in Monthly principal and interest payments of 1987.32 (\$ 119,079.00 total over entire term). Assuming an advance date of December 5, 2014 the first mortgage payment will be due January 5, 2015. Each payment will be applied firstly to accrued interest and secondly to the principal balance of the mortgage.
 7. Overdue interest shall be treated (as to the payment of interest thereon) as principal and shall bear compound interest at the rate and in the manner set out in clause 4(a) above.
 8. The terms and conditions for prepayment of the mortgage prior to maturity are:
 9. Description of additional Security Interest not already described above (includes vehicles, equipment, etc).
 10. Nature, amount & timing of Optional Services. Payment is monthly & service may be cancelled with _____ days written notice.
 11. Pursuant to section 69 of the Act, the Credit Grantor will charge the Borrower reasonable charges as follows:
 - (a) in respect of legal costs incurred in collecting or attempting to collect a payment under the credit agreement;
 - (b) in respect of costs, including legal costs, incurred in realizing a security interest or protecting the subject-matter of a security interest after default, and;
 - (c) that reflect costs incurred by the Credit Grantor because a cheque or other payment instrument given by the Borrower to the Credit Grantor was dishonoured.
 12. This Initial Disclosure Statement is made by the Credit Grantor pursuant to the provisions of the Act and in the event of any conflict between the terms of this statement and those of the loan documents and security, then subject to the provisions of the Act, the provisions of the loan documents and security shall govern and prevail.

PART 2 Waiver

Pursuant to section 64(3) and Regulation 5(1) the Borrower hereby waives the time period for delivery of a disclosure statement referred to in section 64(2) of the Act.

If the Borrower notifies the Credit Grantor or the Mortgage Broker, within two days after receiving this Initial Disclosure Statement, that the Borrower intends to withdraw from or does not intend to enter into the credit agreement, then:

- (a) any obligation of the Borrower to either the Credit Grantor or the Mortgage Broker, or both, in connection with the credit agreement (subject to those exceptions set out in section 64(2)(a) of the Act) will be extinguished; and**
(b) any payment made by the Borrower to either the Credit Grantor or the Mortgage Broker, or both, in connection with the credit agreement (subject to those exceptions set out in section 64(2)(b) of the Act) will be refunded.

The Borrower acknowledges receipt of this Initial Disclosure Statement this _____ day of _____, 20____ and that such date is both the Effective Date for Part 1 above and the date from which the two day notice period referred to in Part 2 above begins to run.

Diver T. Relph

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Pursuant to section 60(4) of the Act, the undersigned Borrower confirms and represents to the Credit Grantor/Mortgage Broker that the loan applied for on the above captioned Security Interest is for business purposes and not for personal, family, household or farming purposes.

I/We acknowledge receipt of this Waiver of Disclosure Statement this _____ day of _____, 20____.

Diver T. Relph

Mortgage Commitment

Response: Nov-04-2014 04:49:12 PM EST

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BROKER INFORMATION

Name: Freedom Mortgages Group Inc.

Address: 244 Springbluff Heights Calgary AB T3H 5B8

Attention: Audrey Wilson

Application Reference #:FMOR-291

LENDER INFORMATION

Name: Merix Financial

Address: Suite 1800 390 Bay Street ON M5H2Y2

Lender Reference #: 1509209

Mortgage Insurance Reference #: 33018679

APPLICANT INFORMATION

Applicant: Diver Relph

Property Information

Address: 2222 27 AVE SW Calgary AB T2T1H9

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

Loan		Terms		Payment	
Purchase/Value	\$ 560,000.00	Mortgage Type	First	Principal and Interest	\$ 1,987.32
Downpayment	\$ 112,000.00	Term Type	Closed	Taxes (Estimated)	
Amount	\$ 448,000.00	Interest Rate	2.400%	Taxes Paid By	Borrower
Insurance Premium	\$ 0.00	Term (Months)	60	Total Installment	\$ 1,987.32
Total Loan	\$ 448,000.00	Amortization (Months)	300		
Other Mortgages		Frequency	Monthly	Commitment Expires	05-Dec-2014
Closing Date	05-Dec-2014				

LENDER AUTHORIZATION

All of our normal requirements and, if applicable, those of the mortgage insurer must be met. All costs including legal, survey, mortgage insurance, etc. are for the account of the applicant(s). The mortgage insurance premium (if applicable) will be added to the mortgage. This mortgage is subject to the details and terms outlined as well as the conditions described on the attached Schedule A.

Approved by: Steve Chang

MERIX FINANCIAL

CLIENT ACCEPTANCE

I/We the undersigned applicant(s) accept the terms of this mortgage as stated above and agree to fulfill the conditions of approval as outlined on the attached Schedule A to the lender's satisfaction. I/We further certify that the information given on the mortgage application is true and correct.

Applicant: Diver Relph

Signature _____

Date _____

Mortgage Commitment**Schedule A**

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FirmName:	Freedom Mortgages Group Inc.	Lender Name:	Merix Financial
Attention:	Audrey Wilson	Lender Reference #:	1509209
Application Reference #:	FMOR-291	Mortgage Insurance Reference #:	33018679

CONDITIONS OF APPROVAL**OTHER**

- ☐ 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.
- ☐ 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.
- ☐ Solicitor Name and Address including telephone number required.
- ☐ 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.
- ☐ 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.
- ☐ 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.
- ☐ Title to the Property must be acceptable to our Solicitor who will ensure that the Mortgagor(s) have 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.
- ☐ 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.
- ☐ There may be a fee charged for any payment returned due to insufficient funds or stopped payments.
- ☐ Payment of property taxes will be your responsibility, unless otherwise stated in this commitment.
- ☐ The terms in this commitment cannot be altered unless confirmed in writing by the Lender.
- ☐ Please return signed commitment signed by all parties.
- ☐ 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.

Mortgage Commitment**Schedule A**

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OTHER

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.

- ☐ The applicant is responsible for any costs relating to the mortgage including legal, appraisal, survey, Title Insurance or inspection fees.
 - ☐ The Lender may refuse any subsequent financial charges to be registered against the subject property without their approval.
 - ☐ 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
 - ☐ The Lender requires the Solicitor to ensure the following debt(s) have a zero balance at closing:
CIBC Balance of 141152
 - ☐ As the/a portion of the down payment is from the sale of your current residence, we require a legible, fully complete copy of the unconditional Agreement for Purchase & Sale for that property - attach all waivers and conditions.
If you have a mortgage on that property, we will require a current mortgage statement to verify the equity in the property.
 - ☐ The Lender requires Diver T Relph to provide satisfactory copies of the last 2 years personal Notice of Assessments confirming an income of \$141,674.76.
The Lender will utilize the 2 year average or the most recent year assessment, which ever amount is lower.
Please note, should the Notice of Assessments show tax arrears, the Lender requires confirmation prior to advance that the tax arrears have been paid in full.
PLEASE NOTE, IF THE INCOME USED TO QUALIFY REQUIRES THE ALLOWABLE 15% GROSS UP, THE LENDER WILL ALSO REQUIRE CONFIRMATION THE APPLICANT IS BUSINESS FOR SELF
 - ☐ The interest rate on your commitment letter will be honoured provided the mortgage loan is advanced by 05/12/2014.
In the event that the effective rate of interest is lower at closing, the interest rate may be adjusted.
 - ☐ 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.
 - ☐ 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 in an amount at least equal to the replacement cost. Computershare Trust Company of Canada is to be shown as 1st Loss Payable, as Mortgagee.
2) You will be required to sign a financing disclosure statement in accordance with the consumer protection legislation of your province. This statement will be signed at your solicitor s office.
3) Payment of your The Lender 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.
- ☐ The 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 will be forwarded upon acceptance of this Commitment.
 - ☐ Merix Financial mortgages are facilitated through Paradigm Quest Inc.

Mortgage Commitment**Schedule A**

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OTHER

- ☐ 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.
- ☐ The adjustable rate mortgage can be paid in full subject to 3 months interest at the then current customer rate.
- ☐ The interest rate is set at Prime -0.3%.
The interest rate will then change automatically each time there is a change in the Prime Rate.
The principal and interest payment will be recalculated every time the Prime Rate changes, based on the new interest rate and remaining amortization.

The term "Prime Rate" means on any day, the annual rate of interest which the Paradigm Quest Inc. establishes at its principal office in Toronto as the reference rate of interest to determine interest rates it will charge on such day for commercial loans in Canadian dollars made to its customers in Canada and which it refers to as its "prime rate of interest".