

FIRST NATIONAL

FINANCIAL LP



First National Financial LP
Suite 600, 800 – 5th Avenue SW
Calgary, Alberta T2P 3T6
www.firstnational.ca

November 16, 2018

Norfolk Housing Association
1118 Kensington Rd. NW
Calgary, AB, T2N 3P1

Attention: Maya Kambeitz

Dear Maya:

RE: Norfolk Housing Association
1118 Kensington Rd. NW and 206 10A Street NW, Calgary, AB

First National Financial LP (the “Lender”) is pleased to offer a first mortgage loan (the “Loan”) to Norfolk Housing Association (the “Borrower”) on the terms and conditions set out in this letter (the “Commitment”).

1. **Loan Amount**

\$4,080,001.65 which includes CMHC application fee of \$9,231.15 and mortgage insurance premium of \$70,770.50.

2. **Interest Rate**

See Schedule 3

3. **Term**

10 Years from the Interest Adjustment Date (as hereinafter defined), plus or minus the number of months and/or days required, if any, so that the term ends on **December 1, 2028** (the “Term”).

4. **Amortization**

25 years (the “Amortization Period”).

5. **Interest Adjustment Date**

The interest adjustment date (the “Interest Adjustment Date”) shall be the first day of the calendar month immediately following the date of the first advance under the Loan,

or at the Lender's option, the first day of the month in which the first advance of the Loan is made, unless the first advance of the Loan is made on the first day of a month in which case the Interest Adjustment Date shall be the date of the advance.

In the case of multiple advances, at the Lender's option the Interest Adjustment Date may be the first day of the month following the final advance.

6. **Repayment**

Equal instalments of principal and interest based on the above amortization period shall be payable on the first day of each month during the Term, the first instalment being payable on the first day of the month after the Interest Adjustment Date and the last, on the maturity date of the Loan.

Until the Interest Adjustment Date, simple interest on the portion of the Loan advanced, calculated daily, is payable either on the Interest Adjustment Date or if applicable, on the first day of each month prior to the Interest Adjustment Date, or, at the option of the Lender, such interest may be deducted from the amount of the advance.

7. **Prepayment**

There shall be no right of prepayment of the Loan in whole or in part whether or not a yield maintenance fee or any other premium is paid.

8. **Realty Taxes**

Borrower will pay to the Lender on the first day of each month an amount stipulated by the Lender from time to time sufficient to provide a fund to pay in full the annual property taxes (including any local improvement charges) for the Property (as hereinafter defined) at the time that the first instalment of taxes for each year becomes due, based on estimated annual taxes and subject to adjustment based on taxes actually levied. At the Lender's option, it may withhold from the advance of funds a sum sufficient to create the foregoing fund for the first year of the Term.

Notwithstanding the foregoing, the Lender will conditionally waive the foregoing requirement to pay Taxes directly to the Lender on a year-to-year basis provided that:

- (a) there has been no default under the Mortgage and the Borrower continues to perform and observe all the conditions and obligations on its part to be performed pursuant to the Mortgage and other Security Documents;
- (b) receipts are received by the Lender from the appropriate taxing authorities showing that all Taxes have been paid in full on or before their respective due dates, within thirty (30) days after each payment due date;
- (c) the Borrower continues to be the owner of the Property; and

- (d) there has been no adverse change, in the Lender's sole and absolute discretion, in the financial condition of the Property or the Borrower.

This waiver will be reviewed annually by the Lender and the Lender may decline to renew same in its sole discretion. In addition, the waiver may be withdrawn at any time by the Lender if the foregoing provisions are not met. In either of such events the monthly collection of Taxes by the Lender pursuant to the terms of the Mortgage shall re-commence immediately, with retroactive effect to the extent necessary to cover any tax arrears.

If the Lender does not receive receipts showing payment of Taxes in full within the 30 day period after each payment due date, the Lender may, but shall not be required to, obtain information respecting same from the appropriate taxing authority at the Borrower's expense. In addition, the Borrower shall pay a \$200 administration fee to the Lender each time the Lender obtains information from the taxing authority.

9. **Processing Fee**

The Borrower shall pay to the Lender upon the acceptance of this Commitment a non-refundable loan processing fee of **\$3,500.00**.

10. **Commitment Fee**

The Borrower shall pay to the Lender upon the acceptance of this Commitment, a commitment fee of **\$40,000.00** (the "Commitment Fee") by certified cheque. Upon disbursement of the whole Loan Amount, the Commitment Fee shall be returned to the Borrower, without interest. In the event this Commitment is cancelled by the Lender in accordance with its rights hereunder, the Commitment Fee shall be retained by the Lender as liquidated damages, and not as a penalty, without prejudice to the right of the Lender to claim such further and other damages as it may sustain by reason of the occurrence of any of the events detailed in the Section of this Commitment headed "Cancellation of Commitment". It is agreed that the Commitment Fee represents the reasonable cost of the Lender's work and expenses in underwriting the Loan and that it is not a penalty. In addition to the Commitment Fee, in the event of cancellation of this Commitment by the Lender pursuant to its rights hereunder, if the interest rate payable on the Loan has been fixed, the Lender shall be entitled to be paid by the Borrower an amount equal to the present value of the unadvanced portion of the Loan Amount multiplied by the Interest Rate Differential (as hereinafter defined) multiplied by the number of years of the Term of the Loan as set out herein.

Interest Rate Differential shall for the purposes of this section mean the difference expressed as a percentage per annum between the fixed interest rate and the interest rate being charged by the Lender on similar mortgage loans for similar terms for similar properties on the date of cancellation of the Commitment. In the event that the latter rate is higher than the fixed interest rate, there shall be no payment due from the Lender to the Borrower.

11. Security

The following security shall be required for the Loan:

- (a) a first in priority mortgage and charge (the "Mortgage") of the fee simple interest of the Borrower in the following lands and improvements thereon (the "Property"):

Civic Address: 1118 Kensington Rd, NW and 206-10A St. NW, Calgary, AB

Site Area: 0.34 acres

Description: a 5-storey apartment building, constructed in 1982, with 40 residential apartment units, 4 commercial retail street front units and parking for at least 15 cars.

- (b) a first in priority general assignment of rents and/or leases of the Property;
- (c) a first in priority general security agreement over all the Borrower's present and after-acquired personal property located on, related to, arising from or used or acquired in connection with the Property;
- (d) a first in priority specific assignment of any lease (including any guarantee and/or indemnity related thereto) required by the Lender together with an acknowledgment of same by the tenant thereunder if so required by the Lender;
- (e) a Guarantee and Postponement of Claim from
Nil – CMHC Loan is approved non-recourse
(the "Additional Covenantors") who shall be jointly and severally liable with the Borrower for all obligations of the Borrower under the Mortgage, all other Security Documents and this Commitment; and
- (f) such further security as the Lender may reasonably require

(the documents in (a) through (f) above being herein referred to as the "Security Documents"). The Security Documents shall be prepared by the Lender's counsel in form and content determined by the Lender.

The recourses, rights and remedies of the Lender with respect to this Loan shall be limited to the Property and any other assets taken as security by the Lender for the Loan, including, without limitation, the rents and revenues from the Property and the leases, chattels, equipment and other personal property of the Borrower thereon and all benefits related thereto together with all proceeds therefrom. However, this limitation shall not

include any losses suffered by the Lender as a result of (i) non-compliance with any applicable laws, regulations, orders, rulings, guidelines, policies, permits, directives, notices or the like relating to environmental matters in connection with the Property or (ii) any fraud or material misrepresentation in connection with the Loan. The Borrower shall, and shall cause each beneficial owner of the Property (if applicable) to, indemnify the Lender fully in respect of such losses. Notwithstanding the foregoing, the Lender shall retain the right to commence an action or proceeding or seek judgement against the Borrower to the extent necessary for the Lender to preserve or realize upon its rights against the Property or any other assets charged by the Security Documents.

12. **Special Conditions**

- (a) A replacement reserve fund shall be established, held and funded by the Borrower in the amount equal to 2% of the estimated monthly effective gross income for the applicable fiscal year (to be adjusted at the end of each fiscal year to reflect actual effective gross income). Funding of the reserve is required during the full amortization period of the loan. This amount shall be used as a reserve for major capital repairs and subject to the prior written consent of CMHC, to cover any material cash flow disruptions.

The said replacement reserve fund is to be comprised of moneys deposited in a segregated bank account identified for its intended purpose and/or invested in such other securities as may be acceptable to the Approved Lender. **The Borrower shall certify to the Approved Lender on an annual basis that the reserve has been funded and used in accordance with these provisions, as evidenced by the borrower's annual financial statements required under the loan.**

Non-compliance with these funding requirements represents a default under the mortgage, at the option of the Approved Lender. Should there be a claim under the mortgage insurance policy, the reserve shall be seized by the Approved Lender and applied to reduce the principal balance of the insured housing loan.

- (b) It is a condition of the Housing Loan that the Property at all times comply with the Affordability Criteria (as defined in CMHC's Certificate of Insurance, Schedule B) and other terms and conditions set out in Schedule B for a period of ten years from the date of occupancy of the units required to meet the Affordability Criteria. The Approved Lender shall ensure that the covenants set out in Schedule B constitute express terms in the mortgage to be registered on title.

13. **Conditions Precedent to Funding**

On or before funds are advanced, the following conditions shall have been satisfied.

- (a) The executed Security Documents shall have been delivered and registered with the priority required herein at all appropriate registration offices.

- (b) Intentionally Deleted
- (c) The Lender shall have received an **environmental site assessment** for the Property addressed to it, prepared by an environmental consultant acceptable to it and confirming to the Lender's satisfaction that there are no hazardous substances on or about the Property and that the Property complies with all environmental laws. Contractual provisions limiting damage to the cost of the report or any similar provisions will not be accepted by the Lender. The assessment must be completed by a firm with professional liability insurance of no less than \$1.0 million.

The Security Documents shall contain representations, warranties and covenants, and shall include an indemnity with respect to environmental matters (executed by the Borrower, the beneficial owners of the Property and the Additional Covenantors, if any, as indemnitors), all as set out in Schedule 1 hereto.

This document is received and satisfactory to the lender.

- (d) The Lender shall have received an engineering report for the Property, addressed to it and prepared by an architect or engineer satisfactory to it, reporting on the physical condition of the Property and setting out the cost to remedy any deficiencies, all of which shall be acceptable to the Lender; this report should indicate, inter alia, that the buildings on the Property are structurally sound and are not composed of unbonded, post-tensioned structures.

This document is received and satisfactory to the lender.

- (e) **Within seven (7) Business Days** of the date this Commitment is accepted by the Borrower, delivery of a complete and accurate organizational chart for each Borrower, Additional Covenantor and beneficial owner (if different from the Borrower) showing the full legal name (and any French versions of the name), ownership (showing number and classes of securities and percentage ownership) and date and jurisdiction of incorporation, amalgamation or formation, as applicable. **The organizational chart(s) should be reviewed by your solicitor or accountant for accuracy as incorrect information can result in unnecessary delays and increased legal costs.**

This information is received and satisfactory to the lender.

- (f) Delivery of certified copies of the property, liability and other insurance policies in compliance with the insurance requirements hereinafter set out and the review and approval of same by the Lender's insurance consultant at the Borrower's expense (N/A).

This information is received and satisfactory to the lender.

- (g) Delivery of a building location survey/certificate of location for the Property prepared by a licensed surveyor and satisfactory to the Lender.

This information is received and satisfactory to the lender.

- (h) Title to the Property shall be satisfactory to the Lender and all realty taxes, local improvement charges and rates in respect of the Property shall have been paid.

- (i) The Lender shall be satisfied that the Property complies with all applicable building and zoning by-laws, that the use of the Property is in compliance with all applicable legislation, including the applicable Fire Code and that there are no outstanding work orders, deficiency notices, directives, investigations or the like with respect to the Property.

- (j) The Lender shall have received, reviewed and approved complete copies of all existing non-residential leases for the Property, together with all related renewals, amendments, assignments, guarantees, indemnities and other related agreements, as well as the Borrower's standard lease form.

This information is received and satisfactory to the lender.

- (k) For all non-residential leases, the Borrower shall have delivered tenant estoppel certificates in the Lender's required form signed by each tenant and confirming, inter alia, that it is in possession of its premises, open for business and paying rent in accordance with its lease.

This information is received and satisfactory to the lender.

- (l) The Lender shall have received and approved a copy of the property management agreement for the Property (if applicable).

N/A

- (m) The Lender shall have received certified or notarized copies of the constating documents of the Borrower, a government issued certificate confirming that the Borrower is in good standing and an opinion from the Borrower's counsel addressed to the Lender confirming the Borrower's capacity to grant the security required herein; the due authorization, execution and delivery of the Security Documents and their enforceability in form and content satisfactory to the Lender and including confirmation of all individuals owning or controlling directly or indirectly 25% or more of the Borrower. Similar documentation and a similar opinion shall also have been delivered for each corporate Additional Covenantor.

- (n) The Borrower shall have delivered to the Lender the executed "pre-authorized payment" documents hereinafter required.

- (o) The Borrower shall have delivered to the Lender the completed Loan Information Form appended hereto as Schedule 4 including, without limitation, the requisite confirmation of the source of the Borrower's downpayment as described in the Appendix to the said Schedule, if the Loan is financing a purchase.
- (p)
 - (i) The Lender shall have received from CMHC its approval of this Commitment;
 - (ii) CMHC shall have issued a Certificate of Insurance, in form and content satisfactory to the Lender, insuring the full amount of the Loan and such Certificate of Insurance shall be in full force and effect on the date of each disbursement;
 - (iii) all conditions, requirements and provisions contained in the CMHC Certificate of Insurance shall have been satisfied in full; and
 - (iv) the Lender shall have received prior to any disbursement of all or part of the Loan the written authorization of CMHC to make the disbursement.
- (q) Such financial and other information, statements and documentation as the Lender may reasonably require in connection with the underwriting or closing of the Loan shall have been delivered to it and all other requirements of this Commitment shall have been satisfied.

All conditions precedent to funding expressed herein are for the sole benefit of the Lender and may be waived at its option. The Borrower shall do everything necessary to meet all such conditions precedent.

14. Leases

In the case of residential leases the Lender shall approve the Borrower's standard form of lease and the Borrower shall not amend same without the Lender's consent.
(Approved by Lender)

In the case of non-residential leases, the Lender shall have the right to approve the future tenant and the terms of any future lease which would produce more than 15% of the then current gross revenue from Property.

For all future non-residential leases, the Borrower shall deliver a tenant estoppel certificate in the Lender's required form signed by each future tenant and confirming, inter alia, that it is in possession of its premises, open for business and paying rent in accordance with its lease. The Borrower shall also deliver a first in priority specific assignment of any such future lease (including any guarantee and/or indemnity related thereto) required by the Lender together with an acknowledgment of same by the tenant thereunder if so required by the Lender.

15. **Property Management**

The Lender shall have the right to require the Borrower to retain professional property management for the Property satisfactory to the Lender. The Lender shall also have the right to approve the terms and conditions of the management agreement. Any change in the management of the Property shall require the prior written approval of the Lender, both as to manager and the terms and conditions of the management agreement.

The Lender hereby acknowledges that property management by the Borrower is acceptable and has been approved by CMHC.

In addition to the foregoing, the manager and borrower shall agree that the Lender has the right to terminate the management agreement, at no cost to the Lender, in the event of a default or if the Property is being sold by the Lender pursuant to its remedies under the Security Documents.

16. **Insurance**

The Borrower will comply with the insurance requirements set out in Schedule 2 hereto.

17. **Financial Reporting**

Within 120 days of the end of each of its fiscal years, or if the Borrower is an individual, each calendar year, or more often if requested by the Lender, the Borrower shall provide to the Lender:

- (a) audited financial statements of the Borrower and, if so requested by the Lender, of any Additional Covenantor, including a Balance Sheet and supporting schedules, a detailed Statement of Income and Expenditures and supporting schedules, and a Statement of Change in Cash Flow; in the case of an individual Borrower or Additional Covenantor, net worth statements may be supplied in lieu of financial statements;
- (b) management prepared financial statements in respect of the Property, including a Balance Sheet and supporting schedules and a detailed Statement of Income and Expenditures and supporting schedules;
- (c) a leasing report and current rent roll for the Property containing such detail, and such supporting copies of leasing documentation, as may be required by the Lender; and
- (d) if so requested by the Lender, a budget for the Property for the next fiscal year, forecasting both operating income and expenses and capital expenditures.

- (e) **The Borrower must provide evidence satisfactory to the Lender that conditions outlined in Section 20. Affordable Housing Flexibility, including Schedule B, in CMHC's Special Conditions are being fulfilled.**

Each Borrower and Additional Covenantor hereby authorizes the Lender to obtain such financial information from third parties respecting it or him as the Lender may require and covenants to deliver any further financial information requested by the Lender.

If the Borrower does not deliver the aforesaid items within the requisite time period, the Lender shall be entitled to charge an administration fee for every month or part thereof that the items, or any of them, remain outstanding. The initial administration fee shall be \$150. So long as the items, or any of them, remain outstanding, the Lender reserves the right to increase the monthly administration fee by an additional \$150 every three (3) months, up to a maximum of \$1,500 per month.

18. **Due on Sale, Change of Control etc.**

If:

- (a) the Borrower directly or indirectly sells, conveys, transfers or otherwise disposes of its interest in the Property or any part thereof or agrees to do so;
- (b) there is a change in the direct or indirect effective voting control of the Borrower or more than 25% of the voting shares/units of the Borrower are transferred, unless the Borrower is a publicly traded entity (as hereinafter defined); or
- (c) the Borrower amalgamates or merges;

without the prior written consent of the Lender being obtained, such consent not to be unreasonably withheld, then the Lender may, at its option, declare forthwith due and payable the entire balance of the unpaid principal together with accrued and unpaid interest due thereon. The decision to accelerate the Loan shall be at the sole option of the Lender. Consent to one such transaction shall not be deemed to be a waiver of the right to require consent to future or successive transactions. A "publicly traded entity" means an entity whose shares/units are listed and traded on a recognized stock exchange in Canada or the United States.

The Borrower will provide reasonable notice to the Lender of any anticipated or impending transaction which would require the consent of the Lender under this Section together with such reasonable information as the Lender may require to determine whether or not to grant its consent thereto.

19. **Changes and Alterations**

Any major changes, additions, and/or alterations contemplated to the Property, including major changes in use of the Property and/or any proposed use of the Property as a hotel or similar type of accommodation, must receive the Lender's written consent prior to the commencement of the changes, additions and/or alterations. If the Borrower changes and/or alters the Property or its use without the prior written consent of the Lender being obtained, then the Lender may, at its sole option, declare forthwith due and payable the entire balance of the unpaid principal together with the accrued interest due thereon. The Borrower will provide reasonable notice to the Lender of any anticipated or impending transaction which would require the consent of the Lender under this Section together with such reasonable information as the Lender may require to determine whether or not to grant its consent thereto.

20. **No Further Encumbrances**

The Borrower shall not, without the Lender's prior written approval, which may be withheld in its sole discretion, further charge or otherwise encumber the Property or any interest therein.

21. **Representation and Warranty**

The Borrower and each Additional Covenantor, if any, represent and warrant to the Lender that all information and material submitted and all representations made to the Lender by the Borrower and/or any Additional Covenantor are true, complete and accurate and each of the foregoing parties acknowledges that the Lender has relied on such information, material and representations in approving the Loan. Any breach of this representation and warranty shall constitute a default under the Security Documents which shall entitle the Lender to exercise all its rights and remedies for default in payment thereunder.

22. **Cancellation of Commitment**

At the sole option of the Lender, this Commitment may be cancelled and there shall be no obligation to disburse the Loan if:

- (i) due to the failure, for any reason, of the Borrower or any Additional Covenantor to satisfy any of the provisions or requirements hereof, the Lender has not been willing or able to disburse the Loan Amount on or before January 11, 2019 (the "Close Out Date");
- (ii) the Borrower or any Additional Covenantor is in breach of any provision, representation or warranty herein;

- (iii) in the opinion of the Lender, in its sole discretion, there is a material adverse change in the position, financial or otherwise, of the Borrower or any Additional Covenantor from that represented to the Lender as at the date hereof;
- (iv) in the opinion of the Lender, in its sole discretion, there has been a material adverse change in the condition of the Property or in the actual or anticipated revenues therefrom from that existing at the date hereof;
- (v) the Borrower is acquiring the Property coincident with the making of this Loan and the purchase price represented to the Lender for the acquisition is higher than the actual purchase price to be paid by the Borrower on closing of the acquisition;
- (vi) the results of the Lender's due diligence investigations regarding the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) (the "PCTF Act") are not wholly satisfactory to the Lender, in its sole discretion, or the Borrower or any Additional Covenantor fails to provide all information required by the Lender pursuant to the PCTF Act; or
- (vii) any situation exists which would constitute a default hereunder or under any of the Security Documents.

If the whole Loan Amount has not been disbursed on or before the Close Out Date, the Lender may, at its sole option, close out the Loan Amount at the amount then disbursed, if any.

Notwithstanding the foregoing Close Out Date, the parties acknowledge that the anticipated funding date is the later of 15 Business Days from the return of this executed commitment together with the deposit and December 14, 2018.

PLEASE NOTE THAT ALL PRE-FUNDING DELIVERIES required to be made to the Lender, including without limitation all corporate documents and any documentation requested by the Lender to ensure compliance with the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, must be received by the Lender a minimum of three (3) Business Days prior to funding. If this time frame is not met, the funding date and/or the Close Out Date may at the option of the Lender be moved out accordingly.

23. **Liens**

On each disbursement date, there shall have been full and complete compliance with all requirements of the applicable construction, mechanics' or builders' lien legislation and the Borrower shall submit to the Lender, in form and substance satisfactory to the Lender, evidence of such compliance. The Lender may retain from any disbursement such amounts as it considers advisable to protect its interest from subordination under such legislation. The Borrower shall provide additional security, information and

documentation as may be required by the Lender to preserve and ensure in all respects the absolute first priority of the Mortgage over any rights of any existing or potential lien claimants.

24. **Lender's Right re Maturity**

(a) Extension of Term to Facilitate Securitization

The Borrower acknowledges that the Loan may be pooled and securitized into the secondary market. In order to allow the Lender to match the Loan to an available pool maturity date, at the Lender's option, it may extend the Term of this Loan so that it matures up to 12 months later than the maturity date specified herein. If the Lender chooses to exercise this option it may do so by delivering written notice to the Borrower at any time prior to the first anniversary of the Interest Adjustment Date. While the Lender may request the Borrower to acknowledge the extension, the Borrower's failure to do so shall not invalidate the extension.

(b) First Right of Refusal at Maturity

If the Borrower obtains an offer which it is willing to accept from another Lender to provide financing for the Property on maturity of the Term (the "Third Party Offer"), it shall provide a copy of such financing offer to the Lender and the Lender will have 5 business days to provide a written offer to finance to the Borrower on the same terms and conditions as are contained in the Third Party Offer. If the Lender does so, then the Borrower shall accept such offer to finance from the Lender.

(c) Extension of Term at Maturity

If, on the maturity date of this Loan (i) the Loan (including all obligations of the Borrower under the Mortgage, all other Security Documents and this Commitment) is not repaid in full; or (ii) the Borrower has not by or before maturity expressly agreed in writing to accept a written offer of renewal of this Loan made by the Lender (without any obligation of the Lender to make such an offer of renewal), then the Loan shall be deemed to be automatically renewed by agreement between the parties for a term of three (3) months commencing on the maturity date at an interest rate equal to Royal Bank of Canada Prime Rate (as hereinafter defined) plus 5% per annum, and shall be fully open for repayment by the Borrower without penalty or bonus.

For the purposes of this paragraph, "Royal Bank of Canada Prime Rate" means the annual rate of interest announced from time to time by Royal Bank of Canada during the period when interest based upon the Prime Rate accrues hereunder, as a reference rate then in effect for determining interest rates on Canadian dollar commercial loans made in Canada.

25. **Pre-Authorized Payments**

The Borrower shall execute the requisite documents to allow the Lender to withdraw the regular monthly payments of principal, interest and taxes from the Borrower's bank account.

26. **Expenses**

Whether or not the Loan Amount is disbursed and notwithstanding retention of the Commitment Fee by the Lender, all of the Lender's costs and expenses, including without limitation all legal fees and disbursements and the cost of all reports, appraisals, inspections and investigations incurred by the Lender in relation to the Loan and/or this Commitment shall be paid by the Borrower. The Borrower shall also be responsible for any commission or finder's fee payable in connection with this Commitment. All such amounts are payable forthwith, on demand by the Lender, and may be added to the principal balance of the Mortgage and shall bear interest at the Interest Rate.

The CMHC mortgage insurance premium, CMHC underwriting fee and all applicable taxes thereon are for the account of the Borrower and shall be deducted from the proceeds of the Loan.

27. **Credit Investigations**

The Borrower and each Additional Covenantor authorize the Lender to make inquiries concerning the character, general reputation, personal characteristics, financial and credit data of the Borrower and each Additional Covenantor, including its respective directors, officers, shareholders, and principals, and to verify any information provided to the Lender hereunder, all for the purpose of underwriting and servicing the Loan.

28. **Proceeds of Crime (Money Laundering) and Terrorist Financing Act**

Pursuant to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, the Lender is required to obtain specific information with respect to the Borrower, the Additional Covenantors and any third party involved in the transaction. The Borrower and each Additional Covenantor hereby covenant and agree to provide, promptly, such information and documentation as may be requested by the Lender to ensure the Lender's compliance with this Act. In the interest of timely funding of this Loan, the Borrower authorizes the Lender and the Borrower's solicitor to communicate directly with each other respecting the information required by the Lender.

29. **Title Trustee/Custodian**

The Lender shall have the right, at its option, to have the Security Documents drawn in the name of Computershare Trust Company of Canada or such other trustee/custodian as the Lender may elect, to hold same as title trustee/custodian for the Lender. In such event, if the consent of the mortgagee/lender is required pursuant to the Security

Documents, the consent of First National Financial LP shall be sufficient to meet that requirement.

30. **Privacy**

(a) Credit Check Consent

By signing this Commitment, the Borrower and each Additional Covenantor agrees that the Lender, or any insurer, assignee or potential assignee of the Loan, may conduct credit checks with consumer reporting agencies and collect personal and corporate credit or bank reports and other personal information (if applicable) about the Borrower and each Additional Covenantor, as necessary for the purposes of underwriting and assessing the risk associated with administering and servicing this Loan throughout the Term, including renewals. The Borrower and each Additional Covenantor understands that this information may include the types and amounts of credit advanced to each party, payment histories, negative banking items, collection actions, legal proceedings, previous bankruptcies and other information reported by your creditors. The Lender may 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).

(b) Notice and Authorization

In the event the Lender sells the Loan or securitizes it into the secondary market, the Borrower and each Additional Covenantor authorizes and consents to the release by the Lender of all information and materials (including personal information, if applicable) in the Lender's possession concerning the Borrower, each Additional Covenantor and/or the Property to such party or parties (including the public in any offering memorandum) as may be necessary to facilitate such sale or securitization. In addition, the Borrower and each Additional Covenantor authorizes the Lender to share any information (including personal information, if applicable) concerning the Borrower or any Additional Covenantor, as the case may be, with (i) any assignee or proposed assignee of this Commitment or the Loan; (ii) third parties who provide services to the Lender or to any assignee in connection with the Loan; (iii) any insurer of the Loan; (iv) credit rating and consumer reporting agencies; (v) parties involved in the detection, prevention and suppression of fraud and other illegal activities and matters involving the public interest; and (vi) as set out in the Lender's Privacy Policy or as otherwise required or permitted by applicable law. The Lender's privacy policy is accessible at <https://www.firstnational.ca>.

31. **Additional Covenants**

The Additional Covenantors, if any, hereby acknowledge and agree that each of them is jointly and severally liable for all covenants and obligations of the Borrower under this Commitment and under the Loan.

32. **Publicity**

On completion of funding, the Lender may, at its option, issue a press release announcing the Loan. During the construction of any improvements, the Lender may require a sign to be erected and maintained by the Borrower evidencing the Lender's financing of same and may place notices thereof in the media.

33. **Non-Merger of Commitment**

Neither the execution and delivery of any Security Documents nor the advance of the Loan shall in any way merge or extinguish this Commitment or the terms and conditions contained herein. This Commitment and all its provisions shall continue in full force and effect until the Loan has been repaid in full. In the case of any express conflict between any provision or provisions of this Commitment and any provision or provisions of the Security Documents, the provisions of this Commitment shall govern.

34. **No Agency**

The Borrower acknowledges that the Lender may assign this Commitment to a third party and if it does so may receive a fee or commission in connection with such assignment. The Lender may also receive a fee in connection with the servicing of this Loan. The Lender is not acting as the Borrower's agent or otherwise in any fiduciary capacity in relation to the Borrower in connection with this Loan.

35. **Assignment**

Neither this Commitment nor any of the Loan proceeds may be assigned by the Borrower. This Commitment and the Security Documents may be assigned in whole or in part by the Lender at any time before or after the advance.

36. **Entire Agreement**

This Commitment and the Schedules attached hereto, when accepted by the Borrower, will constitute the entire agreement and understanding between the parties hereto with respect to the Loan and supercede all other agreements, understandings or commitments, oral or written.

37. **Approvals and Consents**

Any approvals or consents required to be made or given by the Lender hereunder must be expressly given pursuant hereto and shall not be implied or construed by the delivery or receipt of documents.

38. **Amendments and Waivers**

Except as otherwise expressly provided herein, this Commitment cannot be waived, altered, amended, discharged or terminated other than by an agreement in writing signed by the party against whom enforcement of any such waiver, alteration, amendment, discharge or termination is sought.

39. **Communications**

All communications provided for hereunder shall be in writing, personally delivered, sent by prepaid first class mail or sent by electronic transmission, and if to the Lender addressed to the address above-noted to the attention of the Director, Mortgage Administration and if to the Borrower to the address noted above. The date of receipt of any such communication shall be deemed to be the date of delivery, if delivered as aforesaid, or the third Business Day following the date of mailing, if mailed, as aforesaid. If sent by electronic transmission before 4:00 pm on any Business Day, such communication shall be deemed to have been received on the date sent; if sent after 4:00 pm on any Business Day or if sent on a day which is not a Business Day, such communication shall be deemed to have been received on the next following Business Day. Any party hereto may change its address for service from time to time by notice in the manner herein provided. In the event of a postal disruption or an anticipated postal disruption, prepaid first class mail will not be an acceptable means of communication.

40. **Further Assurances**

The Borrower and each Additional Covenantor, if any, shall, at the Lender's request, execute or deliver such further documentation and enter into such other agreements as are necessary for the securing of the Loan and the fulfilling of the terms contained herein.

41. **Time of the Essence**

Time shall be of the essence of this Commitment in all respects.

42. **Governing Law**

This agreement shall be governed by and construed in accordance with the laws of the Province in which the Property is situate.

43. **Interpretation**

- (i) The headings of all provisions herein are inserted as a matter of convenience only and not to define the intent of this document. The necessary changes in grammar and gender required to apply to the parties hereto shall be assumed as though expressed.

- (ii) If there is more than one Borrower or if there is an Additional Covenantor, or more than one Additional Covenantor, each of the covenants, agreements and obligations herein shall, as between and among each Borrower and each Additional Covenantor, be deemed to be joint and several, except as may otherwise herein specifically be provided, and the term "Borrower" shall be read as if each Borrower were specifically named and the term "Additional Covenantor" shall be read as if each Additional Covenantor were specifically named and any default by any one Borrower shall be deemed to be a default by each Borrower and any default by any one Additional Covenantor shall be deemed to be a default by each Additional Covenantor.
- (iii) "Business Day" means a day of the week, other than Saturday, Sunday or any other day which is a statutory or a municipal holiday in the municipality in which the Property is situate.
- (iv) "Person" includes any individual, partnership, joint venture, trust, unincorporated organization or any other association, corporation and government or any department or agency thereof.
- (v) The words "hereto", "herein", "hereunder", "hereof", "hereby", "this Commitment", "this agreement" and similar expressions used in this Commitment, including the schedules attached hereto, mean or refer to this Commitment as a whole and not to any particular provision, section or paragraph or other portion of this Commitment and include any instrument supplemental or ancillary hereto.

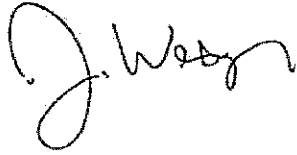
Acceptance of this Commitment shall create a binding agreement between the parties hereto on the terms and conditions set out herein. **To accept this Commitment, kindly execute same where indicated below and return it together with the \$40,000.00 Commitment Fee to the Lender by no later than 4:30 pm local time on November 22, 2018 at the address noted above.**

Failing receipt by the Lender of the executed Commitment together with the Commitment Fee by the date and time aforesaid, the offer contained in this Commitment shall be null and void and of no further force and effect unless the Lender shall have otherwise agreed in writing whether before, on or after such date.

Yours truly,

FIRST NATIONAL FINANCIAL LP
By its General Partner

FIRST NATIONAL FINANCIAL GP CORPORATION



Per:

Jeremy Wedgbury,
Senior VP, Commercial Mortgages

Accepted on the 29th day of November, 2018

Norfolk Housing Association

Per: 
Authorized Signatory

Name: Bryan Slautko
Title: Board chair

Per: 
Authorized Signatory

Name: Maja Kamblite
Title: Executive Director

Attachments

- Schedule 1 – Environmental Provisions
- Schedule 2 – Insurance Requirements
- Schedule 3 – Interest Rate
- Schedule 4 – Loan Information

Schedule 1

In this Schedule and in the Charge/Mortgage the following words shall have the following meanings:

"Applicable Laws" means, in respect of any person, property, transaction or event, all applicable federal, provincial or municipal laws, statutes, regulations, rules, by-laws, policies and guidelines, orders, permits, licences, authorizations, approvals and all applicable common law or equitable principles in force and effect during the currency of this Charge.

"Environmental Laws" means all present and future Applicable Laws, standards and requirements relating to environmental or occupational health and safety matters, including those relating to the presence, release, reporting, licensing, permitting, investigation, disposal, storage, use, remediation and clean-up or any other aspect of a Hazardous Substance.

"Environmental Proceeding" means any investigation, action, proceeding, conviction, fine, judgement, notice, order, claim, directive, permit, license, approval, agreement or lien of any nature or kind arising under or relating to Environmental Laws.

"Hazardous Substance" means any substance or material that is prohibited, controlled, otherwise regulated by any governmental authority or is otherwise hazardous in fact, including without limitation contaminants, pollutants, asbestos, lead, urea formaldehyde foam insulation, polychlorinated by-phenyls or hydrocarbon products, any materials containing same or derivatives thereof, explosives, radioactive substances, petroleum and associated products, underground storage tanks, dangerous or toxic substances or materials, controlled products, and hazardous wastes.

Representations Regarding Environmental Matters

The Property and all businesses and operations conducted thereon comply with all Environmental Laws. The Property has not been used for or designated as a waste disposal site and, except as disclosed in the environmental audit obtained by the Chargee prior to the advance of funds under this Charge (the "Environmental Audit"), contains no Hazardous Substances and there is no existing or threatened Environmental Proceeding against or affecting the Property. Copies of all existing environmental assessments, audits, tests and reports relating to the Property have been delivered to the Chargee. To the best of the Chargor's knowledge and belief, there are no pending or proposed changes to Environmental Laws or Environmental Proceedings which would render illegal or materially restrict or change the present use and operation of the Property. Except as disclosed in the Environmental Audit, neither of the Chargor nor, to the best of the Chargor's knowledge and belief after due inquiry and investigation, any other person or organization: (i) has used or permitted the use of the Property to generate, manufacture, refine, treat, transport, store, handle, dispose, transfer, produce or process Hazardous Substances; (ii) has been subject to any Environmental Proceeding related to the Property; (iii) has caused or permitted the release or discharge of any Hazardous Substance on or in the vicinity of the Property; (iv) has received or otherwise has knowledge of any Environmental Proceedings or of any facts which could give rise to any Environmental Proceeding related to the Property; (v) has undertaken any remediation or clean-up of any Hazardous Substance on or in the vicinity of the Property;

or (vi) has defaulted in reporting any occurrence or circumstance to any governmental authority in relation to the Property which is or was required to be reported pursuant to any Environmental Laws.

Covenants Regarding Environmental Matters

The Chargor shall: (i) ensure that the Property and the Chargor comply with all Environmental Laws at all times; (ii) not permit any Hazardous Substance to be located, manufactured, stored, spilled, discharged or disposed of at, on or under the Property (except in the ordinary course of business of the Chargor or any tenant and in compliance with all Environmental Laws) nor permit any other activity on or in respect of the Property that might result in any Environmental Proceeding affecting the Property, Chargor or Chargee; (iii) notify the Chargee promptly of any threatened or actual Environmental Proceedings; (iv) remediate and cure in a timely manner any non-compliance by the Property or the Chargor with Environmental Laws, including removal of any Hazardous Substances from the Property; (v) maintain all environmental and operating documents and records including all permits, licenses, certificates, approvals, orders and agreements relating to the Property as required by Environmental Laws; (vi) provide the Chargee promptly upon request with such information, documents, records, permits, licences, certificates, approvals, orders, agreements, environmental audits, reports, assessments and inspections and take such other steps (all at the Chargor's expense) as may be required by the Chargee to confirm and/or ensure compliance by the Property and the Chargor with Environmental Laws, and (vii) execute all consents, authorizations and directions necessary to permit any inspection of the Property by any governmental authority and to permit the release to the Chargee or its representatives, of any information relating to the Property and the Chargor.

Environmental Indemnity

Without limiting any other provision of this Charge or any document collateral hereto, the Chargor shall indemnify and pay, protect, defend and save the Chargee harmless from and against all actions, proceedings, losses, damages, liabilities, claims, demands, judgments, costs, expenses, (including legal fees and disbursements on a solicitor and his own client basis) (collectively "Environmental Claims"), imposed on, made against or incurred by the Chargee arising from or relating to, directly or indirectly, and whether or not disclosed by the Environmental Audit and whether or not caused by the Chargor or within its control, (i) any actual or alleged breach of Environmental Laws relating to or affecting the Property, (ii) the actual or alleged presence, release, discharge or disposition of any Hazardous Substance in, on, over, under, from or affecting all or part of the Property or surrounding lands, including any personal injury or property damage arising therefrom, (iii) any actual or threatened Environmental Proceeding affecting the Property including any settlement thereof, (iv) any assessment, investigation, containment, monitoring, remediation and/or removal of all Hazardous Substances from all or part of the Property or surrounding areas or otherwise complying with Environmental Laws, or (v) any breach by the Chargor of any covenant hereunder or under any document collateral hereto or under Applicable Law relating to environmental matters. This indemnity shall survive repayment of the loan secured hereby, foreclosure upon this Charge and any other extinguishing of the obligations of the Chargor

under this Charge and any other exercise by the Chargee of any remedies available to it against the Chargor.

CMHC Environmental Clause

The Chargee or agent of the Chargee or agent of Canada Mortgage and Housing Corporation (hereinafter called "CMHC") may, at any time, before and after default, and for any purpose deemed necessary by the Chargee or CMHC, enter upon the Property to inspect the Property and buildings thereon. Without in any way limiting the generality of the foregoing, the Chargee or CMHC (or their respective agents) may enter upon the Property to conduct any environmental testing, site assessment, investigation or study deemed necessary by the Chargee or CMHC and the reasonable cost of such testing, assessment, investigation or study, as the case may be, with interest at the interest rate set out in this Charge, shall be a charge upon the Property. The exercise of any of the powers enumerated in this clause shall not result in the Chargee, CMHC or their respective agents being deemed to be in possession, management, or control of the Property and buildings.

Schedule 2

Insurance Requirements

The Borrower will at all times during the Term maintain the insurance required by the Mortgage including, without limitation, the following coverages:

- (a) all risks of direct physical loss or damage, including, without limitation, coverage for the foundations of all improvements and flood and earthquake coverage, all on a replacement cost basis with loss payable to the Lender under an Insurance Bureau of Canada mortgage clause; the policy should allow for the improvements on the Property to be completed (if applicable), for partial occupancy, and for the Property to be vacant and unoccupied for a period of at least 30 days;
- (b) comprehensive broad form boiler and machinery insurance covering all pressure vessels (whether fired or unfired), air conditioning and miscellaneous electrical apparatus on the Property, for an amount satisfactory to the Lender, with loss payable to the Lender under a Boiler and Machinery Insurance Association mortgage clause;
- (c) business interruption or rental income loss coverage on a gross profits or rentals form sufficient to cover 100% of the loss of rent or loss of business income from the business conducted on the Property for a period of twelve (12) months, based on the greater of actual or projected revenue, in respect of all perils described in (a) and (b) above; and
- (d) comprehensive general liability insurance, inclusive of bodily injury, death or property damage or loss, for a minimum amount of \$5,000,000 per occurrence or such other amount as the Lender may reasonably request, with the Lender named as an additional insured.

The coverage required by sections (a) and (b) above shall include by-law endorsements acceptable to the Lender, including but not limited to same site waiver, increased cost of construction, undamaged portion coverage and demolition and debris coverage.

All policies shall be on a "no co-insurance" basis. All such insurance shall be placed with a company or companies satisfactory to the Lender. Deductible amounts shall also be subject to Lender's approval. All cancellation and alteration clauses in the above-referenced policies, including those contained in the mortgage clause endorsements, shall provide for at least thirty (30) days prior written notice to the Lender of any cancellation of or material alteration to the policy. The Borrower shall provide evidence of policy renewal or satisfactory replacement annually at least thirty (30) days prior to expiry. The Borrower shall deliver to the Lender original or certified copies of all policies required hereunder. At the time of funding, the expiry date of each of the insurance policies required hereunder shall be at least one year from the date of funding. The Lender shall be entitled to require coverage of such other risks and perils as the Lender may from time to time consider advisable or desirable and in respect of which insurance coverage is available

Schedule 3

Interest Rate

The annual interest rate (the "Interest Rate") shall be the Canada Mortgage Bond Yield as of 12:00 noon Toronto time established on a date determined by the Lender which is no earlier than the fifth Business Day prior to the date funds are advanced to the Borrower (the "Funding Date") plus 0.70% (70 basis points) calculated semi-annually not-in-advance. With the approval of the Lender, the Borrower shall have the option of fixing the Interest Rate earlier by delivering a written notice to the Lender of its desire to do so, prior to 12:00 noon Toronto time on any Business Day (the "Notice Date") before the fifth Business Day prior to the Funding Date. In that event, the Interest Rate shall be the Canada Mortgage Bond Yield as of 12:00 noon Toronto time on the next Business Day following the Notice Date plus 0.70% (70 basis points) plus a further 0.01% (1.0 basis points) for each seven (7) day period or part thereof by which the Notice Date predates the Funding Date, calculated semi-annually not-in-advance.

"Canada Mortgage Bond Yield" shall mean the bid-side yield to maturity, calculated semi-annually, which an assumed new issue of non-callable Canada Mortgage Bonds issued by Canada Housing Trust (a "Canada Mortgage Bond"), denominated in Canadian Dollars would carry if issued at par for a term equal to the term of the Mortgage. Where the longest dated Canada Mortgage Bond has a maturity date that is earlier than the maturity date of the Loan, the "Canada Mortgage Bond Yield" shall mean the bid-side yield to maturity of the Canada Mortgage Bond with the maturity date closest to the maturity date of the Loan plus the difference between: (a) the Government of Canada Bond Yield interpolated to the Loan maturity date; and (b) the Government of Canada Bond Yield interpolated to the Canada Mortgage Bond maturity date. The Canada Mortgage Bond Yield shall be determined by RBC Dominion Securities Inc. or such other person qualified to make such determination as the Lender may appoint.

If the Lender agrees to an extension of the Close Out Date for any reason after it has fixed the Interest Rate (which extension there shall be no obligation for the Lender to grant), the Interest Rate shall increase by two basis points (0.02%) for each 7 day period or part thereof that the Close Out Date is extended.

In the event that the Interest Rate as determined herein is greater than 4.00% per annum, calculated semi-annually not-in-advance (the "Maximum Rate"), the Borrower may be required to buy down the Interest Rate to the Maximum Rate or the Loan Amount may be reduced, as determined by CMHC. In the event the Borrower is allowed to buy down the rate the required buydown will be deducted from the advance of funds

Schedule 4

I. BORROWER

A. Proposed Borrower:

Name: _____

Principal business address: _____

Principal Contact: _____ Telephone#: _____

Preferred e-mail address: _____

To-be formed (yes/no): _____ Date Formed: _____

Province of organization: _____

Borrower Entity Type: Corp.____ GP____ LP____ LLC____ N/A____

Is the Borrower a "Bare Trust" (Nominee)? _____

If the Borrower is a "Bare Trust", who is the Beneficial Owner?: _____

Yes, I consent to receiving electronic communications from First National including, newsletters, product information, events, market rates, commentary and other information. I understand that I can withdraw my consent at any time by clicking the unsubscribe link on the electronic communications sent.

B. Principal(s) of Borrower:

SIGNING OFFICERS

Each of the following people are signing officers of the Entity, holding the position set out opposite his or her name:

<u>Name</u>	<u>Officer</u>	<u>Home Address</u>

DIRECTORS

The following are all of the directors of the Entity:

<u>Name</u>	<u>Occupation</u>	<u>Home Address</u>

SHAREHOLDERS

- a. To better understand the complete organizational structure of the Borrower, Attached as Appendix A to this Form is a list of all shareholders that hold, whether directly or indirectly, 25% or more of the shares of the Borrower.

[Note: complete Appendix A]

- b. **Tick the box beside the appropriate paragraph and complete Appendix B if you tick the second paragraph**

no one individual owns or controls, directly or indirectly through any entity, or combination of entities, twenty-five percent (25%) or more of the Borrower.

OR

the individual(s), listed on Appendix B to this Form own(s) or control(s), directly or indirectly through any of the entities, or combination of entities, twenty-five percent (25%) or more of the Borrower.

***Please attach an Organizational Chart to the back of this Loan Info Form.**

- C. Is the Borrower, any Guarantor or any signing officer of either the borrower or guarantor a Politically Exposed Persons (PEP)? _____

Is a member of any of the foregoing's immediate family a PEP? _____

**See definition below.*

- D. Are there any judgment(s), lawsuit(s) or lien(s) pending against or by, or adverse judgment(s) issued within last 3 years against the Borrower, Property, Guarantor(s) or any of their Principals or affiliates?

Yes _____ No _____ (If yes, describe below and attach supporting documentation).

- E. Have any bankruptcies ever been filed by or against Borrower, Property, Guarantor(s) or any of their Principals or affiliates?

Yes _____ No _____ (If yes, describe here and attach supporting documentation)

F. Proposed Property Manager (after Loan Closing):

Management Co: _____ Telephone: _____
Address: _____ E-mail: _____
Will the property be self-managed? Yes _____ No _____

G. Contact Information:

Insurance broker: _____ Telephone: _____
E-mail address: _____
Solicitor: _____ Telephone: _____
E-mail address: _____

II. REFINANCING: ORIGINAL PURCHASE INFORMATION

Original purchase date: _____
Purchase price at acquisition: \$ _____
Improvements since purchase: \$ _____
Describe improvements since acquisition:

III. SOURCE AND USE OF LOAN PROCEEDS

A. Please complete the following:

1. Lender _____	\$ _____
2. Lender _____	+ _____
3. Lender _____	+ _____
4. Estimated Closing Costs	+ _____
5. Prepayment Charges	+ _____
6. Proposed Loan Amount	-(_____)
Equity Investment / (Equity Takeout)	\$ _____

B. Is there any subordinated debt, debentures, operating credit line, shareholder loans or other obligations expected to be in place at closing?

Yes _____ No _____ (If yes, describe)

--

--

I certify the above information to be accurately represented, to the best of my knowledge:

Name: _____

Date: _____

Politically Exposed Person (PEP) or Head of an International Organization (HIO):

A PEP is a person who is a “senior political figure” or “head of an international organization”, any member of his/her “immediate family”, or any of his/her “close personal or business associates”. The “**head of an international organization**” means the head of an international organization that is established by the governments of states or the head of an institution of any such organization.

A **senior political figure** is an individual who holds or has ever held in the past, one of the following offices or positions in or on behalf of **Canada** or a **foreign** country:

- a head of state or head of government
- a member of the executive council of government, Senate or House of Commons or member of a legislature
- a deputy minister (or equivalent)
- an ambassador, or attaché or counselor of an ambassador
- a military general (or higher rank)
- a president of a corporation that is wholly owned directly by her Majesty in right of Canada or a president of a state owned company or bank
- a head of government agency
- a mayor
- a judge; or
- a leader or president of a political party in a legislature

The definition of PEP also includes the senior political figure’s or the HIO’s **immediate family members** or **close associates** as described below:

- spouse or common law partner
- child; brother, sister, half-brother or half-sister
- mother or father; or
- spouse’s or common-law partner’s mother or father

APPENDIX A

List of all shareholders of the Borrower that hold, whether directly or indirectly, 25% or more of the shares of the Borrower

Name	Address	Occupation	% Interest

(First National is required to collect Occupation information as part of Canada's Anti-Money Laundering initiative, mandated by the Financial Transactions and Reports Analysis Centre of Canada - FINTRAC)

APPENDIX B

List of all individuals that own(s) or control(s) , directly or indirectly through any of the entities, or any combination of the entities listed in Appendix A hereto, in the aggregate, twenty-five percent (25%) or more of the Borrower.

Name	Address	Occupation	% Interest

(First National is required to collect Occupation information as part of Canada's Anti-Money Laundering initiative, mandated by the Financial Transactions and Reports Analysis Centre of Canada - FINTRAC)