

FORM A
[Clause 2(d)]

Investor Disclosure Form

Saskatchewan Financial Services Commission
Suite 601, 1919 Saskatchewan Drive
Regina SK S4P 4H2

| |
|-----------------|
| Transaction N°. |
|-----------------|

The Mortgage Brokerages and Mortgage Administrators Act

| Important - New Disclosure Duties Effective October 1, 2010 |
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| <p>In addition to providing the information in this form, effective October 1, 2010, mortgage brokerages are also required to provide a private investor with additional information in connection with this transaction.</p> <p>A mortgage brokerage must:</p> <ol style="list-style-type: none"> 1. Disclose whether the mortgage brokerage was able to confirm the identity of the borrower and the steps that the mortgage brokerage took to obtain that confirmation. 2. Disclose whether the mortgage brokerage is receiving a fee or remuneration for referring you to a person or entity, disclose the relationship with that person or entity and the amount of the fee or remuneration. 3. Disclose material risks about the transaction that you should consider <u>in addition to the risk factors mentioned in this form</u>. 4. Disclose all other information that an investor of ordinary prudence would consider to be material in deciding whether to make the proposed investment. <p>You must receive these disclosures in writing and acknowledge receipt of them. You should keep a copy for your records.</p> |

Important: This form is required by law and will provide you with important information.

This information must be disclosed at least two business days before the earliest of the following events:

- when the mortgage brokerage receives or enters an agreement to receive money from you;
- when you commit yourself to make the investment in the mortgage; and
- when the money is advanced to the borrower or mortgage vendor.

| | | |
|--|---------------------|------|
| | Investor's Initials | Date |
|--|---------------------|------|

Cautions

1. All mortgage investments carry a risk. You should very carefully assess the risk of this mortgage investment before making a commitment. In general, the higher the rate of return, the higher the risk of the investment.
2. Inexperienced investors are **not** advised to enter into mortgage investments.
- 3 You are **strongly** advised to obtain independent legal advice before committing to invest. Your ability to enforce the mortgage agreement may be affected by legislation, such as *The Unconscionable Transactions Relief Act*.
4. This mortgage investment is **not** insured or guaranteed by the Government of Saskatchewan.
5. This mortgage investment cannot be guaranteed by the mortgage brokerage. If you are not prepared to risk a loss, you should not consider mortgage investments.
6. If this investment is for a mortgage to fund a development, construction or commercial project, the repayment of this investment may depend on the successful completion of the project, and its successful leasing or sale.
7. You should inspect the property or project and the surrounding area before investing.
8. The attached declarations and disclosure summary are not intended to be a comprehensive list of factors to consider in making a decision concerning this investment. You should satisfy yourself regarding all factors relevant to this investment before you commit to invest.

Risk Factors

Some of the risks associated with this mortgage investment include, but are not limited to, the following:

1. Repayment of the mortgage is dependent on the borrower's ability to make payments under the mortgage and on the financial strength of any person offering a personal covenant, guarantee or financial commitment; there is no assurance that the obligations will be satisfied and therefore you may not receive any return from your investment, including any initial amount invested.
2. Market values may have changed in the period between the date of the most recent property assessment or appraisal and the date that you complete the transaction set out in this *Investor Disclosure Form*.
3. Property values may change over time, which may result in you losing your investment in the event of a foreclosure.
4. The insurance coverage on the property secured may be inadequate, cancelled or expire and expose you to potential loss of this mortgage investment.
5. There is no assurance that there will be a market for the resale or transfer of the mortgage.
 - The mortgage brokerage is required to provide you with all material risks specific to the proposed mortgage investment in writing.

Date

Signature of broker

Licence number of mortgage brokerage

Print name of person signing

Investor's Initials

Date

| Acknowledgement | |
|---|-----------|
| I, _____, | of _____, |
| Print name | |
| _____ | |
| Address | |
| acknowledge receipt of this <i>Caution and Risk Factors</i> , signed by a broker. | |
| _____ | _____ |
| Dated by investor | Signature |

| Declaration by the Mortgage Brokerage |
|---------------------------------------|
|---------------------------------------|

1. For the purposes of this declaration, two persons are “related” if they share any relationship other than an arm’s-length business relationship. For example, a shareholder, director, officer, partner or employee of a mortgage brokerage is related to a broker or associate authorized to broker mortgages on behalf of the mortgage brokerage.

2. This declaration is made by _____ .
Name, address and licence number of mortgage brokerage

3. The mortgage brokerage or any broker or associate authorized to broker mortgages on its behalf does/ does not [choose one] have or expect to have a direct or indirect interest in the property that is the subject of this mortgage investment.
EXPLAIN:

4. A person related to the mortgage brokerage or to any broker or associate authorized to broker mortgages on its behalf does/ does not [choose one] have or expect to have a direct or indirect interest in the property that is the subject of this mortgage investment.
EXPLAIN:

5. The borrower is/ is not [choose one] related to the mortgage brokerage or to any broker or associate authorized to broker mortgages on its behalf.
EXPLAIN:

6. The borrower is/ is not [choose one] related to an officer, director, partner, employee or shareholder of the mortgage brokerage.
EXPLAIN:

7. The individual or company that appraised the property is/ is not [choose one] related to the mortgage brokerage or any broker or associate authorized to broker mortgages on its behalf or any officer, director, partner, employee or shareholder of the mortgage brokerage.
EXPLAIN:

Declaration by the Mortgage Brokerage (continued)

8. The proceeds of this investment will/ will not [choose one] be used to refinance, pay out, redeem or reduce an existing mortgage on this property.

EXPLAIN:

9. If this investment is a purchase of an existing mortgage, the mortgage is/ is not [choose one] now in default and has/ has not [choose one] been in default in the preceding 12 months.

EXPLAIN:

10. The mortgage brokerage or any broker or associate authorized to broker mortgages on its behalf does/ does not [choose one] expect to gain any interest or benefit from this transaction other than the fees disclosed in Part D of the attached *Information Disclosure Summary*.

EXPLAIN:

11. The mortgage brokerage has fully complied with all requirements of *The Mortgage Brokerages and Mortgage Administrators Act* and *The Mortgage Brokerages and Mortgage Administrators Regulations*.

I have fully completed the above *Declaration by the Mortgage Brokerage* in accordance with *The Mortgage Brokerages and Mortgage Administrators Act* and *The Mortgage Brokerages and Mortgage Administrators Regulations* and declare it to be accurate in every aspect.

Date

Signature of broker

Licence number of mortgage brokerage

Print name of person signing

Acknowledgment

I, _____, _____
Print name

acknowledge receipt of this *Declaration by the Mortgage Brokerage*, signed by a broker.

Dated by investor

Signature

Information Disclosure Summary

Part E of this summary lists documents that must accompany this summary and that must be provided to you at least two business days before you commit to invest. You should examine the attached documents carefully before you make an investment decision. You should not rely solely on this disclosure summary.

Part A. Property/ Security To Be Mortgaged

1. Legal and Municipal address of the property:

2. Type of Property:

- Property with existing buildings
 - Single family residential Commercial
 - One-to-four unit residential Industrial
 - Five or more unit residential Other _____
- Vacant land, development or construction project. Details of project/ proposed use: _____
- Other _____

3. Property Taxes:

Annual property taxes: \$ _____

Are taxes in arrears?

- No
- Yes Amount in arrears: \$ _____

4. Zoning:

Is the zoning on the property appropriate for the proposed use?

- Yes
- No If "No", details: _____

| | | |
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| | Investor's Initials | Date |
|--|---------------------|------|

Part A. Property/ Security To Be Mortgaged (continued)

5. Appraisal:

No appraisal has been done on the property OR

An appraisal has been done on the property. Appraised "as is" value: \$ _____

For **development and construction projects**, projected market value when project is complete: \$ _____

Date of appraisal: _____

Name and address of appraiser: _____

Part B. Mortgage Particulars

1. Registration of Mortgage:

In what name will the mortgage be registered?

2. Existing or New Mortgage:

An existing registered mortgage is being purchased OR

Your investment will fund a new mortgage that has not yet been registered.

3. Administered Mortgage:

Will the mortgage be administered for you?

No

Yes If "Yes", name and address of administrator: _____

Investor's Initials

Date

Part B. Mortgage Particulars (continued)

4. Terms of the Mortgage:

| | |
|--|-------------------------------------|
| Mortgage Amount: \$ _____ | Term: _____ |
| Interest rate is fixed at _____ % per annum OR | Amortization: _____ |
| Interest rate is variable. Explain: | Maturity Date: _____ |
| _____ | Balance on maturity: _____ |
| _____ | Borrower's first payment due: _____ |
| Compounding Period: _____ | Terms and conditions of repayment: |
| Monthly payments by borrower: \$ _____ | _____ |
| Monthly payments to you: \$ _____ | _____ |
| (See Part D for fees charged to you) | |

5. Rank of mortgage:

The mortgage to be purchased/advanced is/will be a:

First Second Third Other: _____

Prior encumbrances (existing or anticipated):

None OR

| | | | |
|--------------------|------------------------|--------------------|------------------------|
| a) Priority: _____ | Face Amount: \$ _____ | b) Priority: _____ | Face Amount: \$ _____ |
| | Amount Owing: \$ _____ | | Amount Owing: \$ _____ |

In default? Yes No In default? Yes No

Name of Mortgagee: _____ Name of Mortgagee: _____

Other: _____

| | |
|--|---|
| | Investor's Initials Date |
|--|---|

Part B. Mortgage Particulars (continued)

6. Loan to value ratio:

- (a) Total of prior encumbrances: \$ _____
- (b) Amount of this mortgage: \$ _____
- (c) Total amount of mortgages: (a + b) \$ _____
- (d) Appraised "as is" value: (from Part A) \$ _____
- (e) Loan to "as is" value: (c/d X 100) _____ %
- (f) Projected value: (where appropriate) \$ _____
- (g) Loan to "projected value" ratio: (c/f X 100) _____ %

Part C. The Borrower

1. Name and Address of Borrower:

Important: Financial information about the borrower's ability to meet the mortgage payments must be attached to this disclosure summary.

Part D. Fees

1. Fees and charges payable by the investor:

Mortgage brokerage fee/ commission/ other costs: \$ _____

Approximate legal fees and disbursements: \$ _____

Administration fees (where applicable): \$ _____

Any other charges:

Specify: _____

TOTAL: \$ _____

Investor's Initials

Date

Part D. Fees (continued)

2. Fees and costs payable by the borrower:

| Amount | Paid To | Purpose |
|----------|---------|---------|
| \$ _____ | | |
| \$ _____ | | |
| \$ _____ | | |
| \$ _____ | | |
| \$ _____ | | |
| \$ _____ | | |

Part E. Attached Documents

Important: You should review the following documents carefully and assess the risks of this investment before committing to invest. You should check that all documents are consistent with this disclosure summary. The following documents must be attached:

1. If the statement concerns an existing mortgage, a copy of the mortgage.
2. If an appraisal of the property has been done in the preceding twelve months and is available to the mortgage brokerage, a copy of the appraisal.
3. If an agreement of purchase and sale in respect of the property has been entered into in the preceding 12 months and is available to the mortgage brokerage, a copy of the agreement of purchase and sale.
4. If a copy of an appraisal of the property is not delivered to you, documentary evidence of the property's value, other than an agreement of purchase and sale.
5. Documentary evidence respecting the borrower's ability to meet the mortgage payments, such as a statement of the borrower's net worth and a credit bureau report or a letter from an employer disclosing the borrower's earnings.
6. A copy of the borrower's application for a mortgage and any document submitted in support of the application, if available to the mortgage brokerage.
7. If the mortgage is a new mortgage, documentary evidence of any down payment made by the borrower for the purchase of the property.
8. A copy of any agreement that you may be asked to enter into with the mortgage brokerage.
9. If the mortgage is an existing mortgage, evidence of insurance coverage with respect to the property.

| | |
|---------------------|------|
| Investor's Initials | Date |
|---------------------|------|

Important: The mortgage brokerage is also required to provide you with all other information that an investor of ordinary prudence would consider to be material in deciding whether to invest in the mortgage, so that you can make an informed decision before you commit to invest. This information might include the following:

1. If the mortgage is for a construction or development project:
 - a. a detailed description of the project;
 - b. a schedule of the funds that have been advanced or are to be advanced to the borrower; and
 - c. the identity of any person who will monitor the disbursements of funds to the borrower and the use of those funds by the borrower.
2. If the property is a rental property, details of leasing arrangements and vacancy status.
3. Environmental considerations affecting the value of the property.

Part F. Certification

This *Information Disclosure Summary* has been completed by:

Name, address and licence number of mortgage brokerage

I have fully completed the above *Information Disclosure Summary* in accordance with *The Mortgage Brokerages and Mortgage Administrators Act* and *The Mortgage Brokerages and Mortgage Administrators Regulations* and declare it to be accurate in every respect.

Dated

Signature of broker

Licence number of mortgage brokerage

Print name of person signing

Investor's Initials

Date

| Acknowledgement | |
|---|-----------|
| I, _____, of | _____ |
| Print name | |
| _____ | _____ |
| Address | |
| acknowledge receipt of this <i>Information Disclosure Summary</i> , signed by a broker, and all of the documents listed in Part E (Attached Documents). | |
| I understand that the mortgage brokerage cannot accept any money from me or require me to enter into an agreement to receive money from me until at least two business days after receipt by me of this form. | |
| _____ | _____ |
| Dated by investor | Signature |

One copy of this form must be provided to the prospective investor, and one copy must be retained by the mortgage brokerage.