LOAN #: **[INSERT LOAN #]**

TO: CMLS Financial Ltd. (the “**Servicer**”)

AND TO: CANADA MORTGAGE AND HOUSING CORPORATION (CMHC)

Use Of Net Equity Funds Schedule:

|  |  |  |  |
| --- | --- | --- | --- |
| Permitted Use | Description of Use | Cost ($) | Date Completed |
| Repayment of Existing Loan including related closing costs |  |  |  |
| Capital repairs for subject property |  |  |  |
| Capital repairs for other existing residential rental properties (2 or more units) |  |  |  |
| Purchase or construction of other residential properties  (2 or more units) |  |  |  |
| Repatriation of funds  (new construction only) |  |  |  |
| Total Spent (a) | | $ |  |
| Net Loan Amount (b) | | $ |  |
| Net Surplus/Shortfall (b) - (a) | | $ |  |

In accordance with CMHC COI, the Borrower certifies the above “USE OF FUNDS SCHEDULE” of net equity proceeds and permitted uses is true and correct in all material respects and no other debt financing was used to finance the referenced permitted uses.

In the event of a surplus of net surplus proceeds ((b) – (a)) above, the Borrower covenants that such proceeds will be used for future Permitted Uses as defined under the COI and shall be reported to the Lender in sufficient detail in order to satisfy the requirements of the COI. The Borrower further acknowledges that failure to use the funds as intended or for any other Permitted Uses shall at the Lender’s option be an event of default under the Commitment Letter and result in (a) a required paydown of the Loan as required by the Lender or CMHC; and/or (b) reporting of the non-compliance to CMHC.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

I/We have the ability to bind the Borrower

Name:

Date: