



RBC Royal Bank®

LOAN AGREEMENT

THIS AGREEMENT made as of the _____ day of _____ 20____

BETWEEN: **ROYAL BANK OF CANADA**
(the "Bank")

AND:
(the "Borrower")

WHEREAS:

A. The Borrower has applied to the Bank for a loan to be given pursuant to the terms and conditions of this Agreement (the "Loan") for the purpose of assisting with financing the purchase, building or improvement of residential premises (which may be a house or multi-unit dwelling) located on Nisga'a Village Lands of the Nisga'a Village of _____, and more particularly described or identified as:

(the residential premises and property hereinafter called the "Property");

- B. The Bank has agreed to make the Loan to the Borrower;
- C. The Loan is subject to the Nisga'a Nation guaranteeing the Loan (the "Nisga'a Nation Guarantee");
- D. As security for the Nisga'a Nation Guarantee, the Borrower is granting a mortgage of its Nisga'a Village entitlement for the Property, in the form attached as Schedule "A", (the "Mortgage") to the Nisga'a Nation.

NOW THEREFORE for valuable consideration, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

Loan

1. The principal amount of the Loan is \$ _____ (the "Principal Sum"). No portion will be advanced by the Bank:
 - (a) if, at the time of the proposed advance, the Property does not meet or exceed Canada Mortgage and Housing Corporation then current guidelines; and
 - (b) until the Nisga'a Nation Guarantee together with such other documents as the Bank may request respecting the Loan, including evidence of insurance required under the Mortgage, have been provided to the Bank by the Nisga'a Nation and the Borrower in form and substance satisfactory to the Bank.
2. If the Loan is to finance the building of or improvements to, residential premises, the amount shall be advanced in accordance with the Bank's usual practice for construction or building mortgages. If the Loan is to finance the purchase of residential premises, the amount shall be advanced to the vendor at the Borrower's direction pursuant to section 3 of this Agreement. The amount and date of each advance shall be at the sole and absolute discretion

of the Bank. The advances made under the Loan shall be used solely for the purpose set out in the first recital.

Direction

3. The Borrower authorizes and directs the Bank to make all advances of the Loan, in amounts and at times determined solely by the Bank, payable to _____ in one or more installments, and this is the Bank's good and sufficient authority for so doing. Payment so made will be deemed to be payment to the Borrower to the same extent as if received by the Borrower. Any modification to the above direction must be made pursuant to a written agreement which is agreed to and signed by both parties.

Interest Rate/Repayment

4. **(For Fixed Rate):** The Borrower promises to pay to the Bank at the time and in the manner hereafter set out at its Terrace, BC branch located at _____, the Principal Sum and any additional principal amounts advanced by the Bank to the Borrower from time to time under this Loan with interest thereon (the "Interest Rate") at the rate of _____ % per year, calculated semi-annually not in advance as well after as before maturity, default and judgment, until paid.

The Bank calculates interest for each payment period using an interest rate factor that is equivalent to the Interest Rate. Interest is payable monthly or, if you have selected another payment frequency, at the payment frequency set out in Section 6 below unless you select another payment frequency.

Interest at the Interest Rate on the amounts from time to time advanced, computed from the respective dates of such advances until the _____ (the "Interest Adjustment Date") shall become due and be paid on the Interest Adjustment Date; provided that the Bank may require the interest at the Interest Rate on the amounts from time to time advanced prior to the Interest Adjustment Date, computed from the date of each such advance, to become due and payable in monthly installments commencing on the day of the month next following the date of the advance and the balance, if any, of such interest on such advances shall become due and be paid on the Interest Adjustment Date. The Bank may at its option deduct from any advance all interest accrued on a previous advance.

After the Interest Adjustment Date, the principal monies advanced, together with interest thereon at the Interest Rate computed from the Interest Adjustment Date, _____ shall become due and be paid by consecutive equal monthly installments of \$ _____ each (the "Periodic Installments") (which includes principal and interest) on the _____ day of each and every month from and including _____, to and including _____ and the balance, if any, of the principal monies and interest thereon, along with all other amounts due and owing under the Loan as contemplated herein, shall become due and payable on _____ (the "Maturity Date").

4. **(For variable interest rate):** The Borrower promises to pay to the Bank at the time and in the manner hereafter set out at its Terrace, BC branch located at _____, the Principal Sum and any additional principal amounts advanced by the Bank to the Borrower from time to time under this Loan with interest thereon at a variable rate equal to the Bank's Prime Rate in effect from time to time _____ per centum (%) per annum (the "Interest Rate"), calculated monthly not in advance, as well after as before maturity of this Loan and both before and after default and judgment, until paid.

If you have selected non-monthly payments, interest is calculated not in advance, with the same frequency as the payment frequency shown in Section 6 below or another payment frequency that you select and is payable at that frequency.

[for RateCapper loans only:] This loan is a RateCapper loan and the interest rate shall not exceed _____ per cent [%] per annum (the "Maximum Interest Rate") payable and calculated at the same frequency as payments are made, not in advance.

Throughout the initial term of this Loan, the principal money advanced, with interest at the Interest Rate, is payable as follows:

Interest at the Interest Rate on the amounts from time to time advanced, computed from the respective dates of such advances until the (the "Interest Adjustment Date") shall become due and paid on the Interest Adjustment Date; provided that, the Bank may require the interest at the Interest Rate on the amounts from time to time advanced prior to the Interest Adjustment Date, computed from the date of each such advance, to become due and payable in monthly installments commencing on the date of the month next following the date of the advance, and the balance, if any, of such interest on such advances shall become due and paid on the Interest Adjustment Date. The Bank may at its option deduct from any advance all interest accrued on previous advances.

After the Interest Adjustment Date, the Principal Sum together with interest thereon at the Interest Rate computed from the Interest Adjustment Date shall become due and payable as follows:

By consecutive equal monthly installments of \$ each (the "Periodic Installments") (which includes principal and interest) on the day of each and every in each and every year, to and including the day of , 20 , and the balance, if any, of the said Principal Sum and interest thereon, along with all other amounts due and owing under the Loan as contemplated herein, shall be and become due and payable on the (the "Maturity Date").

If the Interest Rate is a variable or RateCapper interest rate:

- (a) "Prime Rate" means the annual rate of interest announced from time to time by the Lender as a reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada. At the date of this Loan Agreement, Prime Rate was per cent per annum. In the event that it may be necessary at any time for the Lender to prove the Prime Rate applicable as at any time or times, it is agreed that a certificate in writing of the Bank setting forth the Prime Rate as at any time or times shall be deemed to be conclusive evidence as to the Prime Rate on such date.
- (b) The Interest Rate will vary automatically without notice to the Borrower, each time there is a change in the Prime Rate. However, in the case of a RateCapper loan, the Interest Rate will never exceed the "Maximum Interest Rate" payable and calculated as set forth herein. While the amount of each regular installment to be paid by the Borrower(s) under this Loan is fixed under the terms of this Loan Agreement, the respective portions of interest and principal which comprise the amount of each regular installment may vary as the Prime Rate changes and therefore the Interest Rate payable under the Loan Agreement varies. If the Prime Rate declines, a larger portion of any installment will be applied against the portion of the principal money then outstanding, thus accelerating the reduction of the principal money. Conversely, if the Prime Rate increases, a larger portion of any installment will be applied against accrued interest, thus delaying the reduction of the principal money. If the loan is not in default and a regularly scheduled installment is not sufficient to pay all accrued interest on the portion of the principal money then outstanding, the Borrower agrees that the Bank may, without notice to the Borrower, increase the amount of the installment payment in increments of two dollars, until the installment payment is sufficient to pay all interest that has accrued from the last installment date up to and including the date of the payment. The amount so paid shall become the new installment payment amount until such time as the Bank and the Borrower may agree to a different installment payment amount or the installment payment amount is again increased in accordance with the terms of this clause 4.

Compound Interest

5. If the Borrower defaults in the payment of any interest, compound interest will be payable and the amount in arrears for interest from time to time will bear interest at the Interest Rate, and if the interest and compound interest are not paid on the next installment date after the date of default, a rest will be made, and compound interest at the Interest Rate will be payable on the aggregate amount then due and so on from time to time.

Non-Monthly Payment Option

6. While the Loan provides for monthly payments, the Bank will accept payments under the Loan on the following basis:

- (a) semi-monthly - twice a month on the _____ and _____ day of each month commencing _____ ; or
 - (b) bi-weekly - every two weeks on every second _____ , commencing _____ ; or
 - (c) weekly - every week on every _____ , commencing _____
7. Each payment made pursuant to section 7 of this Agreement will be comprised of equal installments of the amount of \$ _____ each (which includes principal and interest).
8. For the balance due at maturity under this option or for any additional information, the Borrower can contact the Bank at its branch address set out in section 4.

Application of Payments

9. Any blended or combined installments of principal and interest payable under this Loan will be applied firstly to HomeProtector® insurance payable by the Borrower in respect to this Loan, including any applicable taxes, if you have this insurance; secondly to interest calculated at the Interest Rate on the principal monies from time to time outstanding and the balance of the said installments shall be applied on account of principal; except, however, in the case of Default by the Borrower, the Bank may then apply any payments received during the period of default in whatever order it may elect as between interest, principal, taxes, insurance premiums, expenses, other advances or costs made on behalf of the Borrower.

Prepayment

10. In addition to the Periodic Installments, the Borrower may, at any time, prepay the principal amount owing under the Loan in whole or in part without notice, penalty or bonus. Any partial payments shall not reduce the amount of Periodic Installments and the payment dates of all remaining Periodic Installments, if any, shall thereupon be advanced.
11. While the Borrower is not in Default, the Bank shall apply the amount of each such payment or additional amount to the reduction of principal.

Additional Advances

12. Upon repayment to the Bank of the Principal Sum in part, the Borrower may from time to time, in the Bank's sole and absolute discretion, reborrow by way of one single advance an amount equal to or less than the difference between the Principal Sum and the current balance under the Loan provided that the outstanding principal owing under the Loan at any one time will not exceed the Principal Sum. It being understood and agreed by the Borrower that all such additional advances shall be used solely for the purposes of building or improving the Property and shall be advanced in accordance with section 2.

Renewal

13. On or prior to the Maturity Date, the Loan may be renewed by an agreement in writing between the Borrower and the Bank. If, on the Maturity Date, no such renewal agreement is executed, and all principal amounts advanced by the Bank to the Borrower have not been fully repaid, the Borrower irrevocably authorizes and directs the Bank to automatically renew the Loan for an additional term on the terms and conditions set forth in the renewal agreement sent to the Borrower. The Bank may, in its sole and absolute discretion, choose not to renew the Loan for an additional term, as authorized and directed by the Borrower above if there is a default under section 17 of this Agreement.

Expenses

14. The Borrower shall pay all costs and expenses incurred by the Bank in connection with the Loan including, without limitation, for any appraisals, inspections, valuations and progress advance certificates obtained in connection with the Property.

Debiting of Accounts

15. The Bank is authorized, but not obligated, at any time and without notice, to debit any of the Borrower's accounts with the Bank and any of its affiliates with any amounts due and payable by the Borrower under this Agreement.

Covenants and Representations

16. While this Agreement is in effect or any amount owing under this Agreement remains unpaid, the Borrower covenants and agrees with, and represents and warrants to, the Bank that:
- (a) all factual information set out in this Agreement (including the recitals to this Agreement) and all additional information given or caused to be supplied by the Borrower to the Bank is true and accurate and there are no material adverse facts or circumstances or changes in financial condition undisclosed to the Bank which may materially adversely affect the Bank, the Borrower's prospects or ability to observe and perform all obligations hereunder;
 - (b) the Property is or will be used by the Borrower as owner-occupied residential premises and the Borrower will not let/sublet the whole or any part of the Property;
 - (c) if the Loan is to finance the building of or improvements to residential premises on the Property:
 - (i) the Borrower covenants and agrees with the Bank to construct or improve, as the case may be, a residence in accordance with plans and specifications which meet or exceed Canada Mortgage and Housing Corporation construction standards and applicable laws, and to carry on diligently to completion the construction or improvements of such residence,
 - (ii) it is the intention that all advances from time to time be made in accordance with the progress of such building or improvement and/or upon its completion and occupation; and the Borrower agrees that neither the execution of this Agreement nor the advance of part of the Principal Sum shall bind the Bank to advance the Principal Sum or any un-advanced part thereof, and that the advance of the Principal Sum or any part thereof or any additional principal amounts advanced by the Bank to the Borrower from time to time shall be in the sole and absolute discretion of the Bank;
 - (d) the Borrower shall ensure that the Property is maintained and used in compliance with all applicable laws, including those of the Nisga'a Nation, the Nisga'a Village of _____ and any requirements of a residential housing program (the "Program") established by the Nisga'a Lisims Government executive established under the Nisga'a Constitution (the "Executive") under the *Nisga'a Programs and Services Delivery Act*; and
 - (e) the Borrower will comply with all terms, covenants, undertakings or obligations of the Mortgage.

Default

17. The entire balance of the Principal Sum and any additional principal amounts advanced by the Bank to the Borrower from time to time under the Loan with accrued interest thereon together with all other amounts due and owing under the Loan shall immediately become due and payable on the occurrence of any one of the following ("Default"):
- (a) if any installment of principal or interest or both or any other payment required to be paid by the Borrower under this Agreement is not paid on its due date;
 - (b) if any of the principal monies advanced from time to time under this Loan are used for any purpose other than for the purchase, building or improvement of residential premises on the Property;
 - (c) if the Borrower breaches any term, covenant, undertaking or obligation hereunder or under any other agreement with the Bank in respect of the Loan, or if the Nisga'a Nation breaches any covenant,

condition or obligation contained in the Nisga'a Nation Guarantee, or if an event of default occurs under the Nisga'a Nation Guarantee;

- (d) if the Borrower breaches any term, covenant, undertaking or obligation under the Mortgage, or there is a default under the Mortgage;
- (e) if the Borrower or the Nisga'a Nation commits an act of bankruptcy within the meaning of the *Bankruptcy and Insolvency Act* (Canada) or becomes bankrupt or insolvent, or if a petition in bankruptcy is filed against the Borrower or the Nisga'a Nation, or any authorized assignment for the benefit of creditors is made by the Borrower or the Nisga'a Nation, or if a receiver or trustee or similar official for the Borrower or the Nisga'a Nation or for any of the assets of the Borrower or the Nisga'a Nation is appointed, or there is instituted by or against the Borrower or the Nisga'a Nation any other type of insolvency proceedings under the *Bankruptcy and Insolvency Act*, or otherwise;
- (f) if any proceedings with respect to the Borrower or the Nisga'a Nation are commenced under any legislation for the benefit of creditors or relating to bankrupt or insolvent debtors;
- (g) if the Bank in its sole and absolute discretion reasonably believes that the Borrower or the Nisga'a Nation has undergone or will undergo an event which has or will materially affect the ability of the Borrower under this Agreement or the Nisga'a Nation under the supporting Nisga'a Nation Guarantee to perform their respective obligations to the Bank.

Liability of Borrower

18. Upon Default, the Borrower shall be liable to the Bank for:
- (a) all principal amounts advanced by the Bank to the Borrower from time to time under the Loan with accrued interest thereon calculated at the Interest Rate and all other amounts due and owing under this Loan;
 - (b) legal costs (on a solicitor and own client basis) incurred by or on behalf of the Bank resulting from actions to collect the amount due;
 - (c) fees, expenses and costs, including legal fees (on a solicitor and own client basis), incurred by or on behalf of the Bank and paid to persons other than employees of the Bank in order to protect or realize on the Loan; and
 - (d) any costs incurred by the Bank in processing a cheque or other form of payment that may be dishonoured.

Disclosure

19. The Borrower irrevocably authorizes the Bank to release to the Nisga'a Nation, or, on the direction of the Executive, to a housing services provider designated by the Executive under the provisions of the *Nisga'a Programs and Services Delivery Act*, from time to time, Loan statements and all other information in its possession regarding the status of the Loan and the business and personal financial affairs of the Borrower.

Acknowledgement

20. The Borrower acknowledges that in approving the Loan application and in authorizing the Nisga'a Nation Guarantee of the Loan, the Bank and the Nisga'a Nation act independently, as do the members of the Executive and directors of a housing services provider designated by the Executive under the provisions of the *Nisga'a Programs and Services Delivery Act*, none of whom shall be considered agents of the Bank for any purpose.

Double-Up Payment Option

21. The Borrower, when not in Default under this Agreement, may, on any Periodic Installment payment date, prepay

an amount not exceeding the amount of a Periodic Installment without notice, penalty or bonus (the “Double-Up Payment Option”).

Skip-a-Payment Option

22. (1) This section applies only if:
- (a) The term of the Loan is less than 10 years;
 - (b) Your installments include principal and interest; and
 - (c) You are not in Default.
- (2) Skip-A-Payment means not making a payment under the following conditions:
- (a) Once in every 12 month period during the term, (starting on the Interest Adjustment Date or the anniversary date of the Interest Adjustment Date) you may Skip-A-Payment if the interest portion of the skipped payment, plus all amounts owing under the Loan, is not more than the Principal Sum.
 - (b) You may Skip-A-Payment up to the amount of any Double-Up payments made by you. The total amount of all skipped payments must not be more than the total of your Double-Up payments.
 - (c) If you Skip-A-Payment you must still pay the portion of your payment that covers your HomeProtector insurance premium, if any.
 - (d) The interest portion of any skipped payment is added to all amounts owing under the Loan and interest is charged on that amount at the Interest Rate.
- (3) You may repay any skipped payment at any time during the term. We will not charge you any costs for repaying a skipped payment.

Evidence of Indebtedness

23. The Bank shall maintain accounts and records evidencing the amounts advanced to the Borrower under this Agreement, together with all accrued interest, and each payment of principal and interest on account of these amounts. Such accounts and records will constitute, in the absence of manifest error, conclusive evidence of the amounts of all such advances, interest and payments and of the indebtedness of the Borrower to the Bank under this Agreement.
24. The Bank may use a microfilm, electronic or other reproduction (“Electronic Copy”) of any transaction or other document evidencing the Loan to establish the Borrower’s liability for the Loan. The Borrower acknowledges that an Electronic Copy shall be deemed to constitute an “original” and that the Customer will not contest the validity, enforceability or admissibility in any legal, administrative or other proceedings of an Electronic Copy under the provision of any applicable law relating to whether certain agreements must be in writing, or under any business record exception to the hearsay rule or the best evidence rule, including on the basis that an Electronic Copy was not originated or maintained in documentary form.
25. If it is necessary for the Bank to prove the Interest Rate in effect at any time, the Borrower agrees that the Bank’s written certificate, setting out the Interest Rate at that time, is sufficient and conclusive proof for that purpose.

General Provisions

26. The Bank may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Borrower, the Nisga’a Nation as guarantor and all other parties, guarantors and sureties as the Bank may see fit, all without prejudice to the debts, liabilities or obligations of the Borrower and the Nisga’a Nation as guarantor to the Bank.

27. Upon the Borrower's failure to perform any of its duties hereunder, the Bank may, but shall not be obliged to, perform any and all such duties and the Borrower shall pay to the Bank, forthwith upon written demand thereof, an amount equal to the expense incurred by the Bank in doing so plus interest thereon at the Interest Rate from the date such expense is incurred until it is paid.
28. No delay or omission by the Bank in exercising any right or remedy hereunder or with respect to any other security held by the Bank shall operate as a waiver thereof or of any other right or remedy.
29. The Borrower cannot assign this Agreement. This Agreement will ensure to the benefit of and be binding upon the parties hereto and the Borrower's heirs, executors, administrators and successors and the Bank's successors and assigns.
30. Unless otherwise specified, all amounts are stated and all payments are to be made in lawful money of Canada.
31. This Agreement and any documents or instruments referred to in, or delivered pursuant to, this Agreement constitute the whole and entire agreement between the Borrower and the Bank with respect to the Loan.
32. The Borrower will be in default under this Agreement by the mere lapse of the time fixed for performing an obligation.
33. The Borrower will send all written communications to the Bank at the branch address set out in section 4 of this Agreement. Any notice, demand or other communication from the Bank to the Borrower under this Agreement shall be given in writing by way of a letter addressed to the Borrower at the Borrower's address last appearing in the Bank's records. If the letter is sent by telecopy, it shall be deemed received on the date of transmission. If the letter is sent by ordinary mail at the address of the Borrower, it shall be deemed received on the date falling five (5) days following the date of the letter, unless the letter is hand-delivered to the Borrower, in which case, the letter shall be deemed to be received on the date of delivery. The Borrower must advise the Bank at once about any changes in the Borrower's address.
34. No amendment to the terms and conditions of this Agreement shall be valid and binding unless made in writing and signed by or on behalf of each party.
35. Where permitted by law, the Borrower agrees that (i) the Bank may provide any information or disclosure relating to the Loan by electronic communication, including but not limited to, communication by telephone, computer or fax. If the communication is by computer, it will be in a form the Borrower can retain. The Borrower also agrees that if the Borrower uses electronic communication to amend, extend, renew or vary the terms of the Loan, the electronic communication shall be considered to have been signed and/or delivered by the Borrower and to be in "writing" if any legal rules require the communication to be in writing, signed or delivered. The Borrower agrees not to dispute any electronic communication on the basis that it was not in writing or signed. The Borrower also agrees that any electronic communication that either the Bank receives from the Borrower or which appears to have been sent by the Borrower will be considered to be duly authorized and binding on the Borrower. This means that the Bank is entitled to rely and act upon any such electronic communication, even if it was not given or sent by the Borrower.
36. The Borrower acknowledges that electronic communication may be an unsecured method of communication and the Bank will not be responsible for any unauthorized access to communications delivered through such unsecured methods, except where there has been negligence on our part. The Bank will not, under any circumstances (even if the Bank is negligent), be liable for an indirect, consequential, special, aggregated, punitive or exemplary damages whatsoever (including but not limited to loss of data, loss of profits or any other commercial or economic loss), caused to the Borrower, regardless of the cause of action, even if the Bank have been advised of the possibility of such damages.

Due on Sale

37. If the Property, or the Borrower's interest in the Property, is sold, conveyed, transferred, exchanged, assigned, mortgaged, leased or otherwise disposed of to any person, or if any agreement is entered into to effect any of the foregoing, then, at the option of the Bank, all monies owing under the Loan shall become due and payable in full.

Severability

38. If at any time any provision in whole or in part of this Agreement is illegal, invalid or unenforceable under or inconsistent with the provisions of any applicable law or would by reason of the provisions of any such law render the Bank unable to collect the amount of any loss sustained by it as a result of making the Loan which it would otherwise be able to collect, then such provision shall not apply and shall be construed so as not to apply to the extent that it is so illegal, invalid, unenforceable or inconsistent or would so render the Bank unable to collect the amount of any such loss, and this Loan will continue in full force and effect and be construed as if it had been executed without such illegal, invalid, unenforceable or inconsistent provision.

Applicable Law

39. This Agreement and the rights and obligations hereunder shall be governed and construed according to the laws of the Province of British Columbia and, to the extent applicable, the federal laws of Canada.

Interpretation

40. It is agreed that the expression "Borrower" wherever used in this Agreement shall include the Borrower and the Borrower's heirs, executors, liquidators, administrators and successors, and that in the event this Agreement is being executed by two or more borrowers, the expression "Borrower" shall include all such borrowers and the covenants, liabilities and obligations on the part of the borrower herein contained shall be and be deemed to be joint and several covenants, liabilities and obligations, and wherever the singular or masculine is used throughout this Agreement, the same shall be construed as meaning the plural or the feminine or body corporate or politic where the context or the parties to this Agreement so require.

Co-Borrowers

41. If there are two or more borrowers, each of you has the right to receive the cost of borrowing disclosure documents that we may be required to send you from time to time. You can either request joint disclosure for all documents, which means that all cost of borrowing documents will be sent to one address or, if you wish, the disclosure documents can be sent to each of you at the address that appears in our records. If you select separate disclosure, then each of you will receive the cost of borrowing disclosure documents separately. Your choice will continue to apply even after you renew, extend or amend your credit agreement. At any time, you may change from joint disclosure to separate disclosure. You can do this by visiting any Branch or by calling us at 1-800-769-2511. If you later want to change from separate disclosure back to joint disclosure, you will have to sign a document requesting the change. Whether you select joint disclosure or separate disclosure, you must always give us your current address and you must always let us know if your address changes.

Signed at Terrace, B.C. on the _____ day of _____ 20____

Royal Bank of Canada

Per: _____
