



REF: \_\_\_\_\_

**DEED OF LOAN**

ON this \_\_\_\_\_ day of \_\_\_\_\_

BEFORE Mtre \_\_\_\_\_, the undersigned notary practising in the Province of Quebec at \_\_\_\_\_

**THERE APPEARED: ROYAL BANK OF CANADA**, a bank governed by the *Bank Act* (Canada), having its head office at 1 Place Ville Marie, Montreal, Quebec H3C 3A9, and a branch at \_\_\_\_\_, represented by \_\_\_\_\_ duly authorized for the purposes hereof by a resolution of its Board of Directors dated \_\_\_\_\_, an extract of which is attached hereto after having been acknowledged as true and signed by the representative in the presence of the notary;

notice of whose address has been published under the number 6000850 in the registry office; the number of this notice of address must be indicated opposite the hypothecary rights of which the Lender will become holder pursuant to the subrogation described hereafter;

**AND:**

(the "Borrower")

**WHO HAVE AGREED AS FOLLOWS:**

## 1. DEFINITIONS

In general, the defined terms that appear below are used throughout this *Deed of Loan* in **boldface italic** characters. We recommend that you read these definitions. They should help you fully understand the conditions applicable to your *loan*.

“**Buildings**” means the buildings situated on the *Property* at the date of this *Deed of Loan* or to be erected on the *Property* subsequently and all improvements to such buildings.

“**Deed of Loan**” means this deed and its schedules, if any, as well as any amendment, replacement or renewal of this deed.

“**Existing Deed of Loan**” has the meaning shown in section 2.1 of this *Deed of Loan*.

“**Hypothec**” means the rights created by the *Existing Deed of Loan* in your *Property*. The word “*Hypothec*” includes all the hypothecs granted to secure the *Existing Deed of Loan*.

“**Interest Adjustment Date**” is the date on which **we** repay the debt described in the *Existing Deed of Loan* and become subrogated in the rights of the other lender. This is the date the *Term* starts.

“**Loan**” means the amount that **we** agree to lend to **you** and that **you** agree to repay us, as indicated in section 2.1.

“**Maturity Date**” means the date on which the *Loan* matures, that is, the date on which the **Secured Amounts** must be paid to **us** in full or be the subject of a renewal.

“**Obligations**” means everything that **you** agree to do or not do and everything that **you** confirm, declare and represent in the *Existing Deed of Loan* and in the *Deed of Loan*.

“**Property**” means the immovable property hypothecated under the *Existing Deed of Loan* and which is described in section 2.2 of this *Deed of Loan*.

“**Rent**” means all present and future rent payable under current and future leases on the *Property* (including sums payable for any right of use, emphyteusis or occupancy).

“**Secured Amounts**” means the total amounts that **you** owe **us** at any time pursuant to the *Deed of Loan* with related interest and charges, whether or not they are due and payable.

“**Taxes**” means all taxes and assessments on the *Property*, including municipal, general and special taxes, church, urban community or school board taxes, and local improvement, water and business taxes, as well as any interest and penalties relating to such taxes.

“**Term**” means the period of time starting on the *Interest Adjustment Date* and ending on the *Maturity Date*.

“**We**” or “**us**” means Royal Bank of Canada, the lender who is granting **you** the loan. The word “**our**” also refers to us.

“**You**” means each person named as a borrower at the beginning of this **Deed of Loan** who borrows under the **Loan**. The word “**your**” also refers to **you**.

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**2. TERMS OF THE LOAN**

**2.1 LOAN AND DISBURSEMENT**

**We** are lending **you** the sum of

DOLLARS (\$) (the “**Loan**”), which **you** acknowledge to owe to **us**.

The **Loan** will be paid on **your** behalf to , to whom **you** owe sums of money secured by a hypothec registered in the land register of the land registration division of under the number pursuant to a deed of loan and hypothec (referred to below as the “**Existing Deed of Loan**”).

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**2.2 PURPOSE OF THE LOAN**

**You** declare with **us** that the **Loan** is to be used to repay the debt described in the **Existing Deed of Loan** so that **we** will be subrogated in all the rights and remedies granted to the above hypothecary creditor by the **Existing Deed of Loan**, including those relating to the additional hypothec and the hypothec on rent and insurance, in accordance with Article 1655 of the *Civil Code of Québec*.

The **Property** hypothecated under the **Existing Deed of Loan** is described as follows:

**DESCRIPTION**

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### 2.3 REPAYMENT

**You** agree to repay the **Loan** to **us** at the address of **our** branch set forth above, in accordance with the terms and conditions of the **Existing Deed of Loan** or as otherwise agreed to in separate agreements between **you** and **us**.

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### 3. DEFAULT

Without limiting **our** right to demand, at **our** option and at any time, the payment of the amounts payable on demand, **we** may, if **you** fail to comply with **your Obligations** or with **your** obligations under any other document relating to the **Loan**:

(i) demand full and immediate payment of the **Secured Amounts**, which will then be immediately due and payable; and

(ii) exercise at **our** option, without restriction and without prior notice other than that provided by law, all the rights and remedies that are conferred on **us** by law, including the following hypothecary rights that are then available:

- taking in payment;
  - sale by judicial authority;
  - taking possession for purposes of administration; or
  - sale by the creditor.
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### 4. MISCELLANEOUS PROVISIONS

#### 4.1 NATURE OF THE OBLIGATIONS

Each of **your Obligations** is indivisible and **we** may require full compliance by each of **you** who have signed the **Deed of Loan** and **your** heirs, legatees, legal representatives, successors or assigns.

If any of the provisions of the **Deed of Loan** is null or void or deemed not to have been written, all the other provisions of the **Deed of Loan** will be severable from the provisions that are null and void or deemed not to have been written and will remain valid and enforceable.

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#### 4.2 PAYMENT

**You** agree to

- make all the payments which **you** are bound to make to **us** in tender that is legal in Canada at the time of payment, at the branch indicated in the **Deed of Loan** or at any other location **we** indicate in writing;

- keep a bank account with a Canadian financial institution and keep a sufficient sum of money in the account to make each payment that is due to **us**.

**You** authorize **us** by the **Deed of Loan** to automatically withdraw from such account the amount of any payment when it is due to **us**;

**You** agree not to cancel **your** authorization to withdraw, or close the account without **our** consent. If **your** financial institution refuses the pre-authorized withdrawal, **we** will charge **you** for the fee **your** financial institution charges **us**. This may include situations where **you** do not have enough money in **your** account, or **you** closed **your** account.

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#### 4.3 ELECTION OF DOMICILE

Any service, notice or demand must be made or given to or served on **you** at **your** domicile. However, if **we** cannot find **you** at **your** domicile, **you** elect domicile for the purposes of the **Deed of Loan** at the office of the clerk of the Superior Court in the district where the **Property** is located, and such service, notice or demand may be made, given to or served on **you** there.

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#### 4.4 DEFAULT BY LAPSE OF TIME

Subject to the provisions of section 4.5, **you** will be put in default by the mere lapse of the time to fulfill **your Obligations**. This means that **you** will be required to fulfill all **your Obligations** immediately and **we** do not have to send **you** a notice or demand asking that **you** comply.

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#### 4.5 PRIOR NOTICE

If:

- the repayment of the **Loan** is secured by a hypothec other than a first-ranking hypothec; and
- at the expiry of the **Term you** are not in default under the **Existing Deed of Loan**, this **Deed of Loan**, or any other document relating to the **Loan**; and
- the outstanding balance of the **Loan** exceeds the amount of one regular payment,

**we** will give **you** prior written notice of at least thirty (30) days before requiring the repayment of the **Loan** in full.

*Section 4.5 applies only if the Borrower is a consumer within the meaning of consumer protection legislation*

#### 4.6 NO WAIVER

**You** confirm that **you** will not claim that an action or omission by **us** constitutes or implies a waiver by **us** of **our** right to invoke a default by **you** or to enforce a right arising from such default, unless **we** have explicitly expressed such an intention after a default has occurred.

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#### 4.7 DOCUMENTS

**You** agree, if **we** see fit, to remit to **us** the title deeds, title search certificates, location certificates, insurance contracts and other documents relating to the **Property** and the **Rent**. These documents will remain in **our** possession until the **Secured Amounts** are repaid in full.

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#### 4.8 REPRESENTATIONS

**You** represent to **us**:

- (a) **you** are the absolute and uncontested owner of the **Property**;
- (b) **you** are the absolute owner of the air conditioning, heating, plumbing, cooling and lighting appliances, the accessories and equipment placed in the **Buildings** and the elevators and machinery, and they are permanently physically attached or joined to the **Building** to permit its use and they form part of the **Building**;
- (c) the **Property** and the **Rent** are free of any prior claim or hypothecs except for the **Existing Deed of Loan**; furthermore, the **Rent** has not been assigned to any third party;
- (d) all the **Taxes** payable to date have been paid without subrogation;
- (e) **your** marital status, if applicable, is as indicated in section 6.3 of the **Deed of Loan**;
- (f) if **you** are married, no change has occurred in **your** marital status since **your** marriage and no agreement exists between **you** and **your** spouse to change **your** matrimonial regime or **your** marriage contract and no petition seeking the approval of such an agreement and no petition for separation as to property, separation as to bed and board, for annulment of marriage or for divorce is pending.

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#### 4.9 OBLIGATIONS SOLIDARY

If there is more than one Borrower, each is solidarily liable for the fulfilment of the **Obligations**. This means that each of **you** is responsible individually and collectively with the others for such **Obligations** and **we** may require any one of **you** to perform all such **Obligations**, which will have the effect of releasing the others. However, each of **you**, solidary Borrowers, waives the right to be subrogated in **our** rights against the others. This means that **you** will

not obtain **our** rights against the other solidary Borrowers by performing the **Obligations**. Each of **you** also authorizes **us** to grant releases and waivers to the other solidary Borrowers or with respect to the **Hypothecs** resulting from this **Deed of Loan**, and each of **you** acknowledges that this will not have the effect of releasing **you** from **your Obligations**.

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#### 4.10 EXONERATION

If **we** are in possession of the **Property**, **we** will not be obliged to maintain the use for which it is normally intended, to have it generate revenues or to continue operating or using it.

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#### 4.11 CONSENT – CADASTRAL AMENDMENTS

**We** authorize **you** by this **Deed of Loan** to make any cadastral amendments for the sole purpose of renumbering the lot(s) corresponding to the **Property**, provided that, following such amendment, our rights arising from the **Deed of Loan** are carried over to one or more full lots, excluding parts of lots. **We** expressly reserve all **our** rights in the renumbered lot(s). **You** must notify **us** in writing of the cadastral amendment within ten days of such amendment.

If, following the proposed cadastral amendment, **our** rights under the **Deed of Loan** are transferred not only to one or more full lots, but also to one or more parts of lots, or only to one or more parts of lots, **you** must obtain **our** express prior consent to the contemplated transaction and **we** may then require that **you** grant **us** a hypothec on one or more parts of lots so that **our** rights apply to one or more full lots.

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#### 4.12 CONTRADICTION

If there are any discrepancies between the terms and conditions of this **Deed of Loan** and the **Existing Deed of Loan**, the terms and conditions of this **Deed of Loan** will apply.

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#### 4.13 INTERPRETATION

Wherever the context so requires, the gender and number of words are interchangeable.

Paragraph and section headings do not form part of the **Deed of Loan**, but are used only for easy and convenient reference. They do not affect the construction or interpretation of the **Deed of Loan**.

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**5. INTERVENTIONS if applicable**

**5.1 GUARANTOR – NON-OWNER SPOUSE OR THIRD PARTY**

\_\_\_\_\_ intervenes in the **Deed of Loan** and, solidarily with the Borrower, agrees to pay the **Secured Amounts** under the **Deed of Loan** in full and to fulfill all the **Obligations** of the Borrower set forth therein.

The Intervenor waives the benefit of division and discussion, which means that he or she may not require **us** to demand payment from the Borrower or to exercise **our** recourses against the Borrower’s assets before seeking payment from the Intervenor.

If there is more than one Intervenor, each of them agrees solidarily to fulfill the **Obligations**.

\_\_\_\_\_

**6. PRIOR CHARGES/NON-OWNER SPOUSE - CONSENT/MARITAL STATUS**

**6.1 CHARGES**

The following hypothecs currently charge the **Property** or the **Rent**.

\_\_\_\_\_

**6.2 NON-OWNER SPOUSE – CONSENT**

The Borrower’s spouse, \_\_\_\_\_, intervenes in the **Deed of Loan** and:

(a) joins with the Borrower for the purposes hereof and confirms that the Borrower’s declarations regarding his marital status are correct;

(b) agrees that **we** be subrogated in all of the rights and recourses of the lender under the **Existing Deed of Loan**;

(c) acknowledges that if a judgment granting him(her) a right of use, habitation or occupancy is registered against the **Property**, he (she) will be solidarily bound with the Borrower by all the provisions of this **Deed of Loan** insofar as they affect him(her) or are applicable to him(her) as occupant or owner.

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**6.3 MARITAL STATUS**

(a) of the Borrower:

(b) of the intervening co-owner (if applicable):

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**7. LANGUAGE CLAUSE**

The parties have requested that this **Deed of Loan** and all related documents be drafted in English; les parties aux présentes ont demandé que le présent Acte de prêt et tous les documents y afférents soient rédigés en anglais.

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**WHEREOF ACTE**

**DONE AT** \_\_\_\_\_ on the day, month and year first mentioned and recorded in the minutes of the undersigned notary under the number \_\_\_\_\_

**AND HAVING READ** this **Deed of Loan**, the parties hereto signed in the presence of the undersigned notary.