



GENERAL INSTRUCTIONS TO LAWYER/NOTARY

Residential Mortgages/Hypothecs
Quebec and New Brunswick Only

NOTE: WHEN CALLING OR CORRESPONDING WITH US, ALWAYS QUOTE OUR MORTGAGE LOAN NUMBER

We are retaining you to act on behalf of the Mortgagee noted in our Specific Instructions (the "Mortgagee", "we" or "our"). Prepare the Mortgage ("Hypothec" in Quebec) in accordance with these General Instructions, our Specific Instructions and any additional instructions applicable to the transaction. You are to assume sole responsibility for the accuracy and validity of all documents and the preparation and registration of the Mortgage. You are to confirm the identity of the Mortgagor(s) ("Grantor(s)" in Quebec), Guarantor(s) and any consenting spouse, investigate and search title, register the Mortgage and provide your opinion on title or obtain title insurance, as applicable. **Your account for this matter will be paid by our mutual client.**

We will not review nor approve any draft documents. We will not review the final documents sent to us. If the documents are not prepared in accordance with our instructions or the Mortgage does not have the priority indicated in our Specific Instructions and, as a result, we suffer a loss, we will seek to recover any such loss from you. You are to take all steps that would be taken by a careful and prudent solicitor/notary on behalf of a client. This includes, without limitation, advising the Mortgagee of any material fact known to you that might affect its decision to advance the loan. If the funds will be used to purchase the property, you must verify that the purchase price in the Agreement of Purchase and Sale is the same as the price indicated in our Specific Instructions. You must also advise us if: (i) the property value significantly escalated over a short period of time; (ii) the vendor under the Agreement of Purchase and Sale (Contract of Sale) was not the registered owner at the time the Agreement of Purchase and Sale was signed; (iii) the Agreement of Purchase and Sale has been amended to provide for significant repairs to be made by the purchaser; (iv) there are any unusual credits on the statement of adjustments in favour of the Mortgagor(s), including any deposit(s) not required or referenced in the Agreement of Purchase and Sale; or (v) the property is a condominium/strata unit and the related parking/storage units have not been transferred to the Mortgagor(s) and charged to the Mortgagee.

To report any unusual or suspected fraudulent activity relating to the transaction or the subject property, call during regular business hours at 1-888-215-8687, and in Quebec call 1-877-673-4858.

For mortgages registered electronically, you are to ensure that the registration of the mortgage is in accordance with our instructions and is properly authorized by the mortgagor (and his/her spouse, where applicable).

Contact our Personal Service Centre at the telephone numbers provided in clause 18 when:

- You have any questions on the transaction; or
- You have issues to report relating to title that may affect our security or priority or which are contrary to our instructions; or
- The property is located in a provincial or national park; or
- The property is **not leasehold land** and **is located** on First Nation lands (also referred to Reserve lands).
Note - If the property is leasehold land, refer to our instructions in **Section 10. Leasehold Property**

Our mortgage documents are available at our legal documents web site at www.rbcroyalbank.com/legalforms. You are responsible for downloading the applicable document(s), completing them, arranging execution and providing copies to the Mortgagor(s). Please note that amendments are not to be made to any of our forms without our prior written approval. **Note:** For electronic mandates transmitted through Assyst Real Estate (the "Platform"), all required documents are available on the Platform. This means you should not download documents from our legal documents web site. By accepting an electronic mandate transmitted through the Platform, you are consenting (on your and your client's behalf, if appropriate) to receive the relevant documents electronically; please arrange for a copy of this confirmation to be retained for future reference.

ADDITIONAL INSTRUCTIONS FOR ELECTRONIC MANDATES TRANSMITTED THROUGH ASSYST REAL ESTATE:

Unless otherwise indicated, all instructions applicable to non-electronic transactions also apply to electronic transactions. In addition:

- (i) For electronic mandates transmitted through Assyst Real Estate (the "Platform"), the mandate is deemed to have been received by you at the time of acceptance by you via the Platform.
- (ii) Unless otherwise indicated, all documents you require, including the Mortgage and related documentation, and, in Quebec, the resolution of Royal Bank of Canada ("the Bank"), are available on the Platform and may be relied upon by you as the most current version. Do not download any documents from our legal documents web site.
- (iii) When you accept an electronic mandate you are representing to the Mortgagee that you are a lawyer in good standing with either the Law Society of New Brunswick or the Chambre des notaires, as applicable, and that you have been issued a valid digital signature by:
 - (a) In New Brunswick: Telus Certification Authority;
 - (b) In Québec, the Chambre des notaires du Québec.

Throughout these instructions, all references to a « digital signature » mean a valid digital signature issued by the above bodies/organization shown for your province.

You undertake to notify the Mortgagee and Telus Corporation (the company that owns and operates Assyst Real Estate) immediately in the event you are no longer a lawyer or notary in good standing or if the digital signature issued to you is compromised or no longer in force.

- (iv) You are responsible for complying with these and any other instructions applicable to the transaction and ensuring that the Mortgage and all related documents comply with them. The Mortgage for each mandate transmitted through the Platform will have already been completed with the Mortgagor's information. Please review the contents of the Mortgage and any other documents received through the Platform to ensure they have been completed in accordance with these and any other instructions applicable to the transaction. Please ensure the information displayed in the Mortgage conforms with the information displayed in clause 1 of the Specific Instructions. Please also refer to Section 3 of these General Instructions.
- (v) You must activate the Request Final Lender Update tab on the Platform, at least 3 working days before the Approval of Mortgage and Cost of Borrowing Disclosure Statement is given to the Mortgagor. Do not return the signed copy of this document to us, but retain it in your file.
- (vi) Complete a Request for Mortgage Funds (Form 3328), sign it by digital signature and send it via the Platform, at least 3 days before funds are required. **In submitting a Request for Mortgage Funds through the Platform, you are representing to the Mortgagee that you have searched the title to the property, that the Mortgagor(s) have, or will have, good and marketable title when the Mortgage is registered, that you have complied with these and any other instructions applicable to the transaction and are satisfied that all matters referred to in these documents, other than signature**

and registration of the Mortgage and forwarding of the documents, are completed.

- (vii) If you have indicated on the Request for Mortgage Funds that a cheque be delivered to your branch, you are authorized to deposit the cheque representing the mortgage proceeds into your trust account once all pre-disbursement conditions, except for signature and registration (in Quebec, publication) of the Mortgage, have been met.
- (viii) Funds must not be disbursed until you are satisfied that all matters referred to in these and any other instructions applicable to the transaction have been followed, including registration of the Transfer/Deed of Land/Deed of Sale (for purchase transactions) and our first-ranking Mortgage, and you have undertaken (or, for purchase transactions in New Brunswick only you have received a valid and enforceable undertaking from the vendor's solicitor/notary) to register a discharge of the rights of any existing Mortgagee/hypothecary creditor, as soon as possible;
- (ix) You must enter the registration number of the mortgage in the appropriate field on the Platform immediately once known;
- (x) Your Report on Title and Security (form 4177, except in Quebec, Form 3955) is available on the Platform and should be signed using your digital signature and returned to us via the Platform. Please note that we do not require a Report on Title and Security Update for electronic mandates completed through the Platform;
- (xi) Section 21(a) – For Quebec, do not return the requested documentation. For New Brunswick, you must return the requested documentation. In both provinces you must ensure that the registration number of the mortgage/hypothec is entered on the Platform;
- (xii) Sections 21(b), 21(e) and 21(f) – Please return the signed paper original to us.

FOR ELECTRONIC MANDATES IN QUEBEC ONLY:

- (i) The partner or employee of the notary, who receives an electronic mandate through the Platform from the Bank, is authorized to execute the Mortgage and related documents on behalf of RBC. If you have no employee or partner, any other notary who is a member in good standing of the Chambre des notaires du Québec (the "Chambre") is authorized to sign. If there is no employee, partner or other notary who can sign, or in the case of a mandate from The Royal Trust Company, you must make an appointment with the branch for signature of the documents.
- (ii) If the person designated by the Bank resolution to execute the Mortgage and related documentation is not a member of the Chambre, you must:
 - **ensure that the designated person signs a confidentiality agreement before signing the Mortgage or related documents; and**
 - **obtain client consent for the designated person authorized by you, if not a notary, to sign the Mortgage and related documentation on behalf of the Bank.**

The confidentiality agreement and the consent form are available on the Platform. In both cases, please retain the signed documents in your file. We do not require copies of them.

- (iii) You, and not the designated signatory, are responsible for complying with these and any other instructions applicable to the transaction and ensuring that the Mortgage and all related documents comply with them. Unless otherwise indicated in sub-clause (B) herein, all instructions applicable to non-electronic mandates, also apply to electronic mandates.

1. IDENTIFICATION OF THE PARTIES

We will identify the Mortgagor(s), Mortgagor's spouse and Guarantor(s) in our Specific Instructions, based on the application approval terms. RBC must be notified of and approve any changes, prior to the request for mortgage funds. When a change is approved, amended instructions will be issued. Please note that we have not confirmed who holds title to the property. If title is to be held otherwise than in the Mortgagor(s) name, please contact the Personal Service Centre at the number indicated in clause 18.

Please verify the identity each Mortgagor, Mortgagor's spouse, and each Guarantor by examining at least one piece of photo identification. You may want to contact the person in advance to advise of this requirement. Make a photocopy of the identification card or document for your file, but do not send it to us.

2. SEARCH OF TITLE / TITLE INSURANCE

(a) Full Search Requirement

We require your opinion that the Mortgagor(s) has/have good and marketable title to the property or is/are the registered owner(s), as applicable in the province or territory in which the mortgaged property is located. You are to undertake such searches as are generally conducted in connection with the delivery of a title opinion and you must show there are no rights or other claims having priority over the Mortgage (unless consented to by us). Obtain all customary certificates and keep them in your file. Do not send copies to us. Prepare a Report on Title and Security (Form 4177, except in Quebec Form 3955) available on our legal documents web site. If the mortgage funds were used to pay out an existing mortgage and the discharge of that mortgage has not been registered at the time you deliver your Report on Title and Security, you must follow up with a Report on Title and Security Update Form 3939) available on our legal documents web site as soon as the discharge is registered. For electronic mandates transmitted through the Platform, the Report on Title and Security (Form 4177, except in Quebec Form 3955) is available on the Platform. Please note that we do not require a Report on Title and Security Update for electronic mandates completed through the Platform.

In lieu of your title opinion, you may obtain a lender's title insurance policy issued by one of: Chicago Title Insurance Company, FCT Insurance Company Ltd. (carrying on business under the name First Canadian Title), Lawyers' Professional Indemnity Company (TitlePlus), Travelers Guarantee Company of Canada or Stewart Title Guaranty Company.

(b) Summary Search Requirements (Limited Mandate) – Quebec only

If this is a refinancing transaction in Quebec, the property is subject to an existing first-ranking hypothec in favour of the Mortgagee and you have been permitted in the Special Conditions clause of the Specific Instructions to treat this as a Limited Mandate, then notwithstanding clause 2(a) above, you may do the following:

- (i) Your examination of title shall date back only to the date of registration of our first-ranking hypothec;
- (ii) You are not required to check the status of property taxes;
- (iii) Notwithstanding clause 4(a) below, a Plan and Certificate of Location prepared by a qualified Quebec land surveyor prepared at the time we obtained the first-ranking hypothec is acceptable. If a title insurance policy was issued at that time, obtain either a new title insurance policy or a current Plan and Certificate of Location prepared by a qualified Quebec land surveyor;
- (iv) Notwithstanding clause 4(b) below, you are not required to verify building or zoning requirements;
- (v) Notwithstanding clause 5 below, you are not required to check the status of insurance on the property;
- (vi) If you need an account statement to reimburse the first-ranking hypothec, you must request it at least 72 hours before the transaction;

- (vii) We do not require our first-ranking hypothec to be cancelled (discharged) at this stage. But you must ensure that there is no other subsequent registration to this first-ranking hypothec on the land register.
- (viii) Complete the Report on Title and Security (Form 3955) with the appropriate modifications:
 - Delete the taxes and insurance clauses.
 - Add the following to clause 1D: “Please note, however, that our search only dates back to (*the date of registration of the first ranking hypothec in favour of the Mortgagee*).” Note that if the client does not wish at this time to pay for the cancellation of our first-ranking hypothec and if, since the registration date of the latter, no other hypothec is registered on the land register for the property concerned, you need not submit an opinion on the Report on Title and Security Update (Form 3939).
 - In clause 2, you may replace the words “There are no...” by “Our search has not revealed any ...” If your opinion needs to be qualified, add any qualification to clause 2.

Alternatively, you may obtain a lender’s title insurance policy from an approved title insurer (clause 1F).

(c) Search Requirements of Leasehold Mortgages - not applicable to Quebec

- (i) If this is a leasehold mortgage on First Nation land, please see our Additional Instructions to Lawyer – Leasehold Mortgages on Indian Lands (Form 4231) on our legal documents website.
- (ii) If this is a leasehold mortgage on non-First Nation land and the term of the lease is for a period of less than 100 years, you are required to obtain a lender’s title insurance policy from a title insurer as referenced in 2 (a) above.
- (iii) For leasehold mortgages on non-First Nation land with a term of more than 100 years, undertake such searches as are generally conducted in order to deliver title opinion and prepare a Report on Title and Security (Form 4177) and, if applicable, a Report on Title and Security Update (Form 3938) available on our legal documents web site. Alternatively, you may obtain a lender’s title insurance policy from a title insurer as referenced in 2 (a) above.

3. MORTGAGE PREPARATION

(a) New Brunswick

- (i) Download the applicable Optional Mortgage Covenants (Fixed Rate, Variable Rate or RateCapper) from our legal documents web site.
- (ii) Download the appropriate Form 15 Mortgage from the same legal documents web site or complete the registration of the mortgage electronically. You are authorized to complete, submit and deliver the electronic mortgage for registration on our behalf.
- (iii) Complete the Form 15 Mortgage using the information in our Specific Instructions. For electronically registered mortgages, you must also (a) ensure that all the information contained in the appropriate Form 15 Mortgage from the legal documents web site and in our Specific Instructions is reproduced in the mortgage; and (b) ensure 2 paper mortgages are signed – one for us and one for your file.
- (iv) Use the full name of each Mortgagor and the spouse of the Mortgagor in accordance with the *Naming Conventions Regulation* under the *Land Titles Act*, NB;
- (v) The address of the Mortgagee is the following: Royal Bank of Canada, Transit # 00884, Main Branch – Fredericton, 504 Queen Street, Fredericton, N.B. E3B 5G1.
- (vi) Insert the identifying number of the Optional Mortgage Covenant in the blank space provided on Form 15;

- (vii) If the Mortgagor is a corporation and has a corporate seal, it should be affixed to the Mortgage upon signature.
- (viii) If the Mortgage is insured under the National Housing Act (NHA), you must indicate this in the top right hand corner of the applicable Form 15. Otherwise, remove all reference to the NHA from the top right hand corner.
- (ix) For electronically registered mortgages, a copy of Form 47 – Certificate of Registered Ownership confirming registration, and a duplicate signed paper mortgage should be included with your report.

(b) Quebec

(A) All Mandates

- (i) Download the applicable Mortgage (Fixed Rate, Variable Rate or RateCapper) from our legal documents web site and complete it, using the information in our Specific Instructions.
- (ii) Your examination of title must cover a period of at least 30 years (or from the date of acquisition of title if dating back more than thirty years) from the date of your examination. In lieu of your title opinion the Mortgagee will accept a title insurance policy. Keep any searches or insurance policies in your file.
- (iii) Appearance: if the loan is made by Royal Bank of Canada as Mortgagee, complete as follows:

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 _____, authorized to sign this document by a resolution of its Board of Directors dated _____, an extract of which is attached to this document, after having been acknowledged as true and signed by the representative in the presence of the notary.

If the loan is made by The Royal Trust Company as Mortgagee, complete as follows:

THE ROYAL TRUST COMPANY, a corporation governed by the *Trust and Loan Companies Act (S.C. 1991, c. 45)*, having its head office at 1 Place Ville Marie, Montreal, Quebec, H3C 3A9, represented by _____, authorized to sign this document by a resolution of its Board of Directors dated _____, an extract of which is attached to this document, after having been acknowledged as true and signed by the representative in the presence of the notary.

- (iv) If the spouse of the grantor is a non-owner and the property is the family residence, the non-owner spouse must intervene in the Deed. If the property is registered in the name of both spouses, ensure both sign the Deed as grantors. In such case, the clause regarding the intervening spouse must be deleted from the Deed.
- (v) If the hypothec is granted by a woman married under the community of property regime and she hypothecates her private or reserved property she must so declare it and show under what circumstances the property given as security has become her private or reserved property. If reserved property is involved, obtain the spouse's consent. If the husband hypothecates the property of the community, obtain the spouse's consent.
- (vi) For all land registry districts, the Notice of Address number for Royal Bank and Royal Trust – Personal Service Centre, located at 7101 Parc Ave, 5th Floor, Montreal QC H3N 1X9 is **6000850**.
- (vii) Please have the Deed signed and register the rights in the Land Register. In order to avoid unnecessary delay, we strongly suggest that you make an appointment with the Mortgagor's branch for the signing of the Deed of Hypothec and to obtain the appropriate resolution. Please bring the

Approval of Mortgage and Cost of Borrowing Disclosure Statement with you to the branch when you attend for the signature of the Deed.

- (viii) You are not required to register the hypothec over insurance proceeds with respect to the Property in the Register of Personal and Movable Real Rights (RPMRR).

(B) Additional Instructions for Electronic Mandates transmitted through the Platform

- (i) Notwithstanding sub-clause 3(b)(A)(vii) above, you are not required to attend at the branch for signature of the Mortgage by the Bank, since you are authorized to have it signed in accordance with the resolution.

4. SURVEY / WORKING ORDERS

(a) Survey

Obtain a current Plan of Survey/Surveyor's Certificate/Real Property Report/Location Certificate (the "survey") prepared by a qualified land surveyor showing the location of the existing building(s) and showing that these buildings are contained entirely within the limits of the land and that there are no encroachments on the land from adjoining properties. If an up-to-date survey is not available, we will accept the existing survey provided that the Mortgagor signs a statutory declaration stating that there have been no additions or improvements to the property since the date of the survey. A copy of the survey is not required by the Mortgagee. Alternatively, a title insurance policy will be accepted in lieu of a survey. A survey is not required for condominium properties.

(b) Work Orders

Obtain a letter from the appropriate municipal officer stating the property is not subject to outstanding work orders. Where the municipality does not provide this type of letter, a statutory declaration from the owner stating that the property is not subject to outstanding work orders is required. A copy of this document is not required by the Mortgagee. If a title insurance policy is obtained, a letter or statutory declaration is not required.

(c) Special Instructions on Subdivision of Land or Land-Use Planning

If applicable, obtain confirmation from the Mortgagor that the Mortgage is given in compliance with any statute or regulation relating to the subdivision of land or land use planning.

5. INSURANCE

Obtain evidence of insurance. For all insurance policies ensure that the policy contains the Insurance Bureau of Canada standard mortgage clause with the mortgagee being first loss payee. If the property is held "in trust", ensure that the policy lists the registered and beneficial owners of the property as co-insured's. Do not provide a copy of the policy to the Mortgagee.

- (a) For Homeowner insurance: Ensure there is a Broad Form or Comprehensive Form Package for at least the amount of the Mortgage or the replacement cost of the buildings, whichever is the lesser, with loss payable to the Mortgagee.

- (b) For Condominium/Strata Corporation insurance: Ensure there is a Broad Form or Comprehensive Form Condominium/Strata Corporation Master Insurance Policy providing for the full replacement cost of the Condominium/Strata Corporation buildings, structures and all common elements.

For Condominium/Strata Unit insurance: Ensure there is a Broad Form or Comprehensive Form Condominium Unit Owner Package Policy covering the full replacement cost of improvements and betterments made to the unit by the owner of the unit. If the unit will be used for rental purposes, a Basic Form Condominium Unit Owner policy covering the full replacement cost of improvements and betterments to the unit by the owner of the unit is acceptable.

6. WATER POTABILITY AND SEPTIC SYSTEMS

If the subject property is not connected to municipal services, you must obtain confirmation from the appropriate authority that the water is safe for human consumption. RBC will not review this confirmation. In lieu of confirmation from the appropriate authority, a title insurance policy that covers loss arising from water potability issues may be obtained.

Applicable only to properties not serviced by municipal sewage systems: If the funds will be used to construct a dwelling or to purchase a newly constructed dwelling, obtain a certificate or letter from a municipality or other regulatory authority regarding the installation and/or use of a septic system in accordance with relevant standards. If the funds will be secured by a mortgage on a previously occupied dwelling, we require either such a certificate or letter, or confirmation from the Mortgagor(s) that to the best of their knowledge the septic system is operating satisfactorily. The confirmation from the Mortgagor(s) may be given by way of statutory declaration or other evidence satisfactory to you. For refinancing transactions, we require a certificate, a statutory declaration, or a septic system endorsement from a title insurer approved by us. The certificates and confirmations are to be retained in your file.

7. CONDOMINIUM/STRATA UNITS

If the property is a condominium/strata unit, obtain an estoppel/status/information/disclosure certificate. Advise of any unsatisfactory information disclosed by the certificate. Retain the certificate in your file.

8. PREDISBURSEMENT CONDITIONS FOR ADVANCES

Funds should not be disbursed until:

- (a) A copy of the Approval of Mortgage and Cost of Borrowing Disclosure Statement has been signed by the Mortgagor(s) and the Guarantor(s), if applicable.
- (b) You are satisfied that the matters referred to in the Specific Instructions, these instructions and any applicable additional instructions are completed.
- (c) No liens, construction liens/legal hypothecs or other encumbrances are registered at the time of the advance unless you have undertaken (or, in a purchase transaction, the vendor's lawyer has undertaken) to ensure a discharge of a prior financial institution mortgage.
- (d) If this is a purchase transaction, you have confirmed that the purchase price is the same as indicated in the Specific Instructions;
- (e) If this is a purchase transaction and the property is a newly constructed home, you have obtained the following certificate (The certificate is to be retained in your file. We do not require a copy of the certificate.):
 - (i) in Quebec :
 - (1) For all hypothecs insured by a mortgage default insurer: a certificate of guarantee for new residential buildings issued by one of the following providers: La Garantie de Construction Résidentielle (GCR), Quebec Association of Construction and Housing Professionals (APCHQ) or Association de la Construction du Québec (ACQ);
 - (2) For all hypothecs not insured by a mortgage default insurer: (i) a certificate of guarantee for new residential buildings issued in accordance with the provincial legislation/regulation in force and effect, **if** such certificate is required under such legislation/regulation, or (ii) if such certificate of guarantee for new residential buildings is not required in accordance with the provincial legislation/regulation, a certificate or report from a qualified professional carrying appropriate liability insurance, including but not limited to inspectors, architects, and engineers, confirming that the

construction is substantially completed and in compliance with municipal bylaws and other applicable regulations.

(ii) in New Brunswick: a certificate of completion and possession from one of the following third party new home warranty providers: Atlantic Home Warranty Program; Lux Residential Warranty Program; Progressive New Home Warranty Program (Echelon General Insurance Company).

- (f) A Request for Mortgage Funds (Form 3328) should be delivered or faxed to the Personal Service Centre at least three days before the funds are required. If funds are required in less than 3 days contact the Personal Service Centre at the phone number indicated in Section 18, or complete the Request for Mortgage Funds (Form 3328) by selecting "Issue a cheque for courier pick-up at your branch located at []".
- (g) For electronic mandates, please see the section entitled "Additional Instructions for Electronic Mandates Transmitted through Assyst Real Estate."

9. DISBURSEMENT OF FUNDS

(a) Advance in the form of credit to your trust account - You are to download from our legal documents web site a Request for Mortgage Funds (Form 3328), prepare and fax it to the Personal Service Centre at least 3 days before the funds are required. When you submit a Request for Mortgage Funds you are representing to the Mortgagee that you have complied with the Specific Instructions, these and any additional instructions applicable to the transaction and you are satisfied that all matters referred to herein and therein (other than forwarding final documents) are completed. For electronic mandates, please see the section entitled "Additional Instructions for Electronic Mandates Transmitted through Assyst Real Estate."

We will advise you by fax when we have arranged for the mortgage funds to be credited to your trust account. Please verify that the information contained in this fax is correct. The amount deposited bears interest from the day of the deposit. The amount will be credited to your trust account on the express condition that it not be disbursed except in accordance with the Specific Instructions; these and any additional instructions applicable to the transaction and you are satisfied that all matters referred to herein and therein (other than forwarding final documents) are completed.

(b) Advance in the form of Cheque – If you have indicated on the Request for Mortgage Funds (Form 3328) that you will pick up a cheque at your branch: one cheque constitutes the proceeds of the loan and the second, if applicable, represents an incentive amount as disclosed in the Approval of Mortgage and Cost of Borrowing Disclosure Statement. Prior to depositing the cheque(s) into your trust account, you must comply with all instructions in this document relating to pre-disbursement conditions, as well as with our Specific Instructions and any additional instructions applicable to the transaction. **The cheque(s) must not be deposited into your trust account until all pre-disbursement conditions have been met.**

When you negotiate the cheque(s), we will consider the funds to have been advanced in accordance with the Specific Instructions, these and any additional instructions applicable to the transaction. Interest will accrue from the time the cheque is deposited. You should therefore obtain our mutual client's consent before depositing funds in advance of the closing date. **You may not negotiate any cheque(s) in excess of 5 business days after the commitment expiry date and the cheque(s) must be returned to the Personal Service Centre or delivered to the nearest RBC Royal Bank branch immediately, unless you receive instructions to the contrary from the Mortgagee.** We will advise you by fax when we have received your Request for Funds and entered the information in our direct deposit system. The amount deposited bears interest from the day of the deposit. The amount will be credited to your trust account on the express condition that it not be disbursed except in accordance with the Specific Instructions, these and any additional instructions applicable to the transaction.

(c) Change in closing date - If the closing date is extended beyond the commitment expiry date noted in the Approval of Mortgage and Cost of Borrowing Disclosure Statement, you must advise the Mortgagor(s) to contact the Personal Banker or Mortgage Specialist immediately. If the closing date cannot be met at the last minute, please note that **the Mortgagee will honour the rate commitment for up to 5 business days from the commitment expiry date.** If the closing date changes or if at any time the Mortgagor (s) indicate(s) that they do not intend to proceed with the transaction:

- (i) if you have already faxed the Request for Mortgage Funds (Form 3328) to us, notify the Personal Service Centre at least 24 hours prior to the original closing date; or
- (ii) if the funds have already been disbursed, the Personal Service Centre must receive a cheque refunding the funds within 5 business days, otherwise per diem interest will be payable. You may also deliver a cheque to the nearest RBC Royal Bank branch.

(d) Deductions from the Advance – Mortgage default insurance premiums. If the mortgage is insured by a mortgage default insurer, the mortgage default insurance premium and any applicable sales and service taxes will be deducted from the advance. The amount of the deduction appears in the Approval of Mortgage and Cost of Borrowing Disclosure Statement. Please see any special conditions in the Approval of Mortgage and Cost of Borrowing Disclosure Statement for any exceptions to the above.

(e) Payment of taxes, liens and legal hypothecs. Any realty taxes or other charges or levies, which may or do constitute a lien (legal hypothec in Quebec) upon the property, which have or will become due and payable on or before the date of the advance and are unpaid at the date of any advance must be paid from the proceeds of the advance.

10. LEASEHOLD PROPERTY - not applicable to Quebec

If this is a leasehold mortgage on non-First Nations land, obtain a copy and review the lease to confirm that the remaining term of the lease exceeds the amortization period of the Mortgage by a minimum of five years. You must also advise the Mortgagee of the amount of the rental payments. Obtain all necessary consents of the landlord, including signature of the Landlord Agreement in which they accept to notify the Mortgagee of any default under the lease and acknowledge that the lease is in good standing (Form 4185). Ensure that a signed copy of this document is returned to us.

If the property to be charged is a unit within a life lease development, a notice of the life lease interest must be registered on the title prior to the registration of the Mortgage. Since this is a mortgage of a leasehold interest, ensure the Mortgage indicates the leasehold interest and that it is being mortgaged by the Mortgagor(s). In lieu of your opinion regarding title and priority, you must obtain a lenders' title insurance policy with a life lease endorsement. Note – The Landlord Agreement (Form 4185) is not required when the property charged is a life lease unless we instruct you to obtain the Agreement in the special conditions section in the Specific Instructions.

If this is a leasehold mortgage on First Nation land, please see our Additional Instructions to Lawyer – Leasehold Mortgages on Indian Lands (Form 4231) on our legal documents website.

11. FACTORY CONSTRUCTED HOMES - (including mobile, mini, modular, manufactured, ready to move homes and prefabricated or panelized homes)

If the proceeds of the loan are to be used to finance or refinance the purchase of a factory constructed home that is or will be permanently affixed to freehold or leasehold lands, you must ensure that there are no prior interests in the factory constructed home that is located or to be located on the mortgaged property. If the property is owned by the borrowers or leased by the borrower(s) under a long term lease, prepare and register a mortgage/immoveable hypothec against real/immovable property. Note if the property is a leasehold property and the lease is not registered against title, you must register a notice of lease against the title prior to the registration of the leasehold mortgage. If the borrower leases the property under a short term "site" lease, please contact us immediately for alternate instructions.

If the home is to be permanently affixed to the mortgaged property but has not yet been delivered, you must download from our legal documents web site and prepare the Security Agreement (Security Interest in Consumer Goods) Form 944, in Quebec Deed of Movable Hypothec (Form 805). Register a notice of security interest pursuant to the New Brunswick Personal Property Security Act ("PPSA") or in Quebec, the Register of Personal Movable Real Rights ("RPMRR") prior to the advance. The notice of security interest/RPMRR registration must be registered for the period of one year.

For freehold mortgages, the Mortgagor(s) must acknowledge that the factory constructed home to be purchased with the funds advanced will be affixed to the lands described in the mortgage/immoveable hypothec, as it is the intention of the Mortgagor that the factory constructed home will be a permanent fixture on the mortgaged property. This document is to be retained by you. For leasehold mortgages, ensure that the Mortgage indicates that it charges a leasehold estate. Also, see Leasehold Property provisions above.

If the factory constructed home is not or will not be permanently affixed (i.e. blocked, anchored, skirted only) to the mortgaged property, located on freehold or leasehold lands you must prepare and register a mortgage/immoveable hypothec against the real/immovable property as well as the registration under the PPSA/RPMRR as applicable for your province. **The registration period must be equal to or greater than the amortization period of the mortgage except in Quebec, the movable hypothec on factory constructed homes must be registered for a period of ten years.**

A notice of the security interest is not to be registered against title to the mortgaged property.

In addition, see the special conditions sections in the Specific Instructions. Where our specific instructions indicate that funds are to be advanced by way of progress/multiple advances, you must ensure prior to each advance that there are no prior interests in the home or on the mortgaged lands. Please also see our Builders/Construction Additional Instructions (Form 4176).

12. CORPORATION AS MORTGAGOR

If a corporation owns the property, obtain appropriate certificates confirming the existence and good standing of the corporation and confirm that it is qualified to own the property and to pledge the real/immoveable property of the corporation to secure its debt. We require your opinion as to the due authorization, execution and delivery of the Mortgage and, if applicable, an opinion as to compliance of the Mortgage or guarantee, with the financial assistance provisions of the incorporating statute governing the Mortgagor. Confirm the identity of each signing officer, by obtaining at a minimum one piece of photographic identification with signature. Make a photocopy of them for your file.

If our specific instructions indicate the Mortgagor(s) Name(s) is a corporation, please review the corporate records to confirm all shareholders are listed as guarantors. If there are additional shareholders, contact the Mortgagee immediately at the phone number indicated in clause 18.

13. INVESTOR MORTGAGE

If the Mortgage is an Investor Mortgage, the Mortgagee acknowledges that the Investor Mortgage was approved with the understanding that the property is either currently rented or will be rented to a tenant. The Mortgagee consents to the use of the property for rental purposes and waives its right to treat the renting of the property to a tenant as a default under the Mortgage.

14. PROPERTY HELD "IN TRUST"

You will know if the property is held "in trust", by the use of those words next to the Mortgagor's name in our Specific Instructions. If the words "in trust" or "trustee for" are not used in connection with the Mortgagor's name and the property is held in trust, contact the Mortgagee immediately at the telephone number indicated in clause 18.

For New Brunswick Only:

If the trustee acts on the direction of the beneficial owner(s), the trustee and the beneficial owner(s) must execute a Trustee and Beneficial Owner Agreement (Form 3946). Pursuant to the agreement, the beneficial owner(s) will mortgage the beneficial interest in the subject property. Form 3946 is available on our legal documents web site. If the mortgaged property is owned by a true trust under which the trustees act independently, a Trustee and Beneficial Owner Agreement is not required. However, you will be required to provide your opinion as to the due authorization, execution and delivery of the Mortgage by the trustee(s).

Quebec, only

The Mortgagee requires evidence that the loan and the Hypothec have been duly authorized and executed by the trustees of the trust. The Mortgagee must obtain an opinion from a lawyer or notary acting for the trust indicating the identity of the trustees and of the beneficiaries, the number of trustees required to bind the trust, confirmation that the loan and Hypothec fall within the purposes for which the trust was constituted and that the trustees are authorized to enter into the loan agreement and to grant the hypothec.

15. MORTGAGE EXECUTED UNDER A POWER OF ATTORNEY OR PROPERTY BEING PURCHASED UNDER A POWER OF ATTORNEY

If our Specific Instructions indicate the Mortgage will be executed under a power of attorney:

- (a) Confirm the identity of the attorney, as required by applicable law or your professional body. You must obtain at a minimum one piece of photographic identification with signature. Make a photocopy of it for your file and do not include a copy with your report.
- (b) Review the power of attorney and determine if, regardless of where it is executed, the power of attorney is valid for the purpose of granting the Mortgage and the Mortgage is duly authorized under the power of attorney.
- (c) Review the power of attorney to determine if there are any restrictions or limitations that may adversely impact the validity or enforceability of the Mortgage or otherwise limit the Mortgagee's ability to recover the mortgage funds. If there are any such restrictions or limitations, please contact us immediately.
- (d) For all mortgages executed under a power of attorney, a lender's title insurance policy issued by an approved title insurer mentioned above, must be obtained.

If our Specific Instructions do not refer to the Mortgage being executed under a power of attorney and the Mortgage will be executed under a power of attorney, contact us immediately at the number indicated in clause 18 to receive further instructions.

In addition to verifying the identity, quality and capacity of all parties as required by law, where applicable you must ensure that the power of attorney conforms with all relevant provisions of the Civil Code of Quebec regarding foreign powers of attorney. Otherwise, the directions above apply to Powers of Attorney in Quebec.

16. INTEREST RATE BUYDOWN BY VENDOR OR OTHER THIRD PARTY (Excludes Builder Buydowns)

An interest rate buydown is an amount paid to the Mortgagor to "buy down" or reduce the interest rate for the term of the mortgage. If in the Special Conditions section our Specific Instructions indicate an interest rate buydown has been arranged:

- a) Obtain the Letter of Direction (Form 4942) from our legal documents website and complete same based on the information contained in the Special Conditions section.
- b) By signing the Letter of Direction the Mortgagor(s) agree that the amount of the interest rate buydown will be deducted from the mortgage proceeds which will impact the funds the Mortgagor(s) must provide for closing.
- c) The signed Letter of Direction must be delivered to us either prior to or with the request for mortgage funds.

17. FAMILY LAW PROVISIONS

You are to make sure that the Mortgage contains any statements required under the applicable marital property or matrimonial home legislation and that any required spousal/domestic partner consent to the Mortgage is properly given.

18. INQUIRIES AND CORRESPONDENCE

All inquiries relating to the mortgage, the disbursement of funds and other matters specified in these instructions, should be made by telephone to our Personal Service Centres at 1-844-418-9436.

If you need to fax documents to the Personal Service Centres, the Fax Numbers are:

Atlantic Provinces:	1-877-794-9325
Quebec :	1-866-718-1577

If the Mortgagor(s) has/have any questions concerning HomeProtector® insurance, they should contact a Customer Service Representative at the Insurance Service Centre at (1-800-769-2523).

When calling or corresponding, please quote the mortgage loan number indicated in the Specific Instructions.

19. COPIES OF THE MORTGAGE DOCUMENTS

Ensure that the Mortgagor(s), and if applicable the Guarantor(s), signs the Approval of Mortgage and Cost of Borrowing Disclosure Statement before signing the Mortgage. One copy (of each document) is to be given to each of the Mortgagor(s) and the Guarantor. Please retain a signed copy (or a photocopy) in your file.

If you are in a province where standard charge/mortgage terms or optional mortgage covenants are used, the Mortgagor(s) must be given a copy of the applicable terms or covenants before executing the Mortgage, and they must acknowledge receipt of the document, where required.

20. NOTICE OF CONSENT

We consent to your acting on behalf of the Mortgagor(s) and/or Guarantor(s) in connection with the Mortgage. However, once you have agreed to act on our behalf, you may not advise or counsel the Mortgagor(s) to renegotiate any terms of the underlying loans or Mortgage or to investigate the availability of alternative lending arrangements. We understand that you are obliged to raise all issues, which may be of importance to us or to the Mortgagor(s) and/or Guarantor(s), and to explain the legal effect of such issues to each party that may be affected by the issue. We also understand that any information received in connection with this matter from us or from the Mortgagor(s) and/or Guarantor(s) cannot be treated as confidential so far as the other party is concerned and if a conflict of interest arises between us and the Mortgagor(s) and/or Guarantor(s) which cannot be resolved, you will thereafter be unable to act for either party regarding this matter.

21. FINAL REPORT AND SUPPORTING DOCUMENTS

You will forward the original Mortgage and other supporting documentation to the Personal Service Centre within six (6) weeks of the registration of the Mortgage. If you are unable to provide the final documentation within this time frame, please advise our office in writing by fax as to the delay. Should you have any questions or require clarification of these instructions, please notify our office at the numbers in Section 18 above.

For electronic mandates, please see the section entitled "Additional Instructions for Electronic Mandates Transmitted through Assyst Real Estate."

The documents required are:

- (a) Duplicate Registered Mortgage or confirmation of registration (electronic registration). For electronic registrations in New Brunswick, you must also return to the Bank the executed paper Mortgage and related affidavits and declarations and certificates to which the electronic mortgage was authenticated;
- (b) Guarantee (Fixed Rate Form 3936 and Prime Rate Form 3937) or in Quebec, Suretyship (Fixed Rate Form 3922 and Prime Rate Form 4164) (if applicable);
- (c) Report on Title and Security (Form 4177, except in Quebec Form 3955, including a corporate or trust opinion, if applicable). If a title insurance policy is obtained, do not complete the title opinion section of the Report. Complete Title Insurance box;

- (d) Report on Title and Security Update (Form 3938, except in Quebec Form 3939) (if applicable);
- (e) Acknowledgement of receipt of Standard Mortgage/Charge Terms (where applicable);
- (f) Landlord Agreement (Form 4185) (if applicable);
- (g) Other province/territorial specific documents.

22. WHERE TO OBTAIN THE FORMS

Most forms are available on our legal documents web site at www.rbcroyalbank.com/legalforms and are to be downloaded and completed by you. If this is an electronic mandate transmitted through Assyst Real Estate, our legal documents are provided directly to you on the Platform.

® / ™ Trademark(s) of Royal Bank of Canada.