DEED OF HYPOTHEC ON IMMOVABLE PROPERTY
(All Indebtedness - Personal)

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, Montréal, Quebec H3C 3A9 and having a branch at
represented by
duly authorized for the purposes hereof pursuant to
(the “Bank”)
notice of whose address has been published under the number 6000850 in the registry office in the registration division of
; the number of this notice of address must be indicated opposite all the hypothecs that are subject to this Deed of Hypothec.

AND:

(the “Grantor”)

WHO HAVE AGREED AS ON FOllOWS:

1. DEFINITIONS
   In general, the defined terms that appear below are used throughout this Deed of Hypothec in boldface italic characters. We recommend that you read these definitions. They should help you fully understand the conditions applicable to your hypothec.
“Bank’s Prime Rate” means the annual interest rate advertised from time to time by Royal Bank of Canada as the reference rate then in force for purposes of setting the interest rates applicable to Canadian dollar commercial loans in Canada.

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

“Debt” means all your obligations to us, present and future, direct or indirect, conditional or unconditional, due now or at some future date, whether you are one or more than one person and a principal debtor or a guarantor, and includes all amounts that you owe us now or will owe us in future. The word “Debt” includes any part or component of the Debt and may refer to one or more of such parts or components, as the case may be.

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

“Default” means any of the events described in section 5.1 of this Deed of Hypothec.

“Grantor” means each person designated as a grantor at the beginning of the Deed of Hypothec.

“Hypothec” means the rights created by this Deed of Hypothec in your Property, in the Rent it produces, if any, and in the insurance associated with such Property and such Rent and the rights arising from any renewal, amendment or replacement of this Deed of Hypothec.

“Mortgage Default Insurer” means the Canada Mortgage and Housing Corporation (“CMHC”) or any other corporation offering mortgage default insurance to lenders.

“Promises” means everything that you agree to do or not do and everything that you confirm, declare and represent by signing this Deed of Hypothec.

“Property” means the immovable property described in section 3 of this Deed of Hypothec, including the land and all Buildings and improvements that are or will be erected on the land, and all movable property that is or will be permanently physically attached or joined to the immovable property.

“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 in connection with the Debt or pursuant to the Deed of Hypothec, whether or not they are due and payable. That includes the Debt, interest, interest on interest, and any other sum that you agree to pay under the Deed of Hypothec including sums that we pay to conserve our rights or because you have failed to fulfill your Promises.

“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.
“We” or “Us” means the lender referred to at the beginning of the Deed of Hypothec. The word “our” also refers to us.

“You” means each person named as a Grantor at the beginning of this Deed of Hypothec. The word “your” also refers to you.

2. SECURED OBLIGATIONS

2.1 DESCRIPTION

This clause describes the debts secured by the Hypothec that you grant us by signing this Deed of Hypothec:

- ALL your obligations to us, present or future, direct or indirect, whether or not conditional and whether or not due, whether owed by you alone or with others, as principal debtor or as guarantor, including ALL amounts that you owe us now or in future. Such obligations and amounts are hereinafter referred to as the “Debt”.

- You agree as at the date hereof to meet your liabilities as they arise.

- The Hypothec will subsist to secure the initial obligations and any new obligations forming part of the Debt, even if such obligations have been paid, reduced or extinguished, until the Hypothec is cancelled in a writing duly signed by us.

2.2 CONDITIONS APPLICABLE TO THE DEBT

The conditions applicable to the Debt, such as interest payable, costs, instalments and due dates are contained in separate agreements between you and us.

If the Hypothec has not been registered with the anticipated rank or if you fail to perform one of your Promises, we may decide not to disburse or make available the amount of the Debt (or the amount guaranteed by the suretyship, if the Debt consists of a suretyship).

If one of the components of the Debt is for a specific term, the term is stipulated in our favour.

2.3 PROOF OF INDEBTEDNESS

The Debt is evidenced by bearer notes or other promises or documents, loan accounts, bank overdrafts or other evidences of indebtedness. Such evidences of indebtedness and the conditions applicable to the Debt may be amended, renewed or replaced without thereby effecting novation.
2.4 PAYMENT

All payments in respect of the Debt or the Secured Amounts must be made at our branch described at the beginning of the Deed of Hypothec or at any other location that we designate in writing, in legal tender of Canada at the time of payment.

We may use the sums that are paid to us with respect to the Debt or the Deed of Hypothec in the manner and in the order we choose, either as a payment of principal, interest or any other sum owing on any of the Secured Amounts.

2.5 CONSTRUCTION OR RENOVATION LOAN

If you are contracting the Debt for the purpose of building, renovating or making improvements to your Property, we may advance all or part of the amount according to the progress of construction. We can decide whether an amount should be advanced to you, the amount of the advance and the date at which the advance will be made, based on construction that has been completed and the amounts required to complete unfinished construction. The decision to advance such amounts will at all times be in our sole discretion.

We may withhold such portion of the amounts to be advanced as we see fit to ensure the payment of the persons who work on such construction, renovations or improvements and who could acquire rights in your Property if they are not paid.

We may also withhold from amounts to be advanced, accrued interest outstanding on amounts previously advanced.

3. HYPOTHECS

By this clause you grant us certain rights in your Property, in the Rent from your Property and in the insurance covering your Property and the Rent, in order to secure the repayment of the Secured Amounts and the fulfilment of your Promises. As long as the Secured Amounts are paid as they come due and as long as you fulfill all your Promises, you may remain in possession of your Property.

Our rights in the Property will end when a full acquittance or discharge is registered in respect of the Property. You may request an acquittance in accordance with the conditions explained in section 6.15.

3.1 PROPERTY

To secure the payment of the Debt and the interest on the Debt, you hypothecate to us the immovable property described below and all the Buildings and improvements that are located thereon, as well as all the movable property that is or will in future be permanently physically attached or joined to the immovable property (collectively referred to as the “Property”) for an amount of
DOLLARS ($                   ), plus interest, from the date hereof, on that amount, calculated monthly, not in advance, at:

- the Bank’s Prime Rate [plus/minus] percent ( %) per annum.

Strike out the word “plus” or the word “minus” as applicable.
3.2 NO OBLIGATION TO LEND

The fact that you grant us the Hypothec for the amount indicated in section 3.1 does not create any obligation for us to grant you loans or other types of credit facilities for that amount or any other lesser amount.

3.3 RENT

To secure the payment of the Debt and the interest on the Debt, you also hypothecate to us an amount equal to the sum indicated in section 3.1 all current and future Rent payable pursuant to current and future leases affecting your Property (including sums payable for any right of use, emphyteusis or occupancy) (hereinafter collectively referred to as “Rent”).

You agree to deliver a copy of all leases to us on request.

We authorize you to collect the Rent at its due date but not in advance until we withdraw such authorization.

If we collect the Rent, as we are allowed to pursuant to the hypothecs created by sections 3.3 and 3.5, such sums will be used to repay sums owing to us with respect to the Secured Amounts, as set out in section 2.4 of the Deed of Hypothec, even if the Secured Amounts are not due and payable. We will not be responsible for damage resulting from the failure to collect Rent and we will have no obligation to inform you of any irregularity in the payment of Rent.

3.4 INSURANCE

In order to further secure the payment of the Debt and of the interest on the Debt, you hypothecate to us for an amount equal to the sum indicated in section 3.1, all insurance proceeds relating to your Property or the Rent.

3.5 ADDITIONAL HYPOTHEC

To secure the payment of all the sums you must pay on the Secured Amounts under the Deed of Hypothec (other than the Debt and interest on the Debt), and to secure the performance of all your Promises, you hypothecate your Property and the Rent to us for an additional sum equal to fifteen percent (15%) of the principal amount indicated in section 3.1.

4. YOUR PROMISES

4.1 INSURANCE

You agree to keep your Property insured as long as the Secured Amounts under this Deed of Hypothec have not been repaid in full.

This insurance must cover the Buildings, during and after their construction, for their full (100%) replacement value, in Canadian dollars.
This insurance must cover at a minimum losses and damage caused by fire, lightning, hurricanes, explosions, collisions, vandalism, riots and civil commotion, smoke, falling objects and other customary risks and hazards. We may also require the insurance policy to cover other risks or hazards that we identify depending on the type or location of your Property.

Each insurance policy must be issued by a licensed insurance company and contain the standard hypothecary clause approved by the Insurance Bureau of Canada, stating that, in case of loss, we will be paid first. If we so request, you must also assign your insurance policy(ies) to us and you agree to do everything necessary to give effect to such assignment.

You agree to deliver to us, if we so request, the insurance certificates or certified copies of each insurance policy.

You also agree to provide us, if we so request, with proof of renewal of insurance at least 15 days before the expiry of any insurance policy.

We will have the right, but not the obligation, to insure the buildings at your sole expense and to incur the necessary expenses for that purpose if you fail to do so. You agree to immediately repay us the sums, including the premiums, we have paid to insure the premises. If you do not repay us immediately, these sums will be added to the Secured Amounts and will bear interest at the rate of fifteen percent (15%) per annum commencing on the date we paid such sums.

If a loss or damage occurs, you agree to provide all proofs and take all necessary steps at your own expense to allow us to collect the insurance proceeds.

The presentation of the Deed of Hypothec will suffice for the insurance company to pay us the amount of the insurance proceeds.

The insurance proceeds received may, at our option, be used in whole or in part for:

(a) the construction, restoration or repair of the Buildings;

(b) the payment in full or in part of the Secured Amounts, whether or not they are then due and payable; or

(c) payment to you.

If your Property forms part of an immovable owned in divided co-ownership, you also agree to comply with the provisions concerning insurance contained in the section of this Deed of Hypothec entitled “Co-ownership Clause”.

4.2 TAXES

You agree to pay the Taxes without subrogation as soon as they are due and to give us proof of payment of such Taxes, on request.
4.3 COSTS

You agree to pay all fees, legal disbursements and costs incurred by us in connection with:

(a) the Deed of Hypothec and any amendment, renewal or other agreement relating to the Deed of Hypothec or the Secured Amounts;

(b) the preparation of a statement of account or a statement of information;

(c) any request to transfer the Hypothec, or the preparation of a statement for purposes of an assumption of loan;

(d) any document, notice or entry required to give effect to the Deed of Hypothec, make enforceable, renew, conserve or enforce the rights conferred by the Deed of Hypothec;

(e) any registration of address, acquittance, discharge or cancellation;

(f) any appraisal and survey costs, costs of production of a location certificate or certification of the publication of rights; and

(g) costs legitimately incurred by us to conserve your Property or the Rent or to recover the Secured Amounts.

If you do not pay such amounts, they will be added to the Secured Amounts and will bear interest at the rate of fifteen percent (15%) per annum from the date we pay them.

4.4 PRIOR CLAIMS

You agree to pay, as soon as they are due and payable, all amounts, the non-payment of which could confer on the creditor a prior claim or superior rank over the Hypothecs recorded in this Deed of Hypothec, except for:

(a) the hypothecs already published at the time this Deed of Hypothec is published and that are known to and accepted by us;

(b) such claims which you contest in good faith by appropriate means, provided you give us sufficient security to cover any loss or damage that may result from your contestation.

You also agree to pay any amount and perform any obligation whose non-payment or non-performance could lead to the sale of your Property or permit a creditor to exercise rights arising from a hypothec or a claim that has priority or superior rank over our Hypothec. If you do not pay such amounts or if you do not perform such obligations as required, we may, at our option, pay them or cause them to be performed and you agree to repay us any amounts that we pay in this manner, on demand.

In such a case, we will be subrogated in the rights of such creditors, which means that we may exercise their rights and guarantees in their stead up to the amount we have paid them.
We may decide however, if we wish, to add the amounts we have paid to the Secured Amounts, in which case, they will bear interest at the rate of fifteen percent (15%) per annum from the date when we paid them.

4.5 OCCUPANCY AND RENT

You agree to occupy and use your Property primarily for residential purposes and you agree to obtain our consent if you wish to rent it out in whole or in part. We may withhold our consent if we see fit.

If we consent to you renting out all of part of your Property, you agree not to rent it on terms less advantageous than the market and to assign to us on request your rights arising from any, present and future, lease or other rental agreement.

If you rent out all or part of your Property without our consent, that will constitute an event of default and we may, if we choose, exercise our rights and remedies as described in section 5.1 of the Deed of Hypothec.

4.6 REAL RIGHTS

You agree not to create any real right in your Property without obtaining our prior consent in writing. This means that you may not, for example, grant another hypothec on your Property or grant a right of use or a servitude on your Property without our consent.

You agree to do everything necessary so that the registration against your Property of any hypothec or other real right to which we have not consented is cancelled.

4.7 MAINTENANCE OF THE PROPERTY

You agree to:

(a) not destroy, damage, remove or sell the Buildings in whole or in part without our consent;

(b) prevent any use of the Property or the Buildings that could impair their value;

(c) maintain the Buildings and the Property adequately and make any repairs that we may request you to make. If you do not make such repairs when we request them, we can make such repairs as we see fit, in which case you agree to repay us, on demand, any amount that we pay for that purpose. If such amounts are not paid to us, they will be added to the Secured Amounts and will bear interest at the rate of fifteen percent (15%) per annum; and

(d) not to remove the air conditioning, heating, plumbing, cooling or lighting appliances, or accessories and equipment placed in the Buildings now or in future without our prior written consent.
4.8 CONSTRUCTION

If you wish to build, renovate or make improvements to the Buildings or your Property, you agree to:

(a) obtain our prior approval or that of the Mortgage Default Insurer (if the Debt has been insured by a Mortgage Default Insurer) which means that you cannot demolish or commence renovations or construction until we or the Mortgage Default Insurer have given our approval;

(b) provide any information or document that we or the Mortgage Default Insurer may request with a view to such approval, such as plans, specifications, construction permits, insurance or other;

(c) comply with any conditions that we or the Mortgage Default Insurer may have placed on our approval;

(d) comply with construction standards, building codes and applicable municipal or other government by-laws and regulations;

(e) use only new materials;

(f) respect the plans and specifications that we or the Mortgage Default Insurer have approved; and

(g) complete the work as quickly as possible. You agree to ensure that the work is not interrupted, or does not remain incomplete, for a continuous period of over 20 days.

4.9 INSPECTION

We, the Mortgage Default Insurer and our respective agents may, at any time, if we or the Mortgage Default Insurer see fit, enter your Property to inspect the land and the Buildings. The exercise of this right of entry and inspection does not mean that we, the Mortgage Default Insurer or our respective agents are in possession of or have management of or responsibility for the Property and the Buildings.

Such inspection may include environmental tests, a site appraisal or any other study or inspection that we or the Mortgage Default Insurer deem necessary.

You agree to pay when due the reasonable costs of such tests, appraisals, studies and inspections, if any. Amounts not paid by you in this connection will be added to the Secured Amounts and will bear interest at the rate of fifteen percent (15%) per annum.

4.10 COMPLIANCE WITH THE LAW

You agree to:

(a) comply promptly with all legislative, regulatory, administrative and other provisions of federal, provincial and municipal or other authorities regarding zoning, use, occupancy, subdivision, parking, historical or
cultural designations, fire, access, loading facilities, landscaping, environmental pollution, toxic substances or other environmental hazards, building construction, public health and safety and all private restrictions and covenants affecting all or part of your Property:

(b) make at your own expense structural or other improvements or modifications required to comply with such provisions; and
(c) provide us on request with proof that you are in compliance with such provisions.

4.11 CHANGE OF RESIDENCE
You agree to notify us in writing of any change in your usual residence or your principal place of business within thirty (30) days of such change.

4.12 EXPENSES INCURRED BY THE LENDER
We can pay any sum that you have an obligation to pay under the Deed of Hypothec or that we consider it necessary or desirable to pay because you have not fulfilled your Promises, at any time and without giving you prior notice. Similarly, if for any reason our security or our rights under the Deed of Hypothec are impaired, we may take the steps and incur the expenses that we consider necessary or desirable to protect our security and our rights without giving you prior notice.

You agree to repay us the sums we legitimately pay in this manner, on demand. If you do not repay us, such amounts will be added to the Secured Amounts and will bear interest at the rate of fifteen percent (15)% per annum.

5. DEFAULTS
5.1 EVENTS
You will be considered to be in default under the Deed of Hypothec if any of the following events occurs:

(a) you do not make a payment when you should of any sum that is due in connection with the Secured Amounts;
(b) you do not fulfill one of your Promises;
(c) you do not pay a sum or perform an obligation and such failure to pay or failure to perform an obligation could confer rights in your Property or the Rent on a third party;
(d) you become insolvent, declare bankruptcy or initiate proceedings to reach an arrangement with your creditors or with a view to your winding-up or bankruptcy;
(e) proceedings are initiated against you to have you declared bankrupt and you do not contest them diligently and they are not dismissed or cancelled within twenty-one (21) days from the date they are initiated;

(f) a right that ranks prior to or preferentially over the Hypothecs recorded in the Deed of Hypothec is registered against your Property or the Rent, unless you contest it in good faith immediately by appropriate means and give us security that we consider sufficient to cover any loss or damage that may result;

(g) prior notice is given by a preferential or hypothecary creditor of his intention to exercise a preferential or hypothecary right or any other security, such right or security is enforced, a secured creditor takes possession of your Property or the Rent, or a receiver is appointed for all or part of your Property or the Rent;

(h) your Property or the Rent is seized and the release from seizure is not obtained within the following ten (10) days;

(i) the construction of any Building on your Property is interrupted before its completion for a continuous period of over twenty (20) days;

(j) your Property is abandoned or unoccupied with the result that your insurance policy on your Property could be cancelled;

(k) any representation or statement you, or the borrower, make in the Deed of Hypothec or in any other document relating to the Debt is incorrect;

(l) any third party (including the government) demands, or claims the right to demand, that we pay to it all or part of the amounts that we may be obliged to disburse to you, or the borrower, in connection with the Debt.

5.2 EFFECTS

Without limiting our right to demand, at our option and at any time, the payment of the amounts payable on demand, we may, upon the occurrence of any of the events listed in clauses (a) to (k) of section 5.1 above:

(i) refuse or cease to advance to you, or the borrower, any sum that has not yet been disbursed or that may otherwise be available on the Debt;

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

(iii) 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.
The occurrence of the event referred to in clause (l) of section 5.1 automatically terminates any obligation on our part to advance you, or to the borrower, funds on the Debt without the need for any notice or demand (which you expressly waive). You authorize us as of now to exercise any of the rights referred to in this section 5.2 in such a case.

6. MISCELLANEOUS PROVISIONS

6.1 NATURE OF THE PROMISES

Each of your Promises is indivisible and we may require full compliance by each of you and your heirs, legatees, legal representatives, successors or assigns.

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

6.2 COMMUNICATIONS

If we send you documents relating to the Debt or the Deed of Hypothec, such documents will be deemed to have been received by you on the fifth day following their mailing.

If you are a group of signatories of the Deed of Hypothec, we may rely on communications received from any of you, whether such communications are received in electronic form, in writing, verbally or otherwise and any such communication will be considered to be a communication from all of you.

Likewise, any communication that we send to any one of you, electronically, in writing, verbally or otherwise, will be considered to be a communication to all of you.

6.3 ELECTION OF DOMICILE

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

Subject to the provisions of section 6.5, you will be put in default by the mere lapse of the time to pay the Secured Amounts and to fulfill your Promises. This means that we do not have to send you a notice or demand asking that you comply.

6.5 PRIOR NOTICE

If:
– the repayment of the Debt is secured by a hypothec other than a first-ranking hypothec; and
– at the expiry of the Term you are not in Default; and
– the outstanding balance of the Debt 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 Debt in full.

Section 6.5 applies only if the borrower is a consumer within the meaning of consumer protection legislation

6.6 NO WAIVER

We may if we wish, take any of the following measures, without affecting our rights under the Deed of Hypothec:

(a) give you more time to pay the Secured Amounts or fulfill your Promises;

(b) agree not to exercise some or all of our rights pursuant to the Deed of Hypothec or the law;

(c) release you from some or all of your Promises;

(d) take or not take other security or guarantees with respect to all or part of the Secured Amounts;

(e) accept any arrangement for the repayment of the Secured Amounts; or

(f) negotiate with you, any other person or any guarantor, at our option.
6.7 DOCUMENTS

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

You agree to sign any document and do any thing that we consider necessary to ensure that the Hypothec remains valid, that we can conserve or renew the publication of our rights in your Property or otherwise protect our rights arising from this Deed of Hypothec, until such time as the Secured Amounts have been repaid to us in full, your Promises have been fulfilled in full and no further sums remain to be advanced to you on the Debt.

6.8 REPRESENTATIONS

You represent to us that:

(a) you are the absolute and uncontested owner of your 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 and are charged only with the hypothecs declared in the Deed of Hypothec; 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 8.2 of the Deed of Hypothec;

(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.

6.9 PROMISES SOLIDARY

If there is more than one of you, each of you is solidarily liable to pay the Secured Amounts and fulfill the Promises. This means that each of you is responsible individually and collectively with the others for the Secured Amounts and the Promises. This means that we may require any one of you to pay the Secured Amounts in full or to perform all your Promises, which will have the effect of releasing the others.
However, each of you waives the right to be subrogated in our rights against the others. This means that you will not obtain our rights against the others by paying the Secured Amounts or performing the Promises.

Each of you also authorizes us to grant releases and waivers to the others with respect to their liability or the Hypothec, and acknowledges that this will not have the effect of releasing you from your liability in respect of the Secured Amounts or the Promises.

6.10 EXONERATION

If we are in possession of your 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.

6.11 CONSENT – CADAstral AMENDMENTS

We authorize you by this Deed of Hypothec to make any cadastral amendments for the sole purpose of renumbering the lot(s) corresponding to your Property, provided that, following such amendment, our rights arising from the Deed of Hypothec 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 Hypothec 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.

6.12 CHANGE OF OWNERSHIP

You agree not to sell or transfer all or part of the Property to a person who has not previously been approved in writing by us.

If you sell or transfer the Property, directly or indirectly, without our consent, we may demand the full and immediate repayment of the Secured Amounts.

If we do not ask you to pay the Secured Amounts or if we approve the sale or transfer, that does not mean that we are waiving our right to claim payment from you of the Secured Amounts.
6.13 CO-OWNERSHIP CLAUSE

The following conditions apply if your Property forms part of an immovable owned in divided co-ownership:

(a) YOUR PROMISES

In addition to the Promises which you agree to fulfill by signing the Deed of Hypothec you agree to:

(i) comply with all the legislative provisions applicable to co-ownership, the declaration of co-ownership (including any amendments thereto) (the "Declaration of Co-ownership") and all regulations, by-laws, orders and resolutions adopted at co-owners’ meetings;

(ii) pay your proportionate share of all taxes, contributions to common expenses and administrative charges imposed by the syndicate of co-owners in accordance with the Declaration of Co-ownership. We may require you to provide proof of payment;

(iii) pay us, if we so request, your contribution to the common expenses and the administrative charges imposed by the syndicate of co-owners. We may accept a declaration of the syndicate of co-owners as conclusive proof of the amounts due and their due dates;

(iv) provide us with any notice, including notices of assessment which you receive from the syndicate of co-owners;

(v) ensure that the syndicate of co-owners fulfills all its obligations under the law or the Declaration of Co-ownership and its by-laws;

(vi) the Secured Amounts are payable on demand if:

1. the divided co-ownership comes to an end;

2. sale of all or a substantial part of the property of the syndicate of co-owners is authorized;

3. the syndicate of co-owners does not comply with the applicable legislation, the Declaration of Co-ownership or the co-ownership by-laws;

4. the syndicate of co-owners fails to insure the private portions and the common portions against destruction or damage by fire and other perils usually insured against, for full replacement cost;

5. the syndicate of co-owners fails, in our opinion, to manage the co-owned property and assets in a careful way or to maintain them in good repair; or

6. the syndicate of co-owners fails to insure all the private portions and common portions according to law and any additional requirements we may have,
or fails to do all that is necessary to collect insurance proceeds.

(b) ASSIGNMENT OF YOUR VOTING RIGHTS AND CLAIMS:

You assign and convey to us:

(i) all your voting rights under the Declaration of Co-ownership but we will not enforce such assignment unless you are in Default; and

(ii) all your rights to the amounts in the funds for common expenses set up under the Declaration of Co-ownership, if any, but such assignment will only take effect if we become the owners of your Property. You agree to sign any document we may require to confirm such assignment.

(c) INSURANCE:

You and the syndicate of co-owners must comply fully with the terms of the insurance policy(ies) on your Property, the syndicate of co-owners and with the insurance clauses contained in the Declaration of Co-ownership.

In addition to fulfilling your Promises relating to insurance described in section 4.1, you also agree to:

(i) insure the common portions of the buildings that form or will form part of the co-owned property if the syndicate of co-owners does not do so;

(ii) provide us with proof that your insurance coverage and that of the syndicate of co-owners is in force with respect to your Property;

(iii) notify us at least 30 days before the expiry of any insurance policy that is to be renewed or replaced;

(iv) if it is legal to do so, assign us your interest in any insurance policy purchased by the syndicate of co-owners for your Property; and

(v) make every effort to have the syndicate of co-owners comply fully with all of the above-mentioned Promises.

If there are discrepancies between the insurance section contained in the Deed of Hypothec and the insurance provisions contained in the Declaration of Co-ownership as regards our use of the insurance proceeds in the event of a loss, the provisions in the Declaration of Co-ownership will apply.

6.14 EXPROPRIATION

(1) If your entire Property is expropriated, the Secured Amounts will immediately become due and payable.
(2) If only a part of your Property is expropriated, you agree to pay to us the amount you are awarded for the partial expropriation and we will credit it to the Secured Amounts.

(3) If we consider that the remainder of your Property is not adequate security for the Secured Amounts, then the Secured Amounts, or the part of the Secured Amounts as we decide, will immediately become due and payable.

6.15 ACQUITTANCE

We will provide you with an acquittance of the Debt, if you ask us, when:

(a) the Secured Amounts have been paid to us in full;
(b) you have fulfilled all your Promises;
(c) we are no longer obliged to advance any amounts in respect of the Debt; and
(d) you have paid a sufficient amount to pay the registration fee and the costs of sending the acquittance to the registry office.

If we give you a full acquittance, we will no longer be entitled to enforce our rights under the Deed of Hypothec and we will no longer be obliged to advance any sums whatsoever in respect of the Debt.

6.16 INTERPRETATION

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

Paragraph and section headings in the Deed of Hypothec are used only for easy and convenient reference. They do not affect the construction or interpretation of the Deed of Hypothec.

7. INTERVENTIONS if applicable

7.1 NON-OWNER SPOUSE – CONSENT

The Grantor's spouse, , intervenes in this Deed of Hypothec and:

(a) joins with the Grantor for the purposes hereof and confirms that the Grantor's declarations regarding his(her) marital status are correct;
(b) consents to the Hypothecs recorded in the Deed of Hypothec;

(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 Grantor by all the provisions of this Deed of Hypothec insofar as they affect him(her) or are applicable to him(her) as occupant or owner, but he(she) will not be personally liable for the Debt, unless he(she) has expressly guaranteed the Debt.

7.2 CO-OWNER – CONSENT

Intervenes in this Deed of Hypothec and:

(a) declares that he(she) is co-owner of the Property with the Grantor in undivided co-ownership;

(b) grants to the Bank the same hypothecs as those granted by the Grantor, for the same amounts and for the same purposes as set forth in this Deed of Hypothec on his(her) undivided portion of the Property and on his(her) undivided portion of the Rent;

(c) declares that he(she) will be solidarily bound with the Grantor by all the provisions of this Deed of Hypothec insofar as they affect him(her) or are applicable to him(her) as co-owner;

(d) unless he(she) has personally guaranteed the Debt, shall only be liable pursuant to the Hypothec to the extent of his(her) undivided portion of the Property and shall not be personally liable.

7.3 CO-OWNER – GUARANTOR

Intervenes in this Deed of Hypothec and:

(a) declares that he(she) is co-owner of the Property with the Grantor in undivided co-ownership;

(b) grants to the Bank the same hypothecs as those granted by the Grantor, for the same amounts and for the same purposes as set forth in this Deed of Hypothec on his(her) undivided portion of the Property and on his(her) undivided portion of the Rent;

(c) declares that he(she) will be solidarily bound with the Grantor to pay all the Secured Amounts pursuant to the Deed of Hypothec and to fulfill all the Grantor’s Promises provided for therein;

The Intervenor waives the benefits of division and discussion, which means that he(she) may not require us to seek repayment from the Grantor or to exercise our recourses against the assets of the Grantor before seeking payment from the Intervenor.
If there is more than one Intervenor, each Intervenor is solidarily liable to pay the **Secured Amounts** and to fulfill the **Promises**.

8. PRIOR CHARGES/MARITAL STATUS
8.1 CHARGES

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

8.2 MARITAL STATUS

(a) of the **Grantor**:

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

9. LANGUAGE CLAUSE

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

10. NATIONAL HOUSING ACT

If any component of the **Debt** is insured by the Canada Mortgage and Housing Corporation, it is granted pursuant to the **National Housing Act** (Canada).

**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 Hypothec**, the parties hereto signed in the presence of the undersigned notary.