



GENERAL INSTRUCTIONS TO LAWYER/NOTARY

Collateral Mortgages/Hypothecs
Quebec and New Brunswick Only

NOTE: WHEN CALLING OR CORRESPONDING WITH US, ALWAYS QUOTE OUR SERVICE REFERENCE FILE (SRF) NUMBER

We are retaining you to act on behalf of the Royal Bank of Canada, (the "Mortgagee", "we" or "our") in this mortgage transaction. 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), Customer(s) and any consenting spouse, register the Mortgage, investigate title and perform all usual searches relating to the property to ensure that 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 the Mortgagee. In lieu of your title opinion we will accept a 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. 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. If there is an actual conflict of interest, we will seek alternative counsel. **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, then 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; or (iv) there are any unusual credits on the statement of adjustments in favour of the Mortgagor(s), including any deposits not required or referred to in the Agreement of Purchase and Sale.

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 17 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 Proper**

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 and should not be downloaded from our legal documents web site, except as otherwise indicated in our Specific Instructions. 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.

English Forms of Quebec Hypothecs submitted for registration on or after September 1, 2022: If our mutual client is granting a Hypothec on a property located in Quebec and wishes to sign the English Language Hypothec form, please make sure that you use the most recent version of the applicable English Deed of Hypothec. These forms have been updated to comply with the laws of the Province of Quebec by including a French version of the Deed of Hypothec after the English version. The English language Hypothec form must be registered by way of an extract of the French version contained in the English Deed of Hypothec. We hereby represent and confirm that the French version included in any English Deed of Hypothec provided by the Mortgagee constitutes the faithful translation into French of the English Deed of Hypothec, except for the language section, which is omitted in the French version.

ADDITIONAL INSTRUCTIONS FOR ELECTRONIC MANDATES TRANSMITTED THROUGH ASSYST REAL ESTATE (Quebec and New Brunswick):

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 in these General Instructions or in our Specific Instructions, 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, except as otherwise indicated in our Specific Instructions.
- (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: Assyst Real Estate 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 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) Where the Specific Instructions require that you have the Mortgagor sign the RBC Homeline Plan® Agreement (Form 243), you must return the signed copy to us without delay, and in any event no later than 30 days from the date of closing. You must also retain a copy of the signed RBC Homeline Plan Agreement (Form 243) in your file.
- (vi) Complete an RBC Homeline Plan Request for Funds (Form 3958), sign it by digital signature and send it via the Platform, at least 3 days before funds are required, together with a copy of the Statement of Adjustments. **In submitting an RBC Homeline Plan Request for 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 RBC Homeline Plan Request for Funds (Form 3958) 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 complete the RBC Homeline Plan - Notice of Registration (Form 3958), where applicable, and 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 20 (a) – For Quebec, do not return the requested documentation except as otherwise indicated in our Specific Instructions. 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 20 (b), 20 (e), 20 (f), 20 (g), 20(h) and 20 (i) – 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 the 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, 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 Customer(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 17.

If a Mortgagor, consenting spouse or Customer is not personally known to you, verify the identity of the person 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 the Mortgagee.

If the funds to be advanced pursuant to the Mortgage are to be used to purchase residential property as defined under the *Prohibition on the Purchase of Residential Property by Non-Canadians Act*, S.C. 2022, c. 10, s. 235, it is your responsibility to verify through the review of appropriate identification and other relevant documentation that the purchaser(s) is/are (a) not a non-Canadian as defined in that Act for purposes of section 4(1) of that Act, or (b) is/are otherwise exempt from the application of sub-section 4(1) as a result of sub-sections 4(2) to 4(5) of that Act. We will require you to obtain on closing a statutory declaration from the purchaser(s) confirming their eligibility to purchase the property under the legislation.

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, and the priority of the Mortgage. You are to obtain written confirmation of the good standing of any prior mortgages, charges/liens/hypothecs and the amount owing under them. You do not need to confirm the good standing of a prior mortgage in favour of the Mortgagee, Royal Trust Corporation of Canada or The Royal Trust Company (collectively "the Bank"). You are to undertake such searches as are generally conducted in connection with the delivery of a title opinion and prepare a Report on Title and Security (in Quebec Form 3955 and in New Brunswick Form 4177) and, if applicable, a Report on Title and Security Update (in Quebec Form 3939 and in New Brunswick Form 3938) available on our legal documents web site. Alternatively, you may obtain a lender's title insurance policy. Please note that we do not require a Report on Title and Security Update for electronic mandates completed through the Platform.

(b) Summary Search Requirements - New Brunswick only

Notwithstanding clause 2(a) above, if the property is subject to an existing mortgage in favour of RBC and the property is located in Ontario or Atlantic Canada, your report on title may be based upon a summary search of title. If that is the case, you are to report using the 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, with the amendments required to reflect a summary search of title. You are still required to determine the status of realty taxes, utilities or other charges that may claim a lien against the property in priority to the Mortgage and determine if there are outstanding work orders. Alternatively, you may obtain a lender's title insurance policy from a title insurer as referenced on page 1 of this document.

(c) Summary Search Requirements – Quebec only

Notwithstanding clause 2(a) above, if the property is subject to an existing first-ranking hypothec in favour of RBC and the property is located in Quebec, 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, insurance and certificate of location clauses. If our first-ranking hypothec has not been cancelled, complete clause 1E. (If our first-ranking hypothec has been cancelled, complete clause 1D.) Alternatively, you may obtain a lender's title insurance policy from an approved title insurer (clause 1F).

(d) Special Instructions for 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, you are required to obtain a lender's title insurance policy from a title insurer as referenced on page 1 of this document.

3. MORTGAGE PREPARATION**(a) New Brunswick**

- (i) Download the Optional Mortgage Covenants from our legal documents web site.
- (ii) Download the appropriate Form 15.1 Collateral Mortgage from the same legal documents web site or complete the registration of the mortgage electronically. In the case of an electronically registered mortgage, you are authorized to complete, submit and deliver it for registration on our behalf.
- (iii) Complete the Form 15.1 Collateral Mortgage using the information in our Specific Instructions. For electronically registered mortgages, you must also ensure that all the information contained in the appropriate Form 15.1 Collateral Mortgage from the legal documents web site and in our Specific Instructions is reproduced in the mortgage.
- (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 - Collateral Mortgages in the blank space provided on Form 15.1;
- (vii) Insert the Customer's name in the space provided in Schedule D attached to Form 15.1. If our Specific Instructions are entitled "Specific Instructions for Collateral Mortgages/Hypothecs securing RBC Homeline Plan" (Form 3906), delete the "All Obligations" mortgage paragraph and keep the "RBC Homeline Plan" mortgage " paragraph in Schedule D to Form 15.1. If our Specific Instructions are entitled "Specific Instructions for Collateral Mortgages/Hypothecs except Collateral Mortgages/Hypothecs securing RBC Homeline Plan" (Form 3916), for Prime Rate mortgages you should keep the "All Obligations" mortgage paragraph and delete the "RBC Homeline Plan" mortgage paragraph in Schedule D to Form 15.1.
- (viii) If the Mortgagor is a corporation and has a corporate seal, it should be affixed to the Mortgage upon signature.
- (ix) If the Mortgage is insured under the NHA, you must indicate this in the top right hand corner of the applicable Form 15.1. Otherwise, remove all reference to the NHA from the top right hand corner.
- (x) For electronically registered mortgages, a duplicate paper mortgage and a copy of the Form 47 certificate of Registered Ownership confirming registration should be included with your report.

(b) Quebec

(A) All Mandates

- (i) Download the applicable Mortgage (either Fixed or Prime Rate and either all or specific indebtedness) from our legal documents web site and complete it, using the information in our Specific Instructions.
 - (a) If our Specific Instructions are entitled "Specific Instructions for Collateral Mortgages/Hypothecs securing RBC Homeline Plan" (Form 3906), you must use the specific indebtedness Deed of Hypothec Form 4165 and select the "RBC Homeline Plan" option in section 2.1 and complete it using the information in the Specific Instructions.
 - (b) If our Specific Instructions are entitled "Specific Instructions for Collateral Mortgages/Hypothecs, except Collateral Mortgages/Hypothecs securing RBC Homeline Plan" (Form 3916), and any hypothecary debtor is a natural person you must use the specific indebtedness **Deed of Hypothec Form 4165 for variable rate, Form 3923 for fixed rate**, and complete section 2.1 using the information in the Specific Instructions and in the attached loan agreement or Royal Credit Line Agreement.
 - (c) If the client will be signing the English Deed of Hypothec, please ensure you complete the English sections of the Deed in English, and the French sections of the Deed in French.
- (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) If the spouse of the grantor is a non-owner and the property is the family residence, the non-owner spouse must also 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.

- (iv) 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.
- (v) For all land registry districts, the Notice of Address number for Royal Bank – Personal Service Centre, located at 1 Place Ville Marie, 2nd Floor, West Wing, Montreal, Québec H3B 4S6 is **6000850**.
- (vi) Please have the Deed of Hypothec signed and register the rights in the Land Register. If the client signed the English language Deed of Hypothec, do not present the Deed for registration. Please register the rights by way of an extract of the French version of the Deed of Hypothec contained within the English Deed. In order to avoid unnecessary delay, we strongly suggest that you make an appointment with the Customer's branch for the signing of the Deed of Hypothec and to obtain the appropriate resolution. Please bring the credit or loan agreement with you to the branch when you attend for the signature of the Deed.
- (vii) 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 (RDPRM).

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

- (i) Notwithstanding sub-clause 3(b)(A)(vi) 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 / ZONING

(a) Survey

Obtain a current 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. You are to review the survey to confirm that there are no encroachments to or from the property and that all improvements situated on the property are located within the lot lines. You are also to confirm that the improvements comply with applicable by-laws relating to lot line, frontage and setback requirements and advise as to the zoning of the property. 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.

Zoning

Where possible obtain a letter from the appropriate municipal officer stating the buildings comply with all applicable building or zoning requirements. A copy of this document is not required by the Mortgagee. If a title insurance policy is obtained a letter is not required.

(b) 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" by a registered owner who is acting as a bare trustee, nominee or *prête-nom* for the beneficial/real owner, ensure that the policy lists the registered and beneficial owners of the property (in Quebec, the registered nominee(s) or *prête-nom* holding the property for the real owner(s) and the real owner(s)) as co-insured. Do not provide a copy of the policy to the Mortgagee. If the property is held "in trust", ensure that the policy lists the registered and beneficial owners of the property as co-insured's.

- (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. If this is a mortgage of bare land, no insurance is required.
- (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.

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. Retain the certificate in your file.

8. PREDISBURSEMENT CONDITIONS FOR ADVANCES – RBC Homeline Plan only

The following conditions apply to mortgages that secure loans under an RBC Homeline Plan only. Funds should not be disbursed until:

- (a) You are satisfied that the matters referred to in the Specific Instructions, these and any additional instructions applicable to the transaction are completed.

- (b) No construction liens/legal hypothecs are registered at the time of the advance.
- (c) The RBC Homeline Plan Agreement (Form 243) has been signed by all borrowers and returned to us at the address shown in section 17.
- (d) 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
 - (a) 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 Habitation des Maîtres Bâisseurs (GHMB), La Garantie de Construction Résidentielle (GCR), Quebec Association of Construction and Housing Professionals (APCHQ) or Association de la Construction du Québec (ACQ);
 - (b) 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).
- (e) For electronic mandates, please see the section entitled "Additional Instructions for Electronic Mandates Transmitted through Assyst Real Estate."

9. DISBURSEMENT OF FUNDS

(a) Applicable to RBC Homeline Plan Mortgages only:

- (i) Advance in the form of credit to your trust account – If funds are required, you are to download from our legal documents web site an RBC Homeline Plan Request for Funds (Form 3958), prepare and fax it to the Personal Service Centre at the number in clause 17, at least 3 days before the funds are required.

We will advise you by fax when we have arranged for the loan proceeds 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.

- (ii) Advance in the form of Cheque – If the funds are required in less than 3 days notice contact the Personal Service Centre at the phone number indicated in section 17, or complete the RBC Homeline Plan Request for Funds (Form 3958) by indicating that you will pick up a cheque at your branch. If there are two cheques, one constitutes the proceeds of the RBC Homeline Plan and the second, if applicable, represents an incentive amount as disclosed in the RBC Homeline Plan Agreement. Prior to depositing the cheque(s) into your trust account, you must comply with all instructions in this document relating to pre-disbursement conditions. The cheque(s) must not be deposited into your trust account until all pre-disbursement conditions have been met. **NOTE: Our mutual client(s) have agreed that none of the funds advanced by the Mortgagee may be used to pay a**

mortgage broker fee. You are not to disburse any portion of the funds advanced by the Mortgagee to pay the commission of a mortgage broker, even if the person is not considered a “mortgage broker” under applicable provincial legislation. If a client instructs you to pay any portion of the mortgage advance to a mortgage broker, you are to advise us immediately.

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 and interest will accrue upon the funds advanced. **You may not negotiate any cheque(s) in excess of 5 business days after the commitment or advance 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.**

(iii) Additional funds – To request additional funds, you are to download from our legal documents web site an RBC Homeline Plan Request for Funds (Form 3958), prepare and fax it to the Personal Service Centre at least 3 days before the funds are required.

(iv) Change in closing date – If the closing date is extended beyond the commitment or advance date noted in the Agreement(s), you must advise the Customer(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 or advance date.** If the closing date changes or if at any time the Customer(s) indicate(s) that they do not intend to proceed with the transaction

(a) if you have already faxed the Request for Funds to us - notify the Personal Service Centre at least 24 hours prior to the original closing date; or

(b) 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.

(v) Activation of other loan segments – For the Customer to activate other loan segments, complete the RBC Homeline Plan – Notice of Registration (Form 3958) confirming registration of the Mortgage (or acceptance for registration in Protocol provinces) and fax it to the Personal Service Centre at the number in clause 17.

(b) Applicable to all Collateral Mortgages, except collateral mortgages securing RBC Homeline Plan:

(i) Disbursement of funds - Ensure that you complete the Notice of Registration confirming registration of the Mortgage (or acceptance for registration in Protocol provinces) and requesting advancement of the funds to the Customer. Please fax it to the Customer’s branch.

(c) Applicable to all Collateral Mortgages, including RBC Homeline Plan:

(i) Deductions from the Advance – Mortgage default insurance premiums. If the mortgage is insured by a mortgage default insurer, the mortgage default insurance premium, application fee, and any applicable sales and service taxes will be deducted from the advance. The amount of the deduction appears in the Agreement(s). No deduction is taken from the advance of a refinanced Mortgage and should be paid by you from the funds received. Please see any special conditions in the Agreement(s) for any exceptions to the above.

(ii) Payment of liens and legal hypothecs. Any realty taxes or other charges or levies constituting 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 First Nations land, please see our legal documents web site for alternative instructions. 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. If this is a Residential Mortgage, the remaining term of the lease must exceed the amortization period by 5 years. If this is a

Collateral Mortgage or Homeline Plan, the remaining term of the lease must be 35 years or greater. You must also advise the Mortgagee of the amount of the rental payments. Obtain all necessary consents of the landlord and its acknowledgment that the lease is in good standing.

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.

11. 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 debts and obligations. 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 the identification 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, with the exception of minors on the date of the transaction, are listed as guarantors or co-borrowers. If there are additional shareholders, contact the Mortgagee immediately at the phone number indicated in clause 17.

12. 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.

13. PROPERTY HELD "IN TRUST" OR BY A TRUE 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 17.

For New Brunswick, only:

Property held in trust by bare trustee for a third party

If the mortgaged property is held in trust by a bare trustee, as opposed to by trustee(s) acting independently in their capacity as trustee(s) of a true trust, and the bare 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.

Property held by trustee(s), acting independently in their capacity as trustee(s) of a true trust

If the mortgaged property is owned by trustee(s) acting independently in their capacity as trustee(s) of a true trust, 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) of the true trust.

The Mortgagee requires evidence that the loan and the Mortgage have been duly authorized and executed by the trustees of the true trust. The Mortgagee must obtain an opinion from a lawyer acting for the true trust indicating the identity of the settlor, the trustees and the beneficiaries, and confirming that the loan and Mortgage 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 Mortgage.

Quebec, only

Property held in trust by nominee/prête-nom for a third party

If the mortgaged property is held in trust by a registered owner acting as a nominee or *prête-nom* for the real owner(s), each of the real owner(s) of the property must intervene directly as a party to the Hypothec to charge his/her/its interest in the property. The Trustee and Beneficial Owner Agreement (Form 3946) is **NOT** applicable in Quebec.

Please find below, for indicative purposes only, an example of an intervention text by the real owner, which could be inserted into a Hypothec. Please note however that the following text will need to be further adapted and customized by you to reflect the defined terms used in the Hypothec:

EXAMPLE OF INTERVENTION CLAUSE

Intervention:

Intervenes to this Deed,

_____, [true owner] (hereinafter called the "*Intervenant*");

Ratification - the *Intervenant*, for good and valuable consideration received, and after having taken communication of the terms and conditions of this Deed, declares itself to be entirely content and satisfied therewith and ratifies for all legal purposes, the execution by the *Grantor* of this Deed and all terms and conditions hereof, including, without limitation, the hypothecs granted by the *Grantor* in favour of the *Lender*, and the *Intervenant* hereby subscribes to and agrees to be fully bound solidarily with the *Grantor* by all the terms, covenants, provisions and conditions of this Deed, guaranteeing the payment of all sums which may become owing hereunder as and when same become due and payable, and the fulfilment by the *Grantor* of all of its obligations in virtue of this Deed, waiving and renouncing any demand or notice of default and the benefits of division and discussion, and agreeing to be regarded and be in the same position as a principal debtor/the *Grantor*.

Additional Security - Furthermore, and as continuing additional security for the due and punctual repayment of the *Indebtedness* and the execution of all of the obligations of the *Grantor* and the *Intervenant* towards the *Lender* under the *Indebtedness*, this Deed and any other documents related thereto, the *Intervenant* hereby hypothecates and charges all of its right, title and interest in and to the *Secured Property* and all other property hypothecated above, in favour of the *Lender*, with effect as and from this date, the whole for the amounts as to principal and interest as hereinabove set forth in the Section _____ above. Also for said consideration, the *Intervenant* subjects its right, title and interest in and to the *Secured Property* to all of the rights and recourses of the *Lender* pursuant to this Deed and the law.

Full and Final Cancellation - the *Intervenant* agrees with the *Lender* that for the full term of the *Indebtedness*, its renewal, any modification thereto and in all cases where the *Grantor* enters into new undertakings towards the *Lender*, the hypothecs and other security created hereunder shall subsist and secure the *Indebtedness* until full and final cancellation of the hypothecs and other rights granted hereunder.

Scope of Hypothec - the *Intervenant* hereby agrees that the hypothecs hereby constituted affect all of its right, title and interest in and to the *Secured Property* and all other property hypothecated above notwithstanding the fact that the definition of *Secured Property* refer only to the right, title and interest of the *Grantor*."

Please ensure that the *Intervenant* then signs the Hypothec.

For purposes of including the foregoing Intevention clause in the French version of the Hypothec included in the English language Hypothec, please find below for indicative purposes only, the French translation of the example above, which again, would need to be further adapted and customized by you to reflect the defined terms used in the Hypothec:

"INTERVENTION

Intervient à cet acte,

[_____], [véritable propriétaire de la *propriété*] (l'«Intervenant»);

Ratification - L'Intervenant, pour bonne et valable contrepartie, et après avoir pris connaissance des termes et conditions du présent acte, s'en déclare entièrement satisfait et ratifie à toutes fins légales l'exécution par le Constituant du présent acte et toutes ses modalités et conditions, y compris, sans s'y limiter, les hypothèques consenties par le Constituant en faveur de la Banque, et l'Intervenant accepte par les présentes d'être pleinement lié solidairement avec le Constituant par tous les termes, engagements, dispositions et conditions du présent acte, garantissant le paiement de toutes les sommes qui pourraient devenir dues en vertu des présentes au fur et à mesure qu'elles deviennent exigibles, et l'accomplissement par le Constituant de toutes ses obligations en vertu du présent acte, renonçant à toute demande ou notification de défaut et renonçant aux bénéfices de division et de discussion, et accepte d'être lié par toutes les dispositions du présent acte comme s'il en était le Constituant.

Garantie supplémentaire - En outre, et en tant que garantie supplémentaire continue pour le remboursement de la *dette* et l'exécution de toutes les obligations du Constituant et de l'Intervenant envers la Banque en vertu de la *dette*, du présent acte et de tout autre document y relatif, l'Intervenant hypothèque par les présentes tous ses droits, titres et intérêts dans la *propriété* et tous les autres biens hypothéqués ci-dessus, en faveur de la Banque, avec effet à compter de cette date, le tout pour un montant égal à la somme indiquée au paragraphe _____. Pour les mêmes fins, l'Intervenant soumet ses droits, titres et intérêts dans la *propriété* à tous les droits et recours de la Banque découlant du présent acte et de la loi.

6.3 Annulation totale et définitive - L'Intervenant convient avec la Banque que pendant toute la durée de la *dette*, son renouvellement, toute modification de celle-ci et dans tous les cas où le Constituant prend de nouveaux engagements envers la Banque, les hypothèques et autres sûretés créées en vertu des présentes doivent subsister et garantir la *dette* jusqu'à l'annulation complète et définitive des hypothèques et autres droits accordés en vertu des présentes.

6.4 Portée de l'hypothèque - L'Intervenant convient par les présentes que les hypothèques constituées par les présentes affectent tous ses droits, titres et intérêts dans la *propriété* et tous les autres biens hypothéqués ci-dessus, nonobstant le fait que la définition de *propriété* puisse référer uniquement aux droits, titres et intérêts du Constituant.

Property held by a true trust

If the mortgaged property is owned by a true trust created under Quebec law pursuant to which the trustees act independently, you will be required to provide your opinion as to the due authorization, execution and delivery of the Hypothec by the trustee(s) of the true trust.

The Mortgagee requires evidence that the loan and the Hypothec have been duly authorized and executed by the trustees of the true trust. The Mortgagee must obtain an opinion from a lawyer or notary acting for the trust indicating the identity of the settlor, the trustees and the beneficiaries, the number of trustees required to bind the trust, and confirming 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.

14. 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 17 to receive further instructions.

Quebec only

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.

15. INTEREST RATE BUYDOWN BY VENDOR OR OTHER THIRD PARTY (Excludes Builder Buydowns) – Applicable only to mortgage loan segments under RBC Homeline Plan mortgages

An interest rate buydown is an amount paid to a borrower under a RBC Homeline Plan Agreement to "buy down" or reduce the interest rate for the term of one or more mortgage loan segments. If the Special Conditions section of our Specific Instructions indicate an interest rate buydown has been arranged for one or more mortgage loan segments:

- 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 borrower(s) agree that the amount of the interest rate buydown will be deducted from the mortgage loan segment(s) 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.

16. 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.

17. 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:

For RBC Homeline Plan mortgages in:

Atlantic Provinces:	1-866-363-3356
Quebec:	1-866-718-1577

For all other collateral mortgages in:

Atlantic Provinces:	1-866-812-7828
Quebec:	1-800-267-2106

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

18. COPIES OF THE MORTGAGE DOCUMENTS

If this Mortgage secures a loan under an RBC Homeline Plan Agreement, the Agreement will have been signed at the branch, unless you have been told otherwise in the Specific Instructions.

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.

19. NOTICE OF CONSENT

We consent to your acting on behalf of the Customer(s), Mortgagor(s) and/or Guarantor(s) in connection with the Mortgage. We understand that you are obliged to raise all issues, which may be of importance to us or to the Customer(s), 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 Customer(s), 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 Customer(s), Mortgagor(s) and/or Guarantor(s) which cannot be resolved, you will thereafter be unable to act for either party regarding this matter.

20. 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 clause 17 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 return to the Bank a copy of the executed paper Mortgage and related affidavits and declarations and certificates to which the electronic mortgage was authenticated, in addition to the confirmation of electronic registration;
- (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 for New Brunswick and 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 for New Brunswick and in Quebec Form 3939);
- (e) Acknowledgement of receipt of Standard Mortgage/Charge Terms (where applicable);
- (f) Landlord's consent if this is a leasehold mortgage and consent to assignment is required by the terms of the lease, as well as a copy of the lease and any amendments to it;
- (g) Please provide the following, if applicable:
 - New Brunswick – A Certificate of Registered Ownership;
- (i) Other province/territorial specific documents.

21. 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, except as otherwise indicated in our Specific Instructions.

22. ADDITIONAL INSTRUCTIONS WITH RESPECT TO THE ACT RESPECTING FRENCH, THE OFFICIAL AND COMMON LANGUAGE OF QUÉBEC (QUÉBEC ONLY)

Except as otherwise indicated in our Specific Instructions, if any of the forms to be downloaded are provided to you in French and English, please ensure that you remit to the Grantor and, if applicable, Guarantor the blank French version of the form, **before** the Grantor and, if applicable, the Guarantor sign the English version of such form.