

[FIXED RATE LOAN]

**CONTRACT OF LOAN AND HYPOTHECS**

ON THIS \_\_\_\_\_ (\_\_\_\_) DAY OF ●  
TWO THOUSAND ● (201●).

BEFORE ●, the undersigned notary practicing in the City of ●, Province  
of Québec.

**APPEARED:**

**COMPUTERSHARE TRUST COMPANY OF CANADA** a trust  
company constituted under the laws of the Province of Ontario having its  
registered office at 100 University Avenue, 12<sup>th</sup> floor, Toronto, Ontario  
M5J 2Y1 represented by ●, its ●, duly authorized in virtue of a resolution  
of the board of directors of the said corporation duly adopted on the ● day  
of ● Two Thousand ●, a certified copy of which remains annexed after  
having been acknowledged as true and signed for identification by said  
representative with and in the presence of the undersigned Notary and  
having a notice of address registered in the Land Register under number ●  
and in the Register of Personal and Movable Real Rights under number ●;

the “*Lender*”,

of the first part

**AND:**

**[BORROWER];**

the “*Borrower*”,

of the second part

**WHICH PARTIES AGREE AS FOLLOWS:**

## **LOAN**

### **FIXED LOAN**

1. The Lender agrees to lend to the Borrower a term loan with a fixed rate of interest (the “*Fixed Loan*” or the “*Loan*”) of a sum of ● dollars (\$●) (the “*Principal Amount*”) for a term of ● (●) years (the “*Term*”) beginning on ● (the “*Interest Adjustment Date*”) and ending on ● (the “*Balance Due Date*”).
2. The Fixed Loan bears interest at the rate of ● percent (●%) per year (the “*Interest Rate*”), calculated semi-annually and not in advance. Interest accrues from the date of each advance, until the entire repayment of the Fixed Loan. Interest unpaid when due bears interest at the same rate.

### **MATTERS RELATING TO PAYMENT**

3. Obligation to Pay Without Set-off or Delay. The Borrower agrees to pay all amounts payable pursuant to this Contract (as such contract may be amended, modified or renewed from time to time collectively, the “*Contract*”) without abatement, set-off or counterclaim. Any claim the Borrower may make against the Lender either initially or by way of abatement, set-off or counterclaim, will not diminish or delay the Borrower's obligations to make the payments as provided in this Contract and will not delay the exercise of any remedy nor be a defence to any claim by the Lender against the Borrower under this Contract. Without limiting the generality of the foregoing, the Borrower agrees the foregoing applies with respect to any claim or issue of any kind regarding life or other insurance purchased with respect to the Contract.
4. Application of Payments. If the Loan is in good standing, the Lender will apply the amount it receives from the Borrower on each regular payment date in the following order:
  - (a) to pay life insurance premiums in respect of the Borrower's obligations under this Contract or other optional products or services the Borrower selects (if applicable);
  - (b) to bring into good standing any account related to this Contract in which the Lender holds funds for payment to others or from which accounts are debited, including tax accounts (if applicable);
  - (c) to pay any collection expenses and applicable administration and processing fees;
  - (d) to pay interest accrued for the payment period; and

(e) to reduce the Principal Amount.

However, if the Borrower is in default of any of the Borrower's obligations under this Contract or the Agreements, if any, the Lender may apply any payments or any other money it receives on such part of the Indebtedness as the Lender chooses and in whatever order it chooses.

**5. Compound Interest.** If the Borrower does not make the regular payment when required under this Contract or any other Agreement, the Lender will charge interest (referred to as "**Compound Interest**") on all overdue amounts, including unpaid interest. Compound Interest is payable both before and after the Balance Due Date or maturity date, before and after default, and before and after any court judgment the Lender obtains against the Borrower. If the Lender demands it, the Borrower must pay the Lender the Compound Interest immediately. The Compound Interest is calculated at the Interest Rate.

**6. Indebtedness.** For the purposes of this Contract, "**Indebtedness**" means the Loan and all other debts and liabilities, present and future, absolute and contingent, matured or not, at any time owing by the Borrower to the Lender or to any company or entity affiliated or related to the Lender, whenever incurred and whether incurred by the Borrower alone or with another or others and whether as principal, guarantor or surety. Indebtedness also includes any fees, expenses and other amounts owing to the Lender from time to time pursuant to this Contract which the Lender may charge or which the Lender may incur in connection with the Hypothecated Property (as hereafter defined), such as Taxes (as hereafter defined), insurance premiums, condominium fees or utilities. Other amounts may include the Lender's administration and processing fees and the expense of enforcing the Lender's rights as well as paying off any prior charges or hypothecs against the Hypothecated Property. Indebtedness also includes, without limitation, all interest and Compound Interest accrued on all the foregoing amounts.

**7. Promise to Pay.** The Borrower covenants to pay to the Lender the Principal Amount under the Fixed Loan, interest and all fees and costs as follows:

- (a) interest on the Principal Amount at the Interest Rate from the date of each advance until the Interest Adjustment Date will be due and paid in advance on the date of each advance;
- (b) from and after the Interest Adjustment Date, the Principal Amount and interest on the Principal Amount at the Interest Rate computed from the Interest Adjustment Date will become due and be paid in instalments each in the amount of \$● (the "**Regular Payment Amount**") on the same day of each and every month starting on ●

(the “*First Payment Date*”), the first of such payments to be paid on the First Payment Date and the last on the Balance Due Date;

- (c) costs, fees and other liabilities that are not Principal Amount or interest on Principal Amount will be payable on demand with interest thereon at the Interest Rate; and
- (d) the balance of the Principal Amount then remaining and all other Indebtedness together with interest thereon at the Interest Rate will be paid on the Balance Due Date.

**8. Regular Payment Amount.**

- (a) The amount of each Regular Payment Amount, which includes principal and interest, is based on the Interest Rate;
- (b) The Regular Payment Amount will change with each adjustment in the Interest Rate to an amount sufficient to pay all interest that will accrue up to the next payment date, plus the amount of principal which the Lender determines is required to be paid to maintain the amortization of the Fixed Loan, as adjusted for any prepayment the Borrower has made, if any.

**9. Changing the frequency of the regular payments.**

- (a) The Borrower may upon request and at the Lender’s discretion, change the regular payment to a payment date and frequency then currently offered for the same type of loan.
- (b) On a change of payment frequency or change of regular payment date, an interest adjustment amount may be payable and the Lender may charge an administration and processing fee. Such amounts are immediately payable or may, at the Lender’s option, be added to the Loan and bear interest at the Interest Rate.
- (c) In addition to any other remedy the Lender might have under this Contract, if the Borrower changes the payment frequency to greater than or equal to twice per month and the Borrower is in default of payment of an amount which exceeds two (2) weekly payments, or one (1) bi-weekly or semi-monthly payment as applicable, the payment frequency will, at the Lender’s option without prior notice to the Borrower, revert to the monthly payment frequency. Any interest adjustment amount will be immediately payable or, at the Lender’s option, added to the Loan and bear interest at the Interest Rate.

- (d) Amounts payable on account of taxes and insurance with the regular payment will at all times be payable at the same frequency and calculated in the same manner as the regular payments.

**10. Skip a Payment Option.** At the Lender's discretion the Borrower may, on at least five (5) business days' notice to the Lender, skip a regular payment under this Contract, not more than once in any year; provided the Borrower has made prepayments on this Contract such that the cumulative amount of such prepayments is greater than or equal to the requested skipped regular payment. The Borrower is required to pay any amount related to taxes or insurance due on the date such skipped regular payment was otherwise payable. The interest portion of the skipped regular payment will be added to the outstanding principal amount and will bear interest at the Interest Rate then in effect.

**11. Method of Payment.** The Borrower undertakes to maintain a bank account with a bank, trust company or credit union in Canada and to provide authorization in a form satisfactory to the Lender to automatically debit each regular payment and any other payments owing to the Lender when due. The Borrower shall make sure that the account always contains sufficient funds to make each such payment. If the Borrower does not maintain sufficient funds in the account, cancels the authorization to debit payments, or closes the account, the Lender may declare the Borrower in default under this Contract.

**12. Closed Fixed Loan.** The Fixed Loan, and if renewed each renewal term, is closed to prepayment except as described in this Contract. "Agreement(s)" when used in this Contract, means all of the contracts, agreements, promissory notes, bills of exchange, notices or other documents which evidence, govern or relate to the Indebtedness, this Contract and all supplements, amendments, renewals, substitutions and replacements of them.

#### **EARLY PREPAYMENT OF THE CONTRACT**

**13. Prepayment Privileges.** The Borrower may prepay some of the Loan early without prepayment charges as follows:

- (a) *Increase Regular Payments.* The Borrower may increase the amount of the regular payment at any time or times. The total of these increases during each year of the Loan cannot be more than twenty percent (20%) of the original Regular Payment Amount.
- (b) *Annual 20% prepayment.* The Borrower may in each year of the Loan prepay without penalty an amount not greater than twenty percent (20%) of the original Principal Amount. The Borrower

may make more than one prepayment in a year, but the total of all prepayments cannot be more than twenty percent (20%) of the original Principal Amount and each prepayment must be for an amount no less than one hundred dollars (\$100.00). Such prepayments must be made on a payment date. If the Borrower does not prepay 20% of the original Principal Amount in a year, any unused portion cannot be carried forward to a future year.

**14. Prepayment Charges.** If the Borrower wishes to prepay the Loan in full, the Borrower may do so only with payment of the prepayment charge set out below. The Borrower must ask the Lender to provide the Borrower with a statement of the required payment amount. The date of the prepayment can be specified by the Borrower, provided that the date (i) must be at least five (5) business days after the date of the request for a statement, and (ii) must be no more than thirty (30) days after the date the Lender prepares the statement. The date chosen by the Borrower to make the prepayment is called the prepayment or payout date, the date the Lender prepares the statement is called the statement preparation date and the period beginning the statement preparation date and the date ending thirty (30) days later is called the statement period.

Any prepayment privileges used within 30 days immediately preceding a statement preparation date will not be applied or considered when calculating the prepayment charges set out below.

All payments on this Contract must be made as they become due during the statement period. The statement cannot be used for prepayment after expiry of the statement period.

**15. Prepayment charge for Fixed Loan.** The prepayment charge for the Borrower to pay out the Loan in full before the balance due date is:

- (a) the amount (as determined by the Lender) that is the greater of:
  - (i) the interest rate differential, and
  - (ii) the lesser of (A) three (3) months interest at the Interest Rate, calculated on the Principal Amount being prepaid, and (B) the remaining interest to be paid on the Loan, as calculated on the date of and set out on the payout statement, had prepayment not occurred; except that:
- (b) where the Loan has a term of more than five (5) years and the prepayment in full is being made at any time after the fifth (5<sup>th</sup>) year of the term, the prepayment charge will be three (3) months interest on the outstanding Principal Amount calculated at the Interest Rate then in effect.

**16. Prepayments generally.** In order to qualify for any of the early payment options set out in this Contract, the Borrower must have met all the Borrower's obligations under this Contract. For these early payment options, a year means the twelve (12) month period that starts on the interest adjustment date and on each anniversary of the Interest Adjustment Date. Each partial prepayment under any partial prepayment option (other than by increase in the Regular Payment Amount) must be in a minimum of at least \$500.00. The Lender reserves the right to change the minimum payment amount.

After each partial prepayment is made, the Borrower must continue to make the regular payments.

Each partial prepayment made by the Borrower is applied to pay down the outstanding principal and cannot be refunded.

**17. Prepayment of Renewed or Extended Contracts.** The prepayment provisions set out in this Contract are only available during the original Term of this Contract (including as applicable the term that commences after a progress advance period). If this Contract is renewed, converted or amended, the Borrower may only use the prepayment provisions set out in the renewal, conversion or amending agreement.

#### **PAYMENT OF INDEBTEDNESS ON THE BALANCE DUE DATE OR MATURITY DATE**

**18.** The Borrower undertakes to pay any outstanding balance of the Fixed Loan on the Balance Due Date or maturity date shown on the Agreement then governing the Fixed Loan and for each other part of the Indebtedness on the Balance Due Date or maturity date set out in the Agreement relating to that part of the Indebtedness or any agreement amending the Agreement.

#### **SECURED OBLIGATIONS AND DISCHARGE**

**19. Secured obligations.** The hypothecs created under this Contract secure the Indebtedness. The hypothecs will not be satisfied or discharged by any intermediate payment of all or part of the Indebtedness but remain a continuing security for payment of all other and additional Indebtedness the Borrower may incur. The hypothecs created under this Contract will not be released or reduced by any change in the Loan amount, nature or form of any Indebtedness or any renewal, extension, amendment or replacement of any Agreements. The hypothecs will not cease to operate and will not be extinguished except as provided in paragraph 20 hereafter.

**20. Discharge.** After payment of the Indebtedness in full, the Lender will sign a discharge. The Borrower will give the Lender a reasonable time after payment in which to prepare and issue the discharge. The Borrower will pay the Lender its usual administration and processing fee for preparing, reviewing and signing any such documents and all legal and other expenses, if applicable. The Borrower will pay such fees whether the discharge is prepared by the Borrower's legal counsel, the Lender's legal counsel or by the Lender. If electronic registration is available for the Hypothecated Property, the Lender may register the discharge and provide the Borrower or the Borrower's legal counsel (as applicable) with confirmation of registration.

#### **MATTERS RELATING TO RENEWAL AND AMENDMENTS**

**21. Amendments of this Contract.** The Lender may, at its option and by agreement with the Borrower in writing, change any part of this Contract and the other Agreements. Such change would include reviewing or amending the Fixed Loan or other terms of this Contract.

**22. Renewal of this Contract for the Fixed Loan.** The Borrower agrees that this Contract secures, among others, a loan for a fixed term. The Borrower agrees that this Contract may be automatically renewed from time to time in the following manner:

Prior to the Balance Due Date of the Contract, at each renewal term, the Lender may, but is not obligated to, send to the Borrower, a notice offering to renew the outstanding balance of the Loan at certain rates and terms. Unless the Borrower pays the balance outstanding on the Contract, accepts the renewal terms the Lender offers (if any), or makes other arrangements with the Lender in writing to extend the Balance Due Date or maturity date of any renewal or extended term of this Contract, the Borrower will be deemed to have accepted a renewal at the rate for automatic renewal set out in the renewal notice from the Lender to the Borrower which will reflect the Lender's then current interest rates for a fixed rate loan with the same or lower term as the matured loan. Renewal fees not paid by such Balance Due Date will be added to the Loan and bear interest at the renewal rate.

The Borrower does not have a right to renew the Fixed Loan. Renewal of the Fixed Loan is at the Lender's sole discretion.

**23. Priority of Renewal.** No renewal or extension of time given by the Lender shall in any way affect or prejudice the Lender's rights against the Borrower, the Surety or any other person. The Contract will secure the payment and other obligations as extended or changed in the renewal agreement and will be deemed dated as of the first day of each renewal term.

It will not be necessary to register notice of any such renewal or obtain any consents or acknowledgements in order to retain priority for this Contract so altered over any subsequent encumbrance or instrument registered subsequent to this Contract.

**COVENANTS AND WARRANTIES RELATING TO TITLE, USE AND SALE**

**24.** Title Warranty and Covenants. The Borrower warrants and agrees that:

- (a) Good Title. The Borrower has good and marketable title to the Hypothecated Property, subject only to any prior registered hypothec, to which the Lender has agreed in writing;
- (b) To Protect Title. The Borrower will preserve its title to the Hypothecated Property and the validity and priority of this Contract and will forever warrant and defend the same for the Lender against the claims of all persons and will not interfere in any way with the Lender's interest in the Hypothecated Property;
- (c) Authority to Contract. The Borrower has the right to hypothecate the Hypothecated Property to the Lender;
- (d) No Encumbrance. There are no encumbrances or limitations affecting title to the Hypothecated Property (such as legal hypothec, hypothec or priorities), except those that the Lender has agreed to in the Commitment or other document in writing and except building and zoning by-laws that the Borrower has complied with.

**25.** Fixtures, Additions, etc. The Borrower agrees that the Hypothecated Property includes all buildings, structures and improvements on the land now or added later, as well as anything attached now or later to the land or to any building or structure on the land. It also includes any improvements, substitutions, additions or alterations made to any building, structure or the land.

**26.** No other Hypothec Without Consent. The Borrower will not create or permit to exist another hypothec on any part of the Hypothecated Property and will not use the Hypothecated Property as security for any other debt, without the Lender's prior written approval.

**27.** Owner – Occupied Property. Where the Contract has been approved by the Lender on the basis of homeowner occupancy of all or part of the Hypothecated Property, the Hypothecated Property or applicable part will be

occupied by the Borrower and the Borrower's family as principal residence for the Term and each renewal term of the Contract. In such instance, the Borrower agrees not to rent or lease any part of the Hypothecated Property or enter into a tenancy agreement, or renew any lease (unless the renewal is provided for in a lease the Lender has already approved), without first obtaining the Lender's prior written approval. The Lender is under no obligation to approve the Borrower's request to rent, lease or enter into a tenancy agreement for any part of the Hypothecated Property or to approve the renewal of a lease on the Hypothecated Property.

**28. Rental Property and Hypothec on Rents.**

Where the Contract has been approved by the Lender on the basis of investment or rental property:

- (a) The Borrower must obtain the Lender's consent to any rental or any renewal of all or part of the Hypothecated Property.
- (b) Upon the Lender's request:
  - (i) The Borrower will obtain and provide the Lender with estoppel certificates, or an equivalent document, from tenants (i.e. written statements from the tenants certifying, among other things, the terms of the lease and any promises made to them about the lease);
  - (ii) The Borrower will execute and deliver any further agreements and documents and provide any further assurances as may be reasonably required by the Lender to give effect to this paragraph 28; and
  - (iii) The Borrower will pay all of the Lender's expenses related to the hypothecs on rents and additional security, including legal fees and registration costs.
- (c) If the Borrower does not meet one or more of the obligations set out in this paragraph 28, or if one or more of the Borrower's certifications made to the Lender related to leasing or renting out any part of the Property is not true, then the Lender may require the Borrower to pay the Indebtedness immediately and in full. In such circumstance, the Lender may pay any tenants any amounts necessary to obtain their cooperation in showing and selling the Hypothecated Property and to obtain possession of the Hypothecated Property from the tenants. These payments will be a cost of enforcing the Lender's security, and they will be added to the Indebtedness and bear interest at the Interest Rate. The Borrower will also appoint the Lender as its mandatory and

attorney and agent to enforce the terms of any lease or agreement the Borrower enters into, and to cancel or terminate any lease or agreement.

- (d) The Lender shall not be obligated to collect any rent or income from the Hypothecated Property nor to comply with any part of a lease or agreement related to the Hypothecated Property. Furthermore, nothing the Lender will do under this paragraph 28 will be considered as the Lender taking possession of the Hypothecated Property.
- (e) The Borrower agrees that, if the Borrower is not meeting one or more of the obligations under this Contract and the Borrower lease, or subleases any part of the Hypothecated Property without the Lender's written approval, the Borrower will be considered to have done this to discourage the Lender from taking possession of the Hypothecated Property and/or be considered to have done this to adversely affect the value of the Lender's interest in the Hypothecated Property.

**29. Compliance With Building and Other Laws.** The Borrower's use of the Hypothecated Property complies and the Borrower will continue to comply with all building and zoning by-laws and if a non-conforming use legally exists, the Borrower will continue such legal non-conforming use, unless the Lender otherwise agrees in writing. The Borrower will also comply with all other laws in the Borrower's use and occupation of the Hypothecated Property and will not use or permit the Hypothecated Property to be used for any illegal, improper or immoral purpose or activity.

**30. No Prior Claims or Hypothecs.** The Borrower will not create or permit to exist any other prior claim, hypothec (other than any unregistered legal hypothec for an account not yet due for work or supply to an improvement approved by the Lender) or other encumbrance (other than for Taxes and utilities not yet due) or other encumbrance against the Hypothecated Property which has or may in any manner claim any priority over the hypothecs created under this Contract.

**31. Payment of Taxes and Other Encumbrances.** The Borrower will pay all Taxes levied on the Hypothecated Property in compliance with paragraph 69. In this Contract, "**Taxes**" mean all taxes, rates and assessments of any nature or kind, including property taxes, local improvement rates and assessments, school taxes, development charges, utilities and interest and penalties levied on or payable with respect to the Hypothecated Property. Taxes may also include penalties or cost associated with a cleanup following a fire, explosion or other destruction or damage. The Borrower will also pay all accounts for utilities supplied to the Hypothecated Property and all charges, hypothecs, priorities and other

encumbrances on the Hypothecated Property when they are due and comply with the Borrower's other obligations under them.

**32. No Sale Without Consent.** The Borrower will not sell, transfer, lease or otherwise dispose of all or any part of the Hypothecated Property or any interest in the Hypothecated Property without the Lender's prior written approval and if approved, without such approved purchaser, transferee or lessee entering an assumption agreement in form satisfactory to the Lender. Acceptance of any payments from a purchaser, transferee or lessee not approved in writing by the Lender, will not constitute an approval or waiver by the Lender.

**33. Further Assurances.** The Borrower will execute any further documents and do such other acts with respect to any aspect of this Contract, at its own expense, as the Lender may reasonably require.

**34. Reservation of Rights.** The Borrower agrees that no sale or other dealing by the Borrower with the Hypothecated Property or any dealing by the Lender with the whole or any part of the Hypothecated Property or with any person liable in any manner for the whole or any part of the Indebtedness, shall in any way affect or prejudice the Lender's rights against the Borrower, the Surety or any other person liable to pay any Indebtedness.

## **HYPOTHECS**

**35. Creation of Hypothecs.** To secure the Indebtedness including, without limitation, payment of extra-judicial legal fees incurred by the Lender in the creation and preservation of the hypothecs granted under the present Contract and in the exercise of any recourses ensuing from it, the Borrower hypothecates in favour of the Lender the property described below (collectively, the "*Hypothecated Property*") for an amount of ● CANADIAN DOLLARS (\$●) plus an additional amount equal to twenty percent (20%) of the foregoing amount, being a total aggregate amount of ● CANADIAN DOLLARS (\$●), bearing interest at the rate of twenty-five percent (25%) per year calculated in accordance with this Contract from the date of this Contract.

**36. Hypothecated Property Description.** The Hypothecated Property is described as follows:

- (a) the following immovable property:

**DESCRIPTION**



with all that is attached or joined to it and is considered immovable by virtue of law (collectively, the “*Property*”);

- (b) all present and future rents produced by the Hypothecated Property and the indemnities paid under the insurance contracts covering such rents;
- (c) all present and future revenues produced by the Hypothecated Property, including all amounts payable as a result of an amendment, a cancellation or a termination of any lease;
- (d) where the Borrower operates as an enterprise, the universality of all present and future movable property used for the operation, administration, maintenance or improvement of the Hypothecated Property or used for the operation of any enterprise or the pursuing of activities in the Hypothecated Property, as well as the proceeds and claims resulting from any sale, lease or disposition of any of the foregoing;
- (e) all amounts remitted to the Lender for the payment of Taxes with interest thereon, if any;
- (f) all amounts payable to the Borrower as a refund of Taxes; and
- (g) the universality of all present and future contracts, agreements, books, records and documents relating to the operation, administration, maintenance and improvement of the Hypothecated Property as well as all offers to lease, lease agreements and renewals that affect the Hypothecated Property.

**37. Length of Hypothecs.** These hypothecs subsist without reduction until the complete performance by the Borrower of the Indebtedness.

**38. Continuous Security.** The hypothecs created hereby are continuous security and shall subsist notwithstanding any fluctuation of the amounts hereby secured. Any future obligation hereby secured shall be deemed to be one in respect of which the Borrower has once again obligated itself hereunder according to the provisions of article 2797 of the *Civil Code of Québec*. Any future obligation under a subsequent contract of credit entered

into between the Borrower and the Lender will be secured by the hypothec granted by the Borrower under this Contract, subject to the Borrower's consent.

### **HYPOTHEC ON RENTS**

**39. Right of the Lender to Collect.** The hypothec created by this Contract give the Lender, as soon as they have been published, the right to collect the rents and the other revenues produced by the Hypothecated Property.

**40. Authorization Granted to the Borrower.** Notwithstanding the foregoing, the Lender authorizes the Borrower to collect the instalments of rent payable monthly and representing one twelfth of the annual rent as well as the security deposits which, for each tenant, cannot exceed one (1) month of rent paid in advance.

**41. Withdrawal of Authorization.** The Lender may withdraw this authorization given to the Borrower if the Borrower is in default under this Contract.

### **DEFAULT**

**42. Events of Default.** The Borrower will be in default under this Contract upon the occurrence of any of the following events:

- (a) the Borrower defaults in the payment of any part of the Indebtedness, when payment of such amount becomes due under the terms of this Contract or any renewal of this Contract;
- (b) the Borrower defaults in the observance or performance of any term or covenant which the Borrower has agreed with the Lender to observe or perform under this Contract or under any Agreements;
- (c) any legal hypothec or prior claim is registered against any part of the Hypothecated Property, whether as a result of unpaid Taxes, utilities, unpaid condominium fees, co-ownership fees, judgments, construction work or otherwise;
- (d) the Hypothecated Property is abandoned or is not visibly and consistently occupied;
- (e) any buildings being erected or additions, alterations or improvements done on the Property remain unfinished without work being done on them for fifteen (15) consecutive days;

- (f) the Hypothecated Property is used for any illegal purpose; the cultivation, processing or manufacturing of any illegal or controlled substances; the cultivation, processing or manufacture of marijuana (whether legal or not); or is used for a business purpose without the Lender's written consent;
- (g) any action is taken by the Borrower or anyone that lowers the value of the Hypothecated Property;
- (h) the Borrower sells or disposes of the Hypothecated Property or further hypothecates the Hypothecated Property to a person or entity not approved in writing by the Lender;
- (i) the Borrower is a corporation or other entity and there is a change of control to a person or persons not approved by the Lender in writing or the Borrower has been dissolved or cancelled;
- (j) the property is subject to forfeiture or escheat to the crown;
- (k) if there is another hypothec registered against the Hypothecated Property and there is a failure to make payments under that hypothec;
- (l) any statement, certification, representation or agreement the Borrower has given to the Lender in applying for the Loan or for any other Indebtedness, or in this Contract, is untrue or becomes untrue through the life of this Contract;
- (m) the Hypothecated Property is a condominium unit or units, a vote authorizes termination of the condominium or the sale of all or substantially all of the condominium syndicate's assets or its common elements or the condominium syndicate fails to insure the unit and common elements;
- (n) a petition in bankruptcy is filed against the Borrower, the Borrower makes a general assignment for the benefit of the Borrower's creditors, a receiver, interim receiver, monitor or similar person is placed or is threatened to be placed in control of or for overview of the Borrower's affairs or Hypothecated Property, or the Borrower becomes insolvent;
- (o) a construction legal hypothec is registered against the Hypothecated Property or if default occurs under any other charge or other encumbrance existing against the Hypothecated Property;
- (p) any buildings being erected or additions, alterations or improvements done on the Hypothecated Property remain

unfinished without work being done on them for fifteen (15) consecutive days.

### **RECOURSES**

**43. Rights of the Lender.** When the Borrower is in default under this Contract, the Lender may:

- (a) demand the entire repayment of the Indebtedness, the Borrower thereby losing the benefit of the term;
- (b) withdraw from the Borrower the authorization to collect the rents or other hypothecated claims;
- (c) institute a personal action against any person obligated to reimburse the Indebtedness;
- (d) exercise the hypothecary rights permitted by law; and
- (e) exercise any other right which it possesses by virtue of this Contract or by law.

**44. Reimbursement of Costs.** The Borrower undertakes to reimburse to the Lender all the costs incurred by the Lender in the exercise of its rights and recourses under this Contract. These costs include, without limitation, all legal costs (judicial and extra judicial), appraisal costs, the costs of inspections and environmental assessments, the costs of insurance, the operating costs of the Hypothecated Property and, generally, all costs incurred for the administration of the Hypothecated Property.

**45. Remediation by the Lender.** If the Borrower is in default under this Contract, other than a default of payment of a sum of money to the Lender, the Lender may, but without being obliged to do so, remedy the state of fact which constitutes the default. The Lender may also discontinue automatic debits of the Regular Payment Amounts owing under this Contract. The Lender may, among other things, perform in the Borrower's name any of the Borrower's obligations towards third parties which pertain to the Hypothecated Property. Notwithstanding any other provision of this Contract, if the Lender considers that there is an emergency or that its rights are threatened, the Lender does not have to notify the Borrower before acting. The Borrower undertakes to reimburse to the Lender, upon request, any sum incurred to remedy a default in the aforesaid manner.

**46. Cumulative Rights.** The exercise by the Lender of any of its rights does not preclude it from exercising any other right it possesses by virtue of this Contract or by law.

**47. No Waiver.** The fact that the Lender does not exercise a right does not constitute a waiver of the subsequent exercise of such right.

**48. No Set-Up.** Delays, arrangements, consents or waivers cannot be set up against the Lender unless the Lender has consented in writing to such delays, arrangements, consents or waivers.

**49. Subsequent Owner.** The obligations of the Borrower or of any person obligated to reimburse the Loan shall in no way be modified or reduced by the fact that the Lender contracts with a subsequent owner of the Hypothecated Property in order to modify in any way whatsoever the terms and conditions of this Contract which has been assumed by the subsequent owner.

**50. Sale of the Hypothecated Property.** If, in the exercise of its hypothecary rights, the Lender sells itself the Hypothecated Property or has it sold by judicial authority, the sale can be made either with the legal warranty of the seller or without such warranty, in whole or in part.

#### **ADMINISTRATION OF THE HYPOTHECATED PROPERTY**

**51. Lender becoming the Administrator of the Hypothecated Property.** If, in the exercise of its hypothecary rights, the Lender becomes the administrator of the Hypothecated Property and if the provisions of the *Civil Code of Québec* on the administration of the property of others apply, the rules contained in such provisions, to the extent permitted by law, must be adapted or set aside, as the case may be, to take into account the fact that the Lender is acting to protect its interest as hypothecary creditor.

**52. Rights of the Lender.** The Lender, whether it has simple or full administration of the Hypothecated Property, may negotiate with tenants, suppliers and contractors of the Hypothecated Property, sign leases, service contracts or management contracts, renew or resiliate such contracts, bring an action at law in order to enforce respect of the obligations under such contracts, grant discharges of such obligations, undertake or carry-out all maintenance, repair, renovation or improvement work on the Hypothecated Property, and, generally, do all things which the Lender considers advisable for the operation of the Hypothecated Property, the protection of the Hypothecated Property or the safeguard of its rights.

**53. No Obligation on the Lender's Part.** Notwithstanding any provisions of law, if the Lender administers the Hypothecated Property,

- (a) it is not obliged to make any inventory, take out insurance, provide security or invest the amounts which it collects;

- (b) it is not obliged to render an annual account of its administration of the Hypothecated Property and, if it has to render a final account upon termination of its administration, it may do so by providing the Borrower with a statement of account made in the form used in the normal course of its business; and
- (c) it is not obliged to make the Hypothecated Property productive or to maintain it in good operating condition.

**54. Collection of Rents.** If the Lender collects the rents and the other revenues produced by the Hypothecated Property by exercising the rights granted to it by this Contract:

- (a) it is not obliged to apply the rents or revenues collected to the payment of an amount which is not yet due under this Contract;
- (b) it is not obliged to inform the Borrower of any irregularity in the payment of the rent or of the other revenues;
- (c) it is not liable for any loss or damage resulting from non-collection of the rent or of any other revenues;
- (d) it may grant a discharge for any rent or revenue which it collects; and
- (e) it may charge management fees comparable to those prevalent in the market.

**ASSUMPTION OF THE CONTRACT IF THE HYPOTHECATED PROPERTY IS SOLD**

**55. Transfer of Hypothecated Property.** If the Borrower transfers title, or agrees to transfer title, to the Hypothecated Property to anyone, without first obtaining the Lender's written approval, the Lender may require the Borrower to pay the Indebtedness together with the applicable prepayment charge immediately in full. If the Lender accepts any payment from any person whom the Lender has not first approved in writing, the Lender shall not be deemed to have granted its prior written approval or to have given up its right to require the Borrower to pay the Indebtedness immediately in full.

**56. Information to be provided by the Borrower.** The Borrower agrees to give the Lender sufficient information to enable the Lender to decide whether it should give its written approval of the Borrower's transfer of title to the Hypothecated Property. The Lender will not unreasonably withhold its approval.

**57. Administration Fee.** If the Borrower exercises this privilege, the Lender may charge an administration and processing fee. The Borrower must pay the Lender these fees immediately, whether or not the assumption is approved by the Lender.

**58. Release of the Borrower.** The Lender will release the Borrower from the Borrower's obligations under the Contract and to pay the Loan, and, if applicable, the Lender will also release any Surety from their suretyship of this Contract, if: (i) the Lender gives written approval to the Borrower to transfer title to the Hypothecated Property, (ii) the transfer is to a person or persons other than the Borrower so that the Borrower will not retain any ownership interest in the Hypothecated Property after the transfer of title takes place; (iii) the person or persons to whom the Borrower transfers the Hypothecated Property and any Surety the Lender requests enter into an agreement to pay the amounts secured by the Contract and Agreements and to perform the obligations in the Contract and Agreements; and (iv) the Borrower provides the Lender with proof of registration of a transfer/deed of the Hypothecated Property to the approved person or persons.

**59. New Borrower.** If the Borrower is not the original borrower, such Borrower agrees to be bound by all obligations of the original borrower under the Contract and Agreements.

**60. New Agreement.** If the Lender makes a new agreement with another borrower or person, corporation or entity who is obligated to pay the Fixed Loan or any part of the Indebtedness, the Borrower will not be released from the Borrower's obligations under this Contract, even if the Borrower does not sign or is not advised of such new agreement.

#### **MOVING THE CONTRACT TO ANOTHER PROPERTY (PORTABILITY)**

**61. Generally.** If the Borrower has met all the Borrower's obligations under this Contract and the Borrower has agreed to sell the Hypothecated Property and the Borrower subsequently purchases another property within thirty (30) days after the sale of the Hypothecated Property, the Lender may provide financing for the purchase of the new property. The Borrower will be required to give the Lender a hypothec on the new property.

The Lender will not finance the purchase of a new property in situations where the Borrower has not yet sold the existing property.

**62. Conditions.** In order for the Lender to provide financing for the purchase of the new property, the following conditions must be met:

- (a) The Borrower must apply to the Lender in writing for financing of the new property.
- (b) The sale of the original property must be to a bona fide arm's length purchaser.
- (c) On the date the Borrower completes the sale of the original property, the loan amount must be paid in full, including all applicable prepayment charges.
- (d) If the principal amount of the new loan is the same as or greater than the amount that was owing on the date of prepayment and the new loan is advanced to the Borrower on the closing of the new property within thirty (30) days of the prepayment, the Lender will refund the prepayment charge to the Borrower.
- (e) If the principal amount of the new loan is less than the principal amount that was owing on the original loan on the date of prepayment, the Lender will refund to the Borrower that portion of the prepayment charge which relates to the portion of the principal amount that was owing on the original loan on the date of prepayment which is equal to the principal amount of the new loan.
- (f) The Lender's loan approval criteria, policies, procedures and documentation requirements in effect at the time the Borrower makes an application for the new loan must be met. This includes the requirements of any hypothecary insurer, if applicable.
- (g) The Borrower must pay all applicable processing or administration fees, all legal and appraisal fees and other expenses incurred in connection with the new loan.
- (h) The Borrower acknowledges the Lender is under no obligation to consent to allowing the borrower to borrow the transferable principal amount or any additional amount or extend the term with respect to the new loan.

**63.** Term and interest rate of new loan. The interest rate and the balance due date of the original loan will apply to the new loan.

#### **MATTERS RELATING TO A PROPERTY THAT IS A CONDOMINIUM**

**64.** Covenants for a Condominium Unit. The following provisions apply to any condominium unit that is part of the Hypothecated Property:

- (a) Payment of Common Expenses and Compliance. The Borrower shall pay all contributions to common expenses and other charges of the condominium as they become due and comply with the provisions of the *Civil Code of Québec* and the declaration of co-ownership, by-laws and rules of the syndicate. The Borrower will provide the Lender with proof of payment and compliance from time to time as the Lender may request.
- (b) Repair. The Borrower shall maintain all improvements made to the Borrower's unit and repair them after damage.
- (c) Notices and Demands. The Borrower shall forward to the Lender, upon receipt, copies of any notices, assessments, by-laws, rules and financial statements of the syndicate. The Borrower must ensure that the Lender receives these communications at least five (5) days before any assessment or demand is payable or in the case of other communications, within five (5) days of the Borrower's receipt.
- (d) Voting Rights. The Borrower hereby assigns to the Lender and authorizes the Lender to exercise its right to vote and to consent any meeting. If the Lender decides not to use its rights to vote or consent, the Borrower may do so itself. The decision of the Lender not to vote or consent can be for a limited time or for a particular meeting or matter. When the Lender does vote or consents, on behalf of the Borrower, the Lender shall not be considered to have taken possession of the Hypothecated Property, nor the Lender shall be responsible to protect the Borrower's interests nor for the way the Lender votes or consents. Also, the Lender shall not be responsible if it does not vote or consent.
- (e) Insurance. In addition to the insurance held by the syndicate, the Borrower must insure all improvements which at any time have been made to the Hypothecated Property/condominium unit by the Borrower or a previous owner against (i) loss or damage by fire, and (ii) additional risks as the Lender may require. Furthermore, the Borrower shall insure the Borrower's common or other interest in buildings, which are part of the condominium property or assets of the syndicate, if the syndicate fails to insure the buildings as required by the *Civil Code of Québec* and the declaration of co-ownership, by-laws and rules of the syndicate. These obligations are in addition to the Borrower's obligations in this Contract under the heading Insurance for the Hypothecated Property as far as they apply to a condominium unit.

The insurance company or companies must be approved by the Lender. If the Borrower or the syndicate fails to keep the buildings

and improvements insured or does not provide the Lender with evidence of renewal at least fifteen (15) days before the termination of any insurance the Lender may (but is not obligated to) obtain insurance for the buildings or improvements. If any loss or damage occurs, the Borrower will immediately, at the Borrower's expense, do everything necessary to enable the Lender to obtain the insurance money. The Lender may use all or any part of the proceeds, as permitted by law, to repair the damage, pay the Borrower or reduce any part of the Indebtedness whether or not it is due, including paying any prepayment charges that result.

The obligation to insure may be performed by the syndicate and the proceeds of insurance may be payable in accordance with the declaration of co-ownership and by-laws.

The Borrower promises that, in the event of loss or damage, the Borrower will fully comply with the terms of all insurance policies and with the insurance provisions of the declaration of co-ownership and by-laws and that, as a member of the syndicate, the Borrower will insist that the syndicate comply with these terms.

- (f) Hypothec. The Borrower further hypothecates in favour of the Lender as part of the security for the Indebtedness, and for the same amount and on the same terms, the Borrower's voting rights, and moreover, on receipt of a request in writing from the Lender to the Borrower shall send to the Lender every future notice of meetings, any agenda, financial statements or other proceedings to be considered thereat, and the Borrower further agrees upon receipt of such request to name the Lender as the Borrower's proxy, to attend and to vote at such meetings, or in the alternative, at the option of the Lender, to act as the proxy of the Lender at such meetings and to vote its interest as the Borrower and the Lender may agree upon, and to the foregoing ends, the Borrower assigns, insofar as may be necessary, the Borrower's voting rights to the Lender.

**65.** Improvements to the Hypothecated Property. If a part of the Loan is used to finance an improvement (which includes any construction or installation on the Hypothecated Property or any alteration, addition or repair to any building or structure on the Hypothecated Property), the Borrower must comply with these requirements:

- (a) The Borrower must make the improvement only according to plans and specifications that the Lender has previously approved.
- (b) The Borrower must complete the improvement as quickly as possible.

- (c) The Borrower must meet all government requirements and building standards that apply to the Hypothecated Property. If requested by the Lender, the Borrower will provide the Lender, at the Borrower's expense, with proof that the Borrower has met all government requirements and building standards that apply to the Hypothecated Property.
- (d) The Borrower must make timely payment for all expenses associated with the improvement and provide the Lender with proof that the Borrower has paid all money that is owed in connection with the improvement.
- (e) The Lender may make advances to the Borrower based on progress in completing the improvement or upon its completion as determined by the Lender, in its sole discretion, through site inspections. The Lender may also make advances to the Borrower based on the occupancy or the leasing of the Hypothecated Property.
- (f) The Lender may hold back money from any advances until it is satisfied that all obligations under the *Civil Code of Québec* regarding payment for contractors and suppliers are met. The Borrower authorizes the Lender to give information about the Contract to anyone who claims a legal hypothec on the Hypothecated Property.
- (g) The Lender may obtain the discharge of any legal hypothec and may provide financial guarantees or other security to obtain such a discharge. The Borrower must immediately pay all of the Lender's expenses for obtaining such discharge, including any charges for providing financial guarantees or other security.
- (h) Prior to commencing the improvement the Borrower must provide a real estate appraiser and/or home inspector approved by the Lender access to the Borrower's Hypothecated Property for the purpose of completing an appraisal in form and substance satisfactory to the Lender.
- (i) The Borrower must obtain and provide evidence of valid title insurance from a title insurer approved by the Lender and/or survey of the Property, in each case, in form and substance satisfactory to the Lender.

### **REPAIRS TO THE HYPOTHECATED PROPERTY**

**66. Undertaking of the Borrower.** The Borrower undertakes to comply with the following:

- (a) The Borrower must keep the Hypothecated Property in good condition and in a good state of repair. The Borrower must carry out all necessary repairs and must not do anything, or let anyone else do anything, that lowers the value of the Hypothecated Property.
- (b) The Borrower must also comply with every present and future law, by-law, ordinance, regulation and order that affects the condition, repair, use or occupation of the Hypothecated Property.
- (c) If the Borrower does not keep the Hypothecated Property in good condition and in a good state of repair or if the Borrower does not carry out all necessary repairs, or if the Borrower does anything, or allows anything to happen, that lowers the value of the Hypothecated Property, or if the Borrower does not comply with all present and future laws, by-laws, ordinances, regulations and orders that affect the condition, repair, use or occupation of the Hypothecated Property, the Lender can make any repairs it deems are necessary.
- (d) The Borrower authorizes the Lender or any insurer to enter the Hypothecated Property at all reasonable times to inspect and repair the Hypothecated Property. By entering the Hypothecated Property to inspect it or do repairs, the Lender and any insurer shall not be considered to put the Lender in possession of the Hypothecated Property.
- (e) The Borrower is responsible for the costs of any repairs and any inspections done by the Lender or on the Lender's behalf. The Borrower must pay these costs immediately, upon demand, to the Lender.

### **DEMOLITIONS AND ALTERATIONS**

**67. Undertaking Regarding Demolitions and Alterations.** The Borrower will not demolish any building or structure, or part of any building or structure, on the Hypothecated Property without first obtaining the Lender's written approval. The Borrower also agrees not to make any substantial alterations, additions or improvements to the Hypothecated Property (referred to collectively in this section as "*Alterations*") without first obtaining the Lender's written approval of the Borrower's proposed plans. If

the Lender agrees to let the Borrower make Alterations, the following conditions apply:

- (a) The Alterations must be completed as quickly as is reasonably possible.
- (b) The Alterations must meet all government requirements and zoning and building by-laws and other standards that apply to the Hypothecated Property. If the Lender asks the Borrower to, the Borrower will give the Lender proof that the Alterations meet all government requirements and building standards.
- (c) The Borrower will pay all costs associated with the Alterations, and the Borrower will provide the Lender with proof that all amounts that are owed for the Alterations have been paid.
- (d) The Borrower must retain all required holdbacks.
- (e) The Lender may obtain a discharge of any legal hypothec registered against the Hypothecated Property and may provide financial guarantees or other security to obtain such discharge. If the Lender obtains said discharge, the Borrower must pay immediately to the Lender all of the Lender's charges, costs and expenses related to obtaining it.

**MATTERS RELATING TO INSURANCE FOR THE HYPOTHECATED PROPERTY**

**68.** Insurance for the Hypothecated Property. The Borrower undertakes to comply with the following provisions in respect of insurance relating to the Hypothecated Property.

- (a) The Borrower must insure and keep insured all buildings, structures, fixtures and improvements on the Hypothecated Property for not less than full replacement value in Canadian dollars. The Borrower must keep this insurance coverage in place at all times until the Indebtedness has been fully paid and the hypothecs created under this Contract discharged. The Borrower's insurance must include coverage for loss or damage caused by fire with extended perils coverage. At any time, the Lender may require that the Borrower also obtain coverage for additional perils, risks or events. If a steam boiler, pressure vessel, oil or gas burner, coal blower, stoker or sprinkler system or any other comparable equipment is operated on the Hypothecated Property, then the Borrower must also have insurance coverage for loss or damage

caused to the equipment, or by the equipment, or by the explosion of the equipment.

- (b) All insurance policies must be carried with a company that is satisfactory to the Lender, show the Lender as loss payee, co-insured and beneficiary of the insurance indemnities as its interest appears, contain hypothec clauses approved by the Insurance Bureau of Canada, or by the Lender, confirming that any loss proceeds will be paid first to the Lender, and give the Lender the first right to receive and to have an hypothec on the insurance proceeds.
- (c) The Borrower must comply with all of the terms of each insurance policy required by the Lender and all requirements of the insurer of each policy. The Borrower will not by any action or omission invalidate any policy required to be maintained hereunder or materially increase the premiums on any such policy above the normal premium charged by the insurer.
- (d) The Borrower must provide the Lender with evidence of insurance that satisfies the requirements set out in this paragraph 68. The Borrower must also immediately inform the Lender of any changes in the Borrower's insurance, including any change in insurance company or policy, including any change in the amount or perils covered by the Borrower's insurance and any notice of pending cancellation or cancellation of insurance. At least fifteen (15) days before any insurance policy expires, the Borrower must provide the Lender with evidence that the Borrower has renewed or replaced the policy and paid all premiums.
- (e) If requested by the Lender, the Borrower must provide the Lender with certified copies of all insurance policies.
- (f) If the Borrower does not arrange for insurance or if the Borrower does not pay the premium for any insurance policy, the Lender may arrange for insurance and pay the premium. However, the Lender is not obligated to do this. Any insurance arranged by the Lender may not cover the full replacement value of the Hypothecated Property. If the Lender pays any insurance premium or other amount of money for insurance on the Borrower's behalf, the Borrower must repay the Lender immediately. Alternatively, the Lender may charge the Borrower directly an amount the Lender determines is sufficient for protection of the Lender's interest in the Hypothecated Property. In addition, the Borrower agrees to pay to the Lender an administration fee and any costs the Lender incurs in collecting money for and paying the Borrower's

insurance premiums. The Lender may add these amounts to the Indebtedness.

- (g) If any loss or damage occurs, the Borrower must immediately notify the Lender and do everything necessary to enable the Lender to obtain the insurance money payable to the Lender under this Contract. The Borrower must pay all expenses in relation thereto. If the Lender produces a copy of this Contract, that will be sufficient authority for the insurance company to pay the Lender any insurance money that is payable due to a loss. By signing this Contract, the Borrower authorizes and directs the insurance company to do so without the Borrower's further signature or consent. The Lender has the right to decide how to use the insurance money. For example, the Lender may use part or all of the insurance money to repair or rebuild the Hypothecated Property, reduce any part of the Indebtedness, whether it is due or not, including paying any prepayment charges that are payable, or pay the Borrower.
- (h) To ensure that the Lender may so apply such insurance monies in the manner herein contemplated, the Borrower hypothecates in favour of the Lender, all insurance proceeds.

#### **MATTERS RELATING TO THE PAYMENT OF PROPERTY TAX**

**69.** Payment of Taxes. The Borrower undertakes to comply with the following provisions in respect of Taxes payable in relation to the Hypothecated Property:

- (a) The Borrower will ensure Taxes are always paid on time. Where available, the Borrower will enroll in a local Tax Instalment Payment Program which includes preauthorized debit of tax instalments to the Borrower's account. The Borrower must then each calendar year, after the last Tax payment has been made, provide to the Lender receipted Tax bills or other satisfactory proof of payment of Taxes. This is the Borrower's obligation with regard to payment of Taxes on the Hypothecated Property unless the Lender chooses to pay Taxes as set out in parts (b) and (c) of the paragraphs below.
- (b) On or before the Interest Adjustment Date, the Lender may withhold from any advance secured by the hypothecs created under this Contract or require the Borrower to pay, out of any advance of this Contract, any amount the Lender feels necessary to pay current or anticipated future Taxes.

- (c) The Lender may at any time on notice to the Borrower require that the Borrower pay to the Lender on each regular payment date a tax instalment in an amount based on the estimated annual Taxes (as determined by the Lender) sufficient for the Lender to pay the Taxes for the ensuing year. In the event the Lender requires such tax instalments:
- (i) The Borrower will pay the instalment on account of Taxes on each regular payment date for the Fixed Loan.
  - (ii) If the Taxes on the Hypothecated Property are more than the Lender's estimate, or if for any other reason the amount the Borrower has paid to the Lender for Taxes is less than the amount the Lender has paid for Taxes on the Hypothecated Property, the Borrower will pay the Lender interest at the Interest Rate on the difference and will immediately pay the Lender the difference, upon demand.
  - (iii) The Borrower will send the Lender all tax bills and other notices or communications related to Taxes as soon as the Borrower receives them. If the Borrower fails to do so, the Borrower must repay the Lender the cost of obtaining these notices.
  - (iv) If the Borrower wants to take advantage of any discount or avoid any penalty or interest in connection with the payment of Taxes, the Borrower must pay the Lender the appropriate amount in addition to the instalments the Lender calculates.
  - (v) The Lender does not have to hold any money the Borrower sends to the Lender to pay Taxes in trust for the Borrower and the Lender does not have to pay the Borrower interest on the money the Borrower sends the Lender to pay Taxes. The Lender does not have to pay Taxes more than once a year.
  - (vi) If the Borrower does not meet any one or more of the Borrower's obligations under this Contract, the Lender may apply any money that it has received for Taxes to any part of the Indebtedness.
  - (vii) The Borrower will pay to the Lender an administration fee and any costs the Lender incurs in collecting money for and paying the Taxes, including amounts charged by the taxing authority for providing information about the Taxes, for sending the Lender the tax invoices or for accepting Tax payments from the Lender on the Borrower's behalf. The Lender may add these amounts to the

Borrower's Tax account or other Indebtedness which will bear interest at the Interest Rate.

- (d) In the event that any amount estimated by the Lender to make any Tax payments pursuant to this paragraph 69 in any calendar year exceeds the Taxes actually charged for that calendar year, the remaining amount may be retained by the Lender on account of any pre-estimate of Taxes for the following calendar year.

#### **MATTERS RELATING TO ENVIRONMENTAL HAZARDS**

**70. Hazardous and Illegal Substances.** Concerning hazardous and illegal substances, the Borrower certifies and warrants the following:

- (a) The Borrower certifies that the Borrower has made reasonable investigations and enquiries and that, to the best of the Borrower's knowledge, no part of the Hypothecated Property or any land next to the Hypothecated Property is, or has been, or will be, used to manufacture, refine, handle, treat, store, dispose of or in any other way deal with any substances, except as allowed by laws, regulations and orders; *provided* that any growing, manufacturing, refining, handling, treating or storing of marijuana on the Hypothecated Property is strictly prohibited whether permitted by law or otherwise. The Borrower certifies that the Borrower has made reasonable investigations and enquiries and that, to the best of the Borrower's knowledge, no part of the Hypothecated Property contains, nor has it ever contained, nor will it contain in the future, any underground or aboveground storage tanks, any hazardous, illegal substance or any substance in a quantity or concentration greater than that permitted by law or greater than the concentration specified in provincial laws which apply to the specific permitted use being made of the Hypothecated Property, including without limitation, any quantity or concentration that may negatively alter the value of the Hypothecated Property or negatively affect the marketability of the Hypothecated Property.
- (b) The Borrower certifies that if there is an underground or aboveground storage tank on the Hypothecated Property it, and the operation of such a tank, is in full compliance with all laws, regulations, by-laws, orders and other legally binding requirements relating to underground and aboveground storage tanks, the protection of the environment, hazardous materials or public health and safety.
- (c) The Borrower certifies that the Borrower has made reasonable investigations and enquiries and that, to the best of the Borrower's

knowledge, the Borrower is not aware of any environmental condition affecting any of the Hypothecated Property which would constitute a material breach of any environmental laws or which would negatively alter the value of the Hypothecated Property.

- (d) The Hypothecated Property may not be used to grow, manufacture, refine, handle, treat, store, dispose of or in any other way deal with any hazardous material or illegal substances or marijuana (whether legal or not), as allowed by laws, regulations and orders, unless the Borrower has first notified the Lender in writing that the Borrower intends to do so, and the Borrower has received the Lender's written approval.
- (e) The Lender may require the Borrower to obtain an environmental audit/environmental site assessment, satisfactory to the Lender at its sole discretion, of all or any part of the Hypothecated Property. However, the Lender does not have to do so. If the Lender does request, the Borrower is responsible for all of the costs associated with conducting any environmental site assessment. Any environmental site assessment will not relieve the Borrower from the Borrower's obligations under this Contract. The Lender can require as many environmental site assessments as it deems necessary.
- (f) If hazardous or illegal substances, or any substance in a quantity or concentration greater than that permitted by law or greater than the concentration specified in provincial laws which apply to the specific permitted use being made of the Hypothecated Property, including without limitation, any quantity or concentration that may negatively alter the value of the Hypothecated Property or negatively affect the marketability of the Hypothecated Property, are found on the Hypothecated Property, regardless of the source or cause, the Lender may require the Borrower to immediately carry out all work required to remove such hazardous materials, illegal substances or other substances from the Hypothecated Property and repair the damage to the Hypothecated Property. The plans and proposals for doing the work and repairs must be prepared in consultation with the Lender and must be approved, in writing, by the Lender in advance. When the work is completed, the Borrower must provide the Lender with confirmation in writing that the work is completed. This confirmation must be in a form acceptable to the Lender. The Borrower is responsible for all of the costs associated with this work, including providing evidence that the work has been completed.
- (g) If the Borrower fails to meet one or more of the Borrower's obligations under this paragraph 70, the Lender may do all or any

part of the work the Lender feels is necessary. However, the Lender is not obligated to do so. The Borrower must reimburse the Lender for all of the costs associated with this if the Lender does so. If the Borrower fails to do so, these costs will be added to the Indebtedness and bear interest at the Interest Rate.

- (h) In all cases, the Borrower will protect and indemnify the Lender against all actions, claims, lawsuits, costs or other demands relating to hazardous substances, illegal substances or any substance in a quantity or concentration greater than that permitted by law or greater than the concentration specified in provincial laws which apply to the specific permitted use being made of the Hypothecated Property, including without limitation, any quantity or concentration that may negatively alter the value of the Hypothecated Property or negatively affect the marketability of the Hypothecated Property which are found on the Hypothecated Property, and any breach of the Borrower's obligations under this paragraph 70.

**71. Property Inspection, Testing and Investigation.** The Borrower recognizes and agrees that the Lender has the following rights:

- (a) The Lender, or its agents, may enter and inspect the Hypothecated Property and conduct any environmental testing, site assessment, investigation or study that it considers necessary. The Borrower is responsible for the costs of this testing, assessment, investigation or study, including interest at the Interest Rate. The Borrower must pay the Lender these costs, including interest, immediately.
- (b) If payments under this Contract is secured by an insurance, the insurer or its agents, may enter and inspect the Hypothecated Property and conduct any environmental testing, site assessment, investigation or study that its consider necessary. The Borrower is responsible for the costs of any testing, assessment, investigation or study, including interest at the Interest Rate. The Borrower must pay the Lender these costs, including interest, immediately, upon demand.
- (c) If the Lender or said insurer enforces its rights under this paragraph 71, the Lender, the insurer or its respective agents will not be considered to have taken possession, management or control of the Hypothecated Property.

**72. Illegal Activities.** The Borrower certifies that no part of the Hypothecated Property is or will be used for any illegal purpose, including as a brothel or a gaming house. The Borrower also certifies that no part of the Hypothecated Property is or will be used for the cultivation, processing or

manufacture of marijuana or other hazardous, illegal or controlled substances.

### **FEES, COSTS AND EXPENSES**

**73. Servicing Fees.** The Borrower agrees to pay to the Lender, when due, the Lender's then current administration and processing fees for all aspects of the servicing and administration of this Contract including, without limitation, a fee or allowance for:

- (a) dealing with each stop payment request and arrangements to hold or process any payments other than on its due date by preauthorized debit and with any late or missed payment and for replacement of each cheque or other instrument not honoured when presented for payment, any preauthorized payment which does not clear as scheduled, or any payment in a form other than preauthorized payment;
- (b) preparing each assumption, arrears, reinstatement, discharge or other hypothec statement, and each amortization or revised amortization schedule whether provided to the Borrower, to the Borrower's agents or solicitors or any other interested person;
- (c) setting up each loan in the Lender's loan account systems and periodically for processing, maintaining and upgrading systems, software licensing, document management and data storage and retention and related customer service;
- (d) processing each application to obtain the Lender's consent to approve a rental of the Hypothecated Property, or to assume, transfer or assign this Contract and the hypothecs created therein or the Lender's approval or consent for any other matter required by this Contract whether or not approval or consent is provided or the matter is completed;
- (e) processing each payment frequency change, each payment date change, a skipped payment (if permitted by the Lender), extension, renewal, conversion, restructuring or other amendment of the Contract, the Agreements, or amounts secured by the hypothecs created under this Contract, whether or not completed;
- (f) considering a request for a postponement and dealing with the completion of documents relating to a postponement request;
- (g) investigating the status of any insurance, administering insurance cancellations, paying insurance premiums, dealing with insurance

claims and otherwise attending to any circumstances resulting from non-compliance with insurance requirements under this Contract;

- (h) providing a copy or duplicate of documents from the Lender's file or an amortization schedule, a payment history, tax account history, audit verification and other services of a clerical nature including retrieval, copying, transmissions and other charges;
- (i) investigating the status of Tax payments and administering Tax payments;
- (j) administering the account for collection and payment of Taxes;
- (k) registering an application for registration of hypothecs or issuing or receiving any notice or information, security status or acknowledgement request and conducting any required searches;
- (l) registering electronically or otherwise or executing and delivering any discharge or assignment of the hypothecs created under this Contract (notwithstanding that the discharge or assignment may have been prepared by the Borrower or other person on behalf of the Borrower);
- (m) reinvesting the principal amount of the Loan in the event the Loan is repaid in full prior to the maturity date; or
- (n) generally, any matter connected with the administration of this Contract, the Agreements and the Hypothecated Property including inquiring into compliance, dealing with or enforcing any obligation contained in this Contract or Agreements and including, without limitation, with respect to preparation and administration of legal actions and enforcements, Taxes, condominium fees and matters, insurance, repair and construction, environmental matters, leases and other encumbrances and managing or selling the Hypothecated Property.

The Lender may add its fees to the Indebtedness secured by the hypothecs created under this Contract and the Lender will charge the Borrower interest on these fees at the Interest Rate, from the date the fees are incurred. The Lender's administrative and processing fees shall be the amounts established, disclosed and generally applied by the Lender from time to time and may be ascertained upon inquiry to the Lender. The Lender has the right to change the fees it generally charges borrowers from time to time.

**74. Costs.** The Borrower agrees to pay to the Lender, upon demand, all amounts the Lender expends and costs the Lender incurs in any manner in

connection with this Contract including, without limitation, expenses and legal fees in relation to:

- (a) the making of the Loan secured by this Contract and each amendment, extension or renewal thereof including preparation, execution and registration of this Contract and any other security, instrument and documents;
- (b) collecting payments under and enforcing and realizing the hypothecs stipulated herein;
- (c) defending or otherwise dealing with any action or proceeding in which the Lender by reason of this Contract may be a party or otherwise interested including without limitation any construction legal hypothec or similar matter, any sale, redemption, assessment or other action or proceeding by any other encumbrancer or any certificate of pending litigation or other title matter;
- (d) performing or complying with any of the Indebtedness including, without restriction, those relating to insurance, condominium, repair and construction, leases, taxes, prior encumbrances and environmental matters.

All legal costs incurred by the Lender in dealing with compliance with any term and in the enforcement of this Contract and Agreements and/or because of third party proceedings of any kind involving the Hypothecated Property, shall be paid by the Borrower in full (including legal fees for court proceeding on a full indemnity basis or a solicitor and client basis).

**75. Interest and Security for Fees and Costs.** All the above described fees and costs, allowances and expenses shall be secured by this Contract, shall bear interest at the Interest Rate from the date incurred or calculated by the Lender and shall be payable by the Borrower forthwith on demand.

#### **MISCELLANEOUS MATTERS**

**76. New Home Warranties.** If the Hypothecated Property includes a newly or recently constructed house, the Borrower agrees to meet all of the requirements to obtain and maintain the warranty in the new home warranty program applicable in the Province of Québec. The Borrower agrees to provide to the Lender copies of the New Home Warranty Certificate and Certificate of Possession or other applicable certificates. The Borrower hereby hypothecates in favour of the Lender its right to any proceeds it may receive under such warranty and allows the Lender the right to enforce all benefit of such warranty. The Borrower agrees to reimburse the Lender for

any costs that the Lender incurs in complying with the warranty program requirements, or enforcing the Borrower's rights on the Borrower's behalf if the Borrower fails to do so.

**77. Expropriation.** If the Borrower's entire Property is expropriated, the Indebtedness will immediately become due and payable, together with loss of interest, including any prepayment charges. If only a part of the Property is expropriated, the amount the Borrower is awarded for the partial expropriation will be paid to the Lender and the Lender will credit it to the Indebtedness. If, in the Lender's opinion, the remainder of the Property does not provide adequate security for the Indebtedness, then the Indebtedness or any part of the Indebtedness as the Lender determines, will immediately become due and payable, together with any loss of interest, including any prepayment charges.

**78. Spousal Information.** The Borrower certifies to the Lender that all information that the Borrower has given the Lender about the Borrower's marital status and the Hypothecated Property when applying for the Loan are true and accurate under the laws regarding spousal property rights in the Province of Québec. If any change in such status of the qualification of the Hypothecated Property as spousal property under these laws should change, the Borrower agrees to inform the Lender immediately of such changes in writing.

**79. Withholding Taxes.** The Borrower agrees that the Lender must receive interest payments free and clear of any withholding tax. If the Borrower is or becomes a non-resident of Canada for income tax purposes, the country where the Borrower resides may charge the Borrower withholding tax on the interest portion of the Borrower's payments to the Lender. The Borrower is responsible for paying any withholding tax and providing to the Lender receipts issued by the foreign tax authority as proof that the Borrower has paid withholding tax. If the Borrower does not pay the withholding tax, when requested, and the foreign tax authority makes the Lender pay it, the Borrower promises to pay the withholding tax amount to the Lender, upon demand. The amount will be added to the Indebtedness and bear interest at the Interest Rate until paid. The Lender has the right, but not the obligation, to collect and remit the withholding tax on the Borrower's behalf. If the Lender chooses to do this, the Lender will remit the withholding tax to the foreign tax authority from the interest it collects.

**80. No Obligation to Make Advances under the Contract.** The Lender may, for any reason, decide not to advance the Borrower all or any part of the Loan, notwithstanding the Borrower may be relying on the Loan, even if the Borrower has signed the Contract, the hypothecs have been registered or the Lender has already disbursed part of the Loan. In this case, the Borrower will pay the Lender, immediately upon demand, all of the Lender's costs and expenses including legal fees related to investigating title to the

Hypothecated Property and for registering the hypothecs created under this Contract.

**81. Releasing the Hypothecated Property from the Hypothecs.** The Borrower agrees that the Lender may in its discretion at any time release any part or parts of the Hypothecated Property or any other security or any Surety for the whole or any part of the Indebtedness either with or without any sufficient consideration, without responsibility or liability to the Borrower and without releasing any other part of the Hypothecated Property or any person from this Contract or from any of the covenants and without being accountable to the Borrower for the value of such released Hypothecated Property, securities or surety, or for any money except that actually received by the Lender.

**82. Certain Actions the Lender can Take.** The Borrower acknowledges and agrees that the Lender has the following rights:

- (a) The Lender, if the Lender deems same advisable, may pay off any encumbrances, priorities, claims or hypothecs which have priority over the hypothecs created under this Contract.
- (b) If the Borrower is a tenant or a lessee of the Property, the Lender can cure any defaults existing under the Borrower's lease and the Borrower must immediately reimburse the Lender for all payments and expenses that the Lender incurs in so doing. If the Borrower refuses or neglects to renew the Borrower's lease when the Borrower has the right to do so, the Lender can do so. Every renewal will be subject to this Contract.
- (c) If the Borrower does not meet one or more of the Borrower's obligations under this Contract, the Lender can, but is not obliged to, perform those obligations. In such instance, the Borrower must immediately reimburse the Lender for all payments which the Lender makes and costs which the Lender incurs in taking these steps.
- (d) Any payments the Lender makes under this Contract will be added to the Loan. The Lender will charge the Borrower interest on these payments from the date the Lender pays them at the Interest Rate.
- (e) If the Lender has not received a solicitor's final report and opinion on title within sixty (60) days of the final advance of funds under this Contract, the Lender is entitled to retain another solicitor of its choice to provide a final report and opinion on title. The Borrower will be responsible for all costs associated with so doing.

**83. Delay, Waiver and Release of the Hypothecated Property.** The Lender may delay in enforcing any of its rights under this Contract or the Indebtedness without losing or impairing those rights. The Lender can waive breach of the Indebtedness or under any related security or agreement without losing its rights in respect of any other breach of the Indebtedness.

**84. Hypothechs not a Substitute for any other Security.** The Borrower agrees that the hypothechs created under this Contract shall not create any merger, rebate or discharge of any debt owing to the Lender or of any bond, note, instrument or other security now or subsequently held by the Lender, whether from the Borrower or from any other party or parties and the hypothechs created under this Contract shall not in any way affect any security which may now or subsequently be held by the Lender for the whole or any part of the Indebtedness and other amounts from time to time secured by the hypothechs created under this Contract or the liability of any other person upon any such bond, note, instrument or other security or contract or any renewal or renewals of the same held by the Lender for or on account of the Indebtedness and other amounts from time to time secured by the hypothechs created under this Contract or any portion thereof, nor shall the remedies of the Lender be affected in any manner.

**85. Securitization.** The Lender may, at its option, and without restriction, consent or notice to the Borrower (which includes, for certainty, any Surety or any spouse signing the Contract), sell, assign, syndicate, securitize or encumber the Contract and any hypothechs created thereunder to one or more third party(ies), including a hypothecary insurer without notice to the Borrower. If the Lender does so, the Borrower agrees that the hypothechs created under the Contract shall continue to secure all amounts owing under the Contract. Once sold or assigned, the Contract and the hypothechs created thereunder may be repurchased by the Lender, whether or not it is in default.

**86. Privacy.** In connection with the processing, approving, funding, servicing and administering, or any insurance, sale, securitization, assignment or financing of all or any part of the indebtedness, or any interest therein, the Lender, a hypothecary insurer or any other person having an interest or proposing to acquire any interest in all or any part of the indebtedness and/or in the Contract or hypothechs created thereunder from time to time (including their respective agents and advisors, agents, lawyers, accountants, consultants, appraisers, credit verification sources, credit rating agencies and any party retained to service the Contract), part of the indebtedness including any loan ("**information access persons**"), may, as it may determines in its sole discretion, subject always to and in accordance with privacy laws collect, use, release, disclose, assign and store information and materials (including confidential personal information) provided by the Borrower, any Surety, the Borrower's spouse, or obtained by or on behalf of,

the relevant information access person, relating to the indebtedness, the Borrower, any Surety, or the Hypothecated Property, without further notice to the Borrower, the Borrower's spouse or any Surety.

**87. Exclusion of Statutory Covenants.** In the event that there is any inconsistency or conflict between the provisions contained in this Contract and the covenants implied or incorporated into the *Civil Code of Québec*, the provisions of this Contract shall have priority over and shall override those of the *Civil Code of Québec* to the extent of the inconsistency or conflict and provided such provision is not of public order under the *Civil Code of Québec*.

**88. National Housing Act.** If this Contract is an insured loan with CMHC as the hypothecary insurer, it is made according to the *National Housing Act*.

**89. Judgments.** If the Lender obtains a court judgment against the Borrower for the Borrower's failure to pay all or any part of the Indebtedness or to perform any of the Indebtedness, the judgment will not result in a merger of any of the Indebtedness with the judgment or take away any of the Lender's other rights to enforce this Contract and the Indebtedness. The Lender will continue to be entitled to receive interest on the Loan, and interest on the other Indebtedness at the applicable interest rate, calculated and payable in the agreed way, and the judgment may so provide.

**90. Interpretation, Headings and Governing Law.** The headings do not form part of this document and have been inserted for convenience of reference only. This Contract shall be interpreted, enforced and governed by the laws of the Province of Québec. If any provision of this Contract shall be prohibited by or invalid under applicable law, such provision shall not invalidate the remaining provisions of this Contract. Nothing contained in this Contract shall require the Borrower to pay or for the Lender to accept interest in an amount greater than that allowed by applicable law.

**91. Indivisible Obligations.** The obligations of the Borrower are indivisible. Each person designated as the Borrower, the Borrower's assignee, the Borrower's successor and each of their heirs are obliged and may be compelled by the Lender to perform the obligations of the Borrower in their entirety.

**92. Joint Signatures.** When more than one person is designated as the Borrower under this Contract or when one or several persons have become sureties, assume or otherwise become liable for the obligations of the Borrower, their obligations towards the Lender are solidary.

**93. Election of Domicile.** Any service, notice or demand must be made or given to or served to the Borrower at his residence or domicile. However,

if the Lender cannot find the Borrower at his residence or domicile, the Borrower elects domicile for the purposes of the present Contract at the office of the clerk of the Superior Court in the district where the Hypothecated Property is located, and such service, notice or demand may be made, given to or served to the Borrower there.

**94. Further Assurances.** The Borrower will execute and deliver any further agreements and documents and provide any further assurances as may be reasonably required by the Lender to give effect to this Contract.

### **SURETYSHIP**

**95. Suretyship.** Each person signing or joining in this Contract as a Surety agrees in consideration of the Lender making the Loan to the Borrower, as follows:

- (a) The Surety, with the Borrower, as principal debtor and not as surety will duly pay or cause to be paid all Indebtedness on the days and times and in the manner provided for payment of the same;
- (b) The Surety unconditionally guarantees full performance and discharge of all the Indebtedness at the times and in the manner provided in this Contract;
- (c) The Surety indemnifies and saves the Lender harmless from and against all losses, damages, costs and expenses which the Lender may sustain, or incur or be or become liable for by reason of:
  - (i) the failure for any reason whatsoever by the Borrower to pay the Indebtedness or to do and perform any other act, matter or thing required by the provisions of this Contract; or
  - (ii) any act, action or proceeding, of or by the Lender, for, or in connection with, the recovery of the Indebtedness by the Borrower, or enforcing the performance by the Borrower or any other person liable under this Contract of any act, matter or thing required by the provision of this Contract;
- (d) The Lender shall not be obliged to proceed against the Borrower or any other person liable under this Contract or to enforce or exhaust any security before proceeding to enforce the obligations of the Surety set out in this paragraph and that enforcement of such obligations may take place before, after or contemporaneously with enforcement of any of the Indebtedness or the enforcement of any security for any such Indebtedness;

- (e) The Lender may, without notice to and the consent or approval of the Surety, grant extensions of time for payment, make renewals, increase, vary and amend the Interest Rate, the interest rate payable under the Credit Card Account, if any, the Loan and other terms of this Contract and the Indebtedness, release the whole or any part of the Hypothecated Property or other security from this Contract, or otherwise deal with the Borrower, any of the Indebtedness or the Hypothecated Property or other security as the Lender sees fit without releasing or lessening the liability of the Surety;
- (f) The Surety agrees to be bound by each such renewal, variation and amendment of any terms of this Contract the Lender makes with the Borrower and each reference to this Contract in this Surety paragraph shall mean the Contract as so renewed and amended from time to time, regardless of whether made with or without the knowledge, consent or approval of the Surety;
- (g) No delay or carelessness or neglect by the Lender in asserting any of its rights, nor the loss of any right by operation of law, nor the loss or destruction of any security, nor the lack of validity or enforceability of all or any part of this Contract or any other security held for or any document evidencing any part of the Indebtedness will in any way release or lessen the liability of the Surety;
- (h) The Surety has read this Contract and is fully aware of and agrees with its terms and in particular, the terms of this Suretyship;
- (i) Where there is more than one Surety, each Surety is solidarily responsible under this guarantee with the other Sureties and the Borrower;
- (j) The Lender may serve notice on the Surety and any notice to the Surety shall be deemed received in the same manner as provided for notice to the Borrower in this Contract;
- (k) The Surety renounces the benefit of division and the benefit of discussion;
- (l) The Surety further acknowledges and agrees with the Lender that the Surety's obligations are not a guaranty attached to specific duties of the Surety towards the Borrower, but is given in consideration of the credit and ability of the Surety to fulfil or cause to be fulfilled the Indebtedness, and as such is an important consideration, without which the Lender would not have entered into this Contract.

**EXPLANATIONS FROM THE NOTARY**

**96.** The Lender and the Borrower, as well as the Surety and any other party to this Contract declare having received from their legal counsel appropriate and sufficient explanations of the nature and extent of the terms and conditions of this Contract and of the obligations of the parties deriving therefrom.

**LANGUAGE**

**97.** The Borrower and the Surety have requested that this Contract be drawn up in English. L'Emprunteur et la Caution ont demandé que le présent contrat soit rédigé en anglais.

**DECLARATION OF MATRIMONIAL STATUS**

**98.** ●

**INTERVENTION OF SPOUSE**

**99.** ●, spouse of the Borrower, domiciled and residing at ●, intervenes in this Contract and declares:

**99.1** that he/she has taken cognizance of this Contract and consents thereto;

**99.2** that the declaration of matrimonial status made by the Borrower is accurate;

**99.3** that, even if a declaration of family residence has previously been or will subsequently be registered against the Property, his/her rights are subordinated to those of the Lender and the Lender may exercise its rights and recourses, free of all rights of the intervening spouse; and

**99.4** that if a right of use or ownership in the Hypothecated Property is granted in his/her favour, he/she will be solidarily liable for all of the Indebtedness, without the benefits of division or discussion.

**WHEREOF ACTE**

**THUS DONE AND PASSED**, at the City of ●, Province of Québec, on the date hereinabove first mentioned under the number \_\_\_\_\_ (\_\_\_\_\_) of the original notarial minutes of the undersigned notary.

**AND AFTER** the parties had declared to have taken cognizance of these presents and to have exempted the said Notary from reading them or causing them to be read, the parties signed with and in the presence of the said Notary.

**COMPUTERSHARE TRUST  
COMPANY OF CANADA.**

Per: \_\_\_\_\_

**[BORROWER]**

Per: \_\_\_\_\_

**[SURETY]**

Per: \_\_\_\_\_

\_\_\_\_\_  
●, Notary