

CMLS Financial Ltd. ("CMLS Financial") has committed to fund the mortgage transaction described on the enclosed commitment. Accordingly, we are pleased to request that you and your firm act on our behalf in the preparation of documents and all other related matters. We understand that you are obliged to raise all issues which may be of importance to us, the mortgagor, or to a vendor for whom you are clearing title, and to explain the legal effect of such issues to all such parties that may be affected by them. We understand that any information received from us or the mortgagor in connection with the matter cannot be treated as confidential so far as the other party is concerned, and that, if a conflict arises between us and the mortgagor which cannot be resolved, you will thereafter be unable to act for either party in respect of the matter. Please be advised that you may not represent both the buyer and the seller in any transaction with CMLS Financial. We also understand that if you act for us and the mortgagor in respect of the mortgage, you may not subsequently be able to act for either party in any foreclosure or other collection proceedings, which may arise in relation to the transaction.

**YOU ASSUME SOLE RESPONSIBILITY FOR THE ACCURACY AND VALIDITY OF ALL DOCUMENTS, INCLUDING THE MORTGAGE.** We rely entirely on you to ensure that the mortgage and other documents are in accordance with our Instructions to Solicitor. In the event the documents are not prepared in accordance with these instructions, and we suffer a loss as a result, we will seek to recover any loss from you.

**PLEASE RETURN THE FOLLOWING, IN ADDITION TO ANY OTHER REQUIREMENTS OUTLINED ON THE COMMITMENT, NO LATER THAN TWO BUSINESS DAYS PRIOR TO THE FUNDING DATE.**

Mortgage Commitment	Identification Verification Form & Valid ID
Solicitor's Request for Funds	Pre-Authorized Debit Form
Realty Tax Form (if applicable)	

In addition, you must notify us if the Property contains more than one parcel or lot of land as soon as possible. This may be a material change that may impact the mortgage approval. If we approve the Property containing more than one parcel or lot of land, all parcels or lots of land must be adjacent and must be covered under the same mortgage document.

Please note most solicitor documentation is available on our website at [www.cmls.ca](http://www.cmls.ca). All pre-funding documentation should be sent via email directly to the funder, or via fax to 1-888-464-2657.

**PREPARATION OF MORTGAGE**

Please draw documents (including fire and extended perils insurance and title insurance) in the name of **COMPUTERSHARE TRUST COMPANY OF CANADA**.

The address for service is:  
 c/o CMLS Financial Ltd.  
 18 York Street  
 Suite 1500  
 Toronto, ON M5J2T8

Please ensure that the mortgage document is prepared in accordance with the Commitment, and details on our instruction document. The Loan amount and interest rate shown on the mortgage should be that shown on the Commitment. For adjustable rate mortgages, the mortgage should show the interest rate set out in the commitment using the following format: "Prime Rate plus/minus x.xx% per annum".

The Standard Charge Terms are as follows:

Alberta: 131037998  
 British Columbia: MT121004  
 Ontario: 201813  
 Manitoba: 4886236  
 Manitoba Rate Advantage Product: 5087685  
 New Brunswick: CoxPal-2987  
 New Brunswick Rate Advantage Product: CoxPal-3099

If an Assignment of Rents is required, it can be found on our website.

**Please ensure the Final Statement of Adjustments reflects the Purchase Price indicated on the Commitment. Please advise CMLS Financial as soon as possible if the purchase price is different, or if any credits to the purchaser exist, as the loan amount may change.**

**ADVANCING FUNDS/DISBURSEMENT OF FUNDS**

CMLS Financial will only disburse mortgage advance funds via Wire. A wire fee of \$25 will be deducted from the advance. The advance of funds must occur on the funding date specified on the commitment. Approval from CMLS Financial is required for any changes to the funding date. To obtain funds, please fax or email all required documentation no later than **TWO BUSINESS DAYS PRIOR TO THE FUNDING DATE**. All documentation should be fully complete and legible. If documents have not been received, conditions have not yet been fully satisfied, or if funding is required and there are less than 2 full business days to disburse funds, additional fees may apply, and/or the funding will be delayed.

**Interest will accrue on the funds advanced from the Funding Date. If the funds cannot be disbursed on the Funding Date, they must be returned to CMLS Financial no later than 4:00 pm EST on the day following the Funding Date. If funds are not returned by this time, your firm will be responsible for all interest accrued from the date of advance to the return of funds.**

**Please ensure that all amounts required to be paid to third parties pursuant to the commitment are deducted and paid from the advance of funds.**

**GUARANTOR/INDEMNITOR**

If there is a Covenantor/Guarantor, the Covenantor/Guarantor must sign the Mortgage Form. If the mortgage is being registered electronically, then the Covenantor/Guarantor must sign a completed Confirmation of Guarantee. The form can be found on our website.

**IDENTIFICATION AND CORPORATE STATUS**

Prior to funding, you must examine and provide original copies of at least two valid and current pieces of identification, as defined in the Identification Verification Form enclosed, for each borrower, guarantor, consenting spouse if applicable. If the beneficial owner of the Property is different than the mortgagor (about which you should make enquiry of the mortgagor) then, you must first advise CMLS Financial. Once approved by CMLS Financial, you must examine the identification from that party also. If the beneficial owner of the Property is different than the mortgagor please also provide a completed APPENDIX 'B' - Third Party Verification Form.

**SECONDARY FINANCING**

Unless the mortgage approval indicates that Vendor Take Back (VTB) or other secondary mortgage financing is permitted, it is your responsibility to ensure that there is no VTB or other secondary financing. If prior to disbursing mortgage funds on this mortgage you are aware or become aware of any VTB or other secondary mortgage financing, which security is to be registered concurrently with our mortgage or at a time following funding, you are required to immediately advise CMLS Financial, and no funds are to be disbursed until further written instructions have been received by us.

#### **POWERS OF ATTORNEY**

If the Mortgage or Guarantee is to be executed under a power of attorney our prior approval must be obtained. You must review the power of attorney to ensure it is valid for the purpose of granting the Mortgage or Guarantee. The power of attorney must be registered and a lender's policy of title insurance by one of the insurers referenced below must be obtained.

#### **FIRE INSURANCE**

A copy of the borrower's fire insurance policy must be provided to CMLS Financial prior to funding. Coverage must include full replacement cost for the building and improvements with first loss payee as Computershare Trust Company of Canada. Such policy must contain the standard insurance Bureau of Canada mortgage clause. For condominium owners, Condominium Insurance is required which covers unit damages and liability, above and beyond the standard insurance coverage provided by your condominium corporation.

#### **TITLE INSURANCE**

**ALL MORTGAGES ARE TO BE INSURED UNDER A LENDER'S TITLE INSURANCE POLICY.** You may choose from First Canadian Title, Chicago Title, Lawyer's Professional Indemnity Company (Title Plus) or Stewart Title. No other insurers will be accepted. Please ensure title insurance is obtained in the name of Computershare Trust Company of Canada.

For any matter not covered by the title insurance policy, it is your responsibility to advise us prior to disbursement of funds and to obtain our instructions. You must ensure that the mortgagor pays the required premium, or you must pay the required premium to the title insurance company. If applicable, you are responsible for obtaining any subsequent or additional endorsements from the title insurance company.

It is your responsibility to ensure that:

1. The mortgage is registered in the appropriate Land Registry Office and constitutes a valid charge/mortgage on the Property having a rank as described in the commitment, subject only to Permitted Encumbrances.
2. There are no executions or judgments affecting the Property.
3. The provisions of the mortgage are in accordance with the Commitment.
4. Before proceeding, if title to the Property is registered as a leasehold interest and it has not been identified as a leasehold interest on the Commitment, you are required to immediately advise CMLS Financial and no funds are to be disbursed until further written instructions have been received by us. If the mortgage is a mortgage of leasehold land, the mortgagors must have a good and marketable leasehold title. You must review the lease to confirm that the remaining term of the lease exceeds the amortization period of the mortgage by a period of at least 5 years. You must also obtain in writing any necessary consent of the landlord to the mortgage, the landlord's confirmation that the lease is in good standing, and the landlord's agreement that it will notify the lender of any default under the lease and allow it the opportunity to cure same. Complete the Solicitor's Final Report on Title – Leasehold Interest.
5. If water to the Property is supplied by well, to obtain a water potability certificate from the appropriate authority or accredited laboratory indicating that the water meets governmental standards and is suitable for human consumption and a well driller's certificate confirming that the water flow is adequate.
6. If the dwelling on the Property is not connected to local municipal services, to obtain a septic tank certificate or any equivalent document issued by the appropriate authority, permitting use of the existing septic system.
7. If there is a *Matrimonial Property Act*, a *Family Law Act* or any similar legislation under a different name in the province in which the Property is located, or common law rights which may affect the Property, all requirements are complied with and the interest of CMLS Financial in the Property is protected from all spousal and other rights.
8. If the Property is a condominium unit, you must review the Status Certificate issued by the condominium corporation and determine that it is satisfactory and no arrears or liens against the subject unit have been claimed by the condominium corporation.
9. If the Commitment requires a guarantee, an execution search is conducted against the guarantor(s) and reveals no outstanding writs of execution.
10. Our priority for all advances is maintained over any liens and that holdbacks from advances are made by you in such amounts and for such periods of time as maybe be required by the *Construction Lien Act* (or any similar legislation under a different name).
11. The mortgage and related documents are executed in your presence and all the parties who have executed the same are who they purport to be.
12. All mortgagors and guarantors acknowledge receipt of a copy of the mortgage and Standard Charge Terms which govern the mortgage before signing the mortgage, and have an opportunity to review them.
13. You inquire from the mortgagors as to any pending sale(s) or further transfer(s) of ownership of the Property. If you become aware of a pending sale or transfer of ownership of this property, you must advise us immediately and obtain further instructions before advancing any funds.
14. You take all steps which should be taken by a careful and prudent solicitor practicing real estate law.

#### **FINAL REPORT**

Complete either the Solicitor's Final Report on Title **or** the Solicitor's Final Report on Title – Leasehold Interest, as applicable.

Please forward your final report via email to [finalreports@cmls.ca](mailto:finalreports@cmls.ca) or via fax to 1-888-478-3361 within 30 days of the funding date. Please include the following in your report:

- A copy of the registered mortgage including all schedules
- A copy of the assignment of rents (if required by commitment)
- Solicitor's Final Report on Title
- List of disbursements made from advance
- Fire Insurance Policy
- Title Insurance Policy/Certificate
- Copy of the Lease (if applicable)
- Copy of the Landlord Consent (if applicable).
- Confirmation from the landlord that (a) the lease is in good standing, and (ii) the landlord will notify CMLS Financial of any default under the lease and allow it to cure same (if applicable)

**Please retain all original documentation in your file in case they are required at a future date.**

**It is assumed that you will prepare the Mortgage in accordance with our instructions. Any errors, or omissions, which we detect when we review the registered Mortgage are to be corrected at your expense.**

Thank you,

**CMLS Financial Ltd**  
18 York Street  
Suite 1500  
Toronto, ON M5J2T8

