

Instructions to Solicitor/Notary

For Line Of Credit Purchase Program

Please read the instructions carefully as changes have been made throughout the document. In particular:

- **New instructions have been added regarding Alberta New Home Warranty Insurance (paragraph #19)**

We are pleased to appoint your firm to act on behalf of Canadian Imperial Bank of Commerce ("CIBC") to prepare and register all legal documentation in accordance with and to comply with all requirements set out in this instruction package and FNF's Direction to Solicitor/Notary (collectively, the "Instructions").

Please Note:

CIBC has engaged the services of FNF Canada Company ("FNF") to manage this transaction. CIBC will also be obtaining a lender's title insurance policy from Chicago Title Insurance Company through FNF and will be paying the required premium directly to the title insurance company. You will receive instructions directly from FNF as to the requirements for issuance of the policy.

Notice of Consent

We also consent to your acting on behalf of the mortgagor in the above-mentioned mortgage and, if applicable, to your acting for the mortgagor in acquiring title to the Property, and to your discharging any encumbrances on behalf of the vendor.

We understand that you are obliged to raise all issues which may be of importance to us or to the mortgagor or to a vendor for whom you are clearing title, and to explain the legal effect of such issues to all parties that may be affected by them. Should you need to raise such issues with us, please do so by advising FNF in writing. We also understand that any information received in connection with the matter from us or the mortgagor 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. 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 mortgage transaction.

Unless our Instructions indicate 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 either concurrently with our mortgage or at a time following funding, you are required to immediately advise FNF and no funds are to be disbursed until further written instructions are received from FNF. If we agree to VTB or other secondary mortgage financing as a condition of funding, you must obtain from the vendor a waiver of any equitable lien for unpaid purchase monies and confirmation that the vendor postpones any interest that they may have in the property in favour of our mortgage.

Please direct all enquiries and correspondence (including your Solicitor/Notary's Final Report and Certificate of Title and supporting documentation) to:

Attention: Purchase Flow Through Team

FNF Canada Company

55 Superior Boulevard
Mississauga, Ontario, L5T 2X9
Telephone: 1-877-216-4468
Fax: 1-888-821-0648

Document Preparation:

Please visit <http://www.cmidocs.com> and select **Line Of Credit Purchase Program** for our mortgage instructions and forms for purchase transactions.

The mortgage document is to be registered in the name of CANADIAN IMPERIAL BANK OF COMMERCE.

The address for service on all mortgage documentation shall be the address of the CIBC banking centre indicated on FNF's Direction to Solicitor/Notary.

You must complete the section of the mortgage entitled "Secured Obligations" by selecting Option 1.

Alterations, deletions or additions to the mortgage forms are not permitted.

Please note that a draft mortgage is not required and will not be verified. We rely entirely on you to ensure that the mortgage and other security documents are in accordance with our Instructions. In the event that the documents are not prepared in accordance with our Instructions and we suffer a loss as a result, we will seek to recover any loss from you.

Signing the Mortgage on Behalf of CIBC

Pursuant to the Limited Power of Attorney available on www.cmidocs.com, your partner or employee or, if you have no employee or partner, any other notary who is a member in good standing of the Chambre des Notaires du Québec, may sign the Mortgage and related documents on behalf of CIBC. If there is no employee, partner or other notary who can sign the Mortgage and related documents on behalf of CIBC, you must make an appointment with the CIBC Banking Centre to have the documents signed.

If the person who signs the Mortgage and related documents on behalf of CIBC pursuant to the Limited Power of Attorney is not a member of the Chambre des Notaires du Québec, you must:

- ensure that all borrowers sign the Consent to Disclosure of Personal Information available on www.cmidocs.com, and
- ensure that the person signs the Confidentiality and Non-Disclosure Agreement on www.cmidocs.com, before signing the Mortgage or related documents.

Retain the signed Consent and Confidentiality Agreement in your file. We do not require copies of them.

You, and not the person authorized by the Limited Power of Attorney to sign the Mortgage and related documents, are responsible for complying with these and any other instructions applicable to the transaction and ensuring that the Mortgage and all related documents comply with them.

Responsibility of Solicitor/Notary

It is your responsibility to ensure that:

1. our Instructions and FNF's instructions are complied with and all information required by FNF to obtain a lender's title insurance policy from Chicago Title Insurance Company is provided;
2. the mortgage is prepared on the form provided by or specified by us or by FNF, and the provisions thereof are in accordance with our Instructions and the appropriate Schedule of Additional Provisions is completed (if applicable) and forms part of the mortgage document to be registered. In Manitoba, ensure all necessary information from the Document Completion Instructions has been inserted in the mortgage document to be registered;
3. if the property is leasehold, you must advise FNF immediately. We will not accept a mortgage of leasehold property;
4. fire insurance with extended coverage as set forth on page 3 and such other insurance as is specified in our Instructions is in force. **DO NOT SUBMIT** a copy of the fire insurance policy to us;
5. all other security specified in our Instructions, such as chattel mortgage/movable hypothec or assignment/hypothec of rental under leases, is valid and binding, and has been registered or processed to give us, for our interest, all the protection necessary; and that all terms and conditions set out in our Instructions have been met and complied with;
6. if the Property is a condominium or strata unit, you must obtain an estoppel certificate, or in BC a Section 36 A Certificate, in the form as required by the applicable condominium legislation. Any parking spaces and storage lockers intended to be used in conjunction with the subject unit shall form part of our security;

The certificate must indicate:

- All common expenses are paid to the date of advance;
- There are no special assessments levied and unpaid, or pending increases in common expenses on the unit;
- The condominium or strata corporation/syndicate of co-owners is not a party to any legal action;
- There are no pending major repairs to the condominium or strata;
- Insurance coverage is in place and protects us against loss.

Funds will not be advanced until the condominium or strata/declaration of co-ownership is registered. Please note that the estoppel certificate or Section 36A Certificate in B.C. should not be forwarded to us as we rely entirely on you to ensure that they are in accordance without Instructions.

7. the certificate must indicate if the mortgagor is a corporation, it is valid and subsisting, a certificate of status of the corporation is obtained, it is incorporated with full power and authority to hold, mortgage and otherwise deal with the Property and all necessary corporate action has been taken to authorize the borrowing of the principal sum with interest as stated in the mortgage and the giving of the mortgage security;
8. our priority for all advances is maintained over any liens/legal hypothecs and, that holdbacks from advances are made by you in such amounts and for such periods of time as may be required by the Construction Lien Act (or any other such legislation under a different name);
9. if there is a Family Law Act (or any other such legislation under a different name) in force in the province in which the Property is located, all requirements are complied with and that our interest is protected in every respect;
10. **A:** You take all steps that would be taken by a careful and prudent solicitor/notary on behalf of a client, including, without limitation:
 - advising FNF of any material fact known to you which might affect our decision to give credit secured by the collateral mortgage;
 - advising FNF of any significant escalation in the value of the Property over a short period of time or if the vendor under the Agreement of Purchase and Sale was not the registered owner at the time the Agreement of Purchase and Sale was executed; and
 - **reviewing all the documentation for this collateral mortgage with all mortgagors and ensuring that there are no discrepancies between the information contained in the documentation and the information contained in the Agreement of Purchase and Sale, including, but not limited to, the purchase price.**
- B:** You advise FNF immediately in the event that it comes to your attention that any credits towards the purchase price in favour of the purchaser on a conveyancing transaction arise other than by way of payment of funds through your trust account and/or monies held in a licensed realtor's trust account. This duty to report includes, but is not limited to, deposits allegedly paid directly from purchaser to vendor and allowances or credits in favour of the purchaser of an unusual nature. You are not required to report the normal adjustments relating to taxes, condominium fees, and the like.
11. any mortgagors NOT receiving a direct benefit from the proceeds of this mortgage receive independent legal advice;
12. all mortgagors execute the Acknowledgement and Direction (if the mortgage is registered electronically);
13. all mortgagors of an electronically registered mortgage understand the effect of this document and agree to be bound by such document to the same extent as if they had "signed" it;
14. the mortgage security and all collateral documents are executed in your presence and all the parties who have executed same are who they purport to be;
15. Title to the Property is taken, and the mortgage is given, by the individuals named in FNF's Letter of Direction. Please advise FNF immediately in writing if this will not be the case, or if the mortgagors will sign the mortgage under power of attorney, or if the mortgagor is a trustee or an estate.
16. all mortgagors have an opportunity to review, and acknowledge receipt of a copy of the Mortgage before they sign it;
17. where the Property is not connected to municipal services, certificates as follows are obtained, reviewed and retained by you prior to funds being advanced:
 - a satisfactory certificate from the appropriate health authority indicating the well water is suitable for human consumption, and
 - a satisfactory well driller's certificate, confirming that the water flow is adequate, if the property is a new construction.

Retain a copy of these certificates in your files for a period of 7 years following closing. Advise FNF immediately if there are any issues relative to the water potability or water flow;

A Well Certificate of up to 3 months old is acceptable. Please be advised that CIBC will not take any responsibility of reviewing and giving an opinion on the Well Certificate;
18. you inquire from the applicants as to 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 FNF immediately and obtain further instructions before advancing any funds;

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19. if the Property is located in Alberta and home warranty insurance coverage is required by the *New Home Buyer Protection Act*, insurance coverage that complies with the requirements of the Act is in place on closing. You must include a copy of the insurance certificate with the Solicitor/Notary's Final Report.

For any matter not covered by the title insurance policy, it is your responsibility to advise FNF in writing prior to disbursement of funds and obtain instructions from FNF in that regard.

DO NOT SUBMIT to us any sheriff's certificates, execution searches, Surveyor's Certificate, zoning memorandum, water quality certificates, status/strata certificates, home warranty certificates, title abstracts that you obtain. We rely entirely on you to ensure that they are in accordance with our Instructions.

No first advance may be made after the closing date recorded in FNF's Letter of Direction unless you have confirmation of an extension given by us which shall be provided to you through FNF.

Disbursement Of Funds And Document Preparation

When ready to disburse the mortgage funds, please proceed as follows:

1. prepare our Solicitor/Notary's Interim Report/Requisition for Funds form and **FAX** it to FNF at least three (3) business days prior to the date funds are required. If requisition is not received two business days prior to the date funds are required there could be a delay in disbursement.
2. Interest will accrue on the funds from the date of the advance. **If the proceeds cannot be disbursed within three business days of the scheduled advance date, please return the cheque or funds to FNF by courier or your firm will be responsible for any costs incurred and accrued interest from date of the scheduled advance.**
3. If the property is to be registered under a provincial New Home Warranty Plan, the New Home Warranty Plan enrolment numbers for the builder and the housing unit must be obtained prior to the first advance, and a completed copy of the Certificate of Completion and Possession must be obtained prior to the final advance. If the property is not in Alberta, **DO NOT SUBMIT** these certificates as we rely on your certification. If the property is in Alberta, see paragraph 19 on page 2.

Condominium Units

If the Property is a condominium or strata unit, you must retain an estoppel certificate, status certificate or, in B.C. a Section 36 A Certificate, in the form as required by the applicable Condominium Legislation.

The certificate must indicate that:

1. all common expenses are paid to the date of advance;
2. there are no special assessments or pending increases in common expenses on the unit;
3. the condominium corporation/syndicate of co-owners is not a party to any legal action or you have advised FNF in writing of such action and FNF advised you that it was acceptable;
4. the condominium corporation/syndicate of co-owners has reasonable reserve funds;
5. there are no pending major repairs to the condominium; and
6. insurance coverage is in place and protects us against loss.

Funds will not be advanced until the declaration of condominium or strata/co-ownerships is registered. Please note that the estoppel certificate or Section 36A Certificate in BC should not be forwarded to us as we rely on you to ensure that it is in accordance with our Instructions.

Taxes

All tax bills issued and unpaid to and including the advance date are to be paid in full prior to closing.

Fire and Hazard Insurance

You must verify that fire insurance and extended coverage for not less than the guaranteed replacement value, unless otherwise specified, is in force and that the mortgage clause of the Insurance Bureau of Canada is included in the policy, and arrange for loss to be payable to Canadian Imperial Bank of Commerce, as first or second mortgagee (as instructed in FNF's Letter of Direction). We cannot accept a mortgage clause, or amendments to the mortgage clause, that would effectively extend less coverage to us than that provided by the standard mortgage clause of the Insurance Bureau of Canada. Unless specified under "Special Instructions", please advise the insurance company that we **DO NOT** require a copy of the policy or renewals. For rental or income producing property, we require "loss of rental income" to be included in the insurance coverage.

Reporting On Title

1. We require your signed Solicitor's/Notary's Interim Report/Requisition for Funds form at least three (3) business days prior to closing.
2. Within thirty days after funds have been disbursed in full, a Solicitor's/Notary's Final Report and Certificate of Title must be completed and together with all the documentation required to complete the mortgage transaction must be forwarded to FNF at the address given on Page 1. If the final documentation will be delayed you must advise FNF in writing of the anticipated date of our receipt of that documentation.

Prohibition on the Purchase of Residential Property by Non-Canadians Act, S.C. 2022, c. 10, s. 235

If the funds will be used to purchase residential property as defined by the Act, it is your responsibility to verify through the review of appropriate identification and other relevant documentation that the purchaser(s) are (a) not a non-Canadian as defined in that Act for purposes of section 4(1) of that Act or (b) are otherwise exempt from the application of sub-section 4(1) as a result of sub-sections 4(2) to 4(5) of the Act.