

SOLICITOR'S INSTRUCTIONS

The instructions set out herein are for your guidance with respect to Commitments of Mortgage Loans for which we appoint you to act on our behalf. Your appointment to act for FirstOntario Credit Union Limited will be on the understanding that you are independent of all other interests.

CHARGEE(S)/ ADDRESS

The mortgage document is to be reported in the name of FirstOntario Credit Union Limited and our address for service is 970 South Service Road, Suite 301, Stoney Creek, L8E 6A2.

ASCERTAIN THE IDENTITY OF EACH MORTGAGOR AND GUARANTOR

In accordance with the requirements of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) and Regulations*, prior to disbursing funds, we require that you ascertain the identity of each mortgagor and guarantor.

CORPORATE BORROWER

We request that you confirm that the Mortgagor, being a corporation, has been duly incorporated with full power and authority to hold, mortgage and otherwise deal in the land and premises described in the mortgage and all necessary corporate action has been taken to authorize the borrowing of the principal sum stated in the mortgage with interest as therein provided and the giving of the mortgage security.

RESPONSIBILITY OF THE SOLICITOR (TITLE INSURED MORTGAGE)

If Title Insurance is obtained, then you do not have to perform any tasks or make inquiries related to potential liabilities covered by the Title Insurance Policy. You must ensure that the premium is paid and follow all instructions of the Title Insurance Company. You must provide FirstOntario Credit Union Limited with the Title Insurance Certificate Number and the name of the Title Insurance Company prior to or at the time of the request for funds. We will only accept Title Insurance issued by a Title Insurance Company that has been approved by us prior to your request for funds. For any matter not covered by the Title Insurance Policy, it is your responsibility to advise us prior to disbursement of funds and obtain further instructions from us. An unconditional Commitment to Insure and confirmation that FirstOntario Credit Union Limited is the named insured under the policy must be provided.

RESPONSIBILITY OF THE SOLICITOR (NON-TITLE INSURED MORTGAGE)

It is your responsibility to ensure that:

1. The Mortgagor has a good marketable Title to the mortgaged lands and premises as described in our Mortgage Commitment. Any discrepancies in the legal description of the lands or in the dimensions thereof from that set forth in the said approval form and any Title defects, encumbrances and easements (other than routine easements for public utilities provided no part of a building is affected) to which the lands are subject must be referred to us with your opinion as to the effect of such discrepancies on the marketable Title. Notwithstanding that you may procure Tax Certificates, Sheriff's Certificates and Title Abstracts;
2. The building and any ancillary building or structure does not, with respect to its location, or use, violate any registered restrictions, provincial statutes and regulations thereto, municipal zoning or building by-laws and regulations of any competent authority;
3. Existing easements, encroachments, reservations or restrictions do not, in your opinion, materially affect the marketability of the lands and premises or unduly restrict their reasonable use for the purpose intended;
4. The Mortgage is prepared on the form supplied by FirstOntario Credit Union Limited that the provisions thereof are in accordance with the Mortgage Commitment;
5. The Mortgage is registered in the proper Land Registry or Land Titles Office and forms a valid First/ Second Charge on the property subject to only those matters which we have approved prior to completion of the Mortgage Loan;
6. Fire insurance with extended coverage as set forth below and other insurance that may be specified in our Mortgage Commitment, is in force.

MORTGAGE DOCUMENT

Alterations, deletions or additions to the mortgage forms require the prior consent of FirstOntario Credit Union Limited unless that consent is contained in or required by the terms and conditions of our Mortgage Commitment.

SURVEYS

A Plan of Survey of all of the lands and premises as set out in our Mortgage Commitment made and signed by a qualified Land Surveyor is required. The plan of Survey must show:

- (a) The Lot and Plan Number or Concession Number of the lands;
- (b) The measurements of and the boundaries of the lands and any discrepancies between the legal description of the lands and the lands are marked;
- (c) All buildings and structures or the foundations of all buildings under construction on the lands and their distances from the boundaries of the lands;
- (d) The dimensions of all existing buildings and structures on the lands and the number of storeys of each and, or the dimensions of all foundations of all improvements under construction;
- (e) Any encroachments on or from adjacent lands;
- (f) The location of all easements;
- (g) The municipal address of the property if an existing building.

CONDOMINIUM UNITS

If the Property is a condominium unit, you must retain a status 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 is not a party to any legal action, or we have been advised of such action and accepted it;
4. The condominium corporation has reasonable reserve funds;
5. There are no pending major repairs to the condominium;
6. Insurance coverage is in place and protects us against loss.

FIRE AND HAZARD INSURANCE

Verify that Fire Insurance and extended coverage for not less than either the full insurable value or in the amount specified in our Mortgage Commitment, whichever is greater, is in force, and arrange for loss to be payable to us as Mortgagee. Submit policy to us.

DISBURSEMENT OF FUNDS

When you are ready to proceed with disbursement of the Mortgage Loan, please proceed as follows:

1. Prepare Solicitor's Interim Report on Title and deliver at least three days before funds required;
2. Enclose with the Solicitor's Interim Report on Title, a Draft Copy of the Mortgage or Acknowledgement and Direction and the Plan of Survey, if applicable;
3. Interest shall accrue on advances from the date of the cheque issued. If the proceeds cannot be disbursed within three business days, return the cheque to us;
4. You should obtain a written Direction from the Mortgagor providing for deduction of any Mortgage Loan, insurance fees required, payment of your legal fees and disbursements, and the manner in which the balance is to be disbursed.

REPORTING ON TITLE

We require from you two forms of Title Report.

1. At the time of each advance, whether there be one or more than one advance, we require the Solicitor's Interim Report on Title.
2. Upon final disbursement of funds, a Solicitor's Final Report on Title should be completed and delivered to FirstOntario Credit Union Limited within 30 days.