

INSTRUCTIONS TO LAWYERS (ALBERTA)

Please **address** documents to the Bank directly to: Bank of Montreal
Mortgage Service Centre
2465 Argentia Road, 8th Floor
Mississauga, Ontario
L5N 0B4

Please act as Bank of Montreal's lawyers to complete the mortgage transaction outlined in Our Commitment to Lend and Disclosure Statement. In these instructions, “**commitment**” means Our Commitment to Lend and Disclosure Statement that we sent you and the schedule to it which you obtain from our website.

You have the option of providing the Bank with (i) your title opinion and report*; (ii) a title insurance policy; or (iii) a lawyer’s opinion issued in accordance with the Western Law Societies Conveyancing Protocol (Alberta) issued by The Law Society of Alberta, Effective Date: February 15, 2001 (date of last revision: January 23, 2001) in accordance with the instructions listed in Appendix “B” (a “Protocol Opinion”) and report. If you decide to provide a title insurance policy, please follow the instructions listed in Appendix "A" instead of delivering your title opinion and report.

If applicable, supplementary instructions relating to a leasehold mortgage are listed in Appendix “C”.

***Please note the title opinion and report must be signed only by the lawyer completing this mortgage transaction. No other signatures are acceptable to the Bank.**

NOTE: TO COMPLY WITH COST OF BORROWING REGULATIONS, PLEASE PROVIDE THE COMMITMENT, INCLUDING THE SCHEDULE TO THE COMMITMENT, TO THE MORTGAGOR(S) AT LEAST TWO BUSINESS DAYS PRIOR TO COMPLETING THE MORTGAGE TRANSACTION. THIS REQUIREMENT DOES NOT APPLY IF IT HAS BEEN WAIVED BY THE MORTGAGOR(S) IN ACCORDANCE WITH THE CONSENT TO WAIVE TIMING OF DISCLOSURE CONTAINED IN THE COMMITMENT.

A. COMPLETION OF MORTGAGE DOCUMENTS

Please do not send draft documents or a preliminary report to the Bank. The Bank will not review draft documents but relies on you to comply with these instructions and ensure that all documents reflect the provisions of the commitment.

Please complete the mortgage to reflect the provisions of the commitment.

Person or persons giving security	Please make sure that the persons who are to give the security are the same as the persons to whom the commitment is addressed. If different, please contact the servicing branch shown in the commitment.
Bank of Montreal	Enter the following address for service and reference: Mortgage Service Centre 2465 Argentia Road, 8 th Floor Mississauga, Ontario L5N 0B4
Mortgage Number	Enter the Mortgage number from the commitment.
Guarantor or guarantors	Please make sure that each guarantor, if any, shown in the commitment guarantees the mortgage.
Section 1.3.3	Select either of: <ul style="list-style-type: none"> • an estate in fee simple; or • a leasehold estate.
Section 2.1, Principal amount.	Enter the total loan from the commitment (including the basic loan and any default insurance premium).
Section 2.2, Interest rate.	For a fixed rate term, enter the interest rate from the commitment. Where our commitment shows there is a discount on the posted fixed interest rate, the

	<p>customer's fixed interest rate shown in the commitment already reflects the discount. Please DO NOT deduct the discount from it.</p> <p>For a variable rate term, leave this section blank and complete section 2.11.2.</p>
Section 2.3, Calculation period.	For a fixed rate term, enter "half-yearly". For a variable rate term, enter "monthly".
Section 2.4, Interest adjustment date.	<p>Enter this from the commitment.</p> <p>If the date of the advance is different from the date funds are to be advanced shown in the commitment, please contact the servicing branch shown in the commitment.</p>
Section 2.5, Instalment date and period.	Enter the payment frequency exactly as shown in the commitment.
Section 2.6, Amount of each instalment..	Enter the instalment (principal and interest) from the commitment (don't include anything else, like a property tax or creditor insurance premium).
Section 2.7, First instalment date.	Enter the date of first regular payment from the commitment.
Section 2.8, Last instalment date.	Enter the date of last regular payment from the commitment.
Section 2.9, Balance due date.	Enter the balance due date from the commitment.
Section 2.10, Mortgage product.	<p>Enter the mortgage product from the commitment (introductory paragraph). For example:</p> <p style="padding-left: 40px;">"6 month fixed rate convertible" "5 year fixed rate closed" "5 year Smart fixed closed"</p>
Section 2.11.2, Current interest rates.	<p>For a fixed rate term, leave this section blank.</p> <p>For a variable rate term, complete this section as follows:</p> <ul style="list-style-type: none"> - In the first space, enter the date of the commitment. - In the second, third, fourth and fifth spaces, enter the rates shown in section 1 of the commitment. <p>Where our commitment shows there is a discount on the posted variable interest rate, the customers' variable interest rate shown in the commitment already reflects the discount. Please DO NOT deduct the discount from it.</p>
Section 2.11.3, Other.	Leave this section blank.
Section 4.1, Special Terms.	<p>Tick the box if the mortgage is a high ratio mortgage. Make the mark very clearly and draw it to the attention of the borrower(s).</p> <p>In addition, tick the appropriate box, depending upon whether the borrower is obtaining mortgage default insurance.</p> <p>Check the current regulations under the Law of Property Act for the definition of "high ratio". The Bank is relying on you to ensure that this is handled correctly. As at the date of publication, Alberta Regulation 89/2004 would require the "high ratio" box to be ticked if: "... the specific principal sum of the mortgage, together with the specific principal sum of any existing encumbrance on or mortgage of the same land, exceeds 75% of the market value of the land at the time the mortgage is given. ..."</p>

	<p>There are four possible scenarios:</p> <ol style="list-style-type: none"> 1. If the mortgage is a high ratio mortgage and the borrower is obtaining mortgage default insurance, then two boxes need to be ticked: the first box and the third box. 2. If the mortgage is a high ratio mortgage but the borrower is not obtaining mortgage default insurance (i.e. if the down-payment exceeds 20%), then two boxes need to be ticked: the second box and the third box. 3. If the mortgage is not a high ratio mortgage but the borrower is obtaining mortgage default insurance (i.e. if it is a Bank requirement), then only one box needs to be ticked: the first box. 4. If the mortgage is not a high ratio mortgage and the borrower is not obtaining mortgage default insurance, then only one box needs to be ticked: the second box.
<p>Section 4.2, Special Terms.</p>	<p>Our commitment may require special terms to be inserted in the mortgage. If so, please insert them in the mortgage in section 4.2 under the heading Special Terms. Please make a new subsection for each special term (i.e. so that the numbering continues as 4.2, 4.3, 4.4, etc.)</p> <p>For example, our commitment may show a premium or discount on the variable interest rate, or that our Tax Protection Clause is to be inserted in the mortgage. These clauses are shown in Appendix “D” and are also available on our website.</p> <p>If there are no special terms to be inserted in the mortgage, please insert the word “None” under the heading Special Terms.</p>

B. SIGNING OF MORTGAGE DOCUMENTS

Please ensure that the mortgage is signed by all appropriate parties, including each guarantor. Please make sure that our security isn't subject to rights of a spouse, or of a person having rights similar to those of a spouse. This includes rights of a same-sex spouse or person. Verify whether spousal consent is required and obtain accordingly. Unless permitted by applicable law, the mortgage must be signed by the parties in person and not through the use of an electronic signature.

For each mortgagor and each guarantor, ensure you view the appropriate identification to enable you to complete the **Identification Verification Requirements** document.

Mortgage executed under a Power of Attorney

The mortgage may be signed by the mortgagors' attorney pursuant to a power of attorney provided the attorney is not a real estate agent or a real estate investment or sales promoter. If the mortgage is signed by a permitted attorney, please deliver to the Bank the power of attorney and your opinion that the power of attorney was validly executed and delivered and is legally binding on the mortgagors and that the mortgage signed by the attorney is enforceable against the mortgagors as if signed by the mortgagors.

Where our instructions indicate or you have obtained consent in writing from the Bank to use a Power of Attorney then:

- Confirm the identity of the guarantor and attorney, as required by applicable law.
- Review the power of attorney and determine if, regardless of where it is executed, the power of attorney is valid for the purpose of granting the Mortgage and the Mortgage is duly authorized under the power of attorney.

- Obtain Title Insurance from one of the following approved companies only:
 - a) First Canadian Title
 - b) Stewart Title
 - c) Chicago Title
 - d) Lawyers' Professional Indemnity Company
 - e) Travelers Guarantee Company of Canada

C. DELIVERIES TO THE MORTGAGORS AND GUARANTORS

Deliver to the mortgagors and each guarantor, if applicable, copies of the:

- (a) Mortgage;
- (b) Standard Form Mortgage; and
- (c) Commitment including the schedule to the commitment. and
- (d) Conventional Mortgage Security Information included as Appendix F, before or when signing the Mortgage.

Please ensure the mortgagors are aware of their obligation to pay interest as noted in the commitment from the date the funds are advanced to the interest adjustment date. The accrued interest will be debited from the mortgagors' account approximately seven to ten days after the interest adjustment date and will not be deducted from the mortgage advance. Please also ensure that the mortgagors are aware of their prepayment options and restrictions, including any prepayment charges that may apply, as noted in the commitment and Standard Form Mortgage. In particular, for a **BMO Smart Fixed Closed Mortgage**, ensure that the mortgagors are aware that they cannot prepay the mortgage in full during the first five years of the term unless they (i) sell the property to an unrelated purchaser for fair market value and (ii) they pay us the applicable prepayment charge.

D. CONDITIONS PRECEDENT TO THE ADVANCE OF FUNDS

Please ensure that the following conditions precedent have been satisfied before any funds are advanced. Please advise the servicing branch shown in the commitment of any problems:

1. **PURCHASE AGREEMENT** The purchase agreement for the mortgaged land must be validly signed by all parties in the real estate transaction. If the purchase agreement for the mortgaged land was signed using electronic signatures, ensure that the purchase agreement has been validly signed under the laws of the applicable jurisdiction using electronic signatures. Notify the Bank immediately if any conditions precedent to the completion of the transaction have not been fulfilled before funds are advanced.

2. **TITLE** Ensure the mortgagors have good title to the mortgaged land free of encumbrances except the Bank's mortgage or issue a Protocol Opinion that the mortgagors will have good title to the mortgaged land free of encumbrances except the Bank's mortgage. If the water source for the mortgaged land is outside the property boundaries, ensure that an agreement is registered on title providing for the perpetual use and maintenance of the water source by the mortgagor(s) and their successors and assigns and binding on the owner(s) of the adjoining land from which the water is being supplied and their successors and assigns (including all existing mortgagees) until such time as a public supply of water becomes available.

3. **CONDOMINIUM** If the property is a condominium/strata unit, obtain and review an estoppel/status/disclosure certificate and advise of any unsatisfactory information disclosed by the certificate. Ensure that the certificate indicates the following:
 - All common expenses are paid to the date of advance;
 - There are no special assessments levied and unpaid, or pending increased in common expenses on the unit;
 - The condominium or strata corporation is not a party to any legal action;
 - There are no pending major repairs to the condominium or strata; and
 - Insurance coverage is in place and protects BMO against loss.

Please do not forward the certificate to the Bank. We rely solely on the lawyer/notary to ensure the certificate documents are satisfactory in accordance with the Bank's instructions.

4. FIRST MORTGAGE
Ensure the mortgage constitutes a first charge of the mortgaged land and you are in a position to deliver to the Bank the title opinion and report or a Protocol Opinion and report (unless you are providing a title insurance policy) and the other documents listed in section F.
5. SURVEY
If the mortgage loan is insured against default, obtain a surveyor's certificate completed by a qualified surveyor within the last 20 years or (if the mortgaged land does not comprise more than four dwelling units) obtain a title insurance policy in accordance with the instructions set out in Appendix "A" or you may provide a Protocol Opinion. If the mortgage loan is not insured against default, obtain one of the foregoing or a statutory declaration of possession by the vendor (in a sale transaction) or a mortgagor (in a non-sale transaction) covering a period of not less than 10 continuous years. Verify from the survey that the position of the buildings on the mortgaged land complies with the relevant setback requirements and that there are no encroachments. To the extent of normal residential mortgage practice in your jurisdiction, verify that the mortgaged land complies with all other applicable municipal, provincial and other government requirements and that there are no outstanding work orders. A stamp of compliance or zoning memorandum is required. Forms Only Surveys are not acceptable. Foundation Only Surveys are acceptable only for uninsured construction mortgages. A surveyor's certificate and other documents related to a survey are not required if the mortgage is charging a unit of a condominium.
6. ADVANCES
Take all necessary precautions, (including complying with any holdbacks required by law) before disbursing any advance, to ensure that no liens or other encumbrances are or, if you have issued a Protocol Opinion, will be registered against the mortgaged land and that the Bank's interest and priority as first mortgagee will not be prejudiced by any provision of the Builders' Lien Act.
Advise the Bank if you become aware that the borrower is borrowing any other money from another lender or party to pay for the property if the mortgage transaction is in connection with a property purchase.
7. TAXES
Obtain a current tax certificate or other proof of payment, indicating no arrears. Tax bills should not be forwarded to the Bank. Payment of water bills and other similar bills issued by municipalities are the mortgagors' responsibility.
8. INSURANCE
Verify that the buildings on the mortgaged land are insured against fire and extended risks for full replacement value, loss is payable to the Bank as first mortgagee and the policy contains a standard mortgage clause. If the property is a condominium/strata unit, verify that (i) a condominium/strata corporation master policy is in place for the full replacement value of the building(s) and all common elements and (ii) a condominium unit owner policy is in place covering full replacement value of improvements to the unit and all contents. Please include in your title opinion and report details of the insurance policy. Please also provide the Bank with a copy of the insurance policy or insurance certificate.
9. COMMITMENT
Ensure all other requirements and conditions precedent set out in the commitment have been fulfilled.
10. UNUSUAL ACTIVITY
 - I. Notify the Bank if the vendor is not the registered owner at the time that the purchase agreement was signed.
 - II. Notify the Bank if the purchase agreement has been amended to provide for significant repairs to be made by the purchaser.
 - III. Notify the Bank if there are unusual allowances or credits on the statement of adjustments in favour of the purchaser, including any deposit(s) not required or referenced in the purchase agreement.
 - IV. Notify the Bank if there are any circumstances to suggest that the amount paid by the purchaser for the property exceeds substantially the fair market value of the property.
 - V. Notify the Bank of any recent transfers of the same property. In particular, of any transfers of the same property that occurred

within the preceding 12 months and specify to the Bank the amount of consideration recorded at the Land Titles Registry for such transfers.

- VI. Notify the Bank if the mortgage proceeds are being paid to people other than the vendor or a prior mortgagee.
- VII. Report to the Bank any suspicious circumstances or reasons to suspect the validity or propriety of the transaction.
- VIII. Provide to the Bank upon request the solicitor or client file if the Bank deems there to be evidence of misrepresentation or fraud.

11. RENTAL PROPERTIES Register assignment of rents where required by provincial jurisdiction.

E. ADVANCE OF FUNDS

Funds for new mortgages and for construction loans with single advances will be forwarded to you in accordance with our letter of instructions that was sent to you with the commitment.

Funds for construction loans with multiple advances will be forwarded to you as construction progresses after the Bank receives a satisfactory inspection report. Please contact the servicing branch shown in the commitment to ensure that an inspection report has been ordered. Interest will accrue from the date funds are advanced.

F. DELIVERIES TO THE BANK

Please deliver to the Bank, within 30 days after the mortgage advance, the following:

1. duplicate registered copy of the mortgage;
2. acknowledgement by the mortgagors and guarantors of receipt of a copy of the applicable standard form mortgage, mortgage and any applicable schedule(s);
3. your final title opinion and report (in the form of the Lawyer/Notary Report) or a title insurance policy in accordance with the instructions listed in Appendix "A" or a Protocol Opinion and report (substantially in the form of the Lawyer/Notary Report);
4. certificate of title;
5. surveyor's certificate, if required;
6. statutory declaration of possession, if required;
7. for newly constructed homes, a copy of new home warranty certificate in jurisdiction where a new home warranty program is available;
8. certified copy of the property insurance policy or insurance certificate;
9. tax certificate or other proof of payment;
10. certificate of Barrister and Solicitor, required by the Guarantees Acknowledgement Act of Alberta, if there is an individual guarantor;
11. ID Verification Document confirming client identification. Access the ID Verification Document on our website;
12. well and/or septic tank certificate(s), if applicable. Title insurance may be obtained:
 - in lieu of a well water certificate for refinance transactions, and
 - in lieu of a septic tank certificate for purchase of an existing property or refinance transaction.For clarity, a septic tank and/or well water certificate(s) is required for the purchase of a new construction.
13. a copy of the Statement of Adjustments provided to the client;
14. if mortgage default insurance is required in connection with the mortgage and the property is owner occupied by the borrowers or a family member on a rent free basis, a signed copy of the mortgagors' Owner Occupancy Declaration in the form attached as Appendix "E";
15. any other documents required by the commitment or these instructions including, if applicable, the landlord's agreement specified in Appendix "C".

G. GENERAL

1. If the scheduled closing date is changed, promptly advise the servicing branch shown in the commitment.
2. To ensure there is no delay in receiving the mortgage funds, please advise the Bank of any changes to your trust account at least two business days prior to completing the mortgage transaction.
3. All expenses (including survey costs and legal fees) are payable by the mortgagors and not by the Bank, whether or not mortgage funds are advanced.
4. If you have any questions with respect to these instructions, please contact the servicing branch shown in the commitment.

Thank you for acting for Bank of Montreal.

APPENDIX “A”

**INSTRUCTIONS TO LAWYERS (ALBERTA)
TITLE INSURANCE**

The following instructions apply if title is to be insured by any of:

- . First Canadian Title (on behalf of FCT Insurance Company Ltd.)
- . Chicago Title Insurance Company
- . Lawyers’ Professional Indemnity Company
- . Travelers Guarantee Company of Canada
- . Stewart Title Guaranty Company

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Please follow the instructions to which this Appendix “A” is attached, with the following exceptions:

- (1) Do not disburse mortgage funds until you have received the insurer’s unconditional commitment to insure the title to the property to be mortgaged.
- (2) Forward the following to the Bank:
 - (a) confirmation that Bank of Montreal is the named insured under the title insurer’s policy;
and
 - (b) the title insurer’s name and the insurance policy number.
- (3) Do not forward the following to the Bank:
 - (a) title opinion/report;
 - (b) estoppel certificate;
 - (c) survey certificate; or
 - (d) declaration of possession.

APPENDIX “B”

INSTRUCTIONS TO LAWYERS (ALBERTA) PROTOCOL OPINION

Please follow the instructions to which this Appendix is attached and amend the standard Protocol Opinion to add the additional words highlighted in bold below:

I have complied with the Western Law Societies’ Conveyancing Protocol (Alberta) in the conduct of this transaction, and have acted **and issued this opinion** in accordance with your instructions **(which are incorporated herein)** with respect to the real property mortgage described above. Subject to any qualifications noted below, which have been accepted by you, it is my opinion that the mortgage can now be funded and the funds disbursed.

By issuing the Protocol Opinion you acknowledge and agree that if there is:

- (i) an intervening registered (or unregistered of which you are aware) encumbrance not noted therein which takes priority over the mortgage contrary to the instructions; or
- (ii) a survey problem or defect not noted therein which would have been disclosed by an appropriate surveyor’s certificate prepared prior to the disbursement of mortgage funds,

then you will be responsible to the Bank of Montreal for any actual losses (including the cost of repairs) that it suffers as a result.

APPENDIX “C”

INSTRUCTIONS TO LAWYERS (ALBERTA)

LEASEHOLD MORTGAGES

1. If the mortgage charges the mortgagors' leasehold interest, obtain from the landlord an agreement in favour of the Bank which provides as follows:
 - a) the landlord consents to the mortgage;
 - b) the landlord confirms that, to the best of the landlord's knowledge, there is no default under the lease;
 - c) the Bank shall not be liable for any of the mortgagors' obligations to the landlord;
 - d) the landlord shall not terminate the lease after a default by the mortgagors under the lease:
 - (i) unless the landlord has given the Bank, at the specified address, written notice of the default and a reasonable period (not less than ninety days after the date of delivery of the notice) if the default is failure to pay rent, to pay such rent or, if the default is not failure to pay rent but is otherwise curable, to commence to cure such default or, whether the default is curable or not curable, to give the notice referred in (ii) and the Bank has not done so during such period; or
 - (ii) if the Bank notifies the landlord during such ninety day period that the Bank intends to foreclose or otherwise realize on its security, until the Bank completes such foreclosure or other realization, provided the Bank proceeds with such foreclosure or realization in a reasonable manner and pays all rent, other than accelerated rent, payable before and during such period;
 - e) after a default by the mortgagors under the mortgage:
 - (i) the Bank or its agent shall be entitled to take possession of the leased premises, provided the Bank or its agent pays all rent, other than accelerated rent, payable before and during the period the Bank or its agent is in possession;
 - (ii) if the Bank sells the mortgagors' leasehold interest as part of the Bank's realization of security, whether or not after a foreclosure, the landlord shall not unreasonably withhold or delay its consent to such sale; and
 - (iii) the Bank or its agent shall be entitled to foreclose or otherwise become the tenant under the lease;
 - f) if a mortgagor becomes bankrupt and the mortgagor's trustee in bankruptcy disclaims the lease, if the mortgagor terminates the lease, or if the lease is otherwise terminated, the landlord shall, at the Bank's request, grant a new lease of the premises to the Bank or its agent and such new lease shall contain substantially similar provisions as the disclaimed or terminated lease; and
 - g) the agreement or notice of the agreement may be registered against title to the applicable lands.
2. If the mortgage is to be insured against default by Canada Mortgage and Housing Corporation (“CMHC”), the agreement with the landlord must also include the following **unless otherwise agreed to in writing by CMHC**:
 - a) while CMHC holds leasehold title as a result of foreclosure or other realization of security, either the landlord shall waive payment of net ground rent (i.e. any rent that is profit to the landlord) or the Bank or its assignee shall have the option to obtain freehold title after the mortgagee becomes the tenant following a mortgage default;
 - b) while CMHC holds leasehold title as a result of foreclosure or other realization of security, the landlord shall waive all insurance requirements of the lease (because CMHC is self-insured);
 - c) the removal by the landlord from the lease of any provisions which:
 - (i) require the tenant to discharge liens registered against the tenant's leasehold title;
 - (ii) require CMHC or the mortgagee to construct or maintain improvements, or to pay for work required by the lease or the landlord;
 - (iii) impede CMHC or the mortgagee from re-selling the leasehold interest after a

default;

- (iv) permit the landlord, at its sole option, to apply insurance proceeds from damage or destruction to rebuild instead of permitting the mortgagee to decide whether the proceeds should be used to pay the mortgage loan or to repair except that:
 - A. if damage is less than 25% of the full insurable value of the mortgaged improvement, the landlord may apply proceeds to repair; and
 - B. if damage is total or substantial, the landlord may:
 - (i) repair; or
 - (ii) clear the mortgaged land and apply the balance to pay the mortgage loan; or
- (v) provide the landlord with the right to moneys paid as a result of an expropriation or, subject to (iv), insurance proceeds from the damage or destruction of improvements securing the mortgage loan.

3. Register against title to the lands the agreement, a notice thereof or a caveat with respect thereto.

APPENDIX “D”

INSTRUCTIONS TO LAWYERS (ALBERTA)

SPECIAL TERMS FOR:
VARIABLE RATE TERM – INTEREST RATE PREMIUM OR DISCOUNT CLAUSE
AND
NON-RESIDENT TAX CLAUSE

Any Kind of Variable Rate Term – Interest Rate Premium or Discount Clause

Use the following clause where our commitment shows there is a premium or discount on our prime rate. Insert the clause where shown in our instructions. Fill in the percentage for the premium or discount shown in the commitment.

Variable Rate Term – Interest Rate Premium or Discount Clause. Despite section 3.2 of the General Terms, your interest rate is equal to our prime [*insert “plus a premium” or “minus a discount”, as applicable*] of _____ %.

Please note the customers’ variable interest rate shown in the commitment already reflects the premium or discount. Please DO NOT change it.

Non-Resident Tax Clause

Use the following clause where our commitment says that our Tax Protection Clause is to be included in the mortgage. Insert the clause where shown in our instructions.

Non-Resident Tax Clause. If a withholding or other tax is payable under the law of any jurisdiction for any payment you make to us, you must pay both the tax, and any tax on the tax. If we ask, you must give us a copy of the receipt. You must send us all assessments, bills and other notices about the taxes as soon as you receive them. If you must withhold the tax from a payment to us, or we bear the tax in another way, you must pay us on demand what’s needed to ensure that we actually receive the full amount under the mortgage or contract free of the tax. We can choose to collect withholding or other taxes from you or, if we choose not to collect them, we can later choose to collect them. We’ll use them to pay those taxes.

APPENDIX "E"

INSTRUCTIONS TO LAWYERS (ALBERTA)

OWNER OCCUPANCY DECLARATION

Borrower Name: _____

Co-Borrower Name: _____

Property Address: _____

Borrower(s) hereby declare as follows:

I / We / A family member on rent-free basis will occupy the subject property as my/our/his or her principal residence as required by, and in compliance with the terms of the Mortgage relating to the subject property.

I/We will occupy the subject property as my/our second residence as required by, and in compliance with the terms of the Mortgage relating to the subject property.

I/We certify that the statements are true and correct.

Name of Borrower

Name of Witness

Signature of Borrower

Signature of Witness

Date

Date

Name of Borrower

Name of Witness

Signature of Borrower

Signature of Witness

Date

Date

APPENDIX “F”

CONVENTIONAL MORTGAGE SECURITY INFORMATION

When you borrow money from Bank of Montreal (“BMO”) to buy or refinance a real estate property, you agree to use your property as security. This means that if you don’t pay as promised or honour the terms of your mortgage loan, BMO can take legal action against your property and, among other things, sell it to get its money back. BMO will register this agreement as a “charge” (or “hypothec” in Quebec) against your property at the land registry office to indicate that you have granted this security. You have selected a BMO mortgage loan product that is secured by a conventional charge. The following information will help you understand the key features of your BMO conventional charge.

(Note: some lenders may refer to a conventional charge as a standard charge, non-collateral charge, traditional charge, traditional residential mortgage, residential mortgage, deed of hypothecary loan, and retail mortgage.)

Description of your BMO Conventional Charge

A conventional charge is registered for the actual amount of the mortgage loan - the amount you borrow. For example, if you require a mortgage loan of \$250,000 to buy a property, BMO will register the conventional charge for \$250,000. The conventional charge contains both the specific mortgage loan terms (such as the mortgage loan amount, interest rate, term, and payment amount) as well as other terms related to the security (such as your obligations and the rights of BMO) and this charge is registered on title against your property.

Transferring/Assigning your BMO Conventional Charge to a New Lender (Subrogation in Quebec)

- Each lender has its own rules for accepting transfers of mortgage loans from another lender and will typically only do so if it is familiar and comfortable with the other lender’s terms.
- A transfer of your BMO mortgage loan is usually only possible if all the key elements of the mortgage loan remain unchanged (for example amount owing, ownership of the property, etc.).
- If you want to switch lenders and a transfer is not possible, including if you want to increase the principal amount, you may be able to do so by discharging your BMO conventional charge and arranging a new loan with a different lender (and registering a new charge).
- If you are transferring your mortgage loan or obtaining a new loan from a new lender, there may be costs such as prepayment charges, legal, administrative and registration costs. Contact BMO and your new lender for details.

Borrowing Additional Funds Using Your Real Estate Property as Security

- If you want to borrow additional funds from BMO or a new lender and use your property as security, you will need to apply and be approved by the applicable lender for the increased amount based on the current credit criteria of the lender, your ability to repay the mortgage loan and verification that your property’s value supports the mortgage loan request.
- If you want to increase the principal amount of your BMO mortgage loan secured by a conventional charge, BMO will likely need to discharge the existing conventional charge and register a new charge for the higher amount. If you want to add a second mortgage loan, BMO will need to register a new charge against the property. There may be costs such as prepayment charges, legal, administrative and registration costs. Contact BMO for details.
- If you want to borrow additional funds from a new lender and you want to keep your existing BMO mortgage loan, the new lender may agree to register a second charge against the property. If you want to borrow additional funds from a new lender and want to eliminate your existing BMO mortgage loan, you will have to repay the BMO mortgage loan. The BMO conventional charge securing this mortgage loan will then be discharged and your new lender will register a new charge. There may be costs such as prepayment charges, legal, administrative and registration costs. Contact BMO and your new lender for details.

Discharging your BMO Conventional Charge (may be referred to as a “release” or “acquittance” in Quebec)

A discharge is the removal of a charge from the title to your property. When the discharge is registered, BMO loses any rights it would have had against your property under the mortgage security. There may be legal, administrative (if applicable in your province) and registration costs when there is a discharge. Contact BMO for details.

BMO will discharge its conventional charge once your BMO mortgage loan is paid in full (including any prepayment charges that may apply).