

INSTRUCTIONS TO LAWYERS (ONTARIO)

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 your title opinion and report* or a title insurance policy. 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:

- (i) a leasehold mortgage are listed in Appendix “B”
- (ii) Electronic Registration 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 THE APPLICABLE LAWS RELATING TO COST OF BORROWING DISCLOSURES, 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.

**Part 1 - Instructions for
Ontario Charge/Mortgage of Land Form 2 or Electronic Charge**

Description and box on Form 2.	Form 2, Charge/Mortgage of Land.	Electronic charge (the information is similar to Form 2, but is in a different order).
(1) Registry or Land Titles.	Complete this.	Not applicable.
(2) Number of Pages.	Complete this.	Not applicable.
(3) Property Identifier(s).	Complete this.	Check the identifier that the system fills in.
(4) Principal Amount.	Enter the total loan from the commitment (including the basic loan and any default insurance premium).	Not applicable (the electronic charge gives this only once, below).
(5) Description.	Complete this.	Check the description that the system fills in.

Description and box on Form 2.	Form 2, Charge/Mortgage of Land.	Electronic charge (the information is similar to Form 2, but is in a different order).
(6) This document contains.	<i>Complete this.</i> (a) Redescription: New Easement, Plan/Sketch. (b) Schedule for: Description, Additional Parties, Other.	<i>Not applicable.</i>
(7) Interest/ Estate Charged.	<i>Complete this.</i>	<i>Complete this.</i>
(8) Standard Charge Terms.	The parties agree to be bound by the provisions in Standard Charge Terms filed as number (<i>Enter the number 201506</i>). Chargor(s) hereby acknowledge(s) receipt of a copy of these terms.	<i>[See Payment Provisions below.]</i>
(9) Payment Provisions.	<p>(a) Principal Amount: \$ <i>Enter the total loan from the commitment (including the basic loan and any default insurance premium).</i></p> <p>(b) Interest Rate: % per annum. <i>Enter "See Schedule."</i></p> <p>(c) Calculation Period: <i>For a fixed rate term, enter "Half-yearly, not in advance." For a variable rate term, enter "Monthly, not in advance."</i></p> <p>(d) Interest Adjustment Date: <i>Enter this from the commitment. 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.</i></p> <p>(e) Payment Date and Period: <i>Enter the payment frequency exactly as shown in the commitment.</i></p> <p>(f) First Payment Date: <i>Enter the date of first regular payment from the commitment.</i></p> <p>(g) Last Payment Date: <i>Enter the date of last regular payment from the commitment.</i></p> <p>(h) Amount of Each Payment: \$ <i>Enter the instalment (principal and interest) from the commitment (don't include anything else, like a property tax or creditor insurance premium).</i></p> <p>(i) Balance Due Date: <i>Enter the balance due date from the commitment.</i></p> <p>(j) Insurance: <i>Enter "See standard charge terms."</i></p>	<p>Charge Provisions. Principal: \$ <i>Enter the total loan from the commitment (including the basic loan and any default insurance premium).</i></p> <p>Currency: <i>Enter "CDN."</i></p> <p>Calculation Period: <i>For a fixed rate term, enter "Half-yearly, not in advance." For a variable rate term, enter "Monthly, not in advance."</i></p> <p>Balance Due Date: <i>Enter the balance due date from the commitment</i></p> <p>Rate: <i>Enter "See Schedule."</i></p> <p>Payment: \$ <i>Enter the instalment (principal and interest) from the commitment (don't include anything else, like a property tax or creditor insurance premium).</i></p> <p>Interest Adjustment Date: <i>Enter this from the commitment. 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</i></p> <p>Payment Date: <i>Enter the payment frequency exactly as shown in the commitment.</i></p> <p>First Payment Date: <i>Enter the date of first regular payment date from the commitment.</i></p> <p>Last Payment Date: <i>Enter the date of last regular payment date from the commitment.</i></p> <p>Standard charge terms: <i>Enter the number 201506</i> Insurance amount: <i>Enter "See standard charge terms."</i></p> <p>Guarantor: <i>Enter the name(s).</i></p> <p>Additional Provisions: <i>Enter or import the Schedule here.</i></p>

Description and box on Form 2.	Form 2, Charge/Mortgage of Land.	Electronic charge (the information is similar to Form 2, but is in a different order).
(10) Additional Provisions.	<i>Please make sure that each guarantor shown in the commitment signs the mortgage in box (11). Please insert the following in box (10):</i> "Each person who signs this document as a guarantor agrees with Bank of Montreal as set out in the mortgage."	<i>As to a guarantor, see (1) Charge Provisions, Guarantor above and (2) (11) Chargor(s) and guarantor(s) below.</i>
(11) Chargor(s) and Guarantors(s).	<i>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.</i> <i>Guarantor. Please enter the name(s) of any guarantor(s) followed by: (as guarantor).</i>	<i>Chargor. 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.</i> <i>Check the details that the system fills in.</i> <i>Guarantor. Please see Appendix "C".</i>
(12) Spouse(s) of Chargor(s).	<i>I hereby consent to this transaction. Name(s), Signature(s), Date of Signature. 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.</i>	<i>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. Also, please see Appendix "C".</i> <i>Verify whether spousal consent is required and obtain accordingly.</i>
(13) Chargor(s) Address for Service.	<i>Complete this.</i>	<i>Complete this.</i>
(14) Chargee(s).	BANK OF MONTREAL	BANK OF MONTREAL
(15) Chargee(s) Address for Service.	<i>Complete this as follows:</i> Mortgage Service Centre 2465 Argentia Road, 8 th Floor Mississauga, Ontario L5N 0B4 Mortgage number: <i>Enter the mortgage number from the commitment.</i>	<i>Complete this as follows:</i> Mortgage Service Centre 2465 Argentia Road, 8 th Floor Mississauga, Ontario L5N 0B4 Mortgage number: <i>Enter the mortgage number from the commitment.</i>
(16) Assessment Roll Number of Property.	<i>Complete this.</i>	<i>Not applicable.</i>
(17) Municipal Address of Property.	<i>Complete this.</i>	<i>Complete this.</i>
(18) Document Prepared by.	<i>Complete this.</i>	<i>Not applicable.</i>

Part 2 - Instructions for Ontario Charge/Mortgage of Land

Schedule

Schedule	Obtain the current version of our Schedule from our website. Complete the Schedule as shown in this Part 2. For a paper mortgage, attach the completed Schedule to the Form 2, Charge/Mortgage of Land, completed as shown in Part 1. For electronic registration, see Appendix “C”.
Section 1.1, Mortgage Product	Enter the mortgage product from the commitment (introductory paragraph). For example: “6 month fixed rate convertible” “5 year fixed rate closed” “5 year Smart fixed closed”
Section 1.2, 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 customer’s fixed interest rate shown in the commitment already reflects the discount. Please DO NOT deduct the discount from it. For a variable rate term, leave this section blank and complete section 1.3.2.
Section 1.3.2, Current interest rates	For a fixed rate term, leave this section blank. For a variable rate term, complete this section as follows: <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. 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.
Section 1.3.3, Other	Leave this section blank.
Section 3, Special Terms	Our commitment may require special terms to be inserted in the mortgage. If so, please insert them in the mortgage under the heading Special Terms . 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. If there are no special terms to be inserted in the mortgage, please insert the word “None” under the heading Special Terms .

B. SIGNING OF MORTGAGE DOCUMENTS

Please ensure that the mortgage is signed by all appropriate parties, including each guarantor. Unless permitted by 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

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

- (a) Mortgage (Form 2);
- (b) Schedule;
- (c) Standard Charge Terms; and
- (d) Commitment including the schedule to the commitment; and
- (e) Conventional Mortgage Security Information included as Appendix F, before or when signing the Mortgage.

2. 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 Charge Terms. 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) 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:

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| 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. 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 | <p>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:</p> <ul style="list-style-type: none">• 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 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 (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". 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 municipal, provincial and other government requirements and that there are no outstanding work orders. 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 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 Construction 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 favor 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.

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| 11. RENTAL PROPERTIES | Register assignment of rents where required by provincial jurisdiction |
| 12. NON-CANADIANS | Solicitor/Notary confirmation of a Non-Canadian customer's eligibility to purchase the property pursuant to the Prohibition on the Purchase of Residential Property by Non-Canadians Act and Regulations, as applicable. |

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 **ALL** items listed below to the Bank, as soon as possible and no later than 30 days after the mortgage advance:

1. duplicate registered copy of the mortgage;
2. acknowledgement by the mortgagors and guarantors of receipt of a copy of the standard charge terms, the 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 in Appendix "A";
4. surveyor's certificate, if required;
5. for newly constructed homes, a copy of the new home warranty certificate in jurisdictions where a new home warranty program is available;
6. tax certificate or other proof of payment;
7. statutory declaration of possession, if required;
8. certified copy of the property insurance policy or insurance certificate;
9. 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.
10. ID Verification document confirming client identification. Access the ID Verification document on our website;
11. a copy of the Statement of Adjustments provided to the client;
12. if mortgage default insurance is required in connection with the mortgage (please refer to the commitment for default insurance details), a signed copy of the mortgagors' Owner Occupancy Declaration witnessed by Solicitor/Notary in the form attached as Appendix "E";
13. Borrower Declaration witnessed by Solicitor/Notary confirming compliance with the *Prohibition on the Purchase of Residential Property by Non-Canadians Act* and Regulations as applicable, in the form attached as Appendix "G";
14. any other documents required by the commitment or these instructions, including, if applicable, the landlord's agreement specified in Appendix "B".

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 (ONTARIO) 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

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 (ONTARIO) 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;
 - a. 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
 - (ii) 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 “C” INSTRUCTIONS TO
LAWYERS (ONTARIO)
ADDITIONAL INSTRUCTIONS FOR ELECTRONIC REGISTRATION**

The following *additional* instructions apply if the mortgage is to be registered electronically.

- Obtain the current version of our Acknowledgement and Direction and our Schedule from our website. Enter or import the Schedule into the Additional Provisions in the draft electronic charge to be attached to the Acknowledgement and Direction.
- Have the Acknowledgement and Direction signed by the mortgagors.
- Where spousal consent is needed, you must have the spouse sign the Acknowledgement and Direction. This is in addition to having the borrower state in the electronic charge that the spouse has consented. We require this because the electronic charge form doesn’t contain a spousal consent or specifically provide for the spouse to sign the charge.
- Please make sure that each guarantor, if any, shown in the commitment signs the Acknowledgement and Direction. This is in addition to entering the name of a guarantor in the Charge Provisions in the electronic charge. We require this because the Land Registration Reform Act didn’t amend the Statute of Frauds Act to provide for an electronic guarantee, and because the electronic charge form doesn’t specifically provide for signing by a guarantor. Accordingly, where the commitment shows a guarantor, you must prepare the Acknowledgement and Direction and attach the following to it:
 1. a print of the electronic charge as it’s to be signed, including every schedule to it; and
 2. a copy of our Standard Charge Terms.

Deliveries to the Mortgagors and Guarantors

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

- (a) Standard Charge Terms;
- (b) Acknowledgement and Direction (including the Additional Provisions); and
- (c) commitment including the schedule to the commitment

Deliveries to the Bank

1. Instead of delivering to the Bank a duplicate registered copy of the mortgage, please deliver the following:
 - (a) signed Acknowledgement and Direction (including the Additional Provisions);
 - (b) if applicable, a print out of the completed electronic charge prior to registration signed by the guarantors; and
 - (c) a print out of the electronic charge once registered (including the Additional Provisions).
2. With respect to your title opinion and report, please include the electronic registration Property Identification Number (PIN) for the property along with the instrument number of the charge as part of the mortgage registration details.

**APPENDIX “D” INSTRUCTIONS TO
LAWYERS (ONTARIO)**

**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 rate [*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 (ONTARIO)
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).

APPENDIX “G” INSTRUCTIONS TO
LAWYERS (ONTARIO)

PROHIBITION ON THE PURCHASE OF RESIDENTIAL PROPERTY BY NON-CANADIANS ACT
BORROWER DECLARATION

Borrower Name:

Co-Borrower Name:

Property Address:

Borrower(s) hereby declare as follows:

- ☐ I/We confirm that I/we are aware that non-Canadians are prohibited from purchasing residential property in Canada for two years under the *Prohibition on the Purchase of Residential Property by Non-Canadians Act* and applicable Regulations. I/We further confirm that I/we are not prohibited under this Act and applicable Regulations from purchasing the subject property.
- ☐ I/We certify that the above statement is true and correct.

<div>Name of Borrower</div>	<div>Name of Notary/Solicitor</div>
<div>Signature of Borrower</div>	<div>Signature of Notary/Solicitor</div>
<div>Date</div>	<div>Date</div>
<div>Name of Borrower</div>	<div>Name of Notary/Solicitor</div>
<div>Signature of Borrower</div>	<div>Signature of Notary/Solicitor</div>
<div>Date</div>	<div>Date</div>