

Instructions to Solicitor/Notary

Instructions

Please read the instructions carefully as changes have been made throughout the document.
In particular, effective June 30, 2017, the following changes have been made to Appendices A and B:

- Jurisdiction and Expiry date fields have been added to be captured for each ID where applicable.
- List of Acceptable ID list has been updated and Municipal police force identification may no longer be used.

In addition:

- New instructions have been added regarding Alberta New Home Warranty Insurance under section Reporting on Title, Option A.
- Additional instructions have been added regarding new construction condominium or strata units under section Reporting on Title, Options.

Please Act on Our Behalf With Respect to the Enclosed Collateral Mortgage.

Notice of Consent

Please note: We appoint you to act on our behalf in this transaction.

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 such parties that may be affected by them. We also understand that any information received from us or the mortgagor in connection with the matter cannot be treated as confidential so far as the other party is concerned and that, if a conflict arises between us and the mortgagor which cannot be resolved, you will thereafter be unable to act for either party in respect of the matter. We also understand that if you act for us and the mortgagor in respect of the mortgage, you may not subsequently be able to act for either party in any foreclosure or other collection proceedings, which may arise in relation to the transaction.

Please direct all enquiries and correspondence including your Solicitor's Final Report and Certificate of Title to the **address shown on the Letter of Direction For Consumer General Collateral Charge/Mortgage**. This shall be the address for service on all mortgage documentation. **No other address should be used unless authorized by us.**

Unless our Letter of Direction indicates that Vendor Take Back (VTB) or other secondary mortgage financing is permitted, it is your responsibility to ensure that there is no VTB or other mortgage financing. If you are aware or become aware of any VTB or other mortgage financing which security is to be registered either concurrently with our mortgage or at a time following registration of this mortgage, you are required to immediately advise CIBC, and if applicable no funds are to be advanced until further written instructions are received from us. If we agree to the VTB or other mortgage financing, 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 it may have in the property in favour of our mortgage.

Document Preparation

Please note that our mortgage documents are available on our web page at: www.cmdocs.com, with different versions for each province and territory. For collateral mortgages that secure a CIBC Home Power Plan[®], use the documents found under the heading "CIBC Home Power Plan (HPP) Documents"; for collateral mortgages that secure indebtedness that is not a CIBC Home Power Plan, use the documents found under the heading "CIBC Collateral Mortgage Documents".

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 indicated on the **Letter of Direction For Consumer General Collateral Charge/Mortgage**.

Please insert six percent (6%) in the space provided under the Interest Rate provision. As set out in the Standard Charge/Mortgage Terms, this interest rate is superseded by the interest rate set out in the credit agreement.

Please insert our standard charge/mortgage terms number which will vary depending upon the province in which the mortgage is registered (Please obtain the number directly from our **Standard Charge/Mortgage Terms**.)

Alterations, deletions or additions to the mortgage forms require our prior consent unless contained in our **Letter of Direction For Consumer General Collateral Charge/Mortgage**. Please ensure you are utilizing the most up to date forms for your jurisdiction.

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 to Solicitor/Notary**. In the event the documents are not prepared in accordance with these instructions and we suffer a loss as a result, we will seek to recover any loss from you.

Credit agreements secured by the collateral charge, and related documents, will be signed with a CIBC representative. If the collateral charge secures a CIBC Home Power Plan, the registered principal amount of the collateral charge may be higher than the credit limit in the credit agreement, so that in future the collateral charge may secure additional credit agreements, or a credit agreement with a higher credit limit.

Identity Verification

If the **Letter of Direction For Consumer General Collateral Charge/Mortgage** provides that you must ascertain the identity of the borrowers, we require that you ascertain the identity of each borrower and guarantor as follows in accordance with the requirements of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) and Regulations*:

- a) For individuals, we require that you examine Acceptable Identification, as defined in Appendix "A" ("Acceptable Forms of Identification") from each borrower and guarantor, and that you complete Appendix "B" (Identification Verification Form) ("IVF"), on which you are required to record the full name, identification type, identification number, jurisdiction, expiry date and country of issue of identification for each borrower and guarantor. Do not send photocopies of identification documentation produced by individual borrowers or guarantors.
- b) For corporations or entities other than a corporation, we require that you:
 - i) confirm the existence of the corporation, its name and address, and the names of its directors, by referring to its certificate of corporate status, and/or to a record that the corporation is required to file annually under the applicable securities legislation that ascertains its existence as a corporation; **or** confirm the existence of the entity by referring to its partnership agreement, articles of association or other similar record that ascertains its existence.

In either case, if the record is in paper form, the record or a copy of it, is to be sent to us with your final report. You may refer to an electronic record only if it is obtained from a source that is accessible to the public, and the particulars of the electronic record are to be recorded on the IVF in the manner set out therein; **and**

 - ii) ascertain the identity of each authorized signing officer who executes the mortgage, in the manner described in paragraph (1) above for individual borrowers and guarantors. Where a corporation or other entity has more than three signing officers, you are not required to ascertain the identity of more than three of the signing officers who execute the mortgage.
- c) For trustees, estates, or where the mortgage is to be executed under power of attorney, we require that you immediately advise the contact indicated on the **Letter of Direction For Consumer General Collateral Charge/Mortgage** and no funds are to be disbursed until further written instructions are received from us.

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Each borrower, guarantor and signing officer must be physically present when you ascertain his or her identity. If you are not able to ascertain the identity of each borrower and guarantor in the manner set out above, you must immediately advise the contact indicated on the **Letter of Direction For Consumer General Collateral Charge/Mortgage** and no funds are to be disbursed until further written instructions are received from us.

You are required to return the following as part of the Solicitor's Final Report: (i) in all cases, the fully completed IVF, and (ii) if you relied upon paper document(s) to ascertain the identity of any borrower or guarantor which is a corporation or other entity, the original or a copy of the paper record(s).

Do not send photocopies of identification documentation produced by individual borrowers or guarantors.

Precondition to Advance of Funds. In addition to the foregoing, if the **Letter of Direction For Consumer General Collateral Charge/Mortgage** provides that you must fax the fully completed IVF to us before the disbursement date, you must do so no later than 5 business days before the disbursement date. We will not advance funds until we have received and approved the fully completed IVF.

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.

Responsibility of Solicitor or Notary

Read Options A, B and C on the following pages and proceed as follows:

- a) Prepare our Solicitor's Interim Report/Requisition for Funds form and **fax** it to us between **two to five business days** prior to the date funds are required. If the Requisition is not received 24 hours prior to the date funds are required there could be a delay in disbursement.
- b) If the **Letter of Direction For Consumer General Collateral Charge/Mortgage** requires you to fax the fully completed IVF to us before the disbursement date, please fax to us along with the Requisition for Funds. If these documents are not received five business days prior to the date funds are required there could be a delay in disbursement.
- c) If **Option B** is chosen, contact the title insurance company at least seven business days before the date funds are required. This company will advise you as to the information and documentation required.
- d) Interest will accrue on the funds from the date of advance. **If the proceeds cannot be disbursed within four (4) business days of the scheduled advance date, please return the cheque or funds to the contact shown on the Letter of Direction For Consumer General Collateral Charge/Mortgage by courier or your firm will be responsible for any costs incurred and accrued interest from date of the scheduled advance.**

If the collateral charge/mortgage is for a CIBC Home Power Plan[®] that includes a mortgage loan, accrued interest on the mortgage loan, calculated to the interest adjustment date, will be debited from the customer's bank account.

- e) 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 24 of Option A below.
- f) If all or part of the funds advanced under the mortgage will be used to purchase the securing property, within 24 hours of funding, **fax** the completed **Confirmation of Release of Funds** form to the number shown on the **Letter of Direction For Consumer General Collateral Charge/Mortgage**.

Expiry Date. No first advance may be made after the Date Funds Required date recorded in the **Letter of Direction For Consumer General Collateral Charge/Mortgage** unless you have confirmation of an extension given by us.

Reporting on Title

Within thirty days after funds have been disbursed in full, or if you have chosen Option C, within 30 days after registration of the mortgage is complete, a **Solicitor's Final Report and Certificate of Title** on our form 10631 must be completed and together with all the documentation required to complete the mortgage transaction must be forwarded to the address shown on the **Letter of Direction For Consumer General Collateral Charge/Mortgage**. Where the mortgage is registered by way of electronic registration in Ontario, you are required to retain an original copy of the "Acknowledgement/Direction and Guarantee" in your files. If the final documentation will be delayed, you should advise us in writing of the anticipated date of our receipt of the documentation.

Options

For all mortgages executed under power of attorney and for all new construction condominiums or strata units, we require a lender's title insurance policy issued by a title insurance company that has been approved by us and you must use Option B below. For all other transactions you must choose either Option A, Option B, or Option C, as applicable.

You must choose Option A, B or C as applicable.

Option A

It is your responsibility to ensure that:

1. The mortgagor has good and marketable title to the mortgaged lands and premises described in our **Letter of Direction For Consumer General Collateral Charge/Mortgage** (the "Property") and that the mortgage is registered in the proper Land Registry or Land Titles Office and is a valid first or second charge (as instructed in our Letter of Direction) on the Property subject to only those matters approved by us prior to registration of the mortgage;
2. The mortgage is prepared on the form provided by or specified by us, and the appropriate Schedule 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 mortgagor's interest in the Property is leasehold, you thoroughly review the lease to ensure that the lease is binding between the landlord and tenant, the lease is in good standing and will be charged as a first or second charge by our mortgage (as instructed in the **Letter of Direction For Consumer General Collateral Charge/Mortgage**) and that there are no unusual stipulations in the lease. Prior to registration of this mortgage, we require that consent to our mortgage be obtained from the landlord and a non-disturbance agreement also be obtained preventing the landlord from terminating the lease without first giving us adequate prior written notice and the right to remedy the default under the lease. You must ensure that the landlord is a government body or crown corporation/agency. If the mortgagor's interest in the Property is leasehold and not so indicated in our Letter of Direction For Consumer General Collateral Charge/Mortgage or if the landlord is not a government body or crown corporation/agency, refer to us for approval giving details of the lease;
4. Discrepancies in the legal description, title defects, reservations and restrictions, encroachments, encumbrances and easements (other than routine easements for public utilities provided no part of the building on the Property is affected) are referred to us **with your opinion** as to its/their effect on the marketability of title. There are no executions or judgments affecting the Property;
5. The building(s) and any ancillary building(s) or structure(s) do not, with respect to their location or use, violate any registered restrictions, statutes or regulations of any competent authority;

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6. Fire insurance with extended coverage and other insurance that may be specified in the **Letter of Direction For Consumer General Collateral Charge/Mortgage** is in force. **Do not submit** a copy of the fire insurance policy to us;
7. All other security specified in the **Letter of Direction For Consumer General Collateral Charge/Mortgage**, such as chattel mortgage or assignment 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 Special instructions and responsibilities set out in the **Letter of Direction For Consumer General Collateral Charge/Mortgage** have been met and complied with;
8. 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, storage lockers and other private spaces assigned to the unit and intended to be used in conjunction with the subject unit shall form part of our security;
The certificate must indicate:
 - a) All common expenses are paid to the date of advance;
 - b) There are no special assessments levied and unpaid, or pending increases in common expenses on the unit;
 - c) The condominium or strata corporation is not a party to any legal action;
 - d) There are no pending major repairs to the condominium or strata;
 - e) Insurance coverage is in place and protects us against loss.The condominium or strata must be registered. Please note that the estoppel certificate or Section 36 A Certificate in BC should not be forwarded to CIBC as we rely entirely on you to ensure they are in accordance with our Instructions to Solicitor;
9. 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;
10. If the **Letter of Direction For Consumer General Collateral Charge/Mortgage** indicates that a corporate guarantee is required, the corporate guarantor is duly incorporated and properly authorized to guarantee this mortgage;
11. If the **Letter of Direction For Consumer General Collateral Charge/Mortgage** indicates that a guarantor is required, an execution search is conducted against the guarantor(s) and reveals no outstanding writs of execution;
12. Our priority is maintained over any liens;
13. If there is a *Family Law Act* (or any similar legislation under a different name) in force in the province in which the Property is located, all requirements are complied with and our interest is protected in every respect;
14. You are to take all steps that would be taken by a careful and prudent solicitor on behalf of a client, including, without limitation:
 - a) Advising us of any material fact known to you which might affect our decision to give the credit secured by the collateral mortgage;
 - b) Advise us 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;
 - c) If this is a purchase transaction:
 - i) Reviewing all the documentation for this collateral charge/mortgage with all mortgagors 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.
 - ii) You advise us 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.
15. Any borrowers and/or guarantors **not** receiving a direct benefit from the proceeds of this mortgage receive independent legal advice; and if there are any borrowers who are not a registered owner of the securing property, all owners of the securing property receive independent legal advice;
16. Any mortgagors and/or guarantors execute the Acknowledgement/Direction and Guarantee (if the mortgage is registered electronically in Ontario);
17. Any mortgagors and/or guarantors to 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" these documents and that guarantor executes the "Acknowledgement/Direction and Guarantee";
18. All mortgagors and guarantors (if any) acknowledge receipt of a copy of the **Consumer General Collateral Standard Charge/Mortgage Terms** which govern the mortgage and that you review these terms with the mortgagors and guarantors before they sign the mortgage;
19. Each mortgagor is provided with a copy of all documents as required and a signed acknowledgment of receipt of these documents is obtained;
20. Where the Property is new construction and is not connected to local municipal services, a satisfactory copy of the septic tank certificate, together with any other certificates required by the appropriate governing body are obtained and reviewed by you prior to funds being advanced and retained in your files for a period of 7 years (a septic tank certificate and any other certificates required by the appropriate governing body are required for existing construction only where you have knowledge that there may be problems with the septic system);
21. 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) A satisfactory certificate from the appropriate health authority indicating the well water is suitable for human consumption, and
 - b) 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 CIBC 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.
22. Inquiries must be made of the applicants by the solicitor as to any pending sale(s) or further transfer(s) of ownership of the Property. If the solicitor becomes aware of a pending sale or other transfer of ownership of this Property, the solicitor is to advise CIBC immediately and obtain further instruction before advancing any funds;
23. 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's Final Report.

Option B (Title Insurance Option) – This option must be used if the mortgage is signed under power of attorney

If you choose this option, then only items 1, 4, 5, 11 and 18 of the above Option A will not apply. We will only accept title insurance issued by a title insurance company that has been approved by us prior to your registering the mortgage. The title insurance policy must include an endorsement for leasehold land, if applicable. In addition, it is your responsibility to provide us with the name of the previously approved title insurance company and the individual Title Insurance Certificate Number in the Final Report. You should obtain and follow the instructions of the title insurance company in this regard.

For any matter not covered by the title insurance policy, it is your responsibility to advise us prior to registering the mortgage and obtain instructions from us. You must ensure that the mortgagor pays the required premium or you must pay the required premium to the title insurance company.

Note: A Plan of Survey is not required if the loan to value ratio is less than 50% and the Property is in an urban centre, and the residential dwelling is at least one year old. If the Property is a strata unit and a policy of title insurance is to be obtained with respect to same, ensure that the Title Insurance Number is included on the **Solicitor's Final Report and Certificate of Title**, form 10631.

Option C (Western Law Societies' Conveyancing Protocol (the "Protocol"))

We accept the use of the Protocol for the types of property covered by the Protocol as of May 1, 2007. It is your responsibility to review the Protocol applicable to your province to determine whether or not it may be applied to this particular mortgage transaction. The applicable Protocol is available from your provincial Law Society. If the mortgage transaction is one to which the Protocol applies and you choose this option, then you must act in accordance with the Protocol and the following shall apply:

1. All of the items of the above Option A apply, except for items 1, 4 and 5;
2. You are responsible to ensure that the mortgagor will obtain good and marketable title to the mortgaged lands and premises described in the **Letter of Direction For Consumer General Collateral Charge/Mortgage** (the "Property") and that the mortgage will be registered in the proper Land Registry or Land Titles Office and will be a valid first or second charge (as instructed in our **Letter of Direction For Consumer General Collateral Charge/Mortgage**) on the Property subject only to any intervening registrations between the day before the funds are disbursed to the date of registration of the mortgage and those matters approved by us prior to registration of the mortgage;
3. On the day prior to the date of registration of the mortgage, you will ensure that there are no executions or judgments affecting the Property; and
4. You will ensure that all known discrepancies in the legal description, title defects, reservations and restrictions, encroachments, encumbrances and easements (other than routine easements for public utilities provided no part of the building on the Property is affected) are referred to us with your opinion as to its/their marketability of title and you undertake to notify us immediately upon receiving any information alleging any discrepancy of title defect or any encumbrance loss of priority of the mortgage;
5. By issuing a Protocol opinion for the mortgage transaction, you represent that:
 - a) This mortgage transaction is a transaction to which the Western Law Societies' Conveyancing Protocol applies;
 - b) You have complied with the Protocol in the conduct of this mortgage transaction, and have acted in accordance with our **Instructions to Solicitor/Notary** (which are incorporated herein) and our **Letter of Direction For Consumer General Collateral Charge/Mortgage** with respect to the mortgage subject to any qualifications noted in your opinion which have been accepted by us;
 - c) You maintain minimum insurance coverage at least equal to the face amount of the mortgage;
 - d) You acknowledge and agree that if there is:
 - i) An intervening registered interest in the Property, or an unregistered interest in the Property of which you are aware which takes priority over the mortgage contrary to these instructions; or
 - ii) A survey problem or title defect which would have been disclosed by an appropriate Plan of Survey or Surveyor's Certificate/Real Property Report prepared prior to the registration of the mortgage;

Then you will be responsible to us for any actual losses (including the cost of repairs) that we suffer as a result.

For Option A, Option B and Option C

Do not submit to us any sheriff's certificates, zoning memorandum in the Province of Manitoba, and title abstracts that you obtain. We rely entirely on you to ensure that they are in accordance with our **Instructions to Solicitor/Notary** and our **Letter of Direction For Consumer General Collateral Charge/Mortgage**.

Surveys

A Plan of Survey or Surveyor's Certificate/Real Property Report of the Property signed by a qualified surveyor, which sets out the Property (including all buildings and structures), in its current state must be obtained. If any changes have been made to the Property since the date of the survey, a Declaration of Possession must be given to the effect that any changes or additions since the date of the survey comply with municipal by-laws.

The survey must indicate:

1. The legal description (being the lot and plan number or concession number, if applicable), measurements and boundaries of the Property and any discrepancies between the legal description of the Property and the property described by the Plan of Survey;
2. All buildings, structures or the foundations of the buildings under construction and their respective dimensions and distances from the boundaries of the lands;
3. Any encroachments on or from adjacent lands and the location of all easements; and
4. The municipal address of the Property, if there is an existing building.

Do not submit a Plan of Survey or Surveyor's Certificate/Real Property Report to us. However, retain a copy in your files for a period of 7 years. Please ensure that the mortgagor is fully aware of the importance of retaining the original survey.

Title Insurance Option: If a Plan of Survey or Surveyor's Certificate/Real Property Report as described above (or in Manitoba, a Building Location Certificate and Zoning Memorandum) is not available, we will accept title insurance issued by a title insurance company approved by us in advance. Please refer to Option B (Title Insurance Option) for further details.

Protocol option: If a Plan of Survey or Surveyor's Certificate/Real Property Report (or, in Manitoba, a Building Location Certificate and Zoning Memorandum) is not available, then in lieu of such survey or report, we will rely on your opinion issued in accordance with the Protocol. Please refer to Option C (Protocol Option) above for further details.

Taxes

All tax bills issued and unpaid at the time of registration of the mortgage are to be paid in full.

Fire and Hazard Insurance

You must verify that fire insurance and extended coverage for not less than the full 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 the **Letter of Direction For Consumer General Collateral Charge/Mortgage**). 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 in the **Letter of Direction For Consumer General Collateral Charge/Mortgage**, please advise the insurance company that we **do not** require a copy of the policy or renewals. For rental or income producing properties, we require "loss of rental income" to be included in the insurance coverage.

Any loss payable to Canadian Imperial Bank of Commerce should be sent to the address noted on the Letter of Direction For Consumer General Collateral Charge/Mortgage.

Costs

All costs incurred with respect to this mortgage, unless otherwise specified in our Mortgage Approval, must be borne by the mortgagor(s).