



REF:

**DEED OF HYPOTHEC ON IMMOVABLE PROPERTY
(Specific Indebtedness - Personal)**

ON this _____ day of _____

BEFORE Mtre _____, the undersigned notary practising in the Province of Quebec at _____

THERE APPEARED:

ROYAL BANK OF CANADA, a bank governed by the *Bank Act* (Canada), having its head office at 1 Place Ville-Marie, Montréal, Quebec H3C 3A9 and having a branch at _____

represented by _____

duly authorized for the purposes hereof pursuant to _____

(the "Bank")

notice of whose address has been published under the number 6000850 in the registry office in the registration division of _____

; the number of this notice of address must be indicated opposite all the hypothecs that are subject to this Deed of Hypothec.

AND:

(the "Grantor")

WHO HAVE AGREED AS FOLLOWS:

1. DEFINITIONS

In general, the defined terms that appear below are used throughout this ***Deed of Hypothec*** in ***boldface italic*** characters. We recommend that you read these definitions. They should help you fully understand the conditions applicable to your hypothec.

“**Additional Advance**” means each additional loan that is made under an **RBC Homeline Plan** after the initial advance, including any new or additional advances, increases to principal, or further borrowings or extensions of the term, including in the case of any fluctuating account or accounts, revolving loans, or lines of credit, additional segments of such facilities made after the initial advance. They are referred to collectively as Additional Advances.

“**Bank’s Prime Rate**” means the annual interest rate advertised from time to time by Royal Bank of Canada as the reference rate then in force for purposes of setting the interest rates applicable to Canadian dollar commercial loans in Canada.

“**Buildings**” means the buildings situated on **your Property** at the date of this **Deed of Hypothec** or to be erected on the **Property** subsequently and all improvements to such buildings.

“**CMHC**” means the Canada Mortgage and Housing Corporation.

“**Debt**” means **your** obligations arising from one or more of the loan, the line of credit, the suretyship and your **RBC Homeline Plan** described in section 2.1, and from any renewal, amendment, extension, supplement, restatement or replacement of such contracts.

“**Deed of Hypothec**” means this deed and its schedules, if any, as well as any amendment, replacement or renewal of this deed.

“**Default**” means any of the events described in section 5.1 of this **Deed of Hypothec**.

“**Grantor**” means each person designated as a grantor at the beginning of the **Deed of Hypothec**.

“**Hypothec**” means the rights created by this **Deed of Hypothec** in **your Property**, in the **Rent** it produces, if any, and in the insurance associated with such **Property** and such **Rent** and the rights arising from any renewal, amendment or replacement of this **Deed of Hypothec**.

“**Interest Rate**” means the interest rate applicable to the **Debt** or any other rate agreed between **you** and **us**.

“**Mortgage Default Insurer**” means CMHC or any other corporation offering mortgage default insurance to lenders.

“**NHA Program**” means a mortgagee financing or private or public mortgage insurance program under the National Housing Act (Canada), R.S.C., 1985, c. N-11.

“**Promises**” means everything that **you** agree to do or not do and everything that **you** confirm, declare and represent by signing this **Deed of Hypothec**.

“**Property**” means the immovable property described in section 3 of this **Deed of Hypothec**, including the land and all **Buildings** and improvements that are or will be erected on the land, and all movable property that is or will be permanently physically attached or joined to the immovable property.

“**RBC Homeline Plan**” means an account governed by an agreement titled “RBC Homeline Plan Agreement” at any time entered into between **you**, **us** and any

other person as borrower and which by its terms is, or is to be, secured by the **Deed of Hypothec**. Under the RBC Homeline Plan Agreement we may make one or more loans to you, another person, or both you and another person from time to time; provided that, in the case of a loan made under an RBC Homeline Plan, either (i) each Additional Advance will be treated as a new loan, or (ii) the Additional Advances in the aggregate will be treated as a new loan, and in each case of (i) or (ii), each such new loan made to you or to you and another person will be treated as a separate and distinct loan from any loan that is insured and/or financed under a NHA Program for all purposes including enforcement.

“**Rent**” means all present and future rent payable under current and future leases on the **Property** (including sums payable for any right of use, emphyteusis or occupancy).

“**Secured Amounts**” means the total amounts that **you** owe **us** at any time in connection with the **Debt** or pursuant to the **Deed of Hypothec**, whether or not they are due and payable. That includes the **Debt**, interest, interest on interest, and any other sum that **you** agree to pay under the **Deed of Hypothec** including sums that **we** pay to conserve **our** rights or because **you** have failed to fulfill **your Promises**.

“**Taxes**” means all taxes and assessments on the **Property**, including municipal, general and special taxes, church, urban community or school board taxes, and local improvement, water and business taxes, as well as any interest and penalties relating to such taxes.

“**We**” or “**Us**” means the lender referred to at the beginning of the **Deed of Hypothec**. The word “**our**” also refers to **us**.

“**You**” means each person named as a **Grantor** at the beginning of this **Deed of Hypothec**. The word “**your**” also refers to **you**.

2. SECURED OBLIGATIONS

2.1 DESCRIPTION

This section describes the debt or debts secured by the **Hypothec** that **you** grant **us** by signing this **Deed of Hypothec**:

- **Loan*** — a loan in an amount of

DOLLARS (\$) _____), which **you** contracted with **us** on _____ ;

- **Line of credit*** — a revolving line of credit with a limit of _____ DOLLARS (\$) _____), which **you** contracted with **us** on _____. This line of credit may be used as agreed between **you** and **us**, including by means of advances, bank overdrafts, bankers acceptances and other commitments which **we** may make on **your** behalf, in accordance with separate agreements between **you** and **us**.

- **Suretyship***— a suretyship for a maximum principal amount of _____ DOLLARS (\$ _____) which **you** granted **us** on _____ to secure the obligations of _____. A copy of the said suretyship certified as authentic by **you** and **us** in the presence of the undersigned notary, who also

*Strike out paragraphs that are not applicable

certified the authenticity of the suretyship, remains attached to the original of this document.

Insert this paragraph for all mortgages that secure an RBC Homeline Plan

▪ **RBC Homeline Plan*** a revolving credit facility with an RBC Homeline Plan Limit of _____ DOLLARS (\$ _____), which **you** contracted with **us** on _____ and referenced with your RBC Homeline Plan Number (# _____), as such number may be replaced or amended from time to time. This revolving facility may be used as agreed between **you** and **us**, including by means of mortgage loans and credit lines, in accordance with your RBC Homeline Plan Agreement and separate agreements between **you** and **us**. It includes all of the debts and obligations of both **you** and any other borrowers under your RBC Homeline Plan Agreement which by its terms is, or is to be, secured by the **Deed of Hypothec**, and under any other agreement entered into pursuant to any such RBC Homeline Plan Agreement, whether owing now or in the future, whether the debts or obligations are absolute or contingent, and whether they are due now or at some time in the future; and any extensions, supplements, renewals, amendments, restatements or replacements of such debts or obligations which you are hereby agreeing to in writing in this **Deed of Hypothec**, and that you and any other borrower have agreed to in your RBC Homeline Plan Agreement or under any other agreement entered into pursuant to your RBC Homeline Plan Agreement.

Do not strike out this paragraph

Your obligations in respect of one or more of the loan, the line of credit, the suretyship and your **RBC Homeline Plan**, as well as the obligations arising from any extension, supplement, renewal, amendment, restatement or replacement of such contracts, is hereinafter referred to as the "**Debt**".

2.2 CONDITIONS APPLICABLE TO THE DEBT

The conditions applicable to the **Debt**, such as interest payable, costs, instalments and due dates are contained in separate agreements between **you** and **us**.

If the **Hypothec** has not been registered with the anticipated rank or if **you** fail to perform one of your **Promises**, **we** may decide not to disburse or make available the amount of the **Debt** (or the amount guaranteed by the suretyship, if the **Debt** consists of a suretyship).

If the **Debt** is for a specific term, the term is stipulated in **our** favour.

2.3 PROOF OF INDEBTEDNESS

The **Debt** is evidenced by bearer notes or other promises or documents, loan accounts, bank overdrafts or other evidences of indebtedness.

Such evidences of indebtedness and the conditions applicable to the **Debt** may be amended, renewed or replaced without thereby effecting novation.

2.4 PAYMENT

All payments in respect of the **Debt** or the **Secured Amounts** must be made at our branch described at the beginning of the **Deed of Hypothec** or at any other location that **we** designate in writing, in legal tender of Canada at the time of payment.

We may use the sums that are paid to **us** with respect to the **Debt** or the **Deed of Hypothec** in the manner and in the order **we** choose, either as a payment of principal, interest or any other sum owing on any of the **Secured Amounts**.

2.5 CONSTRUCTION OR RENOVATION LOAN

If **you** are contracting the **Debt** for the purpose of building, renovating or making improvements to **your Property**, **we** may advance all or part of the amount according to the progress of construction. **We** can decide whether an amount should be advanced to **you**, the amount of the advance and the date at which the advance will be made, based on construction that has been completed and the amounts required to complete unfinished construction. The decision to advance such amounts will at all times be in our sole discretion.

We may withhold such portion of the amounts to be advanced as **we** see fit to ensure the payment of the persons who work on such construction, renovations or improvements and who could acquire rights in **your Property** if they are not paid.

We may also withhold from amounts to be advanced, accrued interest outstanding on amounts previously advanced.

3. HYPOTHECS

By this clause **you** grant **us** certain rights in **your Property**, in the **Rent** from **your Property** and in the insurance covering **your Property** and the **Rent**, in order to secure the repayment of the **Secured Amounts** and the fulfilment of **your Promises**. As long as the **Secured Amounts** are paid as they come due and as long as **you** fulfill all **your Promises**, **you** may remain in possession of **your Property**.

If the **Debt** consists of a line of credit or an **RBC Homeline Plan**, the **Hypothec** secures all sums borrowed from time to time under such line of credit or **RBC Homeline Plan** and subsists even if the balance of the line of credit or the **RBC Homeline Plan** (or any loan or line of credit under such **RBC Homeline Plan**) is nil.

If the **Debt** consists of an **RBC Homeline Plan**, either (i) each Additional Advance will be treated as a new loan, or (ii) the Additional Advances in the aggregate will be treated as a new loan, and in each case of (i) or (ii), such

new loan will be treated as a separate and distinct loan from any loan that is insured and securitized under a NHA Program for all purposes including enforcement.

Our rights in the **Property** will end when a full acquittance or discharge is registered in respect of the **Property**. **You** may request an acquittance in accordance with the conditions explained in section 6.15.

3.1 PROPERTY

To secure the payment of the **Debt** and the interest on the **Debt**, **you** hypothecate to **us** the immovable property described below and all the **Buildings** and improvements that are located thereon, as well as all the movable property that is or will in future be permanently physically attached or joined to the immovable property (collectively referred to as the "**Property**") for an amount of DOLLARS (\$ _____), plus interest, from the date hereof, on that amount, calculated monthly, not in advance, at:

- the **Bank's Prime Rate** [plus/minus] _____ percent (%) per annum.

Strike out the word "plus" or the word "minus" as applicable.

DESCRIPTION

3.2 RENT

To secure the payment of the **Debt** and the interest on the **Debt**, **you** also hypothecate to **us** for an amount equal to the sum indicated in section 3.1 all current and future **Rent** payable pursuant to current and future leases affecting **your Property** (including sums payable for any right of use, emphyteusis or occupancy) (hereinafter collectively referred to as "**Rent**").

You agree to deliver a copy of all leases to **us** on request.

We authorize **you** to collect the **Rent** at its due date but not in advance until **we** withdraw such authorization.

If **we** collect the **Rent**, as **we** are allowed to pursuant to the hypothecs created by sections 0 and 3.4, such sums will be used to repay sums owing to **us** with respect to the **Secured Amounts**, as set out in section 2.4 of the **Deed of Hypothec**, even if the **Secured Amounts** are not due and payable. **We** will not be responsible for damage resulting from the failure to collect **Rent** and we will have no obligation to inform **you** of any irregularity in the payment of **Rent**.

3.3 INSURANCE

In order to further secure the payment of the **Debt** and of the interest on the **Debt**, **you** hypothecate to **us** for an amount equal to the sum indicated in section 3.1, all insurance proceeds relating to **your Property** or the **Rent**.

3.4 ADDITIONAL HYPOTHEC

To secure the payment of all the sums **you** must pay on the **Secured Amounts** under the **Deed of Hypothec** (other than the **Debt** and interest on the **Debt**), and to secure the performance of all **your Promises**, **you** hypothecate **your Property** and the **Rent** to **us** for an additional sum equal to fifteen percent (15%) of the principal amount indicated in section 3.1.

4. YOUR PROMISES

4.1 INSURANCE

You agree to keep **your Property** insured as long as the **Secured Amounts** under this **Deed of Hypothec** have not been repaid in full.

This insurance must cover the **Buildings**, during and after their construction, for their full (100%) replacement value, in Canadian dollars.

This insurance must cover at a minimum losses and damage caused by fire, lightning, hurricanes, explosions, collisions, vandalism, riots and civil commotion, smoke, falling objects and other customary risks and hazards. **We** may also require the insurance policy to cover other risks or hazards that **we** identify depending on the type or location of **your Property**.

Each insurance policy must be issued by a licensed insurance company and contain the standard hypothecary clause approved by the Insurance Bureau of Canada, stating that, in case of loss, **we** will be paid first. If **we** so request, **you** must also assign your insurance policy(ies) to **us** and **you** agree to do everything necessary to give effect to such assignment.

You agree to deliver to **us**, if **we** so request, the insurance certificates or certified copies of each insurance policy.

You also agree to provide **us**, if **we** so request, with proof of renewal of insurance at least 15 days before the expiry of any insurance policy.

We will have the right, but not the obligation, to insure the buildings at your sole expense and to incur the necessary expenses for that purpose if **you** fail to do so. **You** agree to immediately repay **us** the sums, including the premiums, **we** have paid to insure the premises. If **you** do not repay **us** immediately, these sums will be added to the **Secured Amounts** and will bear interest at the **Interest Rate** commencing on the date **we** paid such sums.

If a loss or damage occurs, **you** agree to provide all proofs and take all necessary steps at your own expense to allow **us** to collect the insurance proceeds.

The presentation of the **Deed of Hypothec** will suffice for the insurance company to pay **us** the amount of the insurance proceeds.

The insurance proceeds received may, at **our** option, be used in whole or in part for:

- (a) the construction, restoration or repair of the **Buildings**;
- (b) the payment in full or in part of the **Secured Amounts**, whether or not they are then due and payable; or
- (c) payment to **you**.

If **your Property** forms part of an immovable owned in divided co-ownership, **you** also agree to comply with the provisions concerning insurance contained in the section of this **Deed of Hypothec** entitled "Co-ownership Clause".

4.2 TAXES

You agree to pay the **Taxes** without subrogation as soon as they are due and to give us proof of payment of such **Taxes**, on request.

4.3 COSTS

You agree to pay all fees, legal disbursements and costs incurred by **us** in connection with:

- (a) the **Deed of Hypothec** and any amendment, renewal or other agreement relating to the **Deed of Hypothec** or the **Secured Amounts**;

- (b) the preparation of a statement of account or a statement of information;
- (c) any request to transfer the **Hypothec**, or the preparation of a statement for purposes of an assumption of loan;
- (d) any document, notice or entry required to give effect to the **Deed of Hypothec**, make enforceable, renew, conserve or enforce the rights conferred by the **Deed of Hypothec**;
- (e) any registration of address, acquittance, discharge or cancellation;
- (f) any appraisal and survey costs, costs of production of a location certificate or certification of the publication of rights; and
- (g) costs legitimately incurred by **us** to conserve **your Property** or the **Rent** or to recover the **Secured Amounts**.

If **you** do not pay such amounts, they will be added to the **Secured Amounts** and will bear interest at the **Interest Rate** from the date **we** pay them.

4.4 PRIOR CLAIMS

You agree to pay, as soon as they are due and payable, all amounts, the non-payment of which could confer on the creditor a prior claim or superior rank over the **Hypothecs** recorded in this **Deed of Hypothec**, except for:

- (a) the hypothecs already published at the time this **Deed of Hypothec** is published and that are known to and accepted by **us**;
- (b) such claims which **you** contest in good faith by appropriate means, provided **you** give **us** sufficient security to cover any loss or damage that may result from **your** contestation.

You also agree to pay any amount and perform any obligation whose non-payment or non-performance could lead to the sale of **your Property** or permit a creditor to exercise rights arising from a hypothec or a claim that has priority or superior rank over **our Hypothec**. If **you** do not pay such amounts or if **you** do not perform such obligations as required, **we** may, at **our** option, pay them or cause them to be performed and **you** agree to repay **us** any amounts that we pay in this manner, on demand.

In such a case, **we** will be subrogated in the rights of such creditors, which means that **we** may exercise their rights and guarantees in their stead up to the amount **we** have paid them.

We may decide however, if **we** wish, to add the amounts **we** have paid to the **Secured Amounts**, in which case, they will bear interest at the **Interest Rate** from the date when **we** paid them.

4.5 OCCUPANCY AND RENT

You agree to occupy and use **your Property** primarily for residential purposes and **you** agree to obtain **our** consent if **you** wish to rent it out in whole or in part. **We** may withhold **our** consent if **we** see fit.

If **we** consent to **you** renting out all of part of **your Property**, **you** agree not to rent it on terms less advantageous than the market and to assign to us on request **your** rights arising from any, present and future, lease or other rental agreement.

If **you** rent out all or part of **your Property** without **our** consent, that will constitute an event of default and **we** may, if **we** choose, exercise **our** rights and remedies as described in section 5.1 of the **Deed of Hypothec**.

4.6 REAL RIGHTS

You agree not to create any real right in **your Property** without obtaining **our** prior consent in writing. This means that **you** may not, for example, grant another hypothec on **your Property** or grant a right of use or a servitude on **your Property** without **our** consent.

You agree to do everything necessary so that the registration against **your Property** of any hypothec or other real right to which we have not consented is cancelled.

4.7 MAINTENANCE OF THE PROPERTY

You agree to:

(a) not destroy, damage, remove or sell the **Buildings** in whole or in part without **our** consent;

(b) prevent any use of the **Property** or the **Buildings** that could impair their value;

(c) maintain the **Buildings** and the **Property** adequately and make any repairs that **we** may request **you** to make. If **you** do not make such repairs when **we** request them, **we** can make such repairs as **we** see fit, in which case **you** agree to repay us, on demand, any amount that **we** pay for that purpose. If such amounts are not paid to **us**, they will be added to the **Secured Amounts** and will bear interest at the **Interest Rate**; and

(d) not to remove the air conditioning, heating, plumbing, cooling or lighting appliances, or accessories and equipment placed in the **Buildings** now or in future without **our** prior written consent.

4.8 CONSTRUCTION

If **you** wish to build, renovate or make improvements to the **Buildings** or **your Property**, **you** agree to:

(a) obtain **our** prior approval or that of the **Mortgage Default Insurer** (if the **Debt** has been insured by a **Mortgage Default Insurer**) which means that **you** cannot demolish or commence renovations or construction until **we** or the **Mortgage Default Insurer** have given **our** approval;

(b) provide any information or document that **we** or the **Mortgage Default Insurer** may request with a view to such approval, such as plans, specifications, construction permits, insurance or other;

(c) comply with any conditions that **we** or the **Mortgage Default Insurer** may have placed on our approval;

(d) comply with construction standards, building codes and applicable municipal or other government by-laws and regulations;

(e) use only new materials;

(f) respect the plans and specifications that **we** or the **Mortgage Default Insurer** have approved; and

(g) complete the work as quickly as possible. **You** agree to ensure that the work is not interrupted, or does not remain incomplete, for a continuous period of over 20 days.

4.9 INSPECTION

We, the **Mortgage Default Insurer and our** respective agents may, at any time, if **we** or the **Mortgage Default Insurer** see fit, enter **your Property** to inspect the land and the **Buildings**. The exercise of this right of entry and inspection does not mean that **we**, the **Mortgage Default Insurer** or our respective agents are in possession of or have management of or responsibility for the **Property** and the **Buildings**.

Such inspection may include environmental tests, a site appraisal or any other study or inspection that **we** or the **Mortgage Default Insurer** deem necessary.

You agree to pay when due the reasonable costs of such tests, appraisals, studies and inspections, if any. Amounts not paid by **you** in this connection will be added to the **Secured Amounts** and will bear interest at the **Interest Rate**.

4.10 COMPLIANCE WITH THE LAW

You agree to:

(a) comply promptly with all legislative, regulatory, administrative and other provisions of federal, provincial and municipal or other authorities regarding zoning, use, occupancy, subdivision, parking, historical or

cultural designations, fire, access, loading facilities, landscaping, environmental pollution, toxic substances or other environmental hazards, building construction, public health and safety and all private restrictions and covenants affecting all or part of your **Property**;

(b) make at **your** own expense structural or other improvements or modifications required to comply with such provisions; and

(c) provide **us** on request with proof that **you** are in compliance with such provisions.

4.11 CHANGE OF RESIDENCE

You agree to notify **us** in writing of any change in **your** usual residence or **your** principal place of business within thirty (30) days of such change.

4.12 EXPENSES INCURRED BY THE LENDER

We can pay any sum that **you** have an obligation to pay under the **Deed of Hypothec** or that **we** consider it necessary or desirable to pay because **you** have not fulfilled **your Promises**, at any time and without giving **you** prior notice. Similarly, if for any reason **our** security or **our** rights under the **Deed of Hypothec** are impaired, **we** may take the steps and incur the expenses that **we** consider necessary or desirable to protect **our** security and **our** rights without giving **you** prior notice.

You agree to repay **us** the sums **we** legitimately pay in this manner, on demand. If **you** do not repay **us**, such amounts will be added to the **Secured Amounts** and will bear interest at the **Interest Rate**.

5. DEFAULTS

5.1 EVENTS

You will be considered to be in default under the **Deed of Hypothec** if any of the following events occurs:

(a) **you** do not make a payment when **you** should of any sum that is due in connection with the **Secured Amounts**;

(b) **you** do not fulfill one of **your Promises**;

(c) **you** do not pay a sum or perform an obligation and such failure to pay or failure to perform an obligation could confer rights in **your Property** or the **Rent** on a third party;

(d) **you** become insolvent, declare bankruptcy or initiate proceedings to reach an arrangement with **your** creditors or with a view to **your** winding-up or bankruptcy;

(e) proceedings are initiated against **you** to have **you** declared bankrupt and **you** do not contest them diligently and they are not dismissed or cancelled within twenty-one (21) days from the date they are initiated;

(f) a right that ranks prior to or preferentially over the **Hypothecs** recorded in the **Deed of Hypothec** is registered against **your Property** or the **Rent**, unless you contest it in good faith immediately by appropriate means and give **us** security that **we** consider sufficient to cover any loss or damage that may result;

(g) prior notice is given by a preferential or hypothecary creditor of his intention to exercise a preferential or hypothecary right or any other security, such right or security is enforced, a secured creditor takes possession of **your Property** or the **Rent**, or a receiver is appointed for all or part of **your Property** or the **Rent**;

(h) **your Property** or the **Rent** is seized and the release from seizure is not obtained within the following ten (10) days;

(i) the construction of any **Building** on **your Property** is interrupted before its completion for a continuous period of over twenty (20) days;

(j) **your Property** is abandoned or unoccupied with the result that **your** insurance policy on **your Property** could be cancelled;

(k) any representation or statement **you**, or the borrower, make in the **Deed of Hypothec** or in any other document relating to the **Debt** is incorrect;

(l) any third party (including the government) demands, or claims the right to demand, that **we** pay to it all or part of the amounts that **we** may be obliged to disburse to **you**, or to the borrower, in connection with the **Debt**.

5.2 EFFECTS

Without limiting **our** right to demand, at **our** option and at any time, the payment of the amounts payable on demand, **we** may, upon the occurrence of any of the events listed in clauses (a) to (k) of section 5.1 above:

(i) refuse or cease to advance to **you**, or to the borrower, any sum that has not yet been disbursed or that may otherwise be available on the **Debt**;

(ii) demand full and immediate payment of the **Secured Amounts**, which will then be immediately due and payable; and

(iii) exercise at **our** option, without restriction and without prior notice other than that provided by law, all the rights and remedies that are conferred on **us** by law, including the following hypothecary rights that are then available:

- taking in payment;
- sale by judicial authority;

- taking possession for purposes of administration; or
- sale by the creditor.

The occurrence of the event referred to in clause (l) of section 5.1 automatically terminates any obligation on **our** part to advance **you**, or to the borrower, funds on the **Debt** without the need for any notice or demand (which **you** expressly waive). **You** authorize **us** as of now to exercise any of the rights referred to in this section 5.2 in such a case.

5.3 Right to Freely Deal with Any Loan under an RBC Homeline Plan Secured by this Deed of Hypothec

If this **Deed of Hypothec** secures **your** debts and obligations under an **RBC Homeline Plan**, **you** agree that **we** can, if **we** choose, obtain mortgage or loan default insurance and sell, transfer or assign or issue securities backed by all or part of the **Debt** to any third party, under an **NHA Program** or under another program.

If we obtain mortgage or loan default insurance and securitize part of the **Debt** under an **NHA Program**,

- (i) **we** will not take any of the following actions as against the **CMHC**, an **NHA Program** trustee or against the mortgage insurer, for as long as that loan is insured and securitized:
 - (a) exercise our rights under the **Deed of Hypothec** in respect of any loans forming part of the **Debt** that are not insured under an **NHA Program** or similar program offered by a mortgage insurer; or
 - (b) consolidate, cross-default or collateralize the insured and securitized loan with other **Debt**.

Although **we** will not take any of the above actions as against the **CMHC**, an **NHA Program** trustee or the mortgage insurer, **we** do not renounce, waive, disclaim, discharge or release all or any part of the security or any other security as against any person, including **you**, any other borrower under an RBC Homeline Plan Agreement and any person having or taking an interest in the **Property**. Notwithstanding the foregoing and for certainty, **you** agree that the **Debt** and **your** obligations under this **Deed of Hypothec** and all obligations under any other security or guarantee or agreement concerning the **Debt** remain in full force and effect and are hereby ratified and confirmed. **You** renounce to the extent necessary any right **you** may have to the reduction of your obligations and acknowledge **you** remain fully responsible to us under this **Deed of Hypothec** and under any **RBC Homeline Plan Agreement** and under any other agreement entered into pursuant to any **RBC Homeline Plan Agreement**.

- (ii) Any part of the **Debt** that is insured and securitized under an **NHA Program** have priority as to payment, collection and enforcement over that part of the **Debt** that is not insured and securitized under an **NHA Program**.
- (iii) Notwithstanding any other clause herein, a conflict between this Section 5.3 and any other clause in the **Deed of Hypothec**, an RBC Homeline Plan Agreement or any other loan agreement between **you** and **us**, the terms of this Section 5.3 shall prevail to the extent of such conflict.

6. MISCELLANEOUS PROVISIONS

6.1 NATURE OF THE PROMISES

Each of **your Promises** is indivisible and **we** may require full compliance by each of **you** and **your** heirs, legatees, legal representatives, successors or assigns.

If any of the provisions of the **Deed of Hypothec** or any agreement relating to the **Debt** is null or void or deemed not to have been written, all the other provisions of the **Deed of Hypothec** or agreements relating to the **Debt** will be severable from the provisions that are null and void or deemed not to have been written and will remain valid and enforceable.

6.2 COMMUNICATIONS

If **we** send **you** documents relating to the **Debt** or the **Deed of Hypothec**, such documents will be deemed to have been received by **you** on the fifth day following their mailing.

If **you** are a group of signatories of the **Deed of Hypothec**, **we** may rely on communications received from any of **you**, whether such communications are received in electronic form, in writing, verbally or otherwise and any such communication will be considered to be a communication from all of **you**.

Likewise, any communication that **we** send to any one of **you**, electronically, in writing, verbally or otherwise, will be considered to be a communication to all of **you**.

6.3 ELECTION OF DOMICILE

Any service, notice or demand must be made or given to or served on **you** at **your** residence or domicile. However, if **we** cannot find **you** at your residence or domicile, **you** elect domicile for the purposes of the **Deed of Hypothec** at the office of the clerk of the Superior Court in the district where **your Property** is located, and such service, notice or demand may be made, given to or served on **you** there.

6.4 DEFAULT BY LAPSE OF TIME

Subject to the provisions of section 6.5, **you** will be put in default by the mere lapse of the time to pay the **Secured Amounts** and to fulfill **your Promises**. This means that **we** do not have to send **you** a notice or demand asking that **you** comply.

6.5 PRIOR NOTICE

If:

- the repayment of the **Debt** is secured by a hypothec other than a first-ranking hypothec; and
- at the expiry of the **Term you** are not in **Default**; and
- the outstanding balance of the **Debt** exceeds the amount of one regular payment,

we will give **you** prior written notice of at least thirty (30) days before requiring the repayment of the **Debt** in full.

Section 6.5 applies only if the borrower is a consumer within the meaning of consumer protection legislation

6.6 NO WAIVER

We may if **we** wish, take any of the following measures, without affecting **our** rights under the **Deed of Hypothec**:

- (a) give **you** more time to pay the **Secured Amounts** or fulfill **your Promises**;
 - (b) agree not to exercise some or all of **our** rights pursuant to the **Deed of Hypothec** or the law;
 - (c) release **you** from some or all of your **Promises**;
 - (d) take or not take other security or guarantees with respect to all or part of the **Secured Amounts**;
 - (e) accept any arrangement for the repayment of the **Secured Amounts**; or
 - (f) negotiate with **you**, any other person or any guarantor, at **our** option.
-

6.7 DOCUMENTS

You agree to remit to **us** at **our** request, the title deeds, title search certificates, location certificates, insurance contracts and other documents relating to **your Property** and the **Rent**. These documents will remain in **our** possession until the **Secured Amounts** are repaid in full.

You agree to sign any document and do any thing that we consider necessary to ensure that the **Hypothec** remains valid, that **we** can conserve or renew the publication of **our** rights in **your Property** or otherwise protect **our** rights arising from this **Deed of Hypothec**, until such time as the **Secured Amounts** have been repaid to **us** in full, **your Promises** have been fulfilled in full and no further sums remain to be advanced to **you** on the **Debt**.

6.8 REPRESENTATIONS

You represent to **us** that:

(a) **you** are the absolute and uncontested owner of **your Property**;

(b) **you** are the absolute owner of the air conditioning, heating, plumbing, cooling and lighting appliances, the accessories and equipment placed in the **Buildings** and the elevators and machinery, and they are permanently physically attached or joined to the **Building** to permit its use and they form part of the **Building**;

(c) the **Property** and the **Rent** are free of any prior claim and are charged only with the hypothecs declared in the **Deed of Hypothec**; furthermore, the **Rent** has not been assigned to any third party;

(d) all the **Taxes** payable to date have been paid without subrogation;

(e) **your** marital status, if applicable, is as indicated in section 8.2 of the **Deed of Hypothec**;

(f) if **you** are married, no change has occurred in **your** marital status since **your** marriage and no agreement exists between **you** and **your** spouse to change **your** matrimonial regime or **your** marriage contract and no petition seeking the approval of such an agreement and no petition for separation as to property, separation as to bed and board, for annulment of marriage or for divorce is pending.

6.9 PROMISES SOLIDARY

If there is more than one of **you**, each of **you** is solidarily liable to pay the **Secured Amounts** and fulfill the **Promises**. This means that each of **you** is responsible individually and collectively with the others for the **Secured Amounts** and the **Promises**. This means that **we** may require any one of **you** to pay the **Secured Amounts** in full or to perform all **your Promises**, which will have the effect of releasing the others.

However, each of *you* waives the right to be subrogated in *our* rights against the others. This means that *you* will not obtain *our* rights against the others by paying the **Secured Amounts** or performing the **Promises**.

Each of *you* also authorizes *us* to grant releases and waivers to the others with respect to their liability or the **Hypothec**, and acknowledges that this will not have the effect of releasing *you* from *your* liability in respect of the **Secured Amounts** or the **Promises**.

6.10 EXONERATION

If *we* are in possession of *your Property*, *we* will not be obliged to maintain the use for which it is normally intended, to have it generate revenues or to continue operating or using it.

6.11 CONSENT – CADASTRAL AMENDMENTS

We authorize *you* by this **Deed of Hypothec** to make any cadastral amendments for the sole purpose of renumbering the lot(s) corresponding to *your Property*, provided that, following such amendment, our rights arising from the **Deed of Hypothec** are carried over to one or more full lots, excluding parts of lots. *We* expressly reserve all *our* rights in the renumbered lot(s). *You* must notify *us* in writing of the cadastral amendment within ten days of such amendment.

If, following the proposed cadastral amendment, *our* rights under the **Deed of Hypothec** are transferred not only to one or more full lots, but also to one or more parts of lots, or only to one or more parts of lots, *you* must obtain *our* express prior consent to the contemplated transaction and *we* may then require that *you* grant *us* a hypothec on one or more parts of lots so that *our* rights apply to one or more full lots.

6.12 CHANGE OF OWNERSHIP

You agree not to sell or transfer all or part of the **Property** to a person who has not previously been approved in writing by *us*.

If *you* sell or transfer the **Property**, directly or indirectly, without *our* consent, *we* may demand the full and immediate repayment of the **Secured Amounts**.

If *we* do not ask *you* to pay the **Secured Amounts** or if *we* approve the sale or transfer, that does not mean that *we* are waiving *our* right to claim payment from *you* of the **Secured Amounts**.

6.13 CO-OWNERSHIP CLAUSE

The following conditions apply if **your Property** forms part of an immovable owned in divided co-ownership:

(a) YOUR PROMISES

In addition to the **Promises** which **you** agree to fulfill by signing the **Deed of Hypothec** you agree to:

- (i) comply with all the legislative provisions applicable to co-ownership, the declaration of co-ownership (including any amendments thereto) (the "*Declaration of Co-ownership*") and all regulations, by-laws, orders and resolutions adopted at co-owners' meetings;
- (ii) pay **your** proportionate share of all taxes, contributions to common expenses and administrative charges imposed by the syndicate of co-owners in accordance with the *Declaration of Co-ownership*. **We** may require **you** to provide proof of payment;
- (iii) pay **us**, if **we** so request, **your** contribution to the common expenses and the administrative charges imposed by the syndicate of co-owners. **We** may accept a declaration of the syndicate of co-owners as conclusive proof of the amounts due and their due dates;
- (iv) provide **us** with any notice, including notices of assessment which **you** receive from the syndicate of co-owners;
- (v) ensure that the syndicate of co-owners fulfills all its obligations under the law or the *Declaration of Co-ownership* and its by-laws;
- (vi) the **Secured Amounts** are payable on demand if:
 - (1) the divided co-ownership comes to an end;
 - (2) sale of all or a substantial part of the property of the syndicate of co-owners is authorized;
 - (3) the syndicate of co-owners does not comply with the applicable legislation, the *Declaration of Co-ownership* or the co-ownership by-laws;
 - (4) the syndicate of co-owners fails to insure the private portions and the common portions against destruction or damage by fire and other perils usually insured against, for full replacement cost;
 - (5) the syndicate of co-owners fails, in **our** opinion, to manage the co-owned property and assets in a careful way or to maintain them in good repair; or
 - (6) the syndicate of co-owners fails to insure all the private portions and common portions according to law and any additional requirements we may have,

or fails to do all that is necessary to collect insurance proceeds.

(b) **ASSIGNMENT OF YOUR VOTING RIGHTS AND CLAIMS:**

You assign and convey to **us**:

- (i) all **your** voting rights under the *Declaration of Co-ownership* but **we** will not enforce such assignment unless **you** are in **Default**; and
- (ii) all **your** rights to the amounts in the funds for common expenses set up under the *Declaration of Co-ownership*, if any, but such assignment will only take effect if **we** become the owners of **your Property**. **You** agree to sign any document **we** may require to confirm such assignment.

(c) **INSURANCE:**

You and the syndicate of co-owners must comply fully with the terms of the insurance policy(ies) on **your Property**, the syndicate of co-owners and with the insurance clauses contained in the *Declaration of Co-ownership*.

In addition to fulfilling **your Promises** relating to insurance described in section 4.1, **you** also agree to:

- (i) insure the common portions of the buildings that form or will form part of the co-owned property if the syndicate of co-owners does not do so;
- (ii) provide **us** with proof that **your** insurance coverage and that of the syndicate of co-owners is in force with respect to **your Property**;
- (iii) notify **us** at least 30 days before the expiry of any insurance policy that is to be renewed or replaced;
- (iv) if it is legal to do so, assign **us your** interest in any insurance policy purchased by the syndicate of co-owners for **your Property**; and
- (v) make every effort to have the syndicate of co-owners comply fully with all of the above-mentioned **Promises**.

If there are discrepancies between the insurance section contained in the *Deed of Hypothec* and the insurance provisions contained in the *Declaration of Co-ownership* as regards **our** use of the insurance proceeds in the event of a loss, the provisions in the *Declaration of Co-ownership* will apply.

6.14 EXPROPRIATION

(1) If your entire **Property** is expropriated, the **Secured Amounts** will immediately become due and payable.

(2) If only a part of **your Property** is expropriated, **you** agree to pay to us the amount **you** are awarded for the partial expropriation and **we** will credit it to the **Secured Amounts**.

(3) If **we** consider that the remainder of **your Property** is not adequate security for the **Secured Amounts**, then the **Secured Amounts**, or the part of the **Secured Amounts** as **we** decide, will immediately become due and payable.

6.15 ACQUITTANCE

1) **We** will provide **you** with an acquittance of the **Debt**, if **you** ask **us**, when:

(a) the **Secured Amounts** have been paid to **us** in full;

(b) **you** have fulfilled all **your Promises**;

(c) **we** are no longer obliged to advance any amounts in respect of the **Debt**, and

(d) **you** have paid a sufficient amount to pay the registration fee and the costs of sending the acquittance to the registry office.

2) If **we** give **you** a full acquittance, **we** will no longer be entitled to enforce **our** rights under the **Deed of Hypothec** and **we** will no longer be obliged to advance any sums whatsoever in respect of the **Debt**.

6.16 INTERPRETATION

Wherever the context so requires, the gender and number of words are interchangeable.

Paragraph and section headings in the **Deed of Hypothec** are used only for easy and convenient reference. They do not affect the construction or interpretation of the **Deed of Hypothec**.

7. INTERVENTIONS if applicable

7.1 NON-OWNER SPOUSE – CONSENT

The **Grantor's** spouse, _____, intervenes in this **Deed of Hypothec** and:

(a) joins with the **Grantor** for the purposes hereof and confirms that the **Grantor's** declarations regarding his(her) marital status are correct;

(b) consents to the **Hypothecs** recorded in the **Deed of Hypothec**;

(c) acknowledges that if a judgment granting him(her) a right of use, habitation or occupancy is registered against the **Property**, he (she) will be solidarily bound with the **Grantor** by all the provisions of this **Deed of Hypothec** insofar as they affect him(her) or are applicable to him(her) as occupant or owner, but he(she) will not be personally liable for the **Debt**, unless he(she) has expressly guaranteed the **Debt**.

7.2 CO-OWNER – CONSENT

intervenes in this **Deed of Hypothec** and:

(a) declares that he(she) is co-owner of the Property with the **Grantor** in undivided co-ownership;

(b) grants to the Bank the same hypothecs as those granted by the **Grantor**, for the same amounts and for the same purposes as set forth in this **Deed of Hypothec** on his(her) undivided portion of the **Property** and on his(her) undivided portion of the **Rent**;

(c) declares that he(she) will be solidarily bound with the **Grantor** by all the provisions of this **Deed of Hypothec** insofar as they affect him(her) or are applicable to him(her) as co-owner;

(d) unless he(she) has personally guaranteed the **Debt**, shall only be liable pursuant to the **Hypothec** to the extent of his(her) undivided portion of the **Property** and shall not be personally liable.

7.3 CO-OWNER – GUARANTOR

intervenes in this **Deed of Hypothec** and:

(a) declares that he(she) is co-owner of the Property with the **Grantor** in undivided co-ownership;

(b) grants to the Bank the same hypothecs as those granted by the **Grantor**, for the same amounts and for the same purposes as set forth in this **Deed of Hypothec** on his(her) undivided portion of the **Property** and on his(her) undivided portion of the **Rent**;

(c) declares that he(she) will be solidarily bound with the **Grantor** to pay all the **Secured Amounts** pursuant to the **Deed of Hypothec** and to fulfill all the **Grantor's Promises** provided for therein;

The Intervenor waives the benefits of division and discussion, which means that he(she) may not require **us** to seek repayment from the **Grantor** or to exercise **our** recourses against the assets of the **Grantor** before seeking payment from the Intervenor.

If there is more than one Intervenor, each Intervenor is solidarily liable to pay the **Secured Amounts** and to fulfill the **Promises**.

8. PRIOR CHARGES/MARITAL STATUS

8.1 CHARGES

The following hypothecs currently charge the **Property** or the **Rent**.

8.2 MARITAL STATUS

(a) of the **Grantor**.

(b) of the intervening co-owner (if applicable):

9. LANGUAGE CLAUSE

The parties have requested that this **Deed of Hypothec** and all related documents be drafted in English; les parties aux présentes ont demandé que le présent **Acte d'hypothèque** et tous les documents y afférents soient rédigés en anglais.

*Insert section 10
only if the loan is
insured by the
CMHC*

10. NATIONAL HOUSING ACT

If the **Debt** is insured by the Canada Mortgage and Housing Corporation, it is granted pursuant to the **National Housing Act (Canada)**.

WHEREOF ACTE

DONE AT

on the day, month and year first mentioned and recorded in the minutes of the undersigned notary under the number

AND HAVING READ this *Deed of Hypothec*, the parties hereto signed in the presence of the undersigned notary.