

COURTESY ENGLISH TRANSLATION: PLEASE REGISTER
THE FRENCH LANGUAGE VERSION OF THE DEED OF
HYPOTHEC

CMHC number:
SAGEN number:
Canada Guaranty number:

ON THIS _____ day of _____
IN THE YEAR TWO THOUSAND AND _____

BEFORE _____, Notary at _____,
in the Province of Quebec

THERE APPEARED:

**INVESTORS GROUP TRUST COMPANY LTD. / LA COMPAGNIE DE
FIDUCIE DU GROUPE INVESTORS LTÉE**, a corporation governed by the
Trust and Loan Companies Act (S.C. 1991, chapter 45), having its head office
at 447 Portage Avenue, City of Winnipeg, Province of Manitoba, R3B 3H5,
herein acting and represented by _____, its duly authorized
representative and s/he declares;

Notice of Address: 6 000 121

hereinafter called the "Lender"

AND:

hereinafter called the "Borrower"

WHICH PARTIES HAVE AGREED AS FOLLOWS:

1. DEFINITIONS

In the present document:

“Deed of Hypothec” shall refer to the present document;

“Line of Credit Agreement” shall refer to the agreement executed between the Lender and the Borrower entitled “Home Equity Line of Credit Agreement”, as well as any other agreement subsequently entered into between the Lender and the Borrower, whether as a separate and independent loan agreement or to amend or replace an existing agreement, including but not limited to any document issued at the request of the Borrower in order to increase the total sum borrowed;

“Loan Approval Letter” shall refer to the letter issued by the Lender to the Borrower entitled “Loan Approval”, as well as any other letter subsequently issued by the Lender and accepted by the Borrower and the Lender, whether as a separate and independent loan agreement or to amend or replace such letter, including but not limited to any such letter issued at the request of the Borrower in order to increase the total sum borrowed;

“Loan Documentation” shall refer to any and all of the Loan Approval Letter, the Line of Credit Agreement and the Deed of Hypothec together;

“Loan” shall refer to the contract of loan entered into between the Lender and the Borrower as set out in the Loan Documentation;

“Loan Amount” shall refer to any credits or advances disbursed by the Lender from time to time pursuant to the Loan Documentation, including capital, interest accrued, interest on interest, any penalties or charges owing under the Loan Documentation and any additional loan or disbursement made to the Borrower or on his behalf after the initial disbursement, and any interest or interest on interest accrued thereon;

“Hypothecated Property” shall refer to the Immovable as described in Clause 2 of the Deed of Hypothec, the proceeds from the insurance of the Immovable as described in Clause 4 and rental payments generated by the Immovable as described in Clause 5;

“Hypothec Amount” is the sum of

(\$ _____) in legal tender in Canada.

2. HYPOTHEC

To secure the repayment of the Loan Amount, including the payment of accrued interest and the fulfillment of all obligations provided for in the Loan Documentation, the Borrower hereby hypothecates in favour of the Lender, for a sum equal to the amount of Hypothec Amount, with interest on this amount from the date hereof, at a rate of twenty-five per cent (25%) per annum, the following immovable (inclusive of all moveables both present and future, incorporated into the said immovable, materially attached or connected and which enable the said immovable to be used) hereinafter designated the Immovable.

DESCRIPTION

3. ADDITIONAL HYPOTHEC

In order to secure payment to the Lender of the aforesaid interest on the Loan Amount, of interest on interest and of the accessories of the Loan such as property taxes, insurance premiums, legal, extrajudicial or notarial expenses and fees or any other sums which may be expended by the Lender by reason of the Loan (including any sums paid for the discharge and radiation of encumbrances, or to complete, repair or maintain the building, or to preserve the hypothecs hereby created) and to guarantee the fulfillment of all the conditions and stipulations of this Loan Documentation, the Borrower specially hypothecates the above described Hypothecated Property in favour of the Lender for a further sum equivalent to THIRTY percent (30%) of the Hypothec Amount.

4. INSURANCE AND HYPOTHEC OF INSURANCE MONEYS

The Borrower binds and obliges themselves to insure the Immoveable and to keep it insured against loss by fire for its full insurable value (and in any event for not less than the Hypothec Amount and of the amount of prior ranking claim) and to take out insurance coverage of one hundred percent (100%) of any loss of rent generated by the Immoveable for a period of no less than one year, by means of a contract or contracts containing a hypothecary clause approved by the Lender, but without co-insurance clause, and issued by an insurer or insurers approved by the Lender. Each insurance policy shall stipulate that the insurance moneys shall be made payable to the Lender.

The Borrower shall remit to the Lender a copy of the said insurance policy prior to disbursement of the Loan Amount and, furthermore, no less than fifteen (15) days prior to the expiry of the said policy shall deliver to the Lender evidence of the renewal thereof or of its replacement by one or several insurance policies for an identical amount issued by an insurer or insurers approved by the Lender.

The Borrower, furthermore, shall provide the Lender with receipts attesting to the payment of the insurance premium no less than fifteen (15) days prior to the expiry of the policy or policies. In case of failure by the Borrower to fulfill any of such obligations, the Lender may renew or subscribe to such policy or policies and the Borrower binds and obliges themselves to pay the Lender on demand all sums expended for such purpose together with interest at the rate

prescribed in the Loan Documentation from the date of payment of the said insurance policy or policies by the Lender up to and including the date of reimbursement by the Borrower.

The Borrower further agrees to insure the Immoveable against such other casualties and contingencies as the Lender may require. In case of loss or damage by fire or otherwise, the Borrower shall immediately notify the Lender and shall not proceed to any reconstruction or repair of the Immoveable without the consent of the Lender. In the event such consent is granted, the Borrower shall restore the Immoveable damaged or destroyed to a state or condition at least as good as that existing prior to such loss or damage regardless of the sufficiency or insufficiency of any insurance moneys paid to the Lender or otherwise.

As an additional guarantee for the fulfillment of all the obligations stemming from the Loan Documentation, the Borrower shall hypothecate the insurance moneys provided for above for a sum equal to Loan Amount in favour of the Lender.

Insurance moneys shall be paid directly to the Lender up to and including the amount due to them. Such moneys may, at the discretion of the Lender, be allocated partially or wholly to:

- a) Repairing or reconstructing the Immoveable;
- b) Repaying the Loan Amount, whether or not exigible, and all other sums which may be payable hereunder by the Borrower to the Lender. However, neither the encashment nor the application of any such insurance moneys by the Lender shall reduce or in any way affect the hypothecs granted to the Lender, except to the extent the Lender executes a discharge with respect to same.

5. HYPOTHEC OF RENTAL PAYMENTS

As further security for the repayment of the Loan Amount, the Borrower hereby hypothecates in favour of the Lender, for an amount equal to the Loan Amount, all rental revenue payable and to become payable from the Immoveable (all sums payable by reason of occupation of the Immoveable being included in the term "rental payments").

Notwithstanding the preceding, the Borrower shall be authorized to collect rental payments until such time as the Lender shall have withdrawn such authorization and shall have notified the tenants of its decision to collect them itself. Once the tenants have received such notice from the Lender, they shall thenceforth make all their rental payments to the Lender or to its representative. The Borrower shall immediately hand over to the Lender all rental payments received following the said notice.

The Borrower agrees to provide the Lender on demand with a copy of all leases and of any rental offer concerning the Immoveable. They agree to accept no advance rental payment nor to otherwise hypothecate the rental payments without authorization to this end from the Lender.

The Lender may provide valid receipts for all rental payments it collects but shall not be held liable for any damage or loss due to failure to collect. It may sign or renew leases on behalf of the Borrower on such terms as it shall deem suitable and may exercise all recourses stemming from such agreements.

Moreover, it shall not be obliged to inform the Borrower of any irregularity in the rental payments. The Lender may deduct from all rental payments collected the percentage that it normally charges for rental collection; it shall place the balance of such rental payments in trust and may, at its discretion, apply the amount of such payments to one or other of the operations provided for below. The Borrower hereby accepts and ratifies, as equivalent to an accounting, the statements that the Lender shall provide with regard to the amounts collected and their use.

Rental payments may, at the discretion of the Lender, be assigned wholly or in part for the following purposes:

- a) The maintenance and operation of the Immoveable, including the usual charges levied by the Lender for such services; and
- b) The repayment of the Loan Amount, whether or not exigible, and all other sums which may be payable hereunder by the Borrower to the Lender. However, neither the receipt nor the application of any such rental payments by the Lender shall reduce or in any way affect the hypothec granted to the Lender hereunder, except to the extent the Lender executes a discharge with respect to same.

6. ADDITIONAL LOAN

The hypothec and all other security provided under the Loan Documentation is not extinguished by the full or partial repayment of the Loan Amount, unless and until the hypothec is acquittanced, discharged or cancelled by the registration of the appropriate document in the land register.

For greater clarity, the Deed of Hypothec forms an integral part of the Loan Documentation of any additional loan contracted by the Borrower from the Lender, and the Borrower obligates himself to offer the Hypothecated Property as security for any additional loan.

7. BORROWER'S OBLIGATIONS

The Borrower binds and obliges himself:

- a) **Property taxes:** to pay as and when they become due and without subrogation all federal, provincial, municipal, and school taxes and assessments, both general and special, and all claims liable to encumber the Immoveable with a legal hypothec, prior claim or other privilege and to exhibit to the Lender receipts evidencing the payment thereof within thirty (30) days of their falling due;
- b) **Costs (creation and extinction of guarantees):** to pay all fees and expenses relative to the Loan and to the guarantees, including but not restricted to legal and notarial costs, the cost of publication of hypothecs, of the notice of the Lender's address, of acquittance and discharge and of valuation and survey fees. The Borrower authorizes the Lender to use the product of the Loan to make such payments;
- c) **Expenses (carrying out of guarantees):** to pay to the Lender, on demand and with interest payable at the same rate set out in the Loan Documentation as from the date of disbursement, all sums which the Lender may disburse or for the disbursement of which he may become liable in seeking to obtain the fulfillment of any obligation of the Borrower in the Loan Documentation, to protect or implement the security provided

under the terms of the Loan Documentation or to remedy any default of the Borrower. Such sums shall include but not be restricted to legal and extrajudicial costs and fees and the cost of notification and registration of all notices prescribed by law or under the terms of the Loan Documentation;

- d) **Public utilities:** to pay no later than forty-five (45) days following their mailing all electricity, natural gas and utility services bills which they may receive relative to the Immoveable. To this end, suppliers of electricity, gas and other services are authorized to inform the Lender of the sums owed to them by the Borrower;
- e) **Access to the Immoveable:** to permit the Lender, at any reasonable time, to examine, inspect or evaluate the Immoveable, allow access to the Immoveable by the Lender, employees, insurers and agents, and provide at no cost to the Lender any further information which the latter may reasonably request from time to time with respect to the Immoveable or the financial condition of the Borrower, or for the purpose of determining if the Borrower is in compliance with their obligations towards the Lender;
- f) **Maintenance of Immoveable:** to maintain the Immoveable in good condition and repair during the term of the Loan. The Lender, an agent of the Lender or an agent of the Lender's insurer, may at any time, before and after default, and for any purpose deemed necessary by the Lender or the Lender's insurer, enter upon the property to inspect the lands and buildings thereon. Without in any way limiting the generality of the foregoing, the Lender or its insurer (or their respective agents) may enter upon the said lands to conduct any environmental testing, site assessment, investigation or study deemed necessary by the Lender or its insurer and the reasonable cost of such testing, assessment, investigation or study, as the case may be, with interest payable at the same rate as the Loan Amount pursuant to the Loan Documentation, shall be payable by the Borrower forthwith. The exercise of any of the powers enumerated in this clause shall not deem the Lender, its insurer or their respective agents to be in possession, management or control of the said lands and buildings.
- g) **Compliance with laws:** to ensure that at all times the Immoveable and the activities taking place therein are in compliance with all current laws and regulations; to provide the Lender on demand with a copy of all documents confirming such compliance and, on receipt, a copy of any notice or proceedings alleging the contrary. Furthermore if the Loan is insured by CMHC, the property will have to comply with the NATIONAL HOUSING ACT.
- h) **Work on Immoveable:** to carry out no construction or renovation work on the Immoveable nor yet to modify the intended purpose of the said Immoveable without the consent of the Lender; to disclose to the Lender the identity of any person who may acquire a legal hypothec on the Immoveable consequent on construction or renovation work carried out; to provide the Lender with all documents required by the latter to establish what construction or renovation work has been carried out or is to be carried out and the details of amounts paid out or to be paid out with regard to such work;
- i) **Income from Hypothecated Property:** to maintain detailed accounts of income and expenses with regard to the Hypothecated Property, to allow the Lender to take cognizance of the accounts from time to time and to provide him with all relevant documents;

- j) **Income and other taxes on Loan:** to pay to the Lender on demand a sum equal to any income tax or other tax that the Lender might be liable to pay on the Loan or the interest thereon, with interest payable at the same rate as the Loan Amount pursuant to the Loan Documentation, with effect from the date of payment or from the date at which the Lender became liable until the date of reimbursement by the Borrower;
- k) **Change of address:** to notify the Lender in writing of any change in the address of the Borrower's habitual domicile within thirty (30) days following such change;
- l) **Change in civil status:** if the Immoveable is a family residence and the Borrower enters into marriage or civil union, to ensure that their spouse acknowledges within thirty (30) days of the celebration of the marriage, in writing and in such form as shall be acceptable to the Lender, that all rights the said spouse may acquire in the Hypothecated Property by virtue of the Law, by registering a declaration of family residence, or by judicial ascription of a *jus utendi*, right of habitation or right of ownership shall be subordinated to all the rights of the Lender under the terms of Loan Documentation and of the law and that the Lender shall be entitled to exercise all its rights and recourses with regard to the Hypothecated Property untrammelled by any right devolving to the spouse of the Borrower;
- m) **Canadian Bank Account:** to maintain an account with a Canadian financial institution (a chartered bank, trust company, credit union or caisse Populaire) and provide the Lender with authorization to automatically debit each payment of principal, interest, taxes and life insurance premium (if applicable) when due. The Borrower must ensure that the account always contains sufficient funds to meet each payment.

8. DEPOSIT FOR TAXES

Notwithstanding the provisions of paragraph a) of Clause 7 above, the Borrower also here covenants and agrees to deposit with the Lender on demand during the term of the present Loan at the same time as, and over and above the payments provided for in the Loan Documentation, a sum equal to one twelfth of the amount estimated by the Lender for the property taxes falling due during any twelve-month period. The Borrower also agrees to pay to the Lender on demand the amount, if any, by which the actual taxes exceed such estimate. The Borrower shall remit to the Lender the tax bills and other notices affecting the imposition of property taxes, forthwith after the receipt of the same by them and authorizes the Lender to obtain any information relative to such taxes.

All sums paid to the Lender under the terms of the present clause shall constitute a pledge in the Lender's favour for payment of property taxes accruing on the Hypothecated Property. These sums shall generate no interest. In the event of any default on the part of the Borrower, the Lender may apply the said sums wholly or partially in discharge of any amount owing to the said Lender, but the Lender undertakes that when property taxes fall due, provided the Borrower shall not be then in default and that the Lender not be obliged to pay the said taxes more often than once a year, any sums so accumulated and not otherwise applied shall be applied in payment of such taxes.

Should the Borrower fail to comply with the provisions provided for in the present clause or with those set out in paragraph a. of clause 7 above, the Lender

may, though not obliged to do so, pay the property taxes out of its own pocket, in which case the Borrower shall agree to the Lender being subrogated to all the rights and recourses of the federal, provincial, municipal, school or other authorities. All amounts disbursed to this end become immediately exigible from the Borrower, with interest payable at the rate set out in the Loan Documentation and running from the date of disbursement.

9. ALIENATION OF THE HYPOTHECATED PROPERTY

The Borrower agrees to give prior notice in writing of each sale or other form of alienation of the Hypothecated Property. In the event of alienation, the Lender may demand immediate repayment of the Loan Amount and of any other sum due under the Loan Documentation.

Any person acquiring rights in the Hypothecated Property shall agree solidarily with the Borrower to fulfill and comply with all the obligations and conditions provided for in the Loan Documentation and with any extension of the term of payment subsequent to the Loan Documentation, as the case may be.

The person acquiring such rights in the Hypothecated Property shall likewise, within thirty (30) days of alienation, and at their own expense, provide the Lender with a copy of the deed of transfer, proof that they are entered on the land register and a fire insurance policy and a policy or policies covering other risks as required under the terms of the Loan Documentation.

If the Immoveable is a family residence, the spouse of the person acquiring rights therein shall intervene in the Deed of Sale and acknowledge that all rights the said spouse may acquire in the Hypothecated Property by virtue of the law or of registering a declaration of family residence, by judicial ascription of a *jus utendi*, right of habitation or right of ownership shall be subordinated to all the rights and recourses of the Lender by virtue of the Loan Documentation or of the law and that the Lender is entitled to exercise all its rights and recourses with respect to the said Hypothecated Property untrammelled by any rights devolving to the spouse of the Borrower.

No transfer, assignment or alienation of the Hypothecated Property shall lead to novation of the Loan or the hypothec and the Borrower shall remain bound by and liable for all the obligations laid down in the Loan Documentation and by and for any extension subsequent to the term of the Loan Documentation until such time as the Loan shall have been fully repaid.

For the purposes of the Loan Documentation and without restricting the scope of the preceding, the term "alienation" shall be deemed to mean any declaratory or translatory act affecting wholly or partially ownership rights in the Immoveable including: canon, bare ownership, usufruct, right of habitation, *jus utendi* and other similar rights. If the Borrower is a body corporate, any change in the control of such body's capital stock shall likewise be deemed to be an alienation of the Hypothecated Property.

Subject to the above requirements of this section, the person acquiring rights in the Hypothecated Property may also benefit from the rights accorded to a borrower under the Loan Documentation.

10. DECLARATION BY THE BORROWER

The Borrower declares and warrants that:

- a) They are the sole and absolute owner of the Hypothecated Property. No hypothec, prior claim, servitude or other privilege currently encumbers the said Hypothecated Property and that there are no outstanding causes for the registering or creation of any such encumbrances, SAVE FOR:

- b) In the case of a loan issued through a Line of Credit Agreement, they have received from the Lender, at least two (2) days before the execution of the Deed of Hypothec, a written notice indicating the credit charges applicable under the Line of Credit Agreement and determined in accordance with the *Consumer Protection Act* (Québec), a copy of which is annexed to the copy of the Deed of Loan provided to the Borrower after having been acknowledged as true and signed for identification by the parties in the presence of the undersigned notary.
- c) The Immoveable does not and has never contained urea formaldehyde forms insulation;
- d) That all property taxes have been paid up to the most recent due date without subrogation to anyone whomsoever or shall be so paid out of the proceeds from the Loan;
- e) That the Immoveable is not currently undergoing nor has undergone over the period of the six months preceding the date of the Deed of Hypothec any construction or renovation that has not been fully paid for;
- f) That no rental payment has been paid more than one month in advance and no advance receipt for more than one month's rental has been issued;
- g) That all the moveables that make the Immoveable useable and more specifically the heating, air conditioning, lighting, elevators and other accessories have been incorporated or permanently attached to or connected to the Immoveable and may not be displaced without the written consent of the Lender until such time as the Loan Amount shall have been fully repaid. All assets and all moveables which, in the Immoveable, are used for the operation of the Borrower's business, are owned by them absolutely, are free and clear of any prior claim, privilege or charge and are subject to the Lender's hypothec. The same will apply to all other assets of like nature that might be placed in the Immoveable and to any building or structure which may hereafter be erected on the Immoveable or any future development of the said Immoveable;
- h) That the Immoveable is not a housing complex within the meaning of the *Act respecting the Administrative Housing Tribunal*;
- i) That the Immoveable and the activities carried out therein comply with all provisions set out in all federal, provincial, and municipal laws and regulations and more specifically as concerns zoning, construction and environmental protection;
- j) That the Immoveable is shown on a plan appended to a certificate of localization prepared by

surveyor, in date of

under the number

of his minutes and there has been no modification to or new construction on the Immoveable since the drawing up of the aforesaid certificate of localization and the said certificate is still completely accurate;

k) That the Borrower's marital status is as follows:

11. DEFAULT

The Borrower shall be deemed to be in default if any of the following events occurs:

- a) If the Borrower fails to comply with any of the obligations in the Loan Documentation; or
- b) If the Borrower fails to discharge any of the obligations with regard to a creditor having rights on the Hypothecated Property whether or not such rights rank higher than those of the Lender and whether or not the creditor in question tolerates the existence of the said default; or
- c) If, without restricting the scope of the preceding, notice is given that a prior claim or legal hypothec is to be exercised or a court action is to be instituted against the Hypothecated Property; or
- d) If the Borrower or a surety becomes insolvent or bankrupt or seeks protection under the *Companies' Creditors Arrangements Act* (R.S., c. C-36) or some similar law or if judgment ordering its liquidation is handed down; or
- e) If the Borrower does not obtain, within ten (10) days of its registration, discharge of any prior claim, hypothec or legal hypothec encumbering the Hypothecated Property and which may be liable to rank before the Lender's hypothec; or
- f) If the Hypothecated Property is seized prior to or following judgment or if a trustee, sequestrator, receiver or any other person exercising similar functions should take possession of the said Hypothecated Property; or
- g) If the leases are granted under abnormally generous conditions; or
- h) If the Immoveable is expropriated, left vacant or abandoned; or
- i) If the Borrower carries out a cadastral operation or agrees to a servitude encumbering the Immoveable without the prior consent of the Lender; or
- j) If the Lender receives a notice from the Federal or Provincial Minister of Revenue, requiring the Lender to pay the said Minister the full amount or some part of the Loan in discharge of a liability incurred by the Borrower; or
- k) If the declarations made by the Borrower to the Lender are inaccurate or become so in any way whatsoever.

Should one or other of the above-mentioned events occur then the Lender may at its sole discretion, and without prejudice to its other rights and recourses as provided for under the terms of the Loan Documentation or by law, immediately terminate any obligation to grant additional credit or advances to the Borrower as well as require immediate repayment of the Loan with all interest, expenses and accessories thereto attached, without other notice or

demand, notwithstanding any extension of the repayment periods granted to the Borrower under the terms of the Loan Documentation or by virtue of any other agreement to extend the term of payment.

The Lender may furthermore, subject to its other rights and recourses, fulfil any obligation with which the Borrower has not complied and to this end may utilize the proceeds from the Loan or any other sum where necessary. To this end, the Borrower constitutes the Lender their irrevocable mandatary empowered in their name and on their behalf to personally or through a mandatary carry out any act and to sign any document as the Lender shall deem useful and necessary.

However, notwithstanding any provision to the contrary, should the Lender obtain possession of the Immoveable, it shall be under no obligation to run the said Immoveable as a profitable ongoing concern nor yet to maintain it in the use for which it was destined.

The mere lapse of time in the performance of any of the Borrower's obligations hereunder shall put the Borrower in default, no notice or demand from the Lender being necessary for that purpose.

12. INDEMNITY

Should the Lender take possession or acquire ownership of the Immoveable and should the Immoveable at that time not be in compliance with current laws and regulations, the Borrower agrees to save the Lender, its legal representatives, assignees and successors harmless with respect to any resulting loss, liability, prejudice, costs or expense of whatsoever nature, including but not limited to:

- a) Legal and extrajudicial costs and expenses related to a defense or to a counterclaim; and
- b) Any cost or prejudice consequent on a settlement concluded by the Lender with or without the consent of the Borrower following any legal proceedings; and
- c) The costs of any modification, repair, decontamination or cleansing of the Immoveable or of any fine paid by the Lender.

The Borrower agrees that the compensatory liability provided for in the present Clause shall remain in force notwithstanding the extinction of the obligation to repay the Loan.

13. NATURE OF OBLIGATIONS

Every obligation of the Borrower or of the sureties is indivisible and the performance thereof in its entirety may be claimed from each of their heirs, legatees or legal representatives.

If there be more than one Borrower hereunder all their obligations shall be several.

14. ELECTION OF DOMICILE

Any notice and any proceedings relative to the present Agreement shall be notified to the Borrower at the above-mentioned address, or at any other address of which the Borrower has subsequently informed the Lender in writing; should

the Lender be unable to locate the Borrower at such address, then any notification or proceeding shall be served upon the Borrower at the Office of the Clerk of the Superior Court of the District where the hypothecated property is located and where the Borrower elects domicile for the purposes of the present Agreement.

15. INTERPRETIVE CLAUSE

Wherever the context so requires the singular shall include the plural and the masculine shall include the feminine and vice versa.

By virtue of the Loan Documentation, the term Borrower shall include over and above the Borrower themselves any and all subsequent acquirers, assignees or holders of the Hypothecated Property.

If there is any conflict between the provisions of the Loan Documentation, the current Loan Approval Letter shall prevail over the Line of Credit Agreement (as the case may be), and the Line of the Credit Agreement shall prevail over the Deed of Hypothec.

16. SECURITIZATION

The Lender may, at its option, sell, assign or encumber the Borrower's Loan to one or more third party(ies) without notice to the Borrower, any guarantor, or any spouse signing this Deed of Hypothec and without requiring consent. In such case, the Borrower agrees that the hypothec created hereunder shall continue to secure the Borrower's obligations under the Loan Documentation. The Borrower, any guarantor or spouse executing the Deed of Hypothec hereby authorize and consent to the Lender or any other person having an interest in the Loan from time to time and their respective employees or agents to release or disclose any personal or other information (including financial information) with respect to the Borrower, any surety or spouse, the Loan or the Immoveable, to any other person as may be required to securitize the Loan from time to time.

17. SECURITY FOR COSTS

Should there be dispute at law between the Lender and the Borrower, the latter waives his right to require security for costs as provided for in Article 492 of the Quebec Code of Civil Procedure.

18. INTERVENTION

And hereto intervened

hereinafter called the "Intervening Party", who, after having taken cognizance of the Loan Documentation confirms the Borrower's declaration of civil status and matrimonial regime acknowledges that all the Intervening Party's rights in the Hypothecated Property, by reason of the law, of the registration of a declaration of family residence, or of the judicial award of a *jus utendi*, of a right of habitation or of a right of ownership, are subordinated to all the rights and recourses of the Lender under the Loan Documentation or the law and that the Lender shall exercise all such rights and recourses with regard to the Immoveable, free and clear of any and all rights of the Intervening Party.

19. GUARANTEE

And hereto intervened

hereinafter called the "Guarantor", who, after having taken cognizance of the Loan Documentation, hereby stands surety for all and each of the obligations contracted by the Borrower and with all other sureties as the case may be, and more specifically with respect to repayment of the Loan Amount, and does to this end bind himself solidarily with the Borrower, as if the said obligations were contracted by himself, and does waive the benefits of division and discussion. Moreover, the obligation of the said security shall be indivisible within the meaning of Article 1520 of the Civil Code of Quebec.

The Guarantor will maintain his guarantee of the repayment of the Loan Amount, as well as the fulfilment of all obligations stated in Loan Documentation, and even if there is prorogation of the delay or a change in the term and the interest rate.

The Borrower binds himself to keep the Guarantor informed of any prorogation of delay of the Loan, with full exoneration of the Lender.

20. SPECIAL CONDITIONS RELATING TO A FRACTION OF DIVIDED COOWNERSHIP OF AN IMMOVABLE

The Borrower hereby declares that the Immovable constitutes a fraction of a divided co-ownership within the meaning of Articles 1038 seq. of the Quebec Civil Code.

The Borrower agrees to comply with all present and future obligations relative to the Immovable as provided for by law and by the terms of the declaration of co-ownership published in the land registry office of

under number _____ and by the by-laws pertaining thereto.

Without restricting the scope of the above, the Borrower agrees to pay when due all contributions to the common expenses and to the contingency fund in the amounts determined by the board of directors of the syndicate of co-owners.

The Borrower assigns, transfers and hypothecates in favour of the Lender, for the purposes and in the amount stipulated in Clause 2 of the Deed of Hypothec, all present and future rights that might devolve to the said Borrower by virtue of the above-mentioned declaration of co-ownership, including the Borrower's voting rights and rights with respect to the common expenses fund and the contingency fund.

The Borrower shall provide the Lender with proof that formal notice of the said assignment of the Borrower's voting rights has been lodged with the syndicate of co-owners. Notwithstanding such assignment, the Borrower shall continue to exercise the said voting rights as the Lender's mandatary until such time as the Lender shall have rescinded such mandate by simple notice to this effect. The Borrower agrees to transmit to the Lender all notices received by the said Borrower from the syndicate of co-owners.

The Lender and the Borrower agree to be bound by the provisions of the declaration of co-ownership with respect to insurance coverage but also agree

that the Lender shall be freely entitled to exercise its voting rights with respect to rebuilding or reconstructing the co-ownership without any prejudice to its rights to receive the product of all insurance coverage.

The Borrower acknowledges that any default by the Borrower with respect to the terms of any provision of the declaration or co-ownership, of the by-laws shall constitute a default under the terms and provisions of the Deed of Hypothec.

21. DIVISIBILITY CLAUSE

The intention of the Parties to the Deed of Hypothec is to create valid hypothecs and should any of the provisions or portion thereof or the application of such to any person or circumstance be declared or made invalid, inapplicable or illegal or should it be declared to be incompatible with the creation of a valid hypothec then such provision or portion thereof or the application of such, as the case may be, shall be deemed to be distinct and separable from the rest of the Deed of Hypothec and the rest shall remain in force and continue to be executory and shall bind the parties as if the said provision or portion thereof or application of such had never been included.

22. CMHC CLAUSE (ONLY LOANS INSURED BY THE CMHC)

The granting of the Loan or any part thereof or approval for insurance by CMHC is not to be construed or relied on by the Borrower and any surety as representing a confirmation of the value or condition of the underlying property, whether or not appraisals or inspections are carried out by or for CMHC; nor is it to be construed or relied on by the Borrower or any surety as representing a confirmation of the Borrower and any surety ability to pay the Loan.

All information obtained from or concerning the Borrower and any surety in connection with approving the Loan, including credit bureau information, will be accessible to and may be used by CMHC for any purpose related to the provision of Loan insurance generally; the Borrower or any surety hereby consent thereto. Any information retained by CMHC in that regard will be subject to federal access to information and privacy legislation.

WHEREOF ACT, at
under the number

AFTER READING WHEREOF, the Parties have signed in the presence of the undersigned notary.

by: _____

