

THOMPSON DYMOND MORTGAGE LOAN INSTRUCTIONS

This information is required for private or commercial mortgage loan transactions where we represent the lender (other than vendor-take-back security). An answer for every point on this form must be obtained from the lender, with "n/a" being noted if the point is not applicable or "obtain from borrower" if the lender does not have the information. A completed form or a response to this form must come from the lender in writing, or be signed off by the lender before closing, saved electronically and printed as required.

This form can also be used as a checklist of issues to review with borrower and purchasing clients as well.

PERSON PROVIDING INFORMATION:

DATE:

A. Details about the Lender:

Basic lender information

1. The lender or lenders name and address:
2. Contact person(s) - name, phone number and email address:
3. For non-institutional lenders - If the lender(s) is/are a corporation, copies of the articles of incorporation and list of its officers, directors and shareholders; mailing address; contact person including name, title and phone number (unless already a client of the firm); residential address and occupation of all officers, directors and shareholders; and copies of two pieces of signed ID front and back, one of which must be government issued photo ID of all directors and the signing officers:
4. If the lender is/are a corporation, who will be signing on behalf of the corporation?
5. If the lender is/are a corporation, does the corporation lend money in the ordinary course of its business?
6. If the lender is/are an individual, the individual's full name, occupation, address and phone number (unless already a client of the firm); and copies of two pieces of signed ID front and back, one of which must be government issued photo ID
7. If there is more than one lender, what is the breakdown of their contribution to the investment from each lender (*specify dollar amounts*):
8. If there is more than one lender in what capacity will they hold the mortgage? E.g... tenants in common on a percentage basis or joint tenants with right of survivorship?

Lender as trustee for loan participants

9. If the lender is making the loan as trustee for other people, or other people and the lender, please confirm the names, addresses, occupations, contact information and dollar amounts of the participants contributing to the loan:
10. If the participants are a corporation, copies of the articles of incorporation and list of its officers, directors and shareholders and occupations of the officers, directors and shareholders; mailing office; contact person including name, title and phone number (unless already a client of the firm); and copies of two pieces of signed ID front and back, one of which must be government issued photo ID of all directors and the signing officers
11. If the participant is/are a corporation, who will be signing on behalf of the participant corporation if its signature is required?
12. If the participants are corporations, do the participant corporations lend money in the ordinary course of their business?
13. If the participants is/are an individual, the individual's full name, address and phone number (unless already a client of the firm) and copies of two pieces of signed ID front and back, one of which must government issued photo ID:

Security to be registered in the name of a trustee or third party

14. If the security/mortgage is to be registered in the name (*or* names) of someone other than the lender(s) specify name or names, addresses, contact information, and reason:

B. Details about the Borrower and Guarantor:

15. Full legal name and address of borrower (*or* borrowers):
16. Full contact information for borrower's legal counsel (name of law firm, name of lawyer, phone and fax number, email address)
17. Do the lender and borrower deal with each other at arm's length?
18. Is the borrower an employee of the lender or a corporate entity related to the lender?
19. If the borrower is a corporation, copies of the borrower' articles of incorporation, borrowing by-law, and list of its officers, directors and shareholders; mailing office; contact person including name, title and phone number:
20. If the borrower is a corporation, who will be the signing officer?
21. If the borrower is an individual, the individual's full name, address and phone number and copies of two pieces of signed ID front and back, one of which must government issued photo ID

22. Name guarantor (*or guarantors*) (*if any*) and whether guarantee is unlimited or fixed dollar amount; indicate if any guarantees are joint and severally:
23. If guarantor is a corporation, copies of the guarantor's articles of incorporation, borrowing by-law, and list of its officers, directors and shareholders; mailing office; contact person including name, title and phone number
24. If the guarantor is a corporation, who will be the signing officer?
25. If guarantor is an individual, the individual's full name, address and phone number and copies of two pieces of signed ID front and back, one of which must government issued photo ID:

C. Timing Issues:

26. Has a closing date been discussed between the borrower and lender? If so, when is the tentative closing date?
27. Are there any important deadlines such as payout dates on other mortgages? If Yes, when and what are they?
28. When will funds be available by the lender for deposit to our trust account?

D. Details about the Loan:

29. Do you have a signed loan agreement or commitment? If yes, provide a copy. (If no, we will do one as part of the loan documentation.)
30. Principal amount of loan:
31. Amount being advanced by Thompson Dymond clients:
32. Amount being advanced by other persons who are not Thompson Dymond clients:
33. Use of funds (*specify*):
34. Who will be disbursing the funds on closing?
35. Who will get the funds on closing? If anyone other than the borrower please confirm:
36. Will the loan be advanced in stages? If yes, please outline stages anticipated and amount to be advanced at each stage:
37. The term of loan is (*specify term of loan in months, years, etc.*):
38. The due date/maturity date of the loan is (*specify date*):
39. The loan is amortized over (*specify number of years*):

40. The interest rate is *(specify interest rate)* calculated semi annually, not in advance *(or specify how interest rate is calculated)* *(note: for blended payments the annual equivalent to semi-annually not in advance must be disclosed and included because of the provisions of the Interest Act):*
41. Particulars of payment amounts and due dates *(monthly, quarterly, etc.)* for principal, interest or blended payments *(specify):*
42. Is the loan open and prepayable in whole or in part? At one time or many times? If so on what additional terms?
43. Are there to be any special covenants associated with the loan? If yes, what are they? (E.g. debt service covenant, financial reporting, etc.):
44. Is loan assumable?
45. Are there any special circumstances that occur to you that should allow you to call the loan (e.g. insolvency, receivership, bankruptcy, winding up, sale, change in control, loss of franchise, loss of anchor tenant, etc.)?
46. Are there any special circumstances with respect to any guarantor that should allow you to call the loan (e.g. death, disability, insolvency, bankruptcy, etc.)?
47. Particulars and amounts of any bonus or holdback or any other special terms: *(specify)*
48. After completion of the transaction, will a collection or administration fee of *(specify amount)* per instalment be payable by the lender or loan participants or borrower or borrowers to any person, if yes specify recipient of fee:
49. If the loan/security/mortgage is to be held in trust, the dates on which payments are to be made by the trustee *(if applicable)* to the participants are *(specify dates):*
50. Particulars of disbursements made for legal, brokerage or other fees or commissions in connection with the placement of the loan, including the names of recipients and amounts paid or to be paid are: *(specify, to the extent known or anticipated at this time):*
51. What security will be taken for the loan e.g. mortgage, guarantees, general security agreement, chattel mortgage, general assignment of rents, assignment of insurance, postponement of shareholder loans etc. *(specify what and from who):*
52. If a general security agreement or chattel mortgage is involved, briefly describe the assets being secured and provide addresses where they are located:

E. Details for each real property being mortgaged:

53. Legal description and municipal address of any real property to be secured, including PIN numbers:
54. Type of property: *(e.g., residence, vacant land, etc.):*

55. Present use of the property:
56. Proposed use of the property:
57. Summary of who is currently in occupation of the property:
58. How is the property accessed from a public road:
59. Are easements, rights of way, leases, or other agreements or rights required for access:
60. Are there any key municipal agreements:
61. Are there any key agreements with prior owners, neighbours or government agencies:
62. Are there any encroachments from or onto the property:
63. Does the owner also own, lease or have any interest in any adjoining land:
64. A copy of most recent survey for the property:
65. A copy of a recent tax bill for the property/details of any arrears:
66. Are taxes paid up to date? If not, approximately how much is outstanding? If so, please provide proof of payment:
67. Are water payments up to date? If not, approximately how much is outstanding? If so, please provide proof of payment:
68. A copy of the most recent insurance binder and contact particulars for the borrower's insurance broker
69. Rank of mortgage or charge e.g. is first (*or specify other rank*):
70. Approximate value of the property:
71. Means used to determine the approximate value of the property: (*specify*):
72. Including this new mortgage amount, the percentage of the value of the property that is mortgaged (*or /encumbered*) overall is (*specify percentage*):

F. Transactional and Due Diligence Issues:

Other encumbrances

73. List all existing encumbrances, their rank and amounts outstanding:
74. Do you want us to obtain verification, including amounts, of all prior, existing or other encumbrances outstanding and whether they are on good standing?
75. Do you want us to obtain any postponements or subordinations? If yes, from who? (E.g. other lenders, borrower's shareholders, etc.)

Appraisal

76. Have you obtained an appraisal on the property? If yes, what value or range of values did it put on the property? As of what date? Who was the appraiser?
77. Do you want us to obtain a current and independent appraisal of the subject property and provide it to you before we complete this mortgage transaction?
78. If yes, who is to pay for the appraisal?
79. Do you want us to review any appraisal information?

Survey

80. Have you obtained and reviewed a survey for the property? If yes please provide us with a copy.
81. Do you want us to obtain a current and up to date survey for the property?
82. If yes, who is to pay for the survey?
83. Do you want us to review any survey information?
84. Do you want us to consider encroachment issues?
85. Do you want us to consider Planning Act issues?
86. Do you want us to consider access to public road issues?

Title Insurance

87. Do you want us to obtain title insurance for this mortgage?
88. If yes, who is to pay the title insurance premium?
89. If not, why not?

Property Inspections

90. Have you conducted an onsite inspection of the property?
91. Have you obtained any building survey reports?
92. Do you want us to arrange for any inspections of the property? If yes, what?
93. Who is to pay for those inspections?
94. Do you want us to review any inspection reports?
95. Do you want us to visit the property?

Environmental

96. Have you obtained copies of any environmental reports on the property?
97. If yes do they reveal any deficiencies?
98. Do you want us to arrange for any environmental reports on the property? If yes Phase I, Phase II, both?
99. Who is to pay for those reports?
100. Do you want us to review any environmental reports?
101. Are you aware of any environmental issues at the property? If yes, what are they?
102. Do you want us to check with government agencies as to any environmental issues? E.g. Ministry of Environment, Environment Canada, Ministry of Natural Resources, local conservation authority

Financial Information and Rent Rolls

103. Have you obtained any financial information on the property? Income, expenses, debt service coverage?
104. Do you want us to arrange to obtain any financial information?
105. Do you want us to review any of the financial information?
106. Are there tenants and if so how many, what kind, who are they?
107. Have you obtained a rent roll for the property?
108. Do you want us to arrange for an up to date rent roll?
109. Do you want us to review any rent roll information or any leases?

Franchises

- 110. Are there any franchise agreements or license agreements associated with the property?
- 111. Have you obtained copies?
- 112. Do you want us to obtain copies?
- 113. Do you want any standstill agreements with the franchisor or licensor?
- 114. Do you want us to review any franchise or license agreement issues?

Management Company

- 115. Is there a management company for the property?
- 116. Is there a written management agreement and have you obtained a copy?
- 117. Do you want us to obtain a copy?
- 118. Do you want a subordination agreement with the management company?
- 119. Do you want us to review any management company corporate documentation?

Other Operating, Service and Key Contracts

- 120. Are there other important operating or service contracts that are important to your risk assessment?
- 121. If yes: Do you have copies? Do you want us to review any of them?
- 122. Do you want an Assignment of Contracts as part of your security?

Co-Ownership, Partnership, Joint Venture, Shareholder Agreements

- 123. Are there co-ownership, partnership, joint venture or shareholder agreements for the property?
- 124. If yes have you obtained a copy?
- 125. Do you want us to obtain a copy?
- 126. Do you want us to review any ownership agreement documentation?

Property Insurance

- 127. Do you want us to ensure that the borrower has property insurance in place and that you are noted as loss payee?

128. If not, why not?

Property Taxes

129. Do you want us to verify the state of the property tax account with the local municipality and obtain an up to date tax certificate?

130. Do you want us to ensure that all municipal tax arrears are paid from the loan advance?

Building, Zoning and Fire Marshall

131. Do you want us to verify the zoning and setbacks for the property?

132. Do you want us to verify the number of legal units permitted, if the property contains a residential apartment?

133. Do you want us to check for outstanding municipal work orders?

134. Do you want us to check for outstanding fire marshal orders?

135. Have you obtained any fire inspection reports or certificates?

136. Is there a fire retrofit certificate?

137. Do you want us to arrange for any fire inspections?

Other Enquiries – Do you want us to investigate any of the following?

138. Title search

139. Current or past *Planning Act* violations - see also # 85 above

140. Executions and judgements

141. Corporate existence

142. Local improvement charges

143. Public utility charges

144. Electrical safety authority

145. TSSA re: elevator authority

146. Unregistered easements

Our Fees and Disbursements

- 147. Who will be paying our fees and disbursements?
- 148. Should we deduct these monies from the loan advance?

Other

- 149. Do you have any other instructions for us?

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