



B2B TRUST

A SUBSIDIARY OF LAURENTIAN BANK

ARMS LENGTH MORTGAGE

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B2B TRUST
ARMS-LENGTH MORTGAGE GUIDELINES

The enclosed general information package has the information you may require at this time in order to fund and/or renew an arms-length mortgage.

The *Mortgage Direction and Undertaking*, *Mortgagor's Release and Indemnity* and the *Solicitor's Certificate of Disclosure and Undertaking* forms must be completed, signed and returned to B2B Trust before any transactions occur. Please retain a photocopy of these forms once completed for your records.

The *Mortgage Direction and Undertaking*, *Mortgagor's Release and Indemnity* and the *Solicitor's Certificate of Disclosure and Undertaking* forms will be required each time funds are to be advanced for a mortgage. Please retain a clean photocopy of these forms in your records for future use.

IMPORTANT NOTICE

Investors are strongly advised to insist on getting the information they need to make informed investment decisions. In particular, investors should be sure to obtain information on:

- **the investment itself - including the fair market value of the property (by a recent independent appraisal), the value of the mortgage and any other existing mortgages on the property, the risks associated with the investment and the ability of investors to recover their capital;**
- **the borrower - in particular, the borrower's credit rating and ability to make payments under the mortgage; and**
- **any responsibilities or obligations of the borrower or the mortgage broker that will continue after the investment has been made.**

If you have any questions or doubts about a particular mortgage investment, you should seek the advice of a qualified and independent professional.

B2B Trust does not authorize its employees to give such advice to investors, and does not authorize any other person to do so on its behalf. The accepting of your instructions in respect of an investment in no way should be taken as an endorsement that the investment is sound or appropriate.

ARMS-LENGTH MORTGAGE GENERAL INFORMATION

The present guidelines have been adopted by B2B Trust as its policy for accepting Arms-Length Mortgages as investment in Self-Directed RRSPs/RRIFs. These guidelines and the Trustee's policy may be revised at anytime without prior notice.

INVESTMENT

The RRSP/RRIF investor (the "Planholder") locates the mortgage investment or uses the services of a mortgage broker or solicitor to find a mortgage investment. B2B Trust does not authorize its employees to locate or give advice with respect to mortgage investments.

MORTGAGOR IS INCORPORATED

If the mortgagor is a numbered company/corporation please supply a notarized list of principal holders or certificate of incumbency .

ELIGIBLE MORTGAGES

B2B Trust reserves the right to question, and subsequently refuse, at its sole discretion, any mortgage it considers unacceptable for placement in an account, but assumes no responsibility to do so.

Mortgages of residential and commercial real estate are acceptable. Chattel mortgages, collateral mortgages, and promissory notes are not qualified for RRSP/RRIF investments. They may be in place as collateral to a qualified mortgage.

The Planholder must not be related to the mortgagor by blood, marriage or adoption. The mortgagor cannot be a company owned or controlled by the Planholder or a relative. The mortgage must be on property situated in Canada.

NOTICE TO PLANHOLDER

The terms of the mortgage are not set by B2B Trust but are arranged by the Planholder. B2B Trust reserves the right to question, and subsequently refuse, at its sole discretion, any mortgage if its terms are considered not acceptable.

MORTGAGE SET-UP FEE

See current fee schedule.

ANNUAL FEES

The fees are charged per mortgage per calendar year (January - December) per RRSP/RRIF account. The fees are not prorated and are entirely payable, whether or not the mortgage is administered for less than twelve months during any calendar year. The fees are not based on the amount of activity, value, quality or standing of a mortgage. If a mortgage is split between more than one account, the mortgage fees apply to each account even though the RRSP/RRIF Planholder is the same. See current fee schedule for applicable rates.

MORTGAGE ADVANCE

B2B Trust can usually advance funds within 48 hours provided all documentation is received in good order. To do this, three (3) days prior to the funding date, we require:

1. the *Mortgage Direction and Undertaking* form completed and signed by the Planholder;
2. the *Mortgagor's Release and Indemnity*;
3. the *Solicitor's Certificate of Disclosure and Undertaking* form completed and signed by both the solicitor and the Planholder;
4. a draft copy of the mortgage document from the solicitor must also be submitted. The Mortgage should be registered as follows:

**B2B Trust, in trust for
RRSP/RRIF # _____.**

The Planholder or his/her solicitor is solely responsible for the preparation and registration of the mortgage.

Incorrect, illegible and incomplete documentation will be returned and could delay the mortgage advance. Fax documents will be accepted, with originals to follow.

ASSET REDEMPTIONS

If the Planholder requires redemption from existing assets with B2B Trust to fund the mortgage, please allow at least ten (10) days for processing.

ASSIGNMENT OF EXISTING MORTGAGE

In order for an existing mortgage to be transferred-in to an RRSP/RRIF we require the following documents:

1. a Transfer Authorization for Registered Investments (Self-Directed) Direct Transfer form where applicable;
2. a statement of the mortgage account showing that the mortgage is in good standing and the current balance;
3. a copy of the original duplicate registered mortgage/charge;
4. if the mortgage has been renewed, we require a copy of the latest renewal agreement;
5. the Transfer/Assignment should be registered as follows:

**B2B Trust, in trust for
RRSP/RRIF # _____.**

The Planholder or his/her solicitor is solely responsible for the preparation and registration of the Assignment.

DOCUMENTATION PREPARATION

The solicitor looking after the closing should be given instructions by the Planholder, whether the solicitor is the Planholder's solicitor or the mortgagor's solicitor.

MORTGAGE PAYMENTS

The minimum acceptable mortgage payment frequency is annually.

PRE-AUTHORIZED

In order to facilitate the implementation of the Pre-Authorized Cheque Payment System (hereinafter referred to as "PAC"), a pre-authorized payment form, a VOID cheque and a cheque for the first mortgage payment is due within thirty (30) days of the mortgage closing.

RETURNED CHEQUES

We will notify the Planholder by regular mail when and why a cheque has been returned. It is up to the Planholder to contact the mortgagor for a replacement.

DOCUMENT REGISTRATION

All documentation is to be drawn and registered on title as follows:

**B2B Trust, in trust for
RRSP/RRIF # _____.**

REGISTERED DOCUMENTS

We require the following documents within thirty (30) days after the closing:

1. Duplicate registered mortgage or registered assignment of mortgage together with a copy of the registered mortgage and Declaration of good standing, if applicable:
2. Pre-Authorized Payment Plan Form (PAC)

FAILURE TO PROVIDE THE REGISTERED DOCUMENTS MAY RESULT IN THE MORTGAGE BEING CONSIDERED A NON-QUALIFIED INVESTMENT AND A T4RSP WILL BE ISSUED FOR THE ACQUISITION COST OF THE MORTGAGE.

**FIRE/PROPERTY
INSURANCE**

If the Planholder requires fire/property insurance for the mortgage, the solicitor must advise the insurance agent/broker to list us as follows::

**B2B Trust, in trust for
RRSP/RRIF#_____.**

ADDRESS FOR SERVICE

Our address for service is:

**130 Adelaide Street West, 4th floor
Toronto, Ontario M5H 3P5
Local # (416) 947-7427
Toll Free # 1 800 263-8349
Fax # (416) 941-7709**

ARREARS

Under the terms of our Direction and Undertaking, the Planholder is responsible for all collections of outstanding payments of arrears and any legal actions, if warranted, to protect his/her security. The name of the Trustee will appear on title for the mortgage and you will require the Trustee's authorization before you institute or respond to legal proceedings.

The Trustee may refuse its authorization, at its sole discretion, and require that the mortgage be withdrawn from the RRSP/RRIF and assigned to another party before commencing legal action.

MATURED MORTGAGES

A notice will be sent to the Planholder sixty (60) days prior to the mortgage maturity date. Informal renewal agreements are acceptable if signed by all parties concerned or the Planholder may choose to have his/her

solicitor draw up an Amending and/or Extending Agreement for the mortgage(s) and/or guarantor(s) to sign. We will sign this agreement only upon receipt of a signed direction from the Planholder to do so.

DISCHARGE/ASSUMPTION STATEMENTS All requests for discharge/assumption statements must be in writing. Upon receipt of the request the statement will be prepared and forwarded to the Planholder for approval. The Planholder, the mortgagor or their solicitor is solely responsible for having the discharge/assignment documents prepared and registered.

CDIC COVERAGE Mortgages do not qualify for coverage with CDIC.

B2B TRUST
Mortgage Direction & Undertaking
Regarding Arms-Length Mortgages as Investments in
Self-Directed RRSP/RRIF

To: B2B Trust (the “Trustee”)

Further to the Declaration of Trust made with respect to my RRSP/RRIF # _____ (“my Plan”), I hereby authorize and direct the Trustee to invest funds held by my Plan in a new mortgage selected by me and described below (the “Mortgage”).

I understand that the Trustee is not obligated to accept my investment in an arms-length mortgage. In consideration of the Trustee accepting the Mortgage as an asset of my Plan, I hereby agree to the following terms and conditions:

1. I understand and acknowledge that it is my sole and entire responsibility to verify that:
 - (a) the Mortgage is an “Arms-Length” transaction as defined in the Income Tax Act (Canada);
 - (b) the Mortgage is a qualified investment as governed by the Income Tax Act (Canada);
 - (c) the Mortgage is a proper charge against the Land therein described and is adequately secured;
 - (d) all payments due on the Mortgage are made on the specified date as outlined in the mortgage document;
 - (e) all mortgage payments are paid directly to the Trust; and
 - (f) there is adequate fire/property insurance in place.
2. I acknowledge that I do not rely and have not relied upon any representation made by the Trustee in deciding to invest funds in the Mortgage. **Without limiting the generality of the foregoing, I ALSO SPECIFICALLY UNDERSTAND AND REPRESENT TO THE TRUSTEE that I have not and cannot look to the Trustee, or any of their employees for advice as to:**
 - (a) whether or not interest in the Mortgage constitute qualified investment for my Plan;
 - (b) whether or not the underlying properties securing the Mortgage are adequate or will always be adequate; and
 - (c) whether or not the interest in the Mortgage otherwise constitute a suitable investment for my Plan.

I understand and acknowledge that the Trustee does not authorize its employees or any other person to make such representations or give such advice on its behalf and I hereby release and exonerate the Trustee from any liability and agree to indemnify and hold the Trustee harmless of all losses, expenses, liabilities, damages and claims of any kind or nature whatsoever which arises or may arise by reason of the choice of this investment.

3. I understand and acknowledge that I shall be solely and entirely responsible for the collection of all arrears of mortgage payments to my Plan. Without limiting the generality of the foregoing:
- (a) I shall be solely and entirely responsible for instituting and pursuing any necessary legal proceeding in the event of a default by the mortgagor, including all direct and indirect decisions, legal fees, costs (including all fees, costs, expenses and charges of the Trustee, if any) pertaining to such action;
 - b) As the name of the Trustee will appear on title for the mortgage, I understand that I require the Trustee's authorization before I institute or respond to legal proceedings in connection with the mortgage. I further understand that the Trustee may refuse its authorization, at its sole discretion, and require that the mortgage be withdrawn from my Plan and assigned to another party before commencing legal action;
 - (c) I understand and accept that as a result of the Trustee agreeing to be named as a party in any necessary legal proceeding, the Trustee shall be entitled to intervene, at its sole discretion, in any decision to be made with respect to the conduct of the proceeding (including the choice of legal counsel);
 - (d) The Trustee shall deposit all funds received as the result of such proceeding in my Plan;
 - (e) The Trustee shall forward by registered mail to my last address for such purpose copies of any legal proceeding received by the Trustee from a third party;
 - (f) I shall be solely and entirely responsible for any tax consequences resulting from such proceeding or from my decision not to institute any proceeding.

4. Except for the gross negligence on their part, I hereby release and exonerate the Trustee from any liability and agree to indemnify them and save the Trustee harmless against all losses, liabilities, damages, and claims of any kind or nature whatsoever which arises or may arise by reason of their having acted in connection with the Mortgage.
5. The Trustee's obligation to me, is limited to accounting to me from time to time for the amounts received by them in respect of the Mortgage. I agree that for each and every cheque remitted to the Trustee by the Mortgagor which is not honoured for any reason, a charge (in accordance with the current fee schedule) shall be payable by me.
6. I acknowledge that the mortgage fees charged by the Trust are not pro-rated and are not based on the amount of activity, value, quality or standing of a mortgage.
7. I have received a copy of the Trust guidelines regarding arms-length mortgages and the current fee schedule.

Having read and accepted the foregoing, I hereby direct the Trust to advance the amount of
\$_____ to:

Solicitor _____ "inTrust"
Address _____

Phone Number _____ Fax Number _____

☐ I attach hereto copy of a *Certificate of Disclosure and Undertaking* duly signed by this solicitor and myself.

If further advances are to be done to complete the total advance, they must be completed within 30 days from the 1st advance date. I enclose a draft copy of the mortgage and submit the information below. I accept that the Trustee is not responsible nor liable for the draft approval as it is being used solely for information purposes.

SDRSP/SDRIF Account Number _____

Mortgagor(s) _____

Property Address _____

Face Value of Mortgage
(if different from amount advanced) _____

Discount Amount _____

Is this discount amount prepaid interest? _____

Interest Rate	_____ %**	Interest Calculation Method	_____
Term of Mortgage	_____	Amortization Period (if applicable)	_____
Payment Amount	\$ _____	Payment Frequency	_____
First payment Date	_____	Maturity Date	_____

Mortgage Position (1st, 2nd, 3rd) **Maximum annual yield accepted by B2B Trust, including the mortgage rate, bonus, discounts & lenders fees is **30% (subject to change without notice)**.

I hereby confirm that I am perfectly aware of the nature of the Mortgage and its terms and conditions.

I acknowledge that I have been advised to seek independent legal or other professional advice before deciding to invest funds held in my Plan in the Mortgage and before signing this Direction and Undertaking.

Dated at _____ this _____ day of _____, 20_____

CLIENT NAME

CLIENT SIGNATURE

WITNESS NAME

WITNESS SIGNATURE

MORTGAGOR'S RELEASE AND INDEMNITY

To: B2B Trust (the "Trustee")

WHEREAS _____ (the "Mortgagor") desires to borrow the amount of \$ _____ (the "Loan") and give as security for the Loan a mortgage on the following property (the "Mortgage"):

ADDRESS _____

CITY _____

WHEREAS _____ (the "Planholder") desires to
name of Planholder

fund the Loan with funds held in his/her self-directed retirement savings plan or retirement income fund (the "RRSP/RRIF"), at B2B Trust;

WHEREAS the Mortgage is to be registered in the name of the Trustee, in trust for the RRSP/RRIF;

WHEREAS the Trustee will provide only certain accounting services in connection with the Mortgage;

WHEREAS the Trustee is prepared to be named as registered mortgagee and provide such services in order to facilitate the Loan on the condition that the Mortgagor provides the present Release and Indemnity;

IN CONSIDERATION of the foregoing and other good and valuable consideration received by the Mortgagor, the Mortgagor hereby agrees as follows:

1. the Mortgagor undertakes not to institute any legal action against the Trustee in connection with the Mortgage, unless:
 - a) no monetary award or judgment is sought directly or indirectly from the Trustee. Any monetary award or judgment may only be sought from the Planholder who provides all instructions to the Trustee in connection with the Mortgage;
 - b) the Planholder is made a party to the action and is served with all notices, legal or not, required under the Mortgage or by law;
2. The Mortgagor releases and exonerates the Trustee from any liability and agrees to indemnify them and hold them harmless against all losses, liabilities, damages, and claims of any kind or nature whatsoever which arises or may arise by reason of their having acted in connection with the Mortgage.

Dated at _____ this _____ day of _____, 20____.

MORTGAGOR NAME

MORTGAGOR SIGNATURE

WITNESS NAME

WITNESS SIGNATURE

**Solicitor's Certificate of Disclosure and Undertaking
Regarding Arms-Length Mortgages as Investments in
Self-Directed RRSP/RRIF**

I, _____, of the firm of _____ practising in the City of _____, Province of _____, acknowledge that my services have been retained by **(please initial box if applicable and complete)**:

- ☐ The mortgagor, namely _____ and
- ☐ I have disclosed to the lender/investor that I do not represent him/her and cannot protect his/her interests in connection with this transaction and
- ☐ I have advised the lender/investor to seek independent legal advice, in accordance with the Rules of Professional Conduct of the Law Society of this province;
- ☐ The lender/investor, namely _____
- ☐ Both the mortgagor and the lender/investor named above;

to prepare and register a 1st, 2nd or 3rd **(circle)** mortgage on the following property:

in favour of "B2B Trust in Trust for RRSP/RRIF #_____".

- ☐ I have no interest, direct or indirect, in the mortgage or the property.

I understand that B2B Trust, will, upon receipt of a duly executed "*Mortgage Direction and Undertaking*" from the lender/investor, advance funds to me, in trust, from the lender/investor's Self-Directed Registered Retirement Saving Plan or Self-Directed Registered Retirement Income Fund.

I undertake to hold these funds in escrow until registration on the appropriate Land Title Register of a valid and enforceable _____ **(rank)** mortgage on the property described above.

I further undertake to provide B2B Trust with a copy of the mortgage, duly registered, within 30 days of the advance of the funds to the mortgagor.

I acknowledge that this *Certificate of Disclosure and Undertaking* is a requirement of B2B Trust intended for the sole use and benefit of the lender/investor and further declare that I am not acting for B2B Trust, that I am not taking instructions from B2B Trust and that B2B Trust has no obligation towards me or the mortgagor in connection with this transaction.

If the transaction contemplated is not completed, I undertake to return the funds to B2B Trust, for deposit in the lender/investor Self-directed RRSP/RRIF.

Signed this _____ day of _____, 20_____

Solicitor's signature

I have read the foregoing and I am satisfied with its content. I understand that this certificate is required by B2B Trust for my benefit only and that B2B Trust makes no representation as to the veracity and/or accuracy of its content nor has any obligation to make any verification or investigation in this regard.

Signed this _____ day of _____, 20_____

Lender/Investor's signature

Pre-Authorized Payment Plan

How it works:

You authorize your bank to pay your future mortgage payments – automatically.

How you benefit:

1. It's convenient: we look after the details for you. We save you the time, the bother, the postage, the chance of forgetting – every month.
2. It's automatic: your payments are always kept up-to-date (as long as there are adequate funds in your bank account).

What you do:

1. Complete the Application below.
2. Write "Specimen" across your personal cheque and enclose it with the Application.
3. Please enclose 2 additional cheques for 2 monthly payments.
4. Return the Application, specimen cheque and your cheques for 2 monthly payments. We will handle it from there.

If you change your bank:

If you change your banking arrangements, please advise us in writing no less than 10 business days prior to your payment due date.

Remember to:

1. Sign the application.
2. Show your correct and full account number.
3. Enclose a specimen cheque.
4. Enclose 2 monthly payments.



Pre Authorized Payment Plan Application: Mortgages

☐ new request

☐ change information

1. Surname (13) First name

2. Surname First name

Banking Information			Type of Account		
Name of Bank			<input type="checkbox"/> current <input type="checkbox"/> savings <input type="checkbox"/> personal chequing		
Address					
City		Province		Postal Code	
Branch (11)		Bank (10)		Branch account number (12)	
1/2 1/2 1/2 1/2		1/2 1/2 1/2		1/2 1/2 1/2 1/2 1/2 1/2 1/2 1/2 1/2 1/2 1/2 1/2	

Cheque dates:		
D M Y First Cheque to be drawn on 1/2 1/2 1/2 1/2(07) And monthly thereafter on the same day each month.		
RRSP/RRIF #		PIT (01) Payment Amount

You are hereby authorized and requested to pay and debit to the account of the undersigned whether it continues to be maintained at the branch named above or is transferred to another of your branches, all cheques purporting to be drawn on you by the undersigned and payable to the payee indicated above and presented to you for payment and likewise to pay and debit to my account all amounts specified on any magnetic tape or computer produced paper that is or purports to be a direction of the undersigned to credit an amount to the said payee and to debit such amount to my account. This authorization may be revoked on 10 days' written notice to the branch at which my account is maintained for the time being. In consideration of your acting as aforesaid, it is agreed that your treatment of each such cheque and your rights with respect to it shall be the same if it were signed by the undersigned personally and that your rights by reason of the payment and debit as aforesaid of the amount specified on each such tape shall be the same as if such amount were specified in a written direction to credit such amount to the payee or payees and to debit such amount to my account, which direction has been signed by the undersigned personally. And further that any deliver of this authorization to you will constitute deliver by the undersigned.

For Joint Accounts, both
Depositors must sign.

Signature(s) as shown in bank records for the above account.

1.

2.

Date:

____/____/____
Day/Month/Year