Memorandum of Engagement Expectations for Legal Professionals Registering a Mortgage on Behalf of Tru Cooperative Bank

Contents

Scope of Services 3

Instructions by Authorized Officers 4

Standard Forms 4

Acting for the Member and Tru Cooperative Bank 4

General Provisions 5

Conflict of Interest 7

Acting Against Tru Cooperative Bank 8

Liability Insurance 8

Limitation of Authority 8

Accepting the Engagement Terms 8

Scope of Services

You are to:

- Prepare, register, and issue funds upon the security of mortgages upon interests in real estate by members of the Tru Cooperative Bank in accordance with the general mortgage instructions and the specific instructions of Tru Cooperative Bank

- Prepare and register discharges of mortgages in accordance with the specific instructions of Tru Cooperative Bank

Duty for All Services:

During the course of any engagement, we expect that you will keep Tru Cooperative Bank fully informed of all facts, circumstances, requirements, developments and/or issues that may have significant consequences to Tru Cooperative Bank, including, but not limited to:

a) any significant or unusual legal, reputational or regulatory risk;

b) any recent or proposed change in law, rule, regulation or legal/regulatory matter that may impact the Tru Cooperative Bank's activities;

c) any indemnity or guarantee requested of the Tru Cooperative Bank;

d) any actual or potential violation of law, rule or regulation, or any internal Tru Cooperative Bank policy or procedure arising from or as relates to your engagement;

e) any activity exceeding the scope of authorized internal approvals, to the extent such becomes known to you; and

f) any fact or matter that comes to your attention that causes you concern as to the honesty or integrity of any Tru Cooperative Bank employee or any Member with whom Tru Cooperative Bank is transacting; and

g) any matter that is likely to create or give rise to adverse reputational harm to Tru Cooperative Bank.

Unless otherwise agreed, Tru Cooperative Bank must be provided with all written legal opinions and significant work product prepared on behalf of Tru Cooperative Bank. Tru Cooperative Bank must be provided with drafts of legal opinions in advance of any transaction as requires or relies upon your opinions. You should highlight significant proposed assumptions, qualifications, reservations, and similar issues to Tru Cooperative Bank.

Instructions by Authorized Officers

All instructions of Tru Cooperative Bank will be provided to you either by digital format or by email. It is your responsibility to prepare and obtain confirmation in writing of any oral or informal instructions given to you by Tru Cooperative Bank. Tru Cooperative Bank will not be bound by any such instructions not so recorded or authorized. In addition, if you receive instructions that you consider to be ambiguous or imperfect, it will be your responsibility to have those instructions clarified immediately before acting upon them.

All reports, advice, and information from you to Tru Cooperative Bank will be provided or confirmed in writing by you, but you will nevertheless be bound by any statement, oral or in writing, by you or any of your employees, notwithstanding any limitation of authority sought to be imposed by you.

Standard Forms

You will use Tru Cooperative Bank's standard documents without any additions, deletions, or amendments so far as may be practicable.

You are responsible for verifying that the documents are appropriate for the mortgage required having regard to Tru Cooperative Bank's prevailing policies on loan repayment terms, interest rates, and prepayment privileges, as you are from time to time informed.

You will not, without the approval of Tru Cooperative Bank, charge higher fees to Tru Cooperative Bank than those approved as per industry standards or those specifically negotiated with Tru Cooperative Bank, although you may charge less.

Acting for the Member and Tru Cooperative Bank

Provided that such representation is not expressly prohibited by operation of any statute, regulation, or professional society rule applicable in your jurisdiction of practice or in the jurisdiction of the lands subject to the mortgages being prepared by you, Tru Cooperative Bank hereby consents to your acting for both Tru Cooperative Bank, as mortgagee, and a member or members of Tru Cooperative Bank (the "Member(s)"), as purchaser(s) and mortgagor(s), in transactions where Tru Cooperative Bank is providing the mortgage financing ("Financing Transactions" or individually a "Financing Transaction").

We confirm that if you choose to act for more than just Tru Cooperative Bank in any Financing Transaction:

a) Tru Cooperative Bank acknowledges that you have recommended to Tru Cooperative Bank that each of Tru Cooperative Bank and the Member(s) have independent representation;

b) you will recommend to the Member(s) that each of Tru Cooperative Bank and the Member(s) have independent legal representation and will both confirm that advice to the Member(s) and obtain their consent for you to so act in writing using a consent letter substantially as appended hereto;

c) you will raise and explain to Tru Cooperative Bank and the Member(s) the legal effect of all issues relevant to the particular Financing Transaction which may be of importance to Tru Cooperative Bank or the Member(s), as the case may be;

d) if a conflict of interest arises between Tru Cooperative Bank and the Member(s), you will be unable to continue to act for either Tru Cooperative Bank or the Member(s) with respect to the Financing Transaction; and

e) no information received from either Tru Cooperative Bank or the Member(s) may be treated as confidential so far as the other party is concerned.

However, if you act for both Tru Cooperative Bank and the Members, in the Financing Transaction, under no circumstances will you act for the Member(s) in any foreclosure proceedings relating to the Financing Transaction.

This Consent will continue until cancelled by notice in writing by Tru Cooperative Bank.

General Provisions

- **Inadequate Instructions** – you will advise the Central Lending Operations department if any of the general procedures referred to in this letter or any general or specific instructions, mortgage or otherwise, issued by Tru Cooperative Bank appear inadequate or inappropriate to any particular transaction, and you will thereafter act in accordance with the specific instructions of Tru Cooperative Bank

- **Authorized Officers** – mortgage and other instructions will normally be issued by a Central Lending Operations department, but you will also:
  - act on the instructions of, or
  - provide, if requested, full information and copies of relevant documents in respect of your actions for Tru Cooperative Bank, in general or in respect of any specific matter

or matters, to any Vice-President, Credit of Tru Cooperative Bank, and, when authorized by one or more of these officers, the corporate lawyers of Tru Cooperative Bank or any other officer or employee of Tru Cooperative Bank.

- **Duty of Continuous Disclosure** – you will at all times identify yourself as acting for Tru Cooperative Bank and will obtain from the Member(s), authority to deliver to Tru Cooperative Bank all documents and information sufficient to satisfy Tru Cooperative Bank with respect to the acquisition and disbursement by you of all funds in connection with all Financing Transactions. Without limitation you will inform Tru Cooperative Bank with respect to all other charges upon a property being mortgaged to Tru Cooperative Bank, whether in priority to Tru Cooperative Bank's security or subsequent thereto, of any indication that a loan is being obtained by a Member for the benefit of any other person, or that a transaction or any collateral or associated transaction is not bona fide and for true and valuable consideration, whether the lawyer became aware of any deficiencies in disclosure of information by the Members to Tru Cooperative Bank in the loan application process or the adequacy, accuracy, or legitimacy on any document or information provided to you by the Member(s) or as relied upon by Tru Cooperative Bank in a Financing Transaction.

- **Property/Borrower Identification** – you will be responsible for verifying that property mentioned in a mortgage is the property referred to in the instructions and that the security documents have been fully and properly executed by all necessary parties.

- **Title Review and Confirmation –** you will confirm that the borrower has or will have a good marketable title to the lands and premises mortgaged as described in the instructions you receive from Tru Cooperative Bank. Any title defects, liens, executions, judgments, encumbrances and easements affecting the subject lands must be approved by Tru Cooperative Bank before any advance is made, save and except as expressly identified in the transaction instructions from Tru Cooperative Bank. You will confirm in writing the balance owing under all prior permitted financial charges and verify that such are reflected in the written transaction instructions from Tru Cooperative Bank, failing which you will report this information to Tru Cooperative Bank and obtain new transaction instructions before you issue funds.

- **Final Report** – within the earlier of one week of receipt of a State of Title Certificate or no later than 90 days after disbursement, you will deliver to the Central Lending Operations department a mortgage report in the Tru Cooperative Bank's standard form with copies of all other necessary documents to confirm that you have obtained on behalf of Tru Cooperative Bank a good, safe holding, and marketable mortgage security and that the funds have been properly and safely advanced thereunder to obtain the requisite priority.

Confidentiality

- The confidentiality of Tru Cooperative Bank's Members personal information and Tru Cooperative Bank's proprietary information is critically important to Tru Cooperative Bank. If Tru Cooperative Bank provides you or your firm with confidential or proprietary information, you agree and shall cause your agents and representatives to agree, to maintain the confidentiality of such information and to use such information solely for the purposes of providing services to Tru Cooperative Bank. Furthermore, if confidential information includes any Member personal information, you shall comply with all federal and provincial laws, rules and regulations for protecting the confidential information and privacy rights of such persons.

Issue of Funds in Financing Transactions Requisition of Funds

All requests for funds are to be directed to FWRetaillending@firstwestcu.ca

- The funds will be issued to you upon receipt of your written (digital, fax or email) request. Such a request will be deemed to be an undertaking by you that all necessary security documents have been executed, that you have a written Direction signed by all necessary persons for the issue of funds to you, and for the application of those funds by you, and that you have made, or expect to make in the immediate future, arrangements for the registration of all necessary documents and the payment of funds. Funds will be deposited to your trust account in Tru Cooperative Bank.

- **If Unable to Advance** – if you are unable to obtain the required security for Tru Cooperative Bank, you will forthwith return the funds to Tru Cooperative Bank unadvanced. Partial advances may not be made without the specific instructions of Tru Cooperative Bank. You will be responsible for the full security of all funds advanced to you which have not yet been returned to Tru Cooperative Bank.

- **Payout Statements** – you may rely upon a written statement of moneys issued by the holder of any charge on real estate. In the case of banks, trust companies, credit unions, insurance companies, and finance companies carrying on business in Canada, you may, without being liable for any loss, make payment to them against a statement issued on behalf of any such corporation upon its commitment to deliver an effective assignment or release of its interest.

Conflict of Interest

- **Advice of Conflicts** – notwithstanding the limited scope of your engagement, you will not in fact, nor in appearance, continue to act in any situation where any conflict of interest exists or arises between your other clients and Tru Cooperative Bank. Your acceptance of this appointment shall be deemed to be a representation that to your present actual knowledge;

no conflict of interest exists in fact as between any of your other clients and Tru Cooperative Bank. You will promptly advise Tru Cooperative Bank of any apparent or real conflict of interest which may arise during the term of your appointment or withdrawal from this appointment, and in any event, shall not act against the interests of Tru Cooperative Bank except if you obtain the express informed and written consent to do so.

- **Confidentiality** – no information relating to Tru Cooperative Bank or any Member of Tru Cooperative Bank obtained by you in acting for Tru Cooperative Bank, whether of specific facts, opinions, or general practices and procedures, shall be or appear to be available for use by you to the detriment of Tru Cooperative Bank or any Member of Tru Cooperative Bank.

Acting Against Tru Cooperative Bank

You will not, without the prior written consent of Tru Cooperative Bank, accept instructions to act on behalf of any other client on any matter against the bank.

Liability Insurance

You will maintain, at your own expense, insurance against liability for errors or omissions throughout the term of your appointment with a minimum coverage of the transaction amount, for any one transaction, and with a deductible not exceeding $10,000. You will be responsible for the true and faithful performance by your employees, land title agents, and couriers of their duties. Any bonding of such employees, agents, or couriers shall be in your discretion and without cost to Tru Cooperative Bank.

Limitation of Authority

You are engaged for the purposes of this memorandum in connection with specific matters referred to you by written instructions. Without the written authority of Tru Cooperative Bank, you will not make any representation to any person on behalf of Tru Cooperative Bank, nor incur any obligation on its behalf, nor grant any release or indulgence in respect of obligations due to Tru Cooperative Bank.

Accepting the Engagement Terms

You accept the terms of this memorandum.