SOLICITOR'S GUIDE
Commercial/Agricultural Lending
(October 23, 2026)

Table of Contents

Introduction 2
Legal Costs 2
Questions / Support: 2
Standard Forms 2
Unusual Circumstances 3
Representation of Borrower/Member 3
Identification and Verification Required 4
Names 4
Requirement to Inform if Guarantor(s) are not Shareholder(s) of Borrower(s) 4
Searches 4
Title and Priority 4
Title Insurance 5
"Gap Coverage" 5
Insurance 5
Creditor Life Insurance 5
Property Taxes 6
Personal Property Registry Registrations 6
Independent Legal Advice 6
Dower / Homestead 6
Rental Properties 6
Secondary Financing 6
Aircraft Financing 7
Request for Funds / Interim Reporting 7
SCHEDULE "A" 9

Introduction

You have been retained to act on behalf of Lakeland Credit Union Ltd. (the "Credit Union", "we", "our" or "us") in this transaction. You are to act in accordance with this Solicitor's Guide and any other instructions applicable to this transaction, and to take all steps that would be taken by a careful and prudent solicitor in a transaction of this nature.

You must review the agreement for purchase and sale (if applicable), credit agreement (the "Agreement"), and our instructing letter. In the event that there are inconsistencies with the agreement for purchase and sale and our loan documents or instructions to you, you must advise us without delay.

Please respond immediately if you are not prepared to comply with these requirements, and a new lawyer will be appointed.

Legal Costs

All costs and associated with security undertaking for this loan, unless otherwise specified, will be borne by the borrower(s), and may be deducted from loan proceeds at closing.

Questions / Support:

All communication with the Credit Union must in writing (via email).

Please Note: We will not provide directions or guidance on the perfection of security. You assume the sole responsibility for the accuracy, completeness, and enforceability of all loan and security documents. Please adhere to the requirements set out in this guide, in addition to all other practices and requirements that you consider to be necessary or desirable to ensure proper registration and priority of all Security required by the Credit Agreement.

Electronic Signatures

We permit the use of electronic signatures on documents where permitted by the *Electronic Transactions Act*, SA 2001, c E-5.5, as amended from time to time.

Standard Forms

You can access our standard forms for certain security agreements and documentation in the External Solicitor Documents section of our website.

Where a standard form is provided for certain security required by the Credit Agreement, you are required to use our standard form. Modification to our standard form documents is not permitted without our prior written approval. Please contact the Credit Union for all request to modify standard forms.

For required security documentation where we have not included a standard form in External Solicitor Documents section of our website, we do not require draft documentation to be provided for the Credit Union's approval. We rely on your expertise to ensure the Credit Union's security documentation is good, valid, and enforceable.

We will not review nor approve any draft or final documents sent to us; you are responsible to ensure that the documents are correct and have been prepared in accordance with our instructions. In the event of an error which causes a loss to the Credit Union, we will seek to recover such loss from you. You must advise us of any material fact known to you which could be reasonably expected to affect our decision to advance the loan. You must also be alert for "red flags" which may indicate fraudulent activity relating to the loan or the subject property. No act or omission by us or any agent of ours reduces your responsibility for matters within the scope of your retainer.

Unusual Circumstances

You must advise us prior to closing of any unusual circumstances. Unusual circumstances include, but are not limited to:

- You become aware of issues which may affect our security, or which are contrary to our instructions;
- There has been a significant escalation in the value of the property over a short period of time which is evident by reviewing the title and the purchase contract;
- Recently discharged mortgage(s) or title transfer(s), within the last 6 months;
- The vendor named in the purchase agreement is not the registered owner of the property at the time the purchase agreement was signed by the mortgage;
- Proposed payouts to parties other than the usual payees including a disbursement to a mortgage broker or someone arranging financing or credits by the to the Borrower;
- A party to the transaction is identified by you as merely lending his/her name to the transaction (e.g. straw buyer), and/or there appears to be a third party who is directing the Borrower(s) with the transaction;
- If the transfer value to be registered on title is not equal to the purchase price noted on the purchase agreement, including any amendments, signed by the Borrower(s);
- If the transfer value to be registered on title is not equal to the purchase price noted on the purchase agreement, including any amendments, signed by the Borrower;
- You become aware that there have been material amendments to the purchase contract which the Credit Union is unaware of;
- The transaction will not close in accordance with the purchase contract;
- The purchase price is not net of any GST rebate or other rebate or cash/cash equivalent, effectively reducing the purchase price;
- There is cash back, price reductions, credits or holdbacks which would effectively reduce the purchase price;
- The purchase agreement has been amended to provide for significant repairs to be made by the Purchaser;
- You become aware that the Borrower has outstanding arrears owed to Canada Revenue Agency (CRA);
- The property is located in a provincial or national park;
- The property is a leasehold;
- The property is or will be located on First Nations or Metis settlement lands;
- Where the transaction is a refinancing, you become aware that the existing mortgage is in default;
- The loan documents are being signed via power of attorney;
- Title insurance was declined for any reason by the insurer.

Representation of Borrower/Member

In all cases where you are acting for the Borrower/Member in addition to the Credit Union we will require you to provide a conflict letter which has been acknowledged by the Borrower/Member.

For all loans where the aggregate limit of all facilities is equal to or greater than $3,000,000.00, or includes non-standard security, the Borrower/Member is required to have their own individual legal representation separate from the solicitor engaged by the Credit Union, unless the Credit Union provides prior written approval for the same solicitor to represent both the Credit Union and the Borrower/Member.

Identification and Verification Required

If you are also acting on behalf of the Borrower, you must satisfy the Identification and Verification requirements of the Law Society of Alberta:
https://www.lawsociety.ab.ca/lawyers-and-students/trust-accounting-and-safety/anti-money-laundering-model-rules/client-identification-and-verification/
If required, forms are available on the Law Society of Alberta website.

Names

You must use the full legal names of the Borrower or other grantors of security, and full name of Lakeland Credit Union Ltd. on all loan documents.

Requirement to Inform if Guarantor(s) are not Shareholder(s) of Borrower(s)

If any Guarantor is not a shareholder of the Borrower for which they are required to provide a guarantee, you are required to alert the Credit Union of this as soon as possible upon discovery. We recommend that you determine this as soon as possible following receipt of our instructions.

Searches

We require you to conduct the searches which you consider to be necessary or desirable in the context of the transaction, against the current name and any former name of searched corporate entities, including but not limited to the following:

- Corporate Registry searches for all non-personal entities;
- Personal Property Registry debtor searches for all persons/entities providing personal property security to the Credit Union, including against all current and former corporate names;
- Personal Property Registry search of all specific serial number goods charged by the Credit Union;
- Bankruptcy Office search against the current name of all Borrowers and Guarantors;
- Land Titles Office title against all real property secured by the Credit Union;
- Bank Act security search for all persons/entities providing a security interest in personal property to the Credit Union, including against all current and former corporate names;
- Worker's Compensation Board search for all non-personal entities;
- Environmental Site Assessment Repository search against all real property secured by the Credit Union;
- Confirm payment of property taxes via tax certificates or searches for all real property secured by the Credit Union;
- For all condominiums:
    - Land Titles Office Condominium Additional Plan Sheet search;
    - Estoppel Certificate and certificate of insurance meeting all requirements of the *Condominium Property Act*.

Title and Priority

We require your opinion that the mortgage is or will be registered in the Land Titles Office against title to the subject property with the priority as set out in our instructing letter, subject only to encumbrances, liens, and interests:
implied by law;

- non-financial obligations now on title such as easements, utility rights-of-way, covenants and conditions that are normally found registered against property of this nature;
- homeowner association caveats, encumbrances, and similar registrations; and
- other encumbrances that LCU has specifically agreed to take a subordinate position to.

Title Insurance

For all security registered against real property, we will always require title insurance from either First Canadian Title, Stewart Title Guaranty Company, or Chicago Title Insurance Company. Title insurance should contain additional endorsements for construction liens, subsequent advances, and variable rate loan, if applicable. Zoning and work order searches are not required where title insurance is obtained unless confirmation of zoning is a precondition in the Credit Agreement.

The title insurance policy must include any or all of the following endorsements, if applicable:

- Where the Property is a bed and breakfast, the bed and breakfast endorsement shall be included;
- Where the loan is being used for construction, the construction loan endorsement needs to be included;
- Where the property may be insulated with UFFI or Asbestos, the UFFI and asbestos endorsement shall be included as well as the controlled substance by-law endorsement;
- Where the Property is a condominium, the condominium endorsement shall be included;
- Where the Property is a residential property containing up to six units, the multi-family dwelling endorsement shall be included;
- Where the Property is a leasehold interest, the leasehold endorsement shall be included;
- Where the water for the Property is from a non-municipal source, the water potability endorsement shall be included;
- Where the Property is serviced by a private septic system, the Private Septic System Endorsement shall be included.

Where a lender's policy of title insurance is obtained, you must ensure that all applicable endorsements applicable to the transaction are obtained respecting matters such as septic, water potability, condominium, multi-family, construction, or any other endorsements which may apply to ensure that we have comprehensive coverage of the applicable risks under the title insurance policy. You must advise us and seek instructions if there are to be any exclusions listed from the title insurance policy.

"Gap Coverage"

Funds may be advanced prior to the registration of our mortgage, provided that a commitment to title insure has been obtained from an approved title insurer bearing a date on or prior to the date of advance, and the executed mortgage and transfer of land (if applicable) have been forwarded to the land titles office for registration.

Insurance

You are required to verify that there is in existence fire/hazard insurance with extended coverage for the full replacement value of the building(s). All policies must state "guaranteed replacement cost" coverage. All polices must show Lakeland Credit Union Ltd. as "First Loss Payee" as described in these instructions and include the standard mortgage clause approved by the Insurance Bureau of Canada.

Additionally, confirmation the Borrower(s) has Commercial General Liability (CGL) insurance, with a minimum coverage amount of $2,000,000 and Lakeland Credit Union Ltd. listed as "Additional Insured" on the policy.

Creditor Life Insurance

You are not required to obtain the "Creditor Life Insurance Acceptance / Waiver" form, listed in the Security section of the Credit Agreement. This form will be obtained by the Credit Union and no action is required on your part.

Property Taxes

All realty taxes are to be paid in full to the date of the advance. We require that all property taxes past due and current and all past due and current interest and installment charges owing to any utility, government, municipal or other authority of any nature against the Property, be paid before releasing the Mortgage Loan proceeds. After closing, property taxes will be the responsibility of the Borrower.

Personal Property Registry Registrations

We require you to complete all Personal Property Registry (PPR) registrations in support of the Security as set out in the Credit Agreement. In cases where a previous PPR in favour of the Credit Union already exists, a new PPR is not required. However, you are responsible to ensure the PPR conforms to our requirements, as set out below. Please use the following information:

- **Address:** 5016 – 50 Avenue, PO Box 8057, Bonnyville, AB T9N 2J3
- **Email Address:** lakelandloansupport@lakelandcreditunion.com
- **PPR Wording:** Refer to Schedule "A" of this document.
- **PPR – Term facility:** Register for the term of the Loan, plus 3 years.
- **PPR – Revolving facility:** Register for 10 years.

Please refer to Schedule "A" for further details and approved PPR wording.

Independent Legal Advice

You must ensure that any person involved in this transaction who requires independent legal advice ("ILA"), receives ILA, whether or not we have specifically instructed you to obtain ILA. We will hold you responsible for any claim relating to lack of ILA.

Dower / Homestead

You must ensure that all requirements of any dower/homestead legislation are met, as applicable.

Condominium

If the mortgage is of a condominium unit, it is your responsibility:

- To check the condominium plans to verify the location of the unit and any titled parking space or other area which the owner (you do not need to obtain a survey of the unit); and
- To obtain, prior to closing, a satisfactory estoppel certificate, or the equivalent.

Rental Properties

If our instructing letter provides for same, you must prepare and attend to the execution of an Assignment of Rents in our form and a caveat in respect of same. You are authorized to sign the caveat re: Assignment of Rents as our agent. The caveat re: Assignment of Rents should be registered on title to the subject property immediately after our mortgage, without intervening registrations.

Secondary Financing

We require confirmation that at the time of the registration of the Mortgage, no secondary financing other than the amount stated in the Credit Agreement is being registered. If you are made aware of subsequent financing that is not known to us, the funds are to be held until release is approved by us.

Aircraft Financing

Where the Credit Union's primary security is an aircraft, the Credit Union will require, among other items set out in the Credit Agreement, the following:

- Copy of the certificate of ownership/registration and certificate of airworthiness.
- Insurance for the aircraft is to include hull, personal liability and property damage noting first loss payable to Lakeland Credit Union Ltd. The insurance policy is to include in motion and not in motion coverage. The policy must also contain a breach of warranty clause to protect the credit union in the event of a claim arising and being declared invalid by the insurance company due to an act of the insured. In such instances, the insurer will pay to the secured party (credit union) either the amount of the damages or the amount of the registered interest, whichever is the lesser. Deductibles shall not exceed $500.00 for in motion and $100.00 for not in motion.
- Details regarding the Aircraft, Engine Details and Propeller Log, as applicable.

Request for Funds / Interim Reporting

In order to ensure timely funding of the loan, you will provide us with a **Solicitor's Letter of Opinion** and the following documents **no less than 48-hours prior to closing:**

- Confirmation that all Security referenced in the Credit Agreement has been duly executed;
- Confirmation that all Security referenced in the Credit Agreement is validly registered or that satisfactory title insurance has been obtained in lieu of registration at the Land Titles Office;
- Confirmation that all Security referenced in the Credit Agreement has the priority set out in the Credit Agreement or alternatively:
    - if the Borrower has their own solicitor, your confirmation funds will be advanced to the Borrower's solicitor on appropriate trust conditions in order to obtain registration of the Security with the priority as set out in the Credit Agreement, including registration of all necessary discharges in due course post-funding; or,
    - if you are also acting for the Borrower, your confirmation you have received the necessary discharges, authorizations to discharge, or undertakings as may be required in order to obtain registration of the Security with the priority as set out in the Credit Agreement in due course post-funding;
- A certified copy of an Authorizing Resolution from each non-personal Borrower and Guarantor authorizing (i) the execution of the Credit Agreement and performance of all obligations thereunder, and (ii) the granting of all security required under the Credit Agreement;
- For all loans involving security against real property:
    - confirmation that property taxes are paid up to date or exempt;
    - unless the subject real property is bare land, a current Real Property Report and evidence of compliance, along with a Statutory Declaration confirming there have been no changes to the improvements located on the Property since the date of the Real Property Report if the Real Property Report is more than six months old or, alternatively, confirmation of title insurance (see below for title insurance details);
- Satisfactory insurance in support of the loan, as outlined in the Security section of the Credit Agreement, directly from the Borrower or Insurance Broker. The insurance policy is required to identify Lakeland Credit Union Ltd. as a "1st Loss Payee" or "Additional Insured", as applicable.
- A legal opinion that all Security is valid and enforceable;
- Payout statements; and,
- Banking details to wire funds directly to your trust account, including:

- Full legal name on trust account;
- Routing and Transit number;
- Account number;
- Bank name
- Bank address (PO Boxes are not acceptable)

If you are unable to meet all instructions contained in this document, your Request for Funds / Interim Report should clearly identify the reasons and recommend a course of action.

Your Request for Funds / Interim Reporting must be sent no less than 48-hours in advance of the closing date, in PDF format to: lakelandloansupport@lakelandcreditunion.com

Any funds delivered to you will be delivered in trust and are only to be advanced by you to the Borrower(s) or as the Borrower(s) direct(s) at the direction of the Credit Union once the Credit Union has received confirmation from you that the above listed requirements have been satisfied, and once you have received confirmation from the Credit Union that all other conditions precedent to funding have been fulfilled.

Final Reporting

You shall forward your final reporting package to the Credit Union within 30 days of registration of the mortgage, where applicable, or within 30 days of disbursement of the loan.

Your final reporting shall include confirmation of any matters required by this Solicitor's Guide which was not provided in your Request for Funds / Interim Report, including confirmation of registration of our security in the required priority position. Where we do not hold the required priority position yet, but your firm has paid out the prior encumbrance or you have obtained a solicitor's undertaking to pay out and discharge the prior encumbrance, you shall indicate that in your reporting and provide an updated title in due course.

Please submit your final report in PDF format to: lakelandloansupport@lakelandcreditunion.com

Guarantees: In all cases where a Guarantee(s) was obtained, please forward the original version of the executed Guarantee(s) document to our office at:

Lakeland Credit Union Ltd.
Loan Support Operations
5016 - 50 Ave, PO Box 8057
Bonnyville, AB
T9N 2J3

SCHEDULE "A"

Personal Property Registry Registrations

A) **ALLPAP**

ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.

PROCEEDS: ALL OF THE DEBTOR'S PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY INCLUDING: MONEY, ACCOUNTS, CASH, CHATTEL PAPER, INTANGIBLES, GOODS, INSURANCE PROCEEDS, DOCUMENTS OF TITLE, INSTRUMENTS, INVESTMENT PROPERTY, SECURITIES, MOTOR VEHICLES AND ALL OTHER SUBSTITUTIONS, RENEWALS, ALTERATIONS OR PROCEEDS OF ANY TYPE OR KIND WHATSOEVER DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALINGS WITH THE GENERAL COLLATERAL DESCRIBED ABOVE OR PROCEEDS THEREFROM.

B) **SITE SPECIFIC ALLPAP**

ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR LOCATED AT OR USED IN CONNECTION WITH THE PROPERTY LEGALLY DESCRIBED AS _____.

PROCEEDS: ALL OF THE DEBTORS' PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY INCLUDING: ACCOUNTS, CASH, CHATTEL PAPER, INTANGIBLES, GOODS, INSURANCE PROCEEDS, DOCUMENTS OF TITLE, INSTRUMENTS, INVESTMENT PROPERTY, MOTOR VEHICLES AND ALL OTHER SUBSTITUTIONS, RENEWALS, ALTERATIONS OR PROCEEDS OF ANY TYPE OR KIND WHATSOEVER DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALINGS WITH THE GENERAL COLLATERAL DESCRIBED ABOVE OR PROCEEDS THEREFROM.

C) **SERIAL NUMBER GOODS**

ALL GOODS OF THE DEBTOR DESCRIBED HEREIN BY VEHICLE IDENTIFICATION NUMBER OR SERIAL NUMBER, AS APPLICABLE, AND SUCH OTHER GOODS FINANCED BY THE SECURED PARTY, WHEREVER SITUATED, TOGETHER WITH ALL PARTS AND ACCESSORIES RELATING THERETO, ALL ATTACHMENTS, ACCESSORIES AND ACCESSIONS THERETO OR THEREON, ALL REPLACEMENTS, SUBSTITUTIONS, ADDITIONS, AND IMPROVEMENTS OF ALL OR ANY PART OF THE FOREGOING AND ALL PROCEEDS OF ANY FORM DERIVED THEREFROM.

PROCEEDS: ALL OF THE DEBTORS PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY, WHICH IS DERIVED, DIRECTLY OR INDIRECTLY, FROM ANY DEALING OR DISPOSITION OF THE ABOVE-DESCRIBED COLLATERAL, INCLUDING WITHOUT LIMITATION, ALL INSURANCE AND OTHER PAYMENTS PAYABLE AS INDEMNITY OR COMPENSATION FOR LOSS OF DAMAGE.

D) **ASSIGNMENT**

ALL INDEBTEDNESS AND LIABILITIES, PRESENT AND FUTURE, OF _____ TO THE DEBTOR AND ALL PROCEEDS THEREOF, ACCESSIONS THERETO AND SUBSTITUTIONS THEREFOR, INCLUDING WITHOUT LIMITATION, ALL GOODS, SECURITIES, INSTRUMENTS, DOCUMENTS OF TITLE, CHATTEL PAPER, INTANGIBLES AND MONEY (ALL AS DEFINED IN THE PERSONAL PROPERTY SECURITY ACT, ANY REGULATIONS THEREUNDER AND ANY AMENDMENTS THERETO).