



SOLICITOR'S GUIDE
Assumptions Only
(November 26, 2025)

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Introduction

You have been retained to act on behalf of Lakeland Credit Union Ltd. (the “Credit Union”, “we”, “our” or “us”) in preparing, executing, and registering, the required security, to complete this Mortgage Assumption. 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), our credit agreement (the “Agreement”), and our instructing letter. In the event that there are inconsistencies with the agreement for purchase and sale and our Agreement or instructions to you, you must advise us without delay.

These instructions are not exhaustive, and it is your responsibility, pursuant to this mandate, 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, in order to protect the interests of the Credit Union.

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

Legal Costs

All legal fees and disbursements with respect to this loan, unless otherwise specified, will be borne by the borrower(s).

Questions / Support

All communication with the Credit Union must be in writing, via FCT’s Lender-Lawyer-Connect (LLC) portal.

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 Agreement.

Standard / Custom Forms

Where a standard form is provided for certain security, 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 requests to modify standard forms.

For required security documentation where we have not included a standard form in the 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.

Fraud

You must be alert for “red flags” which may indicate fraudulent activity relating to the mortgage or the subject property.

High Ratio Mortgages

Where the Mortgage is a high-ratio insured mortgage, you must advise the departing borrower that they will remain liable to the mortgage insurer under the Mortgage, after the assumption is complete.

Power of Attorney

The borrower(s) must not sign any of the documents, including the mortgage documents, by way of Power of Attorney.

Multiple Representation

We consent to your acting on our behalf, as well as acting on behalf of the borrower(s) and other parties involved in the transaction, such as a vendor, provided that your professional code of conduct would permit the same. You are not permitted to advise or counsel the borrower(s) to renegotiate any terms of the underlying loans or security, or to investigate the availability of alternative sources of financing. You shall obtain written consent to this arrangement from the borrower(s). You must advise us if an actual conflict of interest arises, or in the event that unusual circumstances create a potential conflict of interest.

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.

Identification of Borrowers:

We will identify the borrower(s) in our Agreement. All borrowers must hold title to the subject property, and no other owners must be registered on title. You shall take reasonable steps to ensure that all the parties who have executed same are who they purport to be, including without limitation complying with the client identification and verification requirements of the Law Society of Alberta or your applicable regulator.

If the funds to be advanced pursuant to the mortgage are to be used to purchase residential property as defined under the Prohibition on the Purchase of Residential Property by Non-Canadians Act, S.C. 2022, c. 10, s. 235, it is your responsibility to verify through the review of appropriate identification and other relevant documentation that the purchaser(s) is/are (a) not a non-Canadian as defined in that Act for purposes of section 4(1) of that Act, or (b) is/are otherwise exempt from the application of sub-section 4(1) as a result of sub-sections 4(2) to 4(5) of that Act. We will require you to obtain on closing a statutory declaration from the purchaser(s) confirming their eligibility to purchase the property under the legislation.

Title / Title Searches

We require your opinion that the borrowers have or will have good and marketable title to the subject property and are or will be the registered owners of the subject property, and of the priority of our security. You shall conduct all title and off-title searches as are necessary and generally conducted in order to give the above-noted opinion.

If the mortgage to be assumed is not a first mortgage, or if there are any liens, writs, tax notices or other subsequent financial encumbrances registered on title, you must advise us immediately and seek further instructions from us.

Insurance

You must obtain evidence of fire insurance in the name(s) of the Borrower(s).

Homeowner insurance: You are required to verify that there is in existence fire/hazard insurance with broad form/comprehensive coverage for at least the amount of the mortgage, or the full replacement cost of the building, whichever is lesser. All policies must show first loss payable to Lakeland Credit Union Ltd. as described in these instructions and include the standard mortgage clause approved by the Insurance Bureau of Canada.

Condominium/Strata Corporation insurance: Ensure there is a Broad Form or Comprehensive Form Condominium/Strata Corporation Master Insurance Policy providing for the full replacement cost of the Condominium/Strata Corporation buildings, structures and all common elements.

Condominium/Strata Unit insurance: Ensure there is a broad form or comprehensive form condominium unit owner package policy covering the full replacement cost of improvements and betterments made to the unit by the owner of the unit. If the unit will be used for rental purposes, a basic form condominium unit owner policy covering the full replacement cost of improvements and betterments to the unit by the owner of the unit is acceptable.

New Construction: Obtain evidence of insurance which indemnifies the Mortgagor against damage to the property while under construction. The insurance can be in the form of a Builder's Risk insurance policy (purchased by the builder) or a Course of Construction insurance policy (applicable for self builds and purchased by your client). The amount of insurance should cover the full appraised completion value of the project.

Property Taxes

All realty taxes are to be paid in full to the date of the transaction. We require that all property taxes and local improvements levies past due and current and all past due and current interest and installment charges owing to any municipal authority against the Property, be paid at the time that your office releases any loan proceeds. After closing, property taxes will be the responsibility of the Borrower.

Where you verify the Borrower's enrollment in a Tax Installment Payment Plan ("TIPP") program directly with the municipality and confirm that the payments on the TIPP are current and there are no arrears, you are not required to pay out the current year's property taxes in full.

Dower / Homestead

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

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.

Factory Constructed Homes - (including mobile, mini, modular, manufactured, ready to move homes and prefabricated or panelized homes)

Where the subject property is or includes a factory constructed home, you are required to:

- Complete a search of the factory-constructed home at the Alberta Personal Property Registry by serial number and ensure that there are no prior interests in the factory constructed home; and
- Amend the financing statement pursuant to the applicable personal property security legislation to delete the names of the debtor(s) other than the Borrower. Ensure that the registration expiry date is no earlier the amortization period of the loan, plus one year.

If the factory constructed home will be located on property leased under a short term "site" lease, you must:

- Confirm that the site rental payments are up to date;
- Confirm that the site lease is in the name of the borrower(s);
- Prepare and attend to the execution of an Assignment of Lease and Landlord Consent in the Credit Union forms.

In addition, see the special conditions sections in the Specific Instructions. Where our specific instructions indicate that funds are to be advanced by way of progress/multiple advances, you must ensure prior to each advance that there are no prior interests in the home or on the mortgaged lands. The final advance cannot be released until you are advised by the Credit Union to do so. We will not permit release of the final advance until its appraiser has confirmed that the home has been affixed to the foundation.

Final Reporting

You shall forward your final reporting package to the Credit Union within 30 days of registration of the mortgage.

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.

Your final reporting must be sent via FCT's Lender-Lawyer Connect (LLC) portal.