



INSTRUCTIONS FOR COMPLETION OF THE DEED OF MOVEABLE HYPOTHEC
WITHOUT DELIVERY (PHYSICAL PERSONS) (FORM 805)

CLIP LOANS (MOBILE HOMES)

- 1) Complete **clause 1.1 (a) (1)** by adding the date of signature by Borrower of CLIP Loan Agreement.
- 2) **Clause 5.11 (b):** Insert the name of non-owner spouse if the mobile home is owned by only one of the spouses. (If the mobile home is owned by both spouses, both of them must be borrowers and grantors of the hypothec).



ROYAL BANK OF CANADA

DEED OF MOVEABLE HYPOTHEC WITHOUT DELIVERY
(PHYSICAL PERSONS)
(ON AUTOMOBILES, MOBILE HOMES, ETC.)

Preamble: In this Deed, the Royal Bank of Canada is referred to as the "Bank" and the party granting the hypothecary rights is referred to as the "Grantor". Unless otherwise indicated by the context, "Obligations" means the obligations described in Section 1.1 of this Deed and "Hypothecated Property" means the properties indicated in Section 1.2 of this Deed.

1. HYPOTHEC

In order to guarantee performance of the Obligations, the Grantor hypothecates in favour of the Bank the properties described in Section 1.2 hereinbelow for the following amounts:

- an amount in capital of _____ DOLLARS (\$_____), plus an additional amount equivalent to 15% of such amount, for a total amount of _____ DOLLARS (\$_____).
- plus interest on such total amount, calculated from the date hereof and compounded annually, at :
(i) the rate of _____ percent (____%) per annum;
- or -
(ii) the Bank's prime interest rate _____ percent per annum (____%) per annum

(The prime interest rate is the annual rate of interest announced by the Bank from time to time as the rate of reference in effect for determining the interest rates on Canadian dollar commercial loans in Canada.

1.1 SECURED OBLIGATIONS

The hypothec granted in this Deed secures performance of the following obligations:

(a) Grantor's Obligations

- (1) Grantor's present and future obligations toward the Bank arising out of a loan of _____ DOLLARS (\$_____) contracted on _____, 20____, and all other obligations arising out of any renewal, amendment or replacement of such loan;
(2) Grantor's present and future obligations toward the Bank arising out of a revolving line of credit up to the amount of _____ DOLLARS (\$_____) contracted on _____, 20____, and all other obligations arising out of any renewal, amendment or replacement of such revolving line of credit;

(3) *Grantor's* present and future obligations arising out of contracts identified hereinbelow:

(describe in detail each contract/undertaking (e.g. guarantee) creating obligations to be secured, by stating the elements that distinguish it)

and all other obligations arising out of any renewal, amendment or replacement of such contracts;

(4) the following obligations of the *Grantor* pursuant to the terms of this Deed:

- the reimbursement of the insurance premiums referred to in Section 3.5;
- the reimbursement of the costs referred to in Section 3.6;
- all other present and future obligations of the *Grantor* pursuant to this Deed; and

(5) all other present and future obligations of the *Grantor* toward the *Bank*.

(b) **Obligations of a *Third Party*:** (do not complete if a guarantee of the *Grantor* is to be secured; if so, complete 1.1.(a)(3) hereinabove)

all present and future obligations contacted toward the *Bank* by:
(Name and address of the third party)

pursuant to the terms of the following contracts:
(describe in detail each credit / contract / undertaking of the third party by stating the elements that distinguish it)

and all other obligations arising out of any renewal, amendment or replacement of such contracts.

1.2 DESCRIPTION OF THE HYPOTHECATED PROPERTY

(a) ***Individual Property*:** The hypothec charges all individual property described hereinbelow:

(Describe each property in detail by stating the elements that distinguish it from other property of the same type)

N.B.: If space is insufficient, please use additional sheets, have them signed by the Grantor and annex them to the contract.

- (1) the following mobile home (*describe make, model, manufacturer, year of manufacture, serial number*)

- (2) the following motor vehicles:

Category	Serial Number	Year	Description

- (3) other movable property, namely:

- (4) present and future rights and claims under insurance policies covering the property described in this subsection 1.2(a).

- (b) **Prior Claims:** (*Note to the Grantor: see representation in 3.1(c) hereinbelow*)

(Describe in detail prior claims and hypothecs on the Hypothecated Property and the rights ranking prior to or making precarious the hypothecs granted hereby including any security registered in any jurisdiction other than Québec; indicate the affected property, the creditor's name, the amount in question, and, if applicable, the registration number in the register of personal and movable real rights.)

2. POSSESSION OF THE PROPERTY

Save for the *Hypothecated Property* held by the *Bank* or a third party accepted by the *Bank* and the *Grantor*, the hypothec granted by this Deed is a hypothec without delivery, the *Grantor* keeping the *Hypothecated Property* in its possession subject to the obligations contracted pursuant to Sections 3 and 4 of this Deed.

3. REPRESENTATIONS, WARRANTIES AND OBLIGATIONS OF THE GRANTOR

3.1 TITLE TO THE PROPERTY

The *Grantor* makes the following representations and warrants:

- (a) it is the sole owner of the Hypothecated Property;
- (b) it is in possession of the *Hypothecated Property* which belongs to it and, if applicable, of any negotiable title documents pertaining thereto;
- (c) that, save for what is disclosed in Section 1.2(b) hereinabove, the *Hypothecated Property* is not charged with any prior claim or hypothec, nor any other right whatsoever, whether published or not, that might void the rights intended to be granted by this Deed or rank prior to such rights, in particular by reason of default in payment of a rental or a fiscal obligation, an installment sale or a sale with buy-back option, or a right of retention, or by reason of failure to comply with a statute or regulation with respect to the protection of the environment;
- (d) the *Hypothecated Property* is not incorporated into, attached to or joined with an immovable.

3.2 ALIENATION

In case of sale, transfer or other alienation of the *Hypothecated Property*, the *Grantor* undertakes to reimburse to the *Bank*, no later than the date of alienation, all *Obligations*, with interest.

3.3 TRANSFORMATION

The *Grantor* may not, without the *Bank's* prior written consent, transform the property either by incorporating it into an immovable, or joining or mixing an individual property described in Section 1.2(a) hereinabove with other movable property in order to create new property.

In the event of any such transformation, if it occurs without the *Bank's* authorization, the *Grantor* (without, however, being excused from the default resulting therefrom) shall immediately inform the *Bank* in detail and in particular shall provide it with a description of the property involved in such transformation, the name and address of the owner of the property that may result from such transformation and the address of the location of the property.

3.4 PRESERVATION

The *Grantor* shall keep the *Hypothecated Property* well maintained, considering its nature and destination, and should the *Grantor* neglect to do so, the *Bank* may incur the necessary expenses for this purpose, without being obliged to do so. The *Grantor* shall allow the *Bank* to inspect the *Hypothecated Property* at any time and shall grant the *Bank* the access required for such inspection.

Furthermore, the *Grantor* undertakes to do all that is necessary so that the *Hypothecated Property* is not charged with a prior claim or another hypothec, legal or conventional, nor with any other real right whatsoever, without the *Bank's* prior consent. Should it be so charged without such consent, the *Grantor* (without, however, being excused from the default resulting therefrom) shall immediately inform the *Bank* and shall obtain the radiation of the rights in question upon the *Bank's* request and within the time it shall stipulate.

3.5 INSURANCE

The *Grantor* shall adequately insure the *Hypothecated Property*, to its full replacement value, without depreciation, against damage caused by fire and any other risk or peril:

- that a prudent and reasonable person would cover, or
- that the *Bank* may specify, acting reasonably.

The policy shall not include a reserve by the insurer of the right to repair or rebuild the insured property, shall specify that the insurer renounces to the possibility of the payment of a proportional indemnity in the case where the amount of insurance is less than the value of the insured property, shall be subscribed with a reputable insurer and shall include provisions dictated by usage which a reasonable and prudent person would require. The policy shall name the *Bank* as beneficiary and shall contain an hypothecary clause as approved by the Insurance Bureau of Canada and satisfactory to the *Bank* or equivalent clauses satisfactory to the *Bank* under the terms of which deceitful representations, bad faith or wrongful acts by the owner or a third party cannot be invoked against the *Bank*.

The *Bank* may apply any indemnity to the payment of the *Obligations* or it may remit them to the *Grantor*, in whole or in part, to be used for the repair or replacement of the destroyed or damaged property and the *Grantor* shall execute any deed that the *Bank* might require in order to confirm the hypothec on the replacement property.

The insurance shall be maintained in force until full extinction of the *Obligations* and the *Bank* shall be provided with copies of the policy, its renewals or replacements, unless the *Bank* expressly renounces thereto.

The *Grantor* shall notify the *Bank* as soon as possible should any loss occur affecting the *Hypothecated Property*.

In the event that the *Grantor* fails to fulfil such insurance obligation, the *Bank* may, though is not obliged to, and without prejudice to other recourses it may have under this Deed or in law, subscribe for such insurance for the *Hypothecated Property* as it may deem adequate and the *Grantor* shall reimburse the *Bank* for the cost of such insurance, with interest at an annual rate of 15% from the date of any payment made by the *Bank*.

3.6 FEES

The *Grantor* shall reimburse the *Bank*, upon request, for any evaluation and inspection fees as well as for amounts it shall have disbursed for registrations necessary for the publication of the rights constituted by this Deed or for the exercise of such rights, and the renewal of such registrations, where and if required or permitted by law. The *Grantor* shall pay the fees for the radiation of such registrations.

The *Grantor* binds itself to reimburse the *Bank* for all expenses incurred in order to recover from the *Grantor* the amounts due on account of the *Obligations* and, if necessary, for the preservation of the *Hypothecated Property*, with interest calculated at the annual rate of 15% from the date of any payment made by the *Bank*.

3.7 REGISTRATION

The *Grantor* shall cooperate with the *Bank*, should the *Bank* deem it necessary or useful, in order to make the registrations required for publication of the constitution, renewal, or conservation of its hypothec, as well as the exercise of its hypothecary rights, as the case may be.

If, at any time, the *Hypothecated Property* or any part thereof is not destined to remain in Québec, the *Grantor* must immediately inform the *Bank* of this fact and provide it with all information it requests with respect thereto. Upon request by the *Bank*, the *Grantor* must sign any security or additional document required in order to allow the *Bank* to preserve the security constituted by this Deed on such property or to grant the *Bank* security in the jurisdiction(s) where the property shall be located equivalent to that in virtue of the hypothec constituted by this Deed, the whole at the *Grantor's* expense.

4. DEFAULT

4.1 EVENTS OF DEFAULT

The *Grantor* shall be in default upon the occurrence of any of the following events:

- (a) failure by the *Grantor* to pay when due or to comply with any of the *Obligations*;
- (b) failure by any third party to pay when due or to comply with any of the *Obligations* toward the *Bank* pursuant to the terms of any contract referred to in paragraph 1.1(b) of this Deed;
- (c) failure by the *Grantor* to comply with the obligations imposed on it by law with respect to the *Hypothecated Property*;
- (d) failure by the *Grantor* to pay any amount due or to comply with any of its obligations with respect to any other deed granting rights on one or several of the *Hypothecated Properties* or pertaining to them;
- (e) if the *Hypothecated Property* consists of a mobile home located on leased land, any default of the *Grantor* under the lease of the land;
- (f) should the *Grantor* or any third party identified in Section 1.1(b) hereinabove become or acknowledge being insolvent, become bankrupt, or generally take measures to arrive at a compromise, an arrangement or an agreement with its creditors or to arrive at the liquidation of its assets or its bankruptcy;
- (g) should proceedings be instituted against the *Grantor* or any such third party in order to liquidate its assets or declare it bankrupt, which are not diligently contested by the *Grantor* or the third party and are not dismissed or cancelled within 21 days from the day on which they are instituted;
- (h) should a prior notice be given by a creditor holding a prior claim or by a hypothecary creditor of its intention to exercise its prior claim or hypothecary right or any other security, or should such right or security be exercised or should a secured creditor take possession of or appoint a receiver with respect to any part of the *Hypothecated Property*;

4.2 EFFECTS

Without limiting its right, at any time and at its discretion, to demand payment of amounts payable on demand and without prejudice to all rights and recourses to which it is entitled pursuant to agreements with the *Grantor* or pursuant to law:

- (a) the *Bank* may, upon the occurrence of any of the events enumerated in Subsections (a) to (j) of Section 4.1 hereinabove, cease to advance funds or to maintain credit available to the *Grantor* pursuant to the documents relative to the *Obligations* and demand immediate and full payment of the amounts owing on account of the *Obligations*, which shall then become due and payable, and exercise, at its discretion, without restriction, and without any other prior notice than that provided for by law, all rights and recourses to which it is entitled by law including, in particular, those of the following hypothecary rights which are then available:
- taking of possession for the purpose of administration;
 - taking in payment;
 - sale by the *Bank*;
 - sale by judicial authority;
- (b) the occurrence of the event mentioned in Subsection (k) of Section 4.1 hereinabove automatically terminates any obligation by the *Bank* to advance funds to the *Grantor* or to make credit available to it pursuant to the documents relative to the *Obligations*, without the need for a notice or request, to which the *Grantor*, expressly renounces, and authorizes the *Bank* to exercise any rights referred to in Subsection (a) of this Section 4.2.

4.3 RIGHTS OF THE BANK

With respect to the exercise of the *Bank's* hypothecary rights, the *Grantor* undertakes to voluntarily surrender to the *Bank* the *Hypothecated Property* the *Bank* indicates, and to sign any document or do anything necessary for this purpose. As of the present time, the *Grantor* hereby irrevocably authorizes and mandates the *Bank* to sign the documents, take the actions, give the consents and make the decisions, in its name and on its behalf, for the purpose of preserving or exercising the *Bank's* hypothecary rights or for the preliminary measures to such exercise, the whole as if the *Grantor* was signing such documents, taking such actions, giving such consents or making such decisions, the *Bank* acting entirely in its discretion.

4.4 RENUNCIATION TO THE BENEFITS OF DISCUSSION AND DIVISION

Upon the occurrence of a default by a third party, if applicable, as mention in Subsection (b) of Section 4.1 hereinabove, the *Bank* shall immediately have the right to enforce its recourses against the *Grantor*, the latter renouncing to the benefits of discussion and division in this respect.

5. MISCELLANEOUS

5.1 NATURE OF THE OBLIGATIONS

Each of the *Obligations* of the *Grantor* is indivisible. Moreover, in the event any provision of this Deed or of the contracts referred to in Section 1.1 hereinabove shall be declared null, without effect or deemed not written, all other provisions of this Deed or of such contracts shall remain valid and in force as being severable from such provisions.

5.2 APPLICATION OF PAYMENTS

Any insurance indemnity, as well as any other amount or other property received by the *Bank* in the exercise of the rights granted to it by this Deed or by law or in any other manner with respect to any *Hypothecated Property* may be retained by the *Bank* as *Hypothecated Property*, or be applied to the payment of the *Obligations*, whether or not they are due, or to other debts of the *Grantor*, whether or not they are secured. Any amount collected by the *Bank* shall be applied at the *Bank's* discretion, even on account of voluntary performance of the *Obligations*, and the *Bank* may, as it may deem preferable, modify the application of the payments, from time to time, in whole or in part.

5.3 RIGHTS CUMULATIVE AND EXERCISE OF RECOURSES

The rights granted pursuant to this Deed are cumulative with, and not alternative to, any other right or security held by the *Bank*. The exercise by the *Bank* of one of its rights does not prevent it from exercising any other right granted to it pursuant to this Deed, another security or the law.

The *Bank* may, separately or successively, exercise the rights granted to it by this Deed with respect to any part of the *Hypothecated Property*, without being obliged to do so on the entire *Hypothecated Property*, without prejudice to its recourses with respect to the remaining *Hypothecated Property*, and it shall not be in any way obliged to exercise its rights against any other person liable for the *Obligations* nor to exercise any other security securing the *Obligations*.

The *Bank* may delegate the exercise of its rights or the performance of its *Obligations* resulting from this Deed to another person; in such case, the *Bank* may provide such other person with any information it may have in its possession on the *Grantor* or the *Hypothecated Property*.

5.4 JOINT AND SEVERAL LIABILITY

If there is more than one *Grantor*, each shall be jointly and severally (solidarily) liable for the *Obligations* set out in this Deed and arising out of it. However, each joint and several debtor renounces to the right to be subrogated in the rights of the *Bank* and authorizes the *Bank* to grant releases and waivers to other joint and several debtors or with respect to the hypothecs arising out of this Deed, without thereby releasing such joint and several debtor from its obligations under this Deed.

5.5 NOTICE OF DEFAULT

The *Grantor* shall be in default of performing the *Obligations* by the mere passage of time, without the requirement of notice or of notice of default.

5.6 WAIVER

The Grantor may not claim that an act or omission by the *Bank* constitutes or implies a waiver of its right to invoke a default by the *Grantor* or to assert a right arising out of such default, unless the *Bank* has expressly so stated after the occurrence of the default.

5.7 ELECTION OF DOMICILE

Any service, notice or notice of default shall be made to the Grantor at its domicile. However, if the Bank is not successful in locating the Grantor at such address, such service, notice or notice of default may be done or made at the office of the Clerk of the Superior Court for the district in which the greater part of the Hypothecated Property is located and in which the Grantor elects domicile for the purposes hereof.

5.8 INTERPRETATION

Whenever the context so requires, the gender and number shall be interchangeable.

5.9 APPLICABLE LAW

This contract shall be governed and construed in accordance with the law in force in the Province of Quebec.

5.10 DATE OF CONTRACT

This contract is deemed to have been executed on the date inscribed above the *Grantor's* signature, even if the *Bank's* signature was not affixed concurrently.

5.11 INTERVENTIONS, if applicable

(a) **Guarantor - Non-owner spouse or non-owner third party**

Intervenes to this Deed, _____, who binds herself/himself jointly and severally (solidarily) with the Borrower to the payment of all amounts secured by this Deed as well as to the execution of all of the Borrower's obligations hereunder, renouncing to the benefits of division and discussion.

(b) **Consent - Non-owner spouse - Family residence**

Intervenes to this Deed, _____, the Borrower's spouse, who:

- (1) consents to the hypothecary charges contained in this Deed;
- (2) acknowledges that if a judgment granting her (him) a right to use, inhabit or own the *Hypothecated Property* is rendered against the *Hypothecated Property*, she (he) will then be bound, jointly and severally (solidarily) with the Borrower, by all the provisions of this Deed applicable to her (him) as holder or owner.

5.12 LANGUAGE

The parties hereto have expressly requested that this contract and all documents relating thereto be drawn up in the English language. Les parties aux présentes ont expressément demandé que ce contrat et tous les documents qui s'y rapportent soient rédigés en langue anglaise.

