



**Mortgage Direction & Undertaking
Regarding Arms-Length Mortgages as Investments in
Self-Directed RRSP/RRIF/LIF/LRIF/LRSP**

TO: Olympia Trust Company ("Olympia")

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

I understand that Olympia is not obligated to accept my investment in an arms-length mortgage. In consideration of Olympia 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 Olympia; 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 Olympia in deciding to invest funds in the Mortgage. **Without limiting the generality of the foregoing, I ALSO SPECIFICALLY UNDERSTAND AND REPRESENT TO OLYMPIA that I have not and cannot look to Olympia 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 Olympia does not authorize their employees or any other person to make such representations or give such advice on their behalf and I hereby release and exonerate Olympia from any liability and agree to indemnify and hold them 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 Olympia if any) pertaining to such action;
 - (b) I understand that I require Olympia's authorization before I institute or respond to legal proceedings in connection with the mortgage. I further understand that Olympia 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 Olympia 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) Olympia shall deposit all funds received as the result of such proceeding in my Plan;
 - (e) Olympia 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 Olympia from any liability and agree to indemnify them and save 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.
5. Olympia'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 Olympia 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 Olympia 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 Olympia's current fee schedule.

8. Postponements and partial discharges will only be provided upon confirmation of current property value, based on the Canada Revenue Agency definition of a qualified investment.

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

_____ in trust (Lawyer)

(Address)

Phone Number (____) _____ Fax Number (____) _____

Face Value of Mortgage
(if different from amount advanced): CAN \$ _____

Discount Amount: _____

Is this discount amount prepaid interest? _____

Legal Description _____

Mortgagor / Debtor: _____

Interest Rate: _____

Interest Calculation Method: _____

Term of Mortgage _____

Amortization Period: _____

Payment Frequency: _____ Payment Amount _____

First Payment Date: _____ Maturity Date _____

Mortgage Position: _____

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 _____, _____.

Witness Signature

Annuitant Signature

Witness Name

Annuitant Name