

SERVICE STANDARDS – COMMERCIAL LENDING

The provisions contained in this document are deemed incorporated into any mandate or instructions given to a solicitor by a division of Tru Cooperative Bank including Envision Financial, Island Savings, Valley First and Enderby & District Financial.

This form changes from time to time and should be downloaded directly from the [Commercial Lending Administration](#) page on our website for each separate transaction.

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Doing Legal Work for our divisions

1. Legal Entities

Tru Cooperative Bank

- a) Tru Cooperative Bank is a federal financial institution formed in 2010 from the merger of Envision Financial and Valley First, and a few years later added Enderby & District Financial and Island Savings to the organization.

2. Expectations and Communications

Form

- a) All correspondence and questions are to be directed to the Tru Cooperative Bank representative who sent you the specific solicitor instructions. Notify your Tru Cooperative Bank representative if you require assistance from our internal legal department for technical questions.

Reliance

- b) Since we rely on you, as our solicitor, to appropriately register enforceable security in the correct ranking in accordance with our instructions, we may not read or check copies of the security registrations we are provided.
- c) Since we rely on you, as our solicitor, to adequately complete and/or prepare legal documents on our behalf in relation to our instructions, we will not review the documents. If you require Tru Cooperative Bank's direction as to a form or amendment to a form, contact your Tru Cooperative Bank representative and include your recommendation.
- d) Documents presented by you, as our solicitor, to your Tru Cooperative Bank representative to be signed (e.g., priority agreements) should be accompanied by your recommendation that they should be signed. These documents should not be provided for Tru Cooperative Bank's consideration or review.

Offer of Credit

- e) Our Offer of Credit constitutes the entire loan agreement and lists our required security and rank of registration that you are required to obtain. Changes to security requirements necessitate an amendment to the Offer of Credit and will need to be arranged by your Tru Cooperative Bank representative for approval and signing. Any recommended changes to security should be made in writing to your Tru Cooperative Bank representative.

3. Acting for Tru Cooperative Bank

Responsible Solicitor

- a) Tru Cooperative Bank will send lending instructions only to a solicitor that has been vetted and listed on our approved list (the "Responsible Solicitor").

Delegation

- b) The Responsible Solicitor may delegate all or part of the legal work to professionals in their firm to limit costs or satisfy member preferences, so long as the delegated professional satisfied Tru Cooperative Bank's requirements for errors and omissions insurance. The Responsible Solicitor may engage legal professionals of their choice in other jurisdictions as necessary for searches, registration or security completion. Involvement of professionals at

a higher billing rate than the Responsible Solicitor requires approval from Tru Cooperative Bank.

Insurance

- c) You will maintain errors and omissions insurance in an amount at least equal to the amount of any loans instructed to you. If you receive loan instructions for a value higher than your insurance, you must notify your Tru Cooperative Bank representative immediately.

Confidentiality

- d) You are required to keep Tru Cooperative Bank's members' information confidential except where release of certain information is necessary for the purpose of taking and/or registering security.

Forms

- e) Please ensure that you utilize the standard Tru Cooperative Bank forms, which are accessible via the External Collaboration Portal. If you do not have access to the portal, kindly contact Commercial Lending Administration for assistance.
- f) If require use of a different form or if you need to modify or amend a Tru Cooperative Bank form, you must obtain consent from your Tru Cooperative Bank representative.
- g) If forms other than the ones provided by Tru Cooperative Bank are required, we expect you to prepare them.

Document Execution

- h) If Tru Cooperative Bank's member(s) wish to sign security documents in your presence, you may witness their signatures so long as you indicate (either with a stamp or with a separate document) that no legal advice was sought or given, and that the member(s) were given the opportunity to seek other counsel.

Exceptions:

- a. Restrictions per the Law Society rules of British Columbia; and
- b. Where you, using your judgement as our solicitor, have concerns and feel it prudent to require Tru Cooperative Bank's member(s) to obtain independent legal advice.
- i) Subject to limitations imposed by the Law Society of British Columbia or the Canadian Bar Association, electronic signatures are acceptable, if signed via well-known electronic signature platforms such as DocuSign, on Offers of Credit, amending letters, and security and corporate documents.

4. Loan Disbursement Requirements

Before Tru Cooperative Bank releases funds to you, Tru Cooperative Bank requires notice in writing via email that the security required under the Offer of Credit is complete per Tru Cooperative Bank's instructions. Funds will be released to you on your request but should only be requested if you are prepared to disburse them to the member immediately.

5. Insurance Requirements

Property

Where Tru Cooperative Bank has taken real property, equipment and/or business inventory as security, coverage must include:

- a) Insurance on an “all risk” and “replacement cost” basis.
- b) Tru Cooperative Bank included as Mortgagee and as First Loss Payee.
- c) “Standard Mortgage Clause” in favour of Tru Cooperative Bank for all real property.

Construction

Where Tru Cooperative Bank is providing a loan related to construction, coverage must include:

- d) Building and equipment insurance on an “all risk” and “replacement cost” basis.
- e) Tru Cooperative Bank included as Mortgagee and as First Loss Payee.
- f) “Standard Mortgage Clause” in favour of Tru Cooperative Bank for all real property.

6. Title Insurance vs. Survey

- a) If the loan is a mortgage on land with buildings, you are to obtain and review either a building location survey or title insurance. Surveys must be prepared by a Certified Land Surveyor.
- b) Where using title insurance in place of a building location survey, title insurance from First Canadian Title, Stewart Title Guaranty Company or Chicago Title Insurance Company Canada are acceptable.
- c) Title insurance must be issued for the amount of the mortgage and for a term equivalent to the duration of the loan.
- d) Title insurance is required on all First Nations Lands if funds are to be advanced before priority registration has been confirmed.

7. Solicitor’s Report

The Solicitor’s Report must include an opinion as to the priority of registration of Tru Cooperative Bank’s charges as against other registered charges. Tru Cooperative Bank acknowledges that you cannot certify as to priority over personal property. If the Solicitor’s Report notes that certain encumbrances are to be discharged before the security is complete, confirmation of their discharge or a letter of no further interest must be provided to Tru Cooperative Bank as soon as possible.

8. Solicitor’s Account

You are to recover your fees and disbursements from the loan disbursements or directly from the borrower before releasing the final disbursement.