PRELIMINARY REPORT AND REQUEST FOR FUNDS

DATE: _____

TO: **Nesto Inc.**
Head office
1001, Robert-Bourassa Blvd, suite 210
2nd Floor
Montréal (Québec) H3B 4L4

SUBJECT: **Borrower(s):** _____

Guarantor(s): _____

Property: _____

Loan n°: _____

Funds request for: _____

We confirm that we have read the "*Mandate and Solicitor Instructions*" form, "*Mortgage Commitment"* Form and the "*Mortgage Loan Agreement*" between Nesto Inc. ("Lender") and the Borrower for the above-mentioned loan. We declare and certify:

1. PROPERTY

We have performed a title search of the above-mentioned Property for a period starting _____ until the _____ **("Period of certification"),** as per the requirements of the Title Insurance Company;

Legal Description:	
Civic Address:	
Registered Owner:	

2. TITLE INSURANCE

We confirm Title Insurance will be obtained in favour of the Lender.

SURVEY OF LAND/CERTIFICATE OF LOCATION	
☐	No survey certificate of location has been provided for the purpose of this preliminary report**.**
☐	We have examined the Real Property Report prepared by _____, a Land Surveyor, on _____, number _____, a photocopy whereof is hereto annexed, which said Certificate reveals no irregularities, except for the following: ***(Please attach an Appendix to complete the information, if space is insufficient, which will form part of this Preliminary Report")***

ENCUMBRANCES		
For the period of our title examination, there were no encumbrances registered against or in favour of the Property, with the exception of those herein mentioned which affects in an unfavourable manner the Property (list only those encumbrances that would negatively impact nesto's warranty on the property) :		
Nature	**Registration Number**	**Date**
The adverse impact on Nesto Inc.'s securities is as follows: ***(Please attach an Appendix to complete the information, if space is insufficient, which will form part of this Preliminary Report")***		

At the Period of certification, the mortgaged property is insured according to your instructions, as follows:

We hereby confirm the loss, if any, are payable to **COMPUTERSHARE TRUST COMPANY OF CANADA** as trustee for the benefit of Nesto Inc. and that the insurance policy contains the usual protection clauses for Mortgagee/Hypothecary creditors as provided by the Insurance Bureau of Canada.

Loss, if any, is payable to Nesto Inc.

☐	We have disclosed to the designated Co-Ownership Insurance Trustee, if any, and to the syndicate, the status of Nesto Inc. as a creditor.

OPINION

Subject to the foregoing, and based upon our examination of the title to the Property for the period required by the title insurance company, we are of the opinion that _____ has a good and marketable title to the Property as of_____and that Nesto Inc. will have a valid **FIRST (1ST) RANK** mortgage/hypothec on the Property, once the following conditions are met:

1. execution of the mortgage/hypothec between **COMPUTERSHARE TRUST COMPANY OF CANADA** as trustee for the benefit of Nesto Inc. and the Borrower (including the intervention of the Guarantor, if any), it will have been executed in accordance with the terms and conditions of the Commitment;

2. a notice of address in accordance with the instructions received is registered in the Land Title Office of the district in which the Property is located and in the Personal Property Registry if applicable. The mortgage/hypothec refers to address notice: _____**;**

3. registration of the mortgage/hypothec and the Notice of Address at the Land Title Office for the Registration Division of _____, without any conflicting entries;

4. publication of the Transfer of Land in favour of the Borrower at the above-mentioned Land Title Office without adverse entry;

5. registration of a Discharge of Mortgage/Hypothecs in favour of _____;

6. payment of property tax arrears, if arrears are identified in section 1; and

7. receipt of a Title Insurance Policy.

FUNDS REQUEST

Accordingly, would you kindly proceed to disburse the funds secured by the mortgage/hypothec within three (3) business days from the date hereof.

We understand funds will be disbursed by electronic funds transfer. Please find attached a specimen cheque of our trust account.

Once funds are released to us in trust, we hereby undertake to release funds only when all the legal conditions set out in the *Mortgage Commitment*, *Mortgage Loan Agreement* and Instructions from Nesto Inc. have been met.

Yours truly,

Signed at _____, this _____ day of _____ 20 ___.

_____

Name _____, Solicitor

Address: _____

Telephone:

Fax:

Email: