



The following set of standard charge terms shall be deemed to be included in every charge/mortgage in which the set is referred to by its filing number, as provided in section 9 of the *Land Registration Reform Act* (Ontario). The terms of this set of Standard Charge Terms may be modified by additions, amendments or deletions in any schedules attached to the registered charge/mortgage.

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Article 1 – Definitions

In this mortgage:

- 1.1 “**Balance Due Date**” means the applicable date set out in the Provisions section of the Mortgage Form;
- 1.2 “**Borrower**” means the person or persons named as Chargor(s) in the Mortgage Form together with anyone named as “Borrower” in any agreement relating to this Mortgage;
- 1.3 “**Commitment Letter**” means, in respect of the Loan to the Borrower of the Principal Amount and any other Loan, the commitment letter between the Financial Institution, the Borrower, and any Surety relating to such Loan, as amended, modified, replaced, and/or extended from time to time;
- 1.4 “**CMHC**” means Canada Mortgage and Housing Corporation, and its successors;
- 1.5 “**CMHC Program**” means a national program where CMHC pools and securitizes housing loans;
- 1.6 “**Common Expenses**” means, in respect of a Condominium Unit, the common expenses, levies, assessments, contributions, and other amounts payable by the owner of such Condominium Unit to the related Condominium Corporation or any other person(s) from time to time under the *Condominium Act* or the Condominium Documents;
- 1.7 “**Condominium Act**” means, in respect of a Condominium Unit, the applicable legislation and all related regulations of Ontario governing the creation and regulation of such Condominium Unit;
- 1.8 “**Condominium Corporation**” means, in respect of a Condominium Unit, the related condominium corporation or strata corporation, as applicable, created and/or governed by the *Condominium Act*;
- 1.9 “**Condominium Documents**” means all documents and instruments creating or governing the Condominium Unit and the related Condominium Corporation, including, as applicable, the declaration, bylaws, and rules of the Condominium Corporation;
- 1.10 “**Condominium Unit**” means a condominium unit or strata lot created under the *Condominium Act*;
- 1.11 “**Financial Institution**” means the person named as Chargee in the Mortgage Form and its successors and assigns;
- 1.12 “**Event of Default**” means an event described in Section 14.1;
- 1.13 “**First Payment Date**” means the applicable date set out in the Provisions section of the Mortgage Form;
- 1.14 “**Incentives**” means the total dollar amount of all incentives that the Financial Institution provided to the Borrower in order to induce the Borrower to borrow the Loan from the Financial Institution, including the following:
 - a) all accrued interest that the Financial Institution has forgiven under the Loan,
 - b) any payment of interest that the Financial Institution has made on the Borrower’s behalf,
 - c) any rebate of interest that the Financial Institution has paid to the Borrower,
 - d) any payment of cash made to the Borrower (not including the Principal Amount itself),
 - e) all legal fees and disbursements incurred by the Financial Institution or on its behalf relating to the Loan and this Mortgage, and
 - f) all appraisal fees incurred by the Financial Institution or on its behalf;
- 1.15 “**Insured Loan**” means a loan in respect of which a Loan Insurance Policy has been issued and is in effect;
- 1.16 “**Interest Adjustment Date**” means the applicable date set out in the Provisions section of the Mortgage Form;
- 1.17 “**Interest Rate**” means the rate of interest set out in the Provisions section of the Mortgage Form;
- 1.18 “**Last Payment Date**” means the applicable date set out in the Provisions section of the Mortgage Form;
- 1.19 “**Lease**” means, except in Article 22, with respect to any part of the Property in which the Borrower has a leasehold interest, the lease creating the leasehold interest (and any renewals or replacements of such lease);
- 1.20 “**Loan**” means the loan to the Borrower of the Principal Amount and any other amounts at any time extended by the Financial Institution to the Borrower from time to time pursuant to the Loan Documents;
- 1.21 “**Loan Documents**” means, collectively, with respect to the Loan, all documents, agreements, guarantees, instruments, and security now or hereafter creating, evidencing, securing, guaranteeing, governing and/or relating to the Loan, or any part thereof, including any loan agreement, mortgage application (and any documents delivered to the Financial Institution pursuant to or in connection with such application), this Mortgage, and the Commitment Letter, each as amended, modified, replaced, and/or extended from time to time;
- 1.22 “**Loan Insurance Policy**” means, in respect of the Loan, a policy of insurance issued by a Loan Insurer, pursuant to which the Financial Institution is insured by the Loan Insurer against default;
- 1.23 “**Loan Insurer**” means, in respect of the Loan, the insurer under the Loan Insurance Policy, which may be CMHC or another loan insurer;
- 1.24 “**Mortgage Form**” means the electronic Charge/Mortgage that is or will be registered against title to the property described therein and which incorporates this set of standard terms by reference to its filing number and which form part of the mortgage;
- 1.25 “**Other Amounts**” means any other amounts that are payable by the Borrower to the Financial Institution under this Mortgage other than the Principal Amount and interest. Examples of “Other Amounts” are set out in Section 13.1;
- 1.26 “**Prime Lending Rate**” means the annual variable reference rate of interest (calculated monthly not in advance) used by the Financial Institution as its prime rate for Canadian dollar loans made in Canada (or, if more than one rate is designated at any time, the highest of the designated rates), as the same may be adjusted from time to time;

Article 1 – Definitions (Continued)

- 1.27 “Principal Amount”** means the principal amount set out in the Provisions section of the Mortgage Form;
- 1.28 “Prior Charges”** means those charges, mortgages or deeds of trust that are registered against the title to the Property before this Mortgage;
- 1.29 “Program Administrator”** means CMHC, acting in the capacity as administrator and trustee of, and guarantor of timely payment of securities issued, under any CMHC Program;
- 1.30 “Property”** means the land described in the Properties section of the Mortgage Form, and any other properties described in the Commitment Letter, together with all buildings, improvements, and fixtures located on the land and all rights and benefits belonging to the land;
- 1.31 “Surety”** means:
- a) a person who has guaranteed payment of the Principal Amount and interest thereon by the Borrower to the Financial Institution,
 - b) a person who has agreed to indemnify the Financial Institution for any losses suffered by the Financial Institution as the result of the Financial Institution lending the Principal Amount to the Borrower, or
 - c) any person named as covenantor, guarantor or indemnifier under any Loan Documents.
- 1.32 “Taxes”** means all taxes charged on or relating to the Property by any government authority;
- 1.33 “this Mortgage”** means the Mortgage Form, the Schedule or Schedules attached to the Mortgage Form, if any, and these Standard Charge Terms;
- 1.34 “Unamortized Portion”** means a fraction, where the numerator is the number of complete months from the prepayment date to the Balance Due Date, and the denominator is the number of complete months from the Interest Adjustment Date to the Balance Due Date.

Article 2 – Mortgage and Redemption

- 2.1 Mortgage of Property**
- In return for the Financial Institution agreeing to lend to the Borrower the Principal Amount:
- a) if the Borrower has a freehold interest in the Property, the Borrower transfers, assigns and mortgages all the Borrower’s freehold interest in the Property to the Financial Institution; and
 - b) if the Borrower has a leasehold interest in the Property, the Borrower subleases and mortgages such of the Property that is subject to the Borrower’s leasehold interest to the Financial Institution for a term of one (1) day less than the unexpired term of each Lease.
- 2.2 Acquiring Greater Interest**
- If the Borrower acquires any greater or additional interest in the Property, the Borrower by this Mortgage transfers and mortgages that greater or additional interest to the Financial Institution without the Borrower or the Financial Institution having to do anything further.
- 2.3 Redemption of Security**
- When the Borrower has repaid the Principal Amount and interest and any Other Amounts, this Mortgage will no longer have any effect and the Borrower’s interest in the Property will automatically return to the ownership of the Borrower.
- 2.4 Not Mortgagee In Possession**
- The exercise of any of the rights, remedies, and powers of the Financial Institution under this Mortgage will not deem the Financial Institution, the Program Administrator, or their respective agents, to be a mortgagee in possession.

Article 3 – Interest

- 3.1 Compound Interest**
- Unless otherwise expressly provided in the Loan Documents or the Interest Adjustment Date shown in the Provisions section of the Mortgage Form, interest will be compounded (added to the Principal Amount and interest charged on the combined amount of principal and interest) monthly, not in advance, both before and after each of maturity, default, and judgment. The equivalent interest rate compounded semi-annually not in advance is set out in Exhibit A – Table of Equivalent Rates.
- 3.2 Variable Rate Interest**
- If any Interest Rate is based upon the Prime Lending Rate:
- a) that interest Rate will change automatically every time there is a change in the Prime Lending Rate,
 - b) the Financial Institution will not have to give the Borrower notice of any changes in the Prime Lending Rate or the Interest Rate, and
 - c) a written statement by any officer of the Financial Institution stating what rate of interest the Prime Lending Rate was on any day or during any period will be conclusive evidence of that rate on the day or during the period stated.

Article 4 – Payments

- 4.1 Promises to Pay**
- The Borrower promises:
- a) to repay the Principal Amount,
 - b) to pay interest at the Interest Rate on the outstanding balance of the Principal Amount, and

Article 4 – Payments (Continued)

- c) to pay all Other Amounts,
to the Financial Institution in accordance with the provisions of this Mortgage.

4.2 Payment Dates

The Borrower will make the following payments on the following payment dates:

- a) before the Interest Adjustment Date, the Borrower will pay all accumulated interest monthly on the first day of each month;
- b) on the Interest Adjustment Date, the Borrower will pay all accumulated interest; and
- c) starting on the First Payment Date and continuing on the same day of each month after that until the Principal Amount and interest and all Other Amounts have been paid in full, the Borrower will pay to the Financial Institution payments each in the amount set forth in in the Provisions section of the Mortgage Form.

4.3 Use of Payments

The Financial Institution will apply all payments received from the Borrower, including prepayments, in such order as the Financial Institution decides.

4.4 Place of Payments

The Borrower will make all payments under this Mortgage at the address of the Financial Institution set out in the Mortgage Form or at any other address specified by the Financial Institution.

4.5 Time of Payments

Payments received after 2:00 p.m. (Eastern time) will be considered received on the next business day of the Financial Institution's branch where the payment was made.

4.6 Method of Payments

The Financial Institution may require either:

- a) that the Borrower have an account with the Financial Institution from which the Financial Institution may pay any amounts payable by the Borrower under this Mortgage; or
- b) that the Borrower give the Financial Institution a series of postdated cheques or preauthorized debit authorization for any payments, including payments of Taxes, required under this Mortgage.

4.7 When Mortgage Will Be Due

The outstanding balance of the Principal Amount and interest and any Other Amounts will be due and payable:

- a) before the Balance Due Date, if there is an Event of Default and the Financial Institution demands payment; or
- b) on the Balance Due Date, automatically without any demand by the Financial Institution.

4.8 Debiting Borrower's Accounts

If the Borrower does not make a payment required to be made under this Mortgage, the Borrower authorizes the Financial Institution to deduct the amount of the payment from any of the Borrower's accounts with the Financial Institution or to redeem a sufficient number of the Borrower's shares in the Financial Institution to make the payment.

Article 5 – Prepayment Rights

5.1 Prepayment Rights

Any rights of the Borrower to prepay the balance outstanding under this Mortgage must be agreed in writing between the Borrower and the Financial Institution setting out in detail the Borrower's prepayment rights.

5.2 Prepayment Types

The following words describing the types of prepayment rights shall have the following meanings:

- a) "Open" means that the Borrower has the right, at any time when not in default, to prepay the whole or any portion of the balance outstanding under this Mortgage without giving any prior notice of prepayment to the Financial Institution and without having to pay to the Financial Institution any additional fee or penalty for this right;
- b) "Prepayment Charge" followed by a figure and the word "months" means that, the Borrower has the right, at any time when not in default, upon payment of an amount equal to the specified number of months' interest on the amount to be prepaid, to prepay the whole or any portion of the balance outstanding under this Mortgage without giving any prior notice of prepayment to the Financial Institution;
- c) "Annual Payment" followed by a figure and a percentage sign (%) means that, on each anniversary of the Interest Adjustment Date, (or the date of first advance of any portion of the Principal Amount if there is no Interest Adjustment Date) when not in default, the Borrower has the right without notice or penalty to prepay an amount not exceeding the specified percentage of the original Principal Amount (which right is not cumulative and cannot be carried forward if not used);
- d) "Annual Payment Increase" means the percentage by which the Borrower is permitted to increase the Payment Amounts each calendar year (as long as it is not in default). This percentage is set out in the Loan Documents. The Borrower must notify the Financial Institution in writing if the Borrower intends to do this. This prepayment option is not cumulative, meaning that the Borrower cannot carry forward unused amounts to future years;
- e) "Closed" means that, except as otherwise provided in this Mortgage, the Borrower may not make any payments to the Financial Institution before the dates that they are due;
- f) "Full Prepayment Charge " means that the Borrower has the right, at any time when not in default, to prepay the whole or any portion of the balance outstanding under this Mortgage without notice, upon payment (without discount, reduction, or deduction of any kind whatsoever and specifically without any present value discount, reduction, or deduction) of the greater of:

Article 5 – Prepayment Rights (Continued)

- i) three (3) months' interest on the amount prepaid at the Interest Rate in effect on the date of prepayment, or
 - ii) an interest rate differential amount, which is the interest for the period from the prepayment date to the Balance Due Date on the principal amount prepaid, calculated as the difference between:
 - (A) the amount of interest at the Interest Rate in this Mortgage, less
 - (B) an amount of interest at the rate of interest on the Financial Institution's website or published at its branch as at the time of the prepayment for a mortgage having a term that is closest to the remaining term of this Mortgage from the prepayment date to the Balance Due Date;
- plus, in addition to (i) or (ii), the Unamortized Portion of all Incentives.

If the Interest Rate is a variable rate of interest, then the Interest Rate used to calculate the Full Prepayment Charge will be the variable rate of interest applicable to the Loan at the time of the prepayment.

5.3 Other Prepayment Rights

The list of prepayment types in Section 5.2 is not intended to be exhaustive and different prepayment rights may be agreed in writing between the Borrower and the Financial Institution.

5.4 Deemed Closed

If no prepayment rights are expressly agreed in writing between the Borrower and the Financial Institution, the Mortgage will be deemed to be "Closed".

5.5 No Effect on Required Payments

If a prepayment is made, the Borrower will still be required to make all regular or other payments called for under this Mortgage.

Article 6 – Renewal and Extension of Balance Due Date

6.1 Extension of Balance Due Date

If the Financial Institution is willing to extend the Balance Due Date, the Financial Institution will, before the Balance Due Date, send an offer (the "**Offer to Renew**") to the Borrower offering to extend the Balance Due Date and to modify this Mortgage. The Offer to Renew will also state:

- a) **Offer to Extend if No Alternatives Offered** – if the Financial Institution is offering only one new balance due date, interest rate, and periodic payment amount to the borrower:
 - i) the proposed new balance due date;
 - ii) the proposed new interest rate payable under this Mortgage after the Balance Due Date that is to be extended; and
 - iii) the proposed new periodic payment amount to be made during the extension period; or
- b) **Offer to Extend if Alternatives Offered** – if the Financial Institution is offering alternative new balance due dates, interest rates, and periodic payment amounts to the Borrower:
 - i) the proposed alternative new balance due dates;
 - ii) the proposed alternative new interest rates; and
 - iii) the proposed new periodic payment amounts to be made during the extension period for each alternative new interest rate;
- c) and any other amendments that the Financial Institution proposes to make to this Mortgage.

6.2 Rejection of Offer to Extend

The Borrower may only reject the Offer to Renew by written notice to the Financial Institution before the Balance Due Date then in effect.

6.3 Acceptance of Offer to Extend

The Borrower may accept the Offer to Renew either:

- a) **Written Acceptance** – by giving the Financial Institution, before the Balance Due Date then in effect, written notice accepting the Offer to Renew, signed by the Borrower and every Surety specifying the alternative selected by the Borrower if the Financial Institution has offered alternatives; or
- b) **Deemed Acceptance** – by not giving the Financial Institution, before the Balance Due Date then in effect, written notice accepting or rejecting the Offer to Renew, which acceptance will be binding on the Borrower and every Surety.

6.4 Alternative Deemed Acceptance

If the Borrower accepts the Offer to Renew by not giving any notice of acceptance or rejection to the Financial Institution, the alternative deemed selected by the Borrower if the Offer to Renew contains alternatives will, unless the Notice otherwise provides, be the alternative that has the lowest interest rate or, if more than one alternative has the lowest interest rate, then the alternative with the lowest interest rate and the shortest period until the new Balance Due Date.

6.5 Mortgage Amended By Offer to Extend

If the Offer to Renew is accepted, this Mortgage will be amended without anything further required. After the acceptance of the Offer to Extend, any reference in this document to "this Mortgage" means "this Mortgage as amended". All unamended terms of this Mortgage will continue to apply. The Borrower will execute and deliver any documents required by the Financial Institution to register the amendment of the Mortgage on title to the Property.

6.6 Subsequent Renewals

This Article 6 will apply to subsequent renewals until the Principal Amount and all interest thereon and all Other Amounts are paid in full.

Article 7 – Title and Condition of the Property

7.1 Title to Property

The Borrower promises that:

- a) if the interest of the Borrower in the Property which is charged by this Mortgage is freehold, the Borrower is the owner of the Property and has the right to transfer and mortgage the Borrower's interest in the Property to the Financial Institution; and
- b) if the interest of the Borrower in the Property which is charged by this Mortgage is leasehold, the Borrower has a valid and existing leasehold estate as lessee under each Lease and has the right to sublease and mortgage the Property to the Financial Institution.

7.2 Condition and Repair of Property

The Borrower will:

- a) keep the Property and any buildings and other improvements in good condition,
- b) not demolish any of the buildings or other improvements, and
- c) promptly repair any damage to the Property and any of the buildings or other improvements.

7.3 Inspections

The Borrower authorizes the Financial Institution and its authorized representatives, including the Program Administrator, to enter upon the Property and to enter any buildings on the Property at any time:

- a) to inspect the Property and the condition of the buildings on the Property; and
- b) to conduct any environmental testing, site assessment, investigation, or study that the Financial Institution or its authorized representatives deem necessary, including taking soil and ground water samples and creating bore holes in order to obtain such samples.

7.4 Borrower's Agreements Regarding Inspections

Borrower agrees:

- a) to pay the costs of any environmental testing, site assessment, investigation, or study undertaken pursuant to Section 7.3(b) above; and
- b) that no entry on the Property by the Financial Institution or its authorized representatives pursuant to Section 7.3 will deem the Financial Institution or its authorized representatives to be in possession, management, or control of the Property or any part thereof.

7.5 Effect of Sale

The Borrower will not be released from the Borrower's obligations and promises contained in this Mortgage only because the Borrower sells the Property or the Borrower's interest in the Property.

Article 8 – Leasehold Provisions

8.1 Leasehold

The provisions of this Article 8 will only apply if the interest of the Borrower in the Property is a leasehold interest.

8.2 State of Lease

The Borrower promises that:

- a) on the date of execution of this Mortgage no default has occurred and is continuing under any Lease;
- b) each Lease is a valid and existing lease for the term set out in the Lease;
- c) all rents and other monies payable under each Lease have been paid in full; and
- d) if the lessor's or landlord's consent is required under any Lease in order for the Borrower to rightfully sublease and mortgage the Property to the Financial Institution, the Borrower has received that consent.

8.3 Borrower's Promises

The Borrower promises that the Borrower:

- a) will do everything the Borrower is required to do, and not do anything the Borrower is not supposed to do, under each Lease;
- b) will not surrender any Lease or permit it to be terminated;
- c) will not agree to any amendment to any Lease without the Financial Institution's written approval;
- d) will promptly give the Financial Institution a copy of any notice, demand, or other document the Borrower receives in connection with any Lease of the Property; and
- e) will hold the last day of the term of each Lease in trust for the Financial Institution to do with as the Financial Institution directs.

8.4 Attorney

The Borrower appoints the Financial Institution as the Borrower's attorney, coupled with an interest. If an Event of Default occurs, the Financial Institution may, on behalf of the Borrower and upon the notice (if any) provided in Section 15.1(c), assign the Lease and convey the unexpired balance of the term of the Lease as the Financial Institution determines. This power of attorney is irrevocable during the existence of this Mortgage.

Article 9 – Charges Against the Property

9.1 No Other Charges on Title

The Borrower promises that, if there are any charges against the title to the Property other than the Prior Charges, the Borrower will immediately cause those charges to be satisfied and discharged from the title to the Property.

Article 9 – Charges Against the Property (Continued)

9.2 Prior Charge Obligations

The Borrower promises to fulfill all of the Borrower's obligations under the Prior Charges.

9.3 Prior Charge Defaults

If the Borrower defaults under any of the Prior Charges, the Financial Institution may:

- a) correct any default,
- b) add to the Principal Amount the amount paid by the Financial Institution to correct the default, and
- c) charge interest on that combined amount at the same interest rate as that charged on the Principal Amount.

9.4 Construction Liens

The Borrower will not allow any claims of construction or builders' liens (being claims for payment of charges for labour, services, materials, or rent of equipment supplied to make improvements to the Property) to remain filed against the Property at any time. If a lien is filed, not having the lien removed from the title to the Property will not be a breach of this Section 9.4 if the Borrower:

- a) disputes the validity of the claim of lien, and
- b) gives the Financial Institution reasonable security so the Financial Institution can pay the lien if it is found to be valid.

If the lien is found to be valid and the Borrower does not then have the lien immediately removed from the title to the Property, the Financial Institution may then use the security to pay the lien and have it removed from the title to the Property.

Article 10 – Advances and Readvances

10.1 No Obligation to Advance

None of the following will require the Financial Institution to advance or readvance money (or any further money) under this Mortgage:

- a) the signing of this Mortgage,
- b) the registration of this Mortgage, or
- c) the advance or readvance of some of the Principal Amount,

but this Mortgage will secure the amount of the Principal Amount that has been advanced (including readvances) and is outstanding under this Mortgage plus interest and Other Amounts.

10.2 Deductions From Advances

The Financial Institution may deduct from any advance or readvance of money under this Mortgage:

- a) any Taxes that are due,
- b) any interest accumulated under this Mortgage, and
- c) an amount estimated by the Financial Institution's lawyers or notaries as being the fees and disbursements (and applicable taxes) for preparing and registering this Mortgage.

10.3 Current or Running Account

If this Mortgage secures a current or running account:

- a) the Financial Institution may, from time to time, readvance to the Borrower any of the Principal Amount that may have been repaid by the Borrower;
- b) this Mortgage will continue to have effect and will not be deemed to have been discharged by reason only that:
 - i) all advances and readvances have been repaid, or
 - ii) there is nothing owing to the Financial Institution under this Mortgage; and
- c) this Mortgage will remain as effective security for advances and readvances until the Financial Institution delivers a discharge of this Mortgage to the Borrower.

10.4 Different Terms and Conditions

The Borrower may request and the Financial Institution may agree that particular advances or readvances of the Principal Amount will be recorded and accounted for separately and will be subject to terms and conditions different from those applicable to other advances or readvances.

Article 11 – Insurance

11.1 Insurance Requirements

Beginning from the time this Mortgage is signed and continuing as long as the Mortgage is registered against the Property, the Borrower will have the buildings and other insurable improvements on the Property insured against loss by fire and any other risks required by the Financial Institution for the maximum amount for which the buildings and other improvements can be insured and on a replacement cost basis if the Financial Institution so requires.

11.2 Wording of Insurance Policy

The insurance policy will be in a form acceptable to the Financial Institution and will contain a mortgage clause acceptable to the Financial Institution.

11.3 Insurance Proceeds Payable to Financial Institution

The insurance policy will state that the proceeds of any claim will be payable to the Financial Institution after paying amounts properly payable to the holders of any Prior Charges.

11.4 Copies of Insurance Policies and Receipts

Upon request, the Borrower will give the Financial Institution:

Article 11 – Insurance (Continued)

- a) the original or a certified copy of each insurance policy and renewal policy, and
- b) receipts for premiums paid under any insurance policy or renewal policy.

11.5 Damage to Buildings

If the buildings or other insured improvements on the Property are damaged, the Borrower will immediately notify the Financial Institution. If the damage is covered under an insurance policy, the Borrower will immediately file a claim with the insurer.

11.6 Use of Insurance Proceeds

The Financial Institution may use the insurance proceeds in any of the following ways, as the Financial Institution decides:

- a) to pay for repairing the damage to the buildings or other improvements;
- b) to pay the proceeds to the Borrower;
- c) to pay the proceeds to any other person having a claim on the title to the Property; and
- d) to pay the Principal Amount, interest, and Other Amounts owing under this Mortgage, whether or not these amounts are then payable.

Article 12 – Taxes

12.1 Payment of Taxes

The Borrower will pay all Taxes before they are overdue.

12.2 Proof of Payment

The Borrower will give the Financial Institution proof of payment of Taxes on or before December 31 each year.

12.3 Tax Instalments

If the Financial Institution requires, the Borrower will pay to the Financial Institution:

- a) 1/12th of the estimated annual Taxes (estimated by the Financial Institution) at the same time as each monthly payment of interest or principal and interest, and
- b) the amount by which the actual annual Taxes are greater than such estimate

(the “**Tax Instalments**”) so that the Financial Institution can pay the Taxes in full before they are overdue.

12.4 Payments of Taxes By Financial Institution

As long as the Borrower is not in default under this Mortgage, the Financial Institution will use the Tax Instalments to pay the Taxes. If the Borrower is in default under this Mortgage, the Financial Institution may use the Tax Instalments to pay the Principal Amount, interest, and Other Amounts owing under this Mortgage.

12.5 Grants and Rebates

It is the responsibility of the Borrower to apply for government grants, assistance, or rebates with respect to any Taxes.

Article 13 – Expenses and Costs

13.1 Payments by the Financial Institution

The Financial Institution may pay:

- a) any overdue Taxes,
- b) accounts of any lawyers or notaries for the preparation and registration of this Mortgage,
- c) accounts of any lawyers for the collection of any amounts due under this Mortgage and the enforcement of this Mortgage,
- d) any thing that the Borrower has agreed in this Mortgage to pay but has not paid, and
- e) the cost of doing any thing that the Borrower has promised in this Mortgage to do but has not done.

13.2 Treatment of Amounts Paid By Financial Institution

The Borrower will immediately reimburse the Financial Institution for any amount paid under Section 13.1 or the amount paid will:

- a) be added to the Principal Amount,
- b) be charged interest at the same interest rate as that charged on the Principal Amount from the date paid by the Financial Institution,
- c) be secured by this Mortgage, and
- d) be a charge on the Property.

13.3 Court Costs

In any court proceedings taken to enforce this Mortgage, the Financial Institution will be entitled to special costs. If some of the costs recovered from the Borrower in court proceedings duplicate some of the lawyers’ expenses incurred by the Financial Institution and added to the Principal Amount under Section 13.2, the Financial Institution will reduce the balance outstanding under this Mortgage by the amount of those duplicate costs.

Article 14 – Events of Default

14.1 Events of Default

The following will be events of default under this Mortgage:

- a) if the Borrower does not do any thing that the Borrower has promised in this Mortgage to do;

Article 14 – Events of Default (Continued)

- b) if the Borrower does any thing that the Borrower has promised in this Mortgage not to do;
- c) if the Borrower becomes bankrupt;
- d) if the Borrower is an individual and the Borrower dies (or if the Borrower is more than one individual and the last survivor of those individuals dies);
- e) if the Surety is an individual and the Surety dies (or if the Surety is more than one individual and any one of those individuals dies);
- f) if the Property is abandoned or is left unoccupied for more than 30 days;
- g) if the Property or any part of the Property is expropriated or if the Borrower or Financial Institution receives a notice of expropriation of all or any part of the Property;
- h) if the Property is used for any unlawful purpose or any unlawful activity is carried on in or on the Property, whether with or without the consent or knowledge of the Borrower;
- i) if the Borrower sells or agrees to sell, or otherwise disposes of or agrees to dispose of, the Property or any part of the Property;
- j) if the Borrower grants any further mortgage of the Borrower's interest in the Property without the Financial Institution's consent; or
- k) if the Borrower defaults under any documentation with respect to any other loan made by the Financial Institution to the Borrower or made by any other lender to the Borrower.

14.2 Mortgage Due on Default

If there is an Event of Default, the Financial Institution may require that the Borrower immediately repay the Principal Amount and all interest and all Other Amounts.

14.3 Waiver of Event of Default

If the Financial Institution waives an Event of Default, that waiver will not prevent the Financial Institution from relying on any other Event of Default.

14.4 Default Under Other Loans

The Financial Institution may consider an Event of Default to be a default under all other loans made by the Financial Institution to Borrower.

14.5 Expropriation and Condemnation

- a) If all or any part of the Property is expropriated by any governmental or other authority, all expropriation proceeds shall be paid to the Financial Institution and, if received by the Borrower, shall be received and held in trust for the Financial Institution and immediately paid over to the Financial Institution. Such expropriation proceeds shall, at the option of the Financial Institution, be applied against the Principal Amount, interest at the Interest Rate on the outstanding balance of the Principal Amount, and/or to pay all Other Amounts as the Financial Institution may determine in accordance with Section 4.3, or be held unappropriated in a collateral account in the name and for the exclusive benefit of the Financial Institution as continuing security for the full payment of the Principal Amount, interest and the Other Amounts. The Borrower shall promptly deliver to the Financial Institution a copy of any notice of expropriation or proposed expropriation received by the Borrower in respect of all or any part of the Property.
- b) All expropriation proceeds and any other consideration, damages, and awards arising from or relating to any expropriation are hereby assigned by the Borrower to the Financial Institution as security for the repayment of the Principal Amount, interest and Other Amounts.
- c) Notwithstanding any applicable laws to the contrary and without limiting any other provision hereof, if there is expropriation of all or any part of the Property, the Borrower will pay to the Financial Institution on demand the difference between the Principal Amount, interest and any Other Amounts secured by this Mortgage and the aggregate of any expropriation proceeds or other consideration, damages, and awards paid by the expropriating authority to the Financial Institution.

Article 15 – Enforcement and Collection

15.1 Financial Institution's Remedies

If the Borrower does not pay the Principal Amount and interest and Other Amounts when they become payable, or an Event of Default otherwise occurs, the Financial Institution may:

- a) sue the Borrower for the amounts due under this Mortgage;
- b) take possession of the Property;
- c) enter on, sell or lease the Borrower's interest in the Property by public auction or private sale or lease the Property on any terms and conditions decided by the Financial Institution if an Event of Default has continued for the minimum period of time required by applicable laws. If permitted by applicable laws, the Financial Institution may enter on, lease, or sell the Property without notice;
- d) apply to court to obtain a court order that the Borrower's interest in the Property be sold on any terms approved by the court;
- e) apply to court to foreclose the Borrower's interest in the Property (so that after the Financial Institution obtains final order of foreclosure, the Borrower will no longer have any interest in the Property); and
- f) appoint a receiver of any income from the Property.

15.2 Proceeds of Sale

If the Borrower's interest in the Property is sold by public auction, private sale, or court order, the Financial Institution will use the net amount received by the Financial Institution from the sale first to pay the amounts due and owing under this Mortgage. Any surplus will be paid:

- a) according to the court order, if the Borrower's interest in the Property is sold by court order; or

Article 15 – Enforcement and Collection (Continued)

b) to the Borrower, if the Borrower's interest in the Property is sold other than by court order.

If the amount received from the sale is not sufficient to fully pay the amounts due under this Mortgage, the Borrower will pay the unpaid amount to the Financial Institution.

15.3 Power of Sale

- a) Any sale of the Property by the Financial Institution may be by public auction or private sale for such price and on such terms as to credit and otherwise with such conditions of sale as the Financial Institution deems proper in its sole discretion and in accordance with applicable laws. If any sale is for credit or for part cash and part credit, the Financial Institution will not be accountable for or be charged with any monies until they are actually received in cash.
- b) The Financial Institution may rescind or vary any contract or sale and may buy and re-sell the Property, in each case in its sole discretion and without being answerable for loss occasioned thereby.
- c) No purchaser will be bound to inquire into the legality, regularity, or propriety of any sale or be affected by notice of any irregularity or impropriety. No lack of default, want of notice, or other requirement, or any irregularity or impropriety of any kind will invalidate any sale pursuant to the Financial Institution and the purchaser shall not be responsible for any damage or loss caused thereby.
- d) The Financial Institution may sell without entering into actual possession of the Property and while in possession will be accountable only for monies which are actually received by it. The Financial Institution may, subject to the restrictions of applicable laws, sell parts of the Property from time to time to satisfy any portion of the Principal Amount, interest and any Other Amounts, leaving the remainder of the Property as security for the balance of such obligations. The Financial Institution may sell the Property or any portion of the Property subject to the balance of the Principal Amount not yet due at the time of such sale.
- e) The costs of any sale or other enforcement or realization proceedings pursuant to this Mortgage or the Loan Documents and/or applicable laws, whether such sale or other proceeding proves abortive or not, including taking, recovering, or keeping possession of the Property or enforcing any other rights, remedies, or powers pursuant to this Mortgage or any Loan Documents, and/or applicable laws, shall be payable upon demand by the Borrower to the Financial Institution, together with interest thereon at the Interest Rate, and until paid shall be added to the Principal Amount and secured by this Mortgage.

15.4 Other Securitites Held By the Financial Institution

If the Financial Institution holds other securities as security for repayment of the Principal Amount and interest, the Financial Institution may realize on those securities or this Mortgage in any order it decides. Any action under those securities will not prevent action being taken under this Mortgage and vice versa.

15.5 Quiet Possession

Where the Financial Institution enters on and takes possession of the Property, the Financial Institution shall enter into, have, hold, use, occupy, possess, and enjoy the Property without the hindrance, interruption, or denial of the Borrower or any other person or persons whomsoever.

15.6 Right To Distrain

- a) After the occurrence of an Event of Default, the Financial Institution can distraint upon the goods and chattels of the Borrower located in or upon the Property or any part thereof, and by distress warrant, to recover by way of rent reserved, as in the case of a demise of the Property, any interest that remains in arrears and unpaid under or in respect of this Mortgage and the Loan, interest and any Other Amounts, and all costs, charges, and expenses for such levy of distress, as in similar cases of distress for rent. The Financial Institution may distraint for arrears of principal in the same manner as if the same were arrears of interest.
- b) As security for such amounts, the Borrower hereby attorns to the Financial Institution and becomes a tenant of the Property from the day of execution of this Mortgage at a rental equivalent to such amounts. Notwithstanding the relationship of landlord and tenant created by this provision, in the event of any conflict, the primary relationship of secured creditor and debtor shall prevail.
- c) Upon any Event of Default, the Financial Institution may terminate such tenancy without notice to the Borrower and without affecting any of the other obligations of the Borrower under this Mortgage or the Loan Documents.

Article 16 – Receiver

16.1 Receiver's Powers

Any receiver appointed by the Financial Institution may:

- a) take possession of all or any part of the Property,
- b) maintain and preserve the Property and complete any incomplete improvements on the Property,
- c) lease out the Property or any parts of the Property on any terms the receiver decides,
- d) collect all income from the Property, and
- e) sue in the name of the Borrower or the Financial Institution to collect any income from the Property.

16.2 Removal and Reappointment

Any receiver appointed by the Financial Institution may be removed by the Financial Institution and another receiver appointed in their place.

16.3 Receiver is Agent of Borrower

Any receiver appointed by the Financial Institution will be the Borrower's agent. The Borrower will be responsible for all actions of the receiver. Nothing done by the receiver will make the Financial Institution liable as a mortgagee in possession.

Article 16 – Receiver (Continued)

16.4 Receiver’s Fee

The receiver will receive a fee of 5% of the gross income collected by the receiver or any higher rate permitted by a court. The receiver will be reimbursed for the receiver’s expenses in exercising their powers.

16.5 Deductions From Gross Income

The receiver may deduct the receiver’s fee and expenses from any income received by the receiver and the receiver will pay the balance of any income received to the Financial Institution.

Article 17 – Consolidation

17.1 Consolidation of All Mortgages on Default

The doctrine of consolidation will apply to this Mortgage and any other mortgages granted by the Borrower to the Financial Institution. This means that if the Borrower has granted any other mortgages to the Financial Institution then, after an Event of Default, the Financial Institution may consolidate this Mortgage with all of the mortgages so that the Borrower cannot repay any of the mortgages without repaying all of the mortgages.

Article 18 – Discharge or Transfer of Mortgage

18.1 Discharge of Mortgage From Title to Property

If, at any time:

- a) all amounts secured by this Mortgage have been paid in full,
- b) any requirements that the Financial Institution make advances that will be secured by this Mortgage have been terminated, and
- c) the Borrower is not in default under this Mortgage,

then, at the request of the Borrower, the Financial Institution will, within a reasonable time after such request, prepare and sign a discharge of this Mortgage (the “**Discharge of Mortgage**”). The Financial Institution will give the Discharge of Mortgage to the Borrower when the Borrower pays to the Financial Institution the following fees and expenses:

- a) the Financial Institution’s standard fee for signing a discharge of mortgage, and
- b) all of the Financial Institution’s expenses of preparing and signing the Discharge of Mortgage.

Those fees and expenses will be payable by the Borrower only if, and to the extent that, the Financial Institution is not prohibited by law from charging fees and recovering its expenses in connection with a discharge of this Mortgage.

18.2 Registration of Discharge of Mortgage

The Borrower will be responsible for registering the Discharge of Mortgage to remove this Mortgage from the title to the Property.

18.3 Required Transfer of Mortgage

If the Borrower is entitled to require that the Financial Institution transfer this Mortgage to another person, the Financial Institution will execute and deliver a transfer of this Mortgage (the “**Transfer of Mortgage**”) to the other person upon the written direction of the Borrower to that effect and upon payment to the Financial Institution of all of the following amounts:

- a) the amount of principal, interest, and Other Amounts (including any prepayment fees) outstanding under this Mortgage;
- b) the Financial Institution’s standard fee for signing a transfer of a mortgage; and
- c) all of the Financial Institution’s expenses of preparing (or amending) and signing the Transfer of the Mortgage.

18.4 Voluntary Transfer of Mortgage

The Financial Institution may transfer this Mortgage to any person (including the Program Administrator) at any time and upon such terms as the Financial Institution may decide. If the Financial Institution transfers this Mortgage, the person to whom it is transferred will have all the powers, rights, and remedies available to the Financial Institution in this Mortgage and the definition of “Financial Institution” will be amended to mean the person to whom the Financial Institution has transferred this Mortgage.

Article 19 – Subdivision and Partial Discharges

19.1 Subdivision of the Property

If the Property is subdivided:

- a) each subdivided lot will be charged with the whole amount due under this Mortgage, and
- b) the Financial Institution cannot be required by anyone to discharge this Mortgage against any subdivided lot unless the full amount owing under this Mortgage is paid when due.

19.2 Partial Discharges of the Mortgage

The Financial Institution may discharge this Mortgage from any part of the Property in return for any consideration required by the Financial Institution. If the Financial Institution discharges any part of the Property from this Mortgage, this Mortgage will continue against the rest of the Property that has not been discharged.

Article 20 – Condominium Provisions

20.1 Condominium Units

If the Property is a condominium unit, this Article 20 will apply.

Article 20 – Condominium Provisions (Continued)

20.2 Obligations Under Condominium Act

The Borrower will fulfill all the obligations of a Condominium Unit owner under the *Condominium Act* and the Condominium Documents as they exist from time to time, and will pay all Common Expenses payable by the owner of such Condominium Unit to the Condominium Corporation or any other person(s) from time to time on or before they become due. The Borrower will provide to the Financial Institution, on request, proof that all such obligations have been fulfilled and all such Common Expenses have been paid. If the Borrower defaults in the payment of any Common Expenses when due, or upon any default or breach by the Borrower of any covenant or obligation of a Condominium Unit owner under the *Condominium Act* or Condominium Documents, then, without limiting any other rights and remedies of the Financial Institution under or in respect of this Mortgage, the Financial Institution, at its option and in its discretion, but without obligation, may pay such outstanding Common Expenses and/or rectify any such default or breach by the Borrower. All costs incurred by the Financial Institution in paying such amounts and/or rectifying such default or breach shall be payable by the Borrower to the Financial Institution immediately on demand and until paid, such costs, together with interest thereon at the Interest Rate, shall be added to the amount secured by this Mortgage.

20.3 Assignment of Voting Rights

The Borrower authorizes the Financial Institution, in the Borrower's name and on their behalf, whether or not the Borrower is in default, to exercise the Borrower's right to vote at any meeting of the Condominium Corporation, and to consent to any matter relevant to the management, sale or other dealings with the property or assets of the Condominium Corporation or the termination of the application of the *Condominium Act* to the condominium property or to the Property. Nothing in this Mortgage requires the Financial Institution to vote or to protect the interests of the Borrower.

20.4 Not Mortgagee in Possession

Nothing in this Article 20, including the Financial Institution voting on behalf of the Borrower, will make the Financial Institution a mortgagee in possession.

20.5 Notices and Statements

At the request of the Financial Institution, the Borrower will give to the Financial Institution copies of all notices, financial statements, and other documents given by the Condominium Corporation to the Borrower related to the Borrower's Condominium Unit or the common elements.

20.6 No Leases Over Three Years

The Borrower will not lease any Condominium Unit for a term of three (3) years or more.

20.7 Obtaining Certificates

The Borrower hereby appoints the Financial Institution as their agent for the purpose of obtaining, from time to time, certificates and other information from the Condominium Corporation which the Borrower is otherwise entitled to obtain under the *Condominium Act* or the Condominium Documents.

20.8 Access to Records

The Borrower hereby authorizes any officer of the Financial Institution to review and obtain copies of all records and documents, including financial statements, maintained by the Condominium Corporation and which the Borrower is entitled to obtain under the *Condominium Act* or the Condominium Documents.

20.9 Insurance

In addition to the obligations of the Borrower in Article 11:

- a) insurance maintained by the Condominium Corporation in accordance with its obligation under the *Condominium Act* shall be deemed, for the purposes of this Mortgage, to be insurance maintained by the Borrower to the extent such insurance is attributable to the Borrower's Condominium Unit and otherwise complies with the provisions of Article 11; and
- b) the Borrower will, if required by the Financial Institution, obtain and maintain, in respect of the Condominium Unit, additional insurance for perils and/or additional amounts, in excess of the insurance maintained by the Condominium Corporation.

20.10 Default

It shall be an Event of Default if:

- a) the Condominium Corporation fails to comply with the *Condominium Act* and the Condominium Documents;
- b) the Condominium Corporation fails to insure the Borrower's Condominium Unit and all of the other Condominium Units and common elements (or other property and assets of the Condominium Corporation, as applicable) in compliance with applicable laws or do all that is required to collect proceeds of any insurance maintained by or on behalf of the Condominium Corporation;
- c) the Condominium Corporation makes any material modification to the common elements (or other property and assets of the Condominium Corporation, as applicable) without the Financial Institution's approval;
- d) the owners have voted to terminate the Condominium Corporation;
- e) a sale of any material part of the common elements (or other property and assets of the Condominium Corporation, as applicable) is authorized; or
- f) the portion of the Property subject to the *Condominium Act* ceases to be governed by the *Condominium Act*.

Article 21 – Construction

21.1 No Additions or Alterations to Buildings

The Borrower will not make any additions or alterations to any buildings or other improvements on the Property without the prior written approval of the Financial Institution.

Article 21 – Construction (Continued)

21.2 Construction

If the construction of, alteration of, or addition to buildings or other improvements on the Property have been approved by the Financial Institution, the Borrower will diligently carry out the construction according to plans and specifications approved by the Financial Institution. If there are no plans and specifications, the Borrower will carry out the construction according to generally accepted standards of construction, the building or development permit, and the requirements of the applicable government authority. The Borrower will not allow a delay of more than 30 days in carrying out construction.

21.3 Construction Act

If any renovation or other construction takes place on the Property, the Borrower will comply with the requirements of the *Construction Act* and will, upon request by the Financial Institution, provide the Financial Institution with sufficient information to enable the Financial Institution to determine whether or not the Borrower is complying with the requirements of the *Construction Act*.

Article 22 – Assignment of Rents

22.1 Leases and Rents

If any of the Property is at any time subject to a Lease, this Article 22 will apply.

22.2 Definitions

In this Article:

“**Leases**” means all present and future, written or oral leases, agreements to lease, tenancy agreements, licences, and rights of occupation with respect to any of the Property and all supplements thereto and includes each and every guarantee, indemnity, or other surety contract, whether contained in a Lease or otherwise, with respect to the payment of Rents or performance by a Tenant of any other obligations under a Lease, and “**Lease**” means one of the Leases;

“**Rents**” means all rents and other monies payable to the Borrower under the Leases;

“**Tenant**” means any person, (including a guarantor, indemnitor, or other person), liable to the Borrower under a Lease.

22.3 Assignments

The Borrower assigns and transfers to the Financial Institution:

- a) the Rents; and
 - b) all covenants, benefits, and advantages contained in or to be derived from the Leases,
- until all of the Principal Amount, and interest, and Other Amounts have been fully paid and satisfied and this Mortgage has been discharged.

22.4 Exercise of Rights

The Financial Institution will not exercise its rights under this Article 22 unless an Event of Default has occurred.

22.5 Positive Covenants

The Borrower promises the Financial Institution that the Borrower will immediately upon request of the Financial Institution:

- a) provide to the Financial Institution a current list of all Leases in such detail as the Financial Institution may reasonably require,
- b) provide to the Financial Institution a copy of each Lease,
- c) execute and deliver to the Financial Institution specific assignments of specific Leases and the Rents payable thereunder, and
- d) give to each Tenant notice of this assignment and any specific assignment.

22.6 Negative Covenants

The Borrower will not, without the prior written consent of the Financial Institution:

- a) accept prepayment of any Rents;
- b) permit any set-off, waiver, release, discharge, discount, or commutation of the payment of any of the Rents; or
- c) while any Event of Default is in existence, modify, amend, surrender, cancel, or terminate any of the Leases.

22.7 Attorney

The Borrower appoints the Financial Institution as the Borrower’s attorney or agent:

- a) to demand, recover, and enforce payment of all Rents;
 - b) to institute such actions at law or in equity and take such proceedings by distress or otherwise as the Financial Institution from time to time considers proper; and
 - c) to execute any and all documents in the name of the Borrower as the Financial Institution considers proper;
- and this power of attorney will be irrevocable during the existence of this Mortgage.

22.8 Collections

The Financial Institution is not:

- a) responsible for the collection of any of the Rents;
- b) responsible for the performance of any of the Borrower’s promises under any of the Leases; or
- c) required to account for monies other than monies actually received by it pursuant to this assignment, less proper collection charges, and such monies when so received by the Financial Institution will be applied on account of the Principal Amount, interest, and Other Amounts.

Article 23 – CMHC Provisions

23.1 CMHC Insurance

The provisions of this Article 23 are in effect if this Mortgage is insured by CMHC.

23.2 Property Insurance

In accordance with Section 11.1, the Financial Institution requires the Borrower to maintain insurance in an amount not less than one hundred percent of the full replacement cost of the buildings and other insurable improvements on the Property against the perils of fire and standard extended coverage.

23.3 Inspection

In accordance with Section 7.3, the Financial Institution appoints CMHC and any duly authorized representative or agent of CMHC as the Financial Institution’s authorized representative for the purpose of inspecting the Property.

23.4 National Housing Act

This Mortgage is made pursuant to the *National Housing Act*.

23.5 Securitized Programs Administered By CMHC

Notwithstanding any other provisions of these Standard Charge Terms and any applicable Loan Documents, if an Insured Loan is included by the Financial Institution in a CMHC Program, then, only for so long as the Insured Loan is included in the CMHC Program as against the Loan Insurer and the Program Administrator, the Financial Institution will refrain from exercising the security of this Mortgage for the benefit of the Loan, except for the Insured Loan (without the Financial Institution in any way waiving, disclaiming, discharging, or releasing the security of this Mortgage as against any persons, including the Borrower, the Surety (if any), and any person having or taking an interest in the Property).

23.6 Right To Freely Deal

The Borrower and any Surety acknowledge and agree that, without the consent of or the giving of notice to the Borrower, or any Surety, the Financial Institution may:

- i) insure a Loan that is secured by this Mortgage with CMHC or any other Loan Insurer at any time and from time to time;
- ii) sell, assign, syndicate, or securitize any Loan secured by this Mortgage, together with the Loan and all related Loan Documents, to any other party or parties, including the Loan Insurer and/or Program Administrator, and any such parties shall thereafter have all the rights herein of the Financial Institution; and
- iii) in connection with any sale, assignment, syndication, or securitization, appoint or designate a custodian, nominee, or agent, which custodian, nominee, or agent may be or become the registered chargee.

23.7 No Right Of Set-off

Notwithstanding the provisions of any of the Loan Documents or of applicable laws, the Borrower, and any Surety expressly waive any right of set-off they may have at law or otherwise with regard to amounts that may be owed under the Loan.

Article 24 – Hazardous Substances

24.1 Definition

In this Article, “**Hazardous Substances**” includes urea formaldehyde foam insulation, asbestos, and any other substances, products, materials, or goods that are hazardous or dangerous or potentially hazardous or dangerous to human, animal, or plant health or life or the environment.

24.2 Representations

The Borrower promises to the Financial Institution that, to the best of the Borrower’s information and belief, after due enquiry and investigation:

- a) the Property has never been used to manufacture, refine, handle, store, or dispose of any hazardous substances (except in compliance with all laws, regulations, and orders); and
- b) the Property does not contain any Hazardous Substances deposited, added, or discharged by the Borrower or a prior owner, lessee, or occupier of the Property or any adjoining property.

24.3 Covenant

The Borrower promises the Financial Institution that the Borrower will comply in all material respects with all environmental laws and regulations affecting or relating to the Property and will assume and perform all environmental liabilities and obligations relating to the Property including any liability for the clean-up of any Hazardous Substances on, under, or emanating from the Property.

24.4 Indemnity

The Borrower promises to indemnify the Financial Institution against any and all liabilities, losses, claims, damages (including lost profit, consequential damages, interest, penalties, fines, and monetary and other sanctions) incurred by the Financial Institution by reason of, or in any way related to, the breach of any of the promises set out above.

Article 25 – Notices and Demands

25.1 Service of Notices and Demands

Any notice or demand to be given under this Mortgage must be in writing and must be:

- a) delivered,
- b) sent by mail, or
- c) transmitted by facsimile, email, text or via the Financial Institution’s online banking system and/or website,

Article 25 – Notices and Demands (Continued)

to the respective party to be served at its respective address, fax number, or email address set out in the Mortgage Form or otherwise provided to the other parties in writing. Any party may change its address, fax number, or email address for purposes of this Mortgage by notice as provided in this Section. Except as provided in the next paragraph and in Section 25.2, each notice and demand will be deemed to have been received by the person to whom it is addressed:

- a) on the date of receipt if delivered;
- b) five (5) days from the date of mailing if sent by mail; or
- c) the date of transmission if transmitted by facsimile, email, text or via the Financial Institution’s online banking system and/or website.

Regardless of any other provisions of this Mortgage, any notice or demand received or otherwise deemed received:

- a) after 5:00 p.m. (Eastern time), or
- b) on a day that is not a Business Day,

will be deemed to have been received on the next Business Day. In this Article 25 “**Business Day**” means a day on which the office of the Financial Institution located at the address shown on the Mortgage Form is open for business.

25.2 Labour Disputes

If there is a labour dispute affecting mail delivery in Canada, any notice or demand that is mailed during, or three (3) Business Days before, the labour dispute will only be considered received when actually received by the person to whom it is addressed.

Article 26 – Surety Provisions

26.1 Consideration

The Surety acknowledges that the Borrower and the Surety have requested that the Financial Institution lend the Borrower the Principal Amount. For any Surety that is a guarantor, indemnifier or covenantor under the Loan Documents, the following provisions of this Article 26 shall apply, as applicable.

26.2 Surety’s Agreements

In consideration of the Financial Institution agreeing to lend the Borrower the Principal Amount, the Surety promises the Financial Institution:

- a) to pay the Principal Amount, interest, and Other Amounts when due, and
- b) to observe and perform all the covenants, provisos, conditions, and agreements of the Borrower contained in this Mortgage, all as primary debtor and not as a guarantor.

26.3 Enforcement

The Financial Institution will not be bound to exhaust its remedies against the Borrower before requiring payment by the Surety.

26.4 Surety’s Liability

The Surety’s liability will not be affected by anything, including the discharge or release of this Mortgage or other security, changes in the interest rate payable hereunder, extensions of the Balance Due Date, or any dealings between the Borrower and the Financial Institution.

26.5 Dealings with Surety

The Financial Institution may deal with, and vary any agreement or arrangement with, the Surety and grant extensions of time or otherwise deal with the Surety without the consent or agreement of the Borrower.

26.6 Debiting Surety’s Accounts

The Surety authorizes the Financial Institution to deduct the amount of any payment due from the Surety to the Financial Institution from any of the Surety’s accounts with the Financial Institution or to redeem a sufficient number of the Surety’s shares in the Financial Institution to make the payment.

Article 27 – Spousal Information

If the Borrower is an individual, the Borrower hereby certifies to the Financial Institution that:

- a) the Property does not contain a matrimonial home or net family property under the *Family Law Act* (Ontario) or, if it does contain a matrimonial home or net family property under the *Family Law Act* (Ontario), each spouse constitutes a Borrower under this Mortgage; and
- b) all information given by the Borrower about their marital status and the Property when applying for the Loan secured by this Mortgage, and the statements made in this Mortgage are true and accurate. If the marital status of the Borrower should change, or if any change in such status of the qualification of the property as a matrimonial home or net family property under the *Family Law Act* (Ontario) should occur, the Borrower agrees to inform the Financial Institution immediately of such changes in writing.

Article 28 – New Homes

If the Property includes a newly or recently constructed house, the Borrower shall meet all of the requirements to obtain and maintain the warranty in the new home warranty program in Ontario, including complying with the provisions of the *Ontario New Home Warranties Plan Act*. The Borrower shall provide to the Financial Institution copies of the Certificate of Completion and Possession or other applicable certificates. The Borrower assigns to the Financial Institution the right to receive and enforce all benefit of such warranties available under the *Ontario New Home Warranties Plan Act* and shall reimburse the Financial Institution for any costs that it may incur in complying with the warranty program requirements, or enforcing the Borrower’s rights on their behalf if the Borrower fails to comply with their obligations in this Article 28.

Article 29 – Interpretation

29.1 Headings

The headings in this Mortgage are for reference only and will not be used in the interpretation of this Mortgage.

29.2 Invalid Provisions

If any provision in this Mortgage is found to be invalid or unenforceable, the rest of this Mortgage will not be affected by the invalid or unenforceable provision.

29.3 More than One Borrower

If the Borrower is more than one person, each person making up the Borrower will be jointly and separately (that is, not proportionately) responsible for all of the promises and obligations of the Borrower under this Mortgage. Any request or authorization given to the Financial Institution by any person making up the Borrower will be deemed to be the request or authorization of all the persons making up the Borrower.

29.4 Persons Bound

This Mortgage will be binding on the Borrower and on their heirs, executors, administrators, successors in title, and assigns and will continue for the benefit of the Financial Institution and the Financial Institution's successors and assigns.

29.5 Statute References

A reference in this Mortgage to a particular statute means the statute as amended from time to time and any statute substituted therefore.

29.6 Fees

The Borrower will pay to the Financial Institution as and when demanded reasonable administration, renewal, and other fees imposed from time to time by the Financial Institution in connection with this Mortgage.

29.7 Statutory Covenants

The covenants implied by section 7(1) of the *Land Registration Reform Act* (Ontario) (as and to the extent varied in this mortgage) shall be in addition to, and not in substitution for, the covenants and other provisions set forth in this mortgage. In the event of any conflict between any of such implied covenants (as and to the extent varied herein) and any other covenant or provision of this mortgage, such other covenant or provision of this mortgage shall prevail.

The taking of this mortgage shall not operate to defeat, postpone or in any way impair the Borrower's liability in respect of the indebtedness, and all of the Financial Institution's powers and remedies herein provided shall be in addition to and not in derogation of those given by any other security, document or agreement held by it in respect of the indebtedness secured by this Mortgage, or any part hereof, or by the *Mortgages Act* (Ontario) or otherwise by law and all of the Financial Institution's remedies hereunder or under such other security, documents or agreement or by law shall be cumulative and shall not be exclusive of any other remedy and all remedies or causes of action, judicial or extra-judicial, may be pursued consecutively or concurrently as the Financial Institution may from time to time elect.

29.8 Defeasance

The provisions relating to defeasance contained in subsection 6(2) of the *Land Registration Reform Act* (Ontario) are hereby expressly excluded from the mortgage.

29.9 Mortgage Not Assignable by Borrower

Neither the Borrower nor any Surety may assign any of their rights or obligations under this Mortgage, any Loan or the Loan Documents, and such rights and obligations may not be performed or enforced by any other person. No part of the proceeds of any Loan may be assigned or pledged by the Borrower or any Surety, to any other person.

29.10 Non-Merger of Covenants

The taking of judgment or judgments on any of the covenants herein shall not operate as a merger of such covenants or affect the Financial Institution's right to interest at the rate and times provided for under or in respect of this Mortgage, any Loan or the related Loan Documents, and further that any judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as provided in this Mortgage (or in the Loan Documents in respect of any Loan) until the judgment has been fully paid and satisfied.

29.11 Further Assurances

The Borrower covenants to execute such further documents and do such other things as may be required in the sole discretion of the Financial Institution to give full effect to and carry out the provisions of this Mortgage.

29.12 Governing Law

This Mortgage is subject to, and will be construed in accordance with, the laws of Ontario and the laws of Canada applicable therein.

29.13 Amendments in Writing

None of the terms or provisions of this Mortgage may be amended, supplemented, or otherwise modified except by written instrument executed by the parties hereto.

Exhibit A – Table of Equivalent Rates

Interest Rates Compounded Monthly	Equivalent Interest Rates Compounded Semi- Annually	Interest Rates Compounded Monthly	Equivalent Interest Rates Compounded Semi- Annually	Interest Rates Compounded Monthly	Equivalent Interest Rates Compounded Semi- Annually	Interest Rates Compounded Monthly	Equivalent Interest Rates Compounded Semi- Annually
0.000	0.000000	5.625	5.691331	11.250	11.516991	16.875	17.479503
0.125	0.125033	5.750	5.819322	11.375	11.647995	17.000	17.613578
0.250	0.250130	5.875	5.947379	11.500	11.779067	17.125	17.747721
0.375	0.375293	6.000	6.075502	11.625	11.910206	17.250	17.881933
0.500	0.500521	6.125	6.203691	11.750	12.041413	17.375	18.016213
0.625	0.625814	6.250	6.331948	11.875	12.172688	17.500	18.150563
0.750	0.751173	6.375	6.460270	12.000	12.304030	17.625	18.284982
0.875	0.876597	6.500	6.588659	12.125	12.435440	17.750	18.419470
1.000	1.002086	6.625	6.717115	12.250	12.566918	17.875	18.554027
1.125	1.127640	6.750	6.845637	12.375	12.698464	18.000	18.688653
1.250	1.253260	6.875	6.974225	12.500	12.830077	18.125	18.823348
1.375	1.378945	7.000	7.102881	12.625	12.961759	18.250	18.958112
1.500	1.504695	7.125	7.231603	12.750	13.093508	18.375	19.092945
1.625	1.630511	7.250	7.360391	12.875	13.225325	18.500	19.227848
1.750	1.756393	7.375	7.489247	13.000	13.357210	18.625	19.362820
1.875	1.882339	7.500	7.618169	13.125	13.489164	18.750	19.497861
2.000	2.008352	7.625	7.747157	13.250	13.621185	18.875	19.632971
2.125	2.134430	7.750	7.876213	13.375	13.753274	19.000	19.768150
2.250	2.260573	7.875	8.005335	13.500	13.885431	19.125	19.903399
2.375	2.386782	8.000	8.134524	13.625	14.017656	19.250	20.038717
2.500	2.513057	8.125	8.263780	13.750	14.149950	19.375	20.174105
2.625	2.639397	8.250	8.393103	13.875	14.282311	19.500	20.309562
2.750	2.765803	8.375	8.522493	14.000	14.414741	19.625	20.445089
2.875	2.892275	8.500	8.651950	14.125	14.547239	19.750	20.580685
3.000	3.018813	8.625	8.781474	14.250	14.679805	19.875	20.716350
3.125	3.145416	8.750	8.911064	14.375	14.812439	20.000	20.852085
3.250	3.272085	8.875	9.040722	14.500	14.945142	20.125	20.987889
3.375	3.398820	9.000	9.170447	14.625	15.077913	20.250	21.123763
3.500	3.525620	9.125	9.300239	14.750	15.210752	20.375	21.259707
3.625	3.652487	9.250	9.430098	14.875	15.343660	20.500	21.395721
3.750	3.779419	9.375	9.560024	15.000	15.476636	20.625	21.531804
3.875	3.906418	9.500	9.690017	15.125	15.609681	20.750	21.667956
4.000	4.033182	9.625	9.820078	15.250	15.742794	20.875	21.804179
4.125	4.160612	9.750	9.950205	15.375	15.875975	21.000	21.940471
4.250	4.287808	9.875	10.080400	15.500	16.009225	21.125	22.076833
4.375	4.415071	10.000	10.210663	15.625	16.142543	21.250	22.213265
4.500	4.542399	10.125	10.340992	15.750	16.275930	21.375	22.349766
4.625	4.669793	10.250	10.471389	15.875	16.409386	21.500	22.486338
4.750	4.797254	10.375	10.601853	16.000	16.542910	21.625	22.622979
4.875	4.924781	10.500	10.732385	16.125	16.676503	21.750	22.759690
5.000	5.052374	10.625	10.862984	16.250	16.810165	21.875	22.896472
5.125	5.180033	10.750	10.993650	16.375	16.943895	22.000	23.033323
5.250	5.307758	10.875	11.124384	16.500	17.077694	22.125	23.170244
5.375	5.435549	11.000	11.255186	16.625	17.211561	22.250	23.307235
5.500	5.563407	11.125	11.386055	16.750	17.345498	22.375	23.444297

Exhibit A – Table of Equivalent Rates (Continued)

Interest Rates Compounded Monthly	Equivalent Interest Rates Compounded Semi- Annually	Interest Rates Compounded Monthly	Equivalent Interest Rates Compounded Semi- Annually	Interest Rates Compounded Monthly	Equivalent Interest Rates Compounded Semi- Annually	Interest Rates Compounded Monthly	Equivalent Interest Rates Compounded Semi- Annually
22.500	23.581428	23.125	24.268138	23.750	24.956605	24.375	25.646831
22.625	23.718630	23.250	24.405691	23.875	25.094509	24.500	25.785088
22.750	23.855902	23.375	24.543314	24.000	25.232484	24.625	25.923416
22.875	23.993244	23.500	24.681007	24.125	25.370529	24.750	26.061814
23.000	24.130656	23.625	24.818771	24.250	25.508645	24.875	26.200283